BN gideon lens

■# Brookfield Corporation (BN) - Gideon-Lens Equity Research

Date: 2026-05-29. Analyst: Codex. Price: $46.08. Market cap: $103.1B. Fiscal year end: December 31.

VERDICT BLOCK

Verdict: PASS

Scorecard:

Gate	Result	Notes
Management	PASS	Aligned Flatt culture; governance complexity remains monitorable
Moat	YELLOW	2046 passes; blended moat diluted by cyclical opaque segments
P/E <= 15 on confident EPS at TTM + 5 calendar years	PASS	16.9% cushion, but dependent on shareholder-conversion bridge
Compounder Score	Audited 60 / 100	Reject under diagnostic rubric; real quality, failed 20% math
Business Quality Score	Audited 57 / 80	Strong pieces, not dream-quality because moat and ROIIC evidence are capped
20% Return UW Score	Audited 3 / 20	P/E 15 passes, but base IRR is only about 3.8%

One-line thesis (or reason to pass): Brookfield is a high-quality but opaque real-assets and asset-management compounder whose current valuation only works through an adjusted owner-earnings bridge that is not yet proven tightly enough for a BUY.

Kill / trigger criteria:

- BUY trigger: no price-only BUY while the moat is YELLOW; for a 20% return rubric, price must be near $22.31 or lower, and retained shareholder conversion must remain above 50%.
- PASS triggers: retained conversion below 43% of official segment profit measures for two consecutive quarters; Wealth Solutions DE yield below 1.25% after integration progress; evidence that related-party or simplification transactions move value away from BN minority holders.
- Upgrade to BUY conditions: moat upgraded to PASS, Wealth Solutions scales without credit/capital strain, Asset Management DE accelerates through real FRE/realizations, and parent-level cash conversion proves the 50% bridge.

Position sizing if bought: 0% maximum today. This is not an approved buy under the ER2 gate structure.

Stage 0 - Time Anchor

Today is 2026-05-29. Brookfield Corporation's fiscal year ends December 31. The most recently reported quarter is Q1 2026, quarter ended March 31, 2026, reported on May 14, 2026. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, producing TTM ending 2026-03-31. The forward horizon is exactly five calendar years after that TTM end date: 2031-03-31. All forward EPS and P/E references in this report use that horizon, not FY2025 plus five fiscal years.

Stage 1 - Disqualifier Sweep

ROIC persistently >= 15% is **yellow**: Brookfield's industrial-style consolidated ROIC is not cleanly high, and the scoring audit cut points because acquisition-inclusive ROIIC is not proven. FCF conversion is **yellow**: DE, FFO and NOI are economically useful but not the same as parent free cash flow after capex, non-controlling interests and insurance capital. Net debt / EBITDA is **yellow**: parent recourse debt is much safer than headline consolidated debt, but non-recourse leverage still makes the structure hard to screen. End markets are **green/yellow**: private markets, energy, infrastructure and insurance are growing, while real estate and private equity remain cyclical. Governance is **yellow** because the Class B trust, affiliate ecosystem and related-party structure create a real minority-shareholder discount. AI disruption exposure is **green/yellow**: AI

helps power and data-infrastructure demand more than it replaces Brookfield, but it can compress underwriting and distribution workflows. Pricing power is **yellow**: strong in Asset Management and selected hard assets, weaker in Private Equity, insurance spread competition and parts of Real Estate. No auto-disqualifier is red, but several yellows shape the final PASS.

Management

Management clears with a **PASS**. The evidence is unusually strong on owner culture, capital allocation and alignment: Bruce Flatt remains BN CEO, the bench includes Nicholas Goodman, Connor Teskey, Anuj Ranjan, Sachin Shah, Brian Kingston and other long-tenured operators, and insiders/partners own a large economic stake. Buyback discipline is real rather than mechanical: Q1 2026 repurchases were disclosed at an average $41, about 40% below management's estimate of intrinsic value. Compensation is long-term and equity-heavy, with meaningful ownership requirements and hedging restrictions. The offset is governance complexity. The Class B trust elects half the board, related-party transactions are structural rather than incidental, and the Brookfield ecosystem requires minority shareholders to trust both process and disclosure. This does not fail management because the track record and alignment are strong, but it raises the monitoring bar. A governance deterioration, value leakage through affiliate simplification, or unclear BN CEO succession would change the grade quickly.

Moat

The moat appendix returns **YELLOW**, while the 2046 test returns **PASS**. The strongest moat is Asset Management: institutional trust, global distribution, long-duration fee-bearing capital, operating expertise and hard-to-replace sourcing. Infrastructure and Energy/RPT add asset-level durability through permits, contracts, regulation, rights of way, power scarcity and physical capacity. Wealth Solutions could become a major moat extension if insurance liabilities and Brookfield-originated assets compound at attractive spreads without hidden credit or capital strain. The problem is the blended equity. Private Equity is large in revenue but weak as a parent-level moat, Real Estate is asset-specific and financing-sensitive, and Corporate Activities is a support function rather than a moat. Complexity itself can help Brookfield source deals, but it also creates a valuation discount for public minority owners. A specific 2046 Brookfield is imaginable: a real-assets asset manager, insurer, energy/infrastructure owner and selected real estate platform. That is enough for durability, but not enough for a clean moat PASS today.

Stage 5 Synthesis

The synthesis builds Brookfield differently from a normal industrial company because the official segment measures are mixed: Asset Management and Wealth Solutions use DE, Energy/RPT, Infrastructure, Private Equity and Corporate Activities use FFO, and Real Estate uses NOI. Wealth Solutions has no external revenue in the BN segment table, so it is included in economic profit through insurance assets and DE yield, not invented revenue. Corporate Activities is a negative FFO burden.

The base case at the 2031-03-31 horizon is $98.226B of revenue excluding Wealth Solutions, $16.961B of combined segment economic profit measure, $8.480B of adjusted shareholder net income / DE proxy, and $3.59 of adjusted EPS. Required EPS for a 15x P/E at the current $46.08 price is $3.07. On that adjusted shareholder bridge, the base case clears by 16.9%. The bear case produces $1.87 EPS and fails; the bull case produces $5.48 EPS and clears easily. The probability-weighted EPS is $3.63.

Case	Revenue ex-Wealth	Economic Profit	Adjusted EPS	EPS x 15	Cushion vs $46.08
Bear	$76.869B	$9.816B	$1.87	$28.05	-39.1%
Base	$98.226B	$16.961B	$3.59	$53.85	16.9%
Bull	$113.793B	$23.544B	$5.48	$82.23	78.4%

The crucial caveat is conversion. TTM official segment measures sum to $9.394B, while TTM net income attributable to shareholders is only $1.336B, or 14.2% of that total. LTM distributable earnings before realizations is $5.5B, or 58.5% of the segment-measure total. The synthesis uses a 50% retained conversion in the base case, which is deliberately below the DE conversion but far above the punitive GAAP-looking conversion. If retained conversion is 43%, EPS is barely above the P/E 15 hurdle. At 40%, it fails. That makes the P/E 15 result a bridge-dependent PASS, not a clean buy signal.

The diagnostic scoring is harsher than the ER2 P/E test. The audited Compounder Score is 60/100, Business Quality is 57/80, and 20% Return Underwriting is only 3/20. The audit concludes that Brookfield is high quality in several places but does not underwrite as a 20% compounder at $46.08. A 20% base case would require a buy price around $22.31 or an exit multiple around 31.5x base 2031 adjusted EPS, which is the opposite of conservative underwriting.

Red Team

The red team agrees that the weakest joint is the retained conversion bridge. Brookfield can own good assets, report growing DE/FFO/NOI, and still fail the equity case if too little converts into BN shareholder-level earnings. The most optimistic Stage 5 number is Wealth Solutions base DE of $5.12B, because it requires insurance assets and DE yield to scale without credit losses, reserve charges, capital pressure or spread compression. The red team's hard exit signal is retained shareholder conversion below 43% of official segment profit measures for two consecutive quarters. It also flags that treating the P/E 15 pass as 20% return plausibility is a mistake: audited base IRR is about 3.8%, and even the bull case is only about 12.7% at a 15x exit multiple.

Kill / Trigger Criteria

- Retained conversion: sell or remain PASS if LTM shareholder-level adjusted earnings / official segment profit measures is below 43% for two consecutive quarters.
- Wealth Solutions: downgrade if insurance assets grow while DE yield remains below 1.25%, or if credit impairments, reserve charges or capital-ratio pressure appear before the segment earns the $5B DE ambition.
- Asset Management: upgrade only if FBC growth turns into FRE and DE acceleration without fee-rate pressure or realization dependence.
- Governance: fail management if affiliate simplification, related-party flows or BNT/BN transactions appear to move value away from BN minority holders.
- Price: a 20% return BUY would require about $22.31 on the current audited framework; a higher price could work only with a proved higher conversion bridge and a moat upgrade.

Analyst Flags

The most important data gap is not a missing table; it is economic translation. Brookfield's official segment measures are useful, but they are not the same as GAAP EPS or free cash flow to BN shareholders. Segment disclosure is also limited: product-level revenue dollars are generally unavailable, Wealth Solutions has no external revenue line, and many segment forecasts therefore use official segment totals plus KPIs rather than true product rollups. The moat grade is YELLOW, which prevents a BUY under this framework even though management is PASS and the adjusted P/E 15 math clears. Final stance: PASS today, with a very specific watchlist path if conversion, Wealth Solutions quality and Asset Management DE prove out.

Appendix A - Company Primer

Brookfield Corporation (BN) - Company Primer

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Fiscal year end: December 31 Latest quarter: Q1 2026 ended March 31, 2026, reported May 14, 2026 Stage 0 anchor: TTM = Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31; forward horizon = 2031-03-31 Currency convention: US$ millions unless otherwise noted.

Source Hierarchy and Cautions

This primer uses `C:\Users\Admin\OneDrive\GPT\ER 2.0\Brookfield Corporation\quant_foundation.md` as the primary quantitative source. The local `data_package.md` was only a placeholder at the time of writing and was not used. Qualitative claims are sourced to live primary Brookfield IR or SEC materials, principally Brookfield's Q1 2026 interim report, 2025 annual consolidated financial statements and notes, SEC Form 40-F / 6-K materials, and Brookfield IR press releases.

Brookfield is a Canadian / foreign issuer that reports under IFRS Accounting Standards as issued by the IASB. Its official reports control. FMP product segmentation was empty for BN in the quantitative foundation, and FMP revenue mismatched official Brookfield figures in FY2025 and Q1 2026, so the QF correctly uses official Brookfield annual and interim statements as the controlling financial source. A reader should also be careful with Brookfield's segment profit measures: Asset Management and Wealth Solutions are discussed using distributable earnings (DE), Energy / Renewable Power and Transition, Infrastructure, Private Equity and Corporate Activities mostly use funds from operations (FFO), and Real Estate uses net operating income (NOI). These are not the same as consolidated IFRS operating income.

Brookfield is also not a conventional operating company where the consolidated revenue line maps cleanly to economic value creation. Some segments consolidate high-volume, low-margin operating businesses; other segments create value through asset-management fees, investment carry, equity-accounted insurance earnings, asset ownership, capital recycling, and ownership stakes in listed affiliates. Wealth Solutions is particularly important: the QF notes that it has no consolidated external revenue in BN's segment table, yet it contributed $1,671 million of FY2025 DE. That means a revenue-only screen understates one economic pillar while overstating the importance of consolidated revenue-heavy businesses.

Primary sources used for qualitative context include Brookfield's [Q1 2026 interim report](https://bn.brookfield.com/sites/brookfield-bn-v2/files/Brookfield-BN-IR-V2/2026/Q1/bn-2026-q1-interim.pdf), [Q1 2026 supplemental information](https://bn.brookfield.com/sites/brookfield-bn-v2/files/Brookfield-BN-IR-V2/2026/Q1/2026-Q1-BN-Supplemental-vF-2.pdf), [2025 consolidated financial statements and notes](https://bn.brookfield.com/sites/brookfield-bn-v2/files/brookfield-bn/reports-filings/annual-reports/2025/Consolidated%20Financial%20Statements%20and%20Notes.pdf), [Brookfield's 2025 Form 40-F](https://www.sec.gov/Archives/edgar/data/1001085/000100108526000006/0001001085-26-000006-index.htm), [Brookfield's Q1 2026 Form 6-K filing index](https://www.sec.gov/Archives/edgar/data/1001085/000100108526000015/0001001085-26-000015-index.htm), and Brookfield IR press releases, including the [Q1 2026 results release](https://bn.brookfield.com/press-releases/brookfield-corporation-reports-strong-first-quarter-results-1) and the [BWS simplification release](https://bn.brookfield.com/press-releases/brookfield-corporation-and-brookfield-wealth-solutions-receive-board-approval).

Business Overview

Brookfield Corporation is a global investment and real-assets holding company. The simplest description is that BN owns, manages, finances, develops, and recycles capital across long-duration assets: renewable power and transition infrastructure, transportation and utilities, data infrastructure, industrial and business services, real estate, credit and asset management, and insurance / wealth solutions. Brookfield's customers are not just one customer type. They include institutional limited partners committing capital to Brookfield funds, retail and high-net-worth investors accessing Brookfield-managed investment products, insurance policyholders and distribution partners in Wealth Solutions, utility and infrastructure customers, governments and corporates that buy power or use infrastructure services, tenants in Brookfield properties, and buyers of products or services from operating businesses consolidated inside Private Equity.

The company solves a capital-allocation problem more than a narrow product problem. Large pensions, sovereign wealth funds, insurers, endowments and individuals want exposure to long-life real assets, private credit, transition infrastructure and opportunistic investments, but often do not want to source, operate, finance and exit each asset themselves. Brookfield offers

an integrated machine: raise permanent or long-dated capital, invest in assets where operating expertise matters, finance many assets with non-recourse debt at the project or subsidiary level, improve operations, recycle mature investments, and retain or reinvest proceeds. At the parent level, BN also owns large stakes in the asset-management platform and in listed / private operating affiliates. That makes BN part asset manager, part balance-sheet investor, part real-assets owner and part holding company.

The buying motion varies by business. Asset Management capital is usually won through direct institutional fundraising, separate accounts, listed products, wealth channels and strategic relationships. The customer commits capital into funds or mandates and pays base management fees, incentive distributions and performance fees / carried interest when performance hurdles are met. Wealth Solutions sells retirement and insurance-related products through insurance channels and uses Brookfield's investment platform to invest policyholder and shareholder capital. Energy and Infrastructure revenues often come from contracts, regulation, availability payments, tariffs or long-term service arrangements rather than one-time purchases. Real Estate revenues are largely lease, hospitality and property operating revenues. Private Equity revenues are the consolidated operating revenues of businesses Brookfield controls or consolidates; these can look large but may carry lower FFO margins because they include pass-through direct costs, working capital and industrial operating cost structures.

Brookfield's public structure is deliberately complex. BN is the corporation that owns a large economic interest in the asset manager, operating businesses and insurance platform. Brookfield Asset Management Ltd. (BAM) is the pure-play listed asset manager. Brookfield Infrastructure Partners / Corporation, Brookfield Renewable Partners / Corporation and Brookfield Business Partners / Corporation give investors listed access to pieces of the operating platform. Brookfield Wealth Solutions is the insurance / wealth arm. The Q1 2026 simplification proposal to combine Brookfield Wealth Solutions with BN, if completed, would fold BWS shareholders into BN and simplify the structure, but it also reinforces why the primer must distinguish consolidated accounting from economic ownership.

Revenue Architecture

The FY2025 segment revenue architecture below is from the quantitative foundation, which in turn uses Brookfield's official annual Note 3 segment data. Percentages use consolidated external revenue of $75,100 million as the denominator. Wealth Solutions is shown separately because it is economically material but has no consolidated external revenue in the segment table.

Segment	FY2025 external revenue	Share of FY2025 consolidated revenue	FY2025 official profit measure	FY2025 profit measure value	Plain-English description
Asset Management	8,925	11.9%	DE	3,337	Fees, carried interest and investment income from managing private and listed investment strategies.
Wealth Solutions	n/a	n/a	DE	1,671	Insurance / retirement capital invested through Brookfield's platform; equity-accounted for BN segment revenue.
Energy / Renewable Power and Transition	7,636	10.2%	FFO	584	Renewable power, transition and energy assets, historically labeled Renewable Power and Transition and labeled Energy in Q1 2026.
Infrastructure	24,223	32.3%	FFO	757	Utilities, transport, midstream, data and other infrastructure-like businesses with contractual or regulated cash flows.
Private Equity	28,716	38.2%	FFO	455	Control and significant-interest investments in operating businesses, including consolidated industrial / services revenue.
Real Estate	5,330	7.1%	NOI	3,144	Office, retail, multifamily, logistics, hospitality and other property ownership / operation economics.
Corporate Activities	270	0.4%	FFO	(535)	Parent-level cash, borrowings, corporate costs and other central items.
Consolidated total	75,100	100.0%	Mixed	9,413	Sum of official segment measures, not IFRS operating income.

The TTM revenue base ending March 31, 2026 was $75,736 million. TTM segment revenue was $9,035 million for Asset Management, $7,643 million for Energy / RPT, $25,174 million for Infrastructure, $28,550 million for Private Equity, $5,038 million for Real Estate and $296 million for Corporate Activities. TTM segment profit measures summed to $9,394 million, with Asset Management DE of $3,379 million, Wealth Solutions DE of $1,671 million, Energy / RPT FFO of $613 million, Infrastructure FFO of $737 million, Private Equity FFO of $432 million, Real Estate NOI of $3,073 million and Corporate Activities FFO of negative $511 million.

The table also shows why Brookfield needs multiple lenses. Private Equity and Infrastructure together were about 70.5% of FY2025 consolidated external revenue, but their FY2025 FFO was only $1,212 million combined. Asset Management produced $3,337 million of FY2025 DE on $8,925 million of external revenue, and Real Estate produced $3,144 million of NOI on $5,330 million of external revenue. Wealth Solutions had no consolidated external revenue but produced $1,671 million of DE. A high-level investor screen that ranks segments by revenue will therefore put the wrong economic weights on Brookfield.

Segment Descriptions

Asset Management is the fee-bearing capital engine. Brookfield raises capital from institutions and individuals into funds, listed vehicles, credit strategies, insurance mandates and other investment products. The revenue line includes management fees and other asset-management revenue earned from third parties and consolidated entities. The economic attraction is scale: once investment teams, fund infrastructure, distribution, risk management and compliance are built, incremental fee-bearing capital can carry attractive margins. The caveat is cyclicality in realizations and performance fees, especially in weaker exit markets.

Wealth Solutions is the insurance and retirement platform. The business receives capital through annuities, pension risk transfer, reinsurance and related channels, then invests that capital across Brookfield-originated credit and real assets. BN's segment presentation does not show consolidated external revenue for Wealth Solutions, so the right primer metric is DE and common equity, not revenue. In FY2025, Wealth Solutions generated $1,671 million of DE and had $12,742 million of common equity in the QF. The segment is economically meaningful because insurance liabilities can provide long-duration investable capital, but it is also capital intensive and sensitive to spread, reserve, credit and duration management.

Energy / Renewable Power and Transition owns and operates renewable power, energy and transition assets. The official taxonomy used "Renewable Power and Transition" in prior annual materials and "Energy" in Q1 2026 interim materials; this primer treats them as the same segment lineage. Revenue comes from power generation, energy contracts and related operating assets. Economics depend on power prices, hydrology, resource availability, contracted cash flows, operating costs, development pipelines, financing costs and capital recycling.

Infrastructure holds essential-services assets: utilities, transport, data infrastructure, midstream and other long-life infrastructure businesses. Customers often pay through regulated tariffs, long-term contracts, availability-based revenue or usage-linked arrangements. This segment's consolidated revenue can be large because Brookfield consolidates operating businesses, but FFO margin can look low on revenue because these assets have direct operating costs, depreciation-heavy economics, project-level debt and minority interests. The investment case is less about a software-like margin and more about contracted / regulated inflation-linked cash generation and reinvestment at acceptable returns.

Private Equity consolidates operating businesses across industrial, business services and other sectors where Brookfield seeks operational improvement, carve-outs, buyouts and value realization. It is often the largest consolidated revenue contributor because controlled portfolio companies bring their full revenue into BN's statements. That does not mean it is necessarily the largest source of owner earnings for BN. FY2025 Private Equity external revenue was $28,716 million, but FFO was $455 million. The segment is exposed to cyclical demand, input costs, execution risk and exit markets, and its economics can change materially when assets are bought, sold or deconsolidated.

Real Estate owns and operates property assets. Revenue includes rents and property operating revenue, while NOI captures property-level revenue after property operating expenses before corporate overhead, interest, taxes, fair-value changes and certain other items. FY2025 Real Estate revenue was $5,330 million and NOI was $3,144 million, a high NOI-to-revenue ratio relative to consolidated operating businesses. The segment is capital intensive and financing-sensitive, and valuation marks can move with rates, occupancy and asset class sentiment.

Corporate Activities is the parent-level residual segment. It includes cash, corporate borrowings, central costs and other items not allocated to operating segments. In a Brookfield analysis, Corporate Activities is not a business to scale; it is a bridge that can absorb interest expense, liquidity management, corporate costs and capital allocation choices. FY2025 Corporate Activities FFO was negative $535 million.

Geography

Brookfield is globally diversified, but North America remains central. The geography table below is from Brookfield's official FY2025 revenue note rather than from the QF, because the QF does not separately re-tabulate geography. It is included only to orient the reader.

Geography	FY2025 revenue	Share of FY2025 revenue
United States	27,356	36.4%
Canada	7,808	10.4%
United Kingdom	6,984	9.3%
Brazil	5,483	7.3%
Australia	5,314	7.1%
India	4,245	5.7%
Colombia	2,679	3.6%
Germany	2,322	3.1%
Other Europe	7,022	9.4%
Other Asia	2,744	3.7%
Other	3,143	4.2%
Total	75,100	100.0%

The geographic mix matters because Brookfield's cost of capital, regulatory frameworks, tax exposures, concession terms, currency translation and exit markets differ materially by country. It also reduces reliance on any single end-market, but the diversification benefit comes with complexity: investors must underwrite local regulation, local financing conditions and local operating teams, not just a single consolidated demand curve.

Unit Economics

Brookfield's unit economics are best understood by asking what a dollar of segment revenue represents before trying to margin it. In Asset Management, a dollar of revenue is often a fee dollar. In Infrastructure or Private Equity, a dollar of revenue may be an operating-company sales dollar that carries direct labor, fuel, materials, maintenance, project-level interest and minority interests. In Real Estate, a dollar of revenue is often property revenue, and NOI is a property-level measure before financing and corporate costs. In Wealth Solutions, there is no consolidated revenue dollar in BN's segment table, so the relevant "unit" is spread / investment income and DE on capital.

Segment	FY2025 external revenue	FY2025 segmented revenue	Profit measure	FY2025 profit measure value	Margin on segmented revenue	Main unit-economic driver
Asset Management	8,925	14,399	DE	3,337	23.2%	Fee-bearing capital, fee rates, performance fees, comp ratio and fundraising scale.
Wealth Solutions	n/a	n/a	DE	1,671	n/a	Investment spread, liability cost, credit quality, reserve discipline and scale capital.
Energy / RPT	7,636	7,642	FFO	584	7.6%	Contracted generation, resource availability, operating cost, non-recourse financing and development spreads.
Infrastructure	24,223	24,226	FFO	757	3.1%	Regulated / contracted cash flows, inflation escalators, maintenance capex and asset-level leverage.
Private Equity	28,716	28,807	FFO	455	1.6%	Portfolio-company margins, working capital, input costs, integration, sale timing and financing.

Segment	FY2025 external revenue	FY2025 segmented revenue	Profit measure	FY2025 profit measure value	Margin on segmented revenue	Main unit-economic driver
Real Estate	5,330	5,411	NOI	3,144	58.1%	Occupancy, rent spreads, property operating costs, leasing capex and asset values.
Corporate Activities	270	461	FFO	(535)	-116.1%	Parent interest, corporate costs, liquidity and capital allocation.

For Asset Management, a dollar of revenue becomes DE after paying investment professionals, distribution, administration, technology, public-company and support costs, then adjusting for the official DE framework. The structurally attractive feature is operating leverage on fee-bearing capital: adding a dollar of base management fee generally does not require adding the same dollar of fixed cost. The less predictable feature is performance revenue. Carried interest and incentive economics can be powerful, but they depend on asset appreciation, exits, fundraising cycles and crystallization timing. In weak transaction markets, fee revenue can remain resilient while performance revenue lags.

For Wealth Solutions, the economic engine is spread and capital deployment. The business needs attractive liabilities, disciplined underwriting and investable assets that can earn more than the cost of those liabilities after credit losses, expenses, reserves and capital requirements. Brookfield's advantage is access to originated private credit and real-asset investments; the risk is that insurance leverage magnifies mistakes in asset-liability matching or credit underwriting. Because Wealth Solutions is equity-accounted in the segment revenue architecture, its lack of consolidated external revenue is an accounting presentation issue, not an indication that the platform is immaterial.

For Energy / RPT, Infrastructure and many real-asset businesses, capex intensity is a feature of the model rather than a temporary defect. A dollar of revenue is produced by assets that require construction capital, maintenance capital, regulatory approvals, operating teams and financing. These assets can produce durable cash flows if contracts, regulation or market structure are favorable. But consolidated FFO margins can be modest relative to revenue because the denominator includes full operating revenue while BN's economic ownership may be partial and because non-recourse debt sits inside managed entities. A Brookfield investor should separate project-level debt from parent corporate debt and should not assume all consolidated cash flow is freely available to BN common shareholders.

Private Equity is the hardest revenue line to interpret. Revenue changes can come from organic growth, price / volume changes, acquisitions, disposals, consolidations, deconsolidations and currency. A dollar of Private Equity revenue can come from a controlled operating company with substantial direct cost of goods sold, labor, procurement and working-capital needs. FY2025's 1.6% FFO margin on segmented revenue is a reminder that revenue scale alone does not equal high-quality earnings. The segment can still create value through buying well, improving operations, deleveraging and exiting at attractive prices, but the analysis has to be asset-specific and cycle-aware.

Real Estate has high property-level NOI margins but very high capital intensity. A dollar of property revenue is reduced by property operating costs to reach NOI, but the path from NOI to common-shareholder value runs through interest expense, development and leasing capex, fair value marks, occupancy, refinancing conditions and asset sales. Real Estate can be a major source of hidden value if marks are conservative and assets are financeable, or a drag if office exposure, leasing costs and refinancing conditions deteriorate. The right unit-economic question is not just "what is NOI margin?" but "how much distributable value survives leverage, capex and marks?"

Corporate Activities is a negative-spread or positive-spread outcome of capital allocation. Parent-level borrowings, liquidity, preferred equity, share repurchases, investments and corporate overhead sit here. In Q1 2026, the QF notes official corporate liquidity of $5.5 billion, deployable capital of $188 billion, corporate debt / market capitalization of 13%, corporate debt weighted-average interest rate of 4.8%, and weighted-average remaining term of 15 years. Those figures matter because a long-duration investment company lives or dies by funding flexibility. Cheap, long-term capital gives Brookfield optionality; excessive parent leverage would remove it.

What the Consolidated Financials Say

For FY2025, Brookfield reported $75,100 million of revenue, direct costs of $56,973 million, net income of $3,235 million and net income attributable to shareholders of $1,307 million in the QF. The TTM period ending March 31, 2026 had $75,736 million of revenue, net income of $4,062 million and net income attributable to shareholders of $1,336 million. The TTM revenue base was roughly flat with FY2025, but TTM net income improved because Q1 2026 added $1,042 million of net income while Q1 2025 contributed only $215 million.

The income statement also demonstrates why standard industrial ratios can mislead. TTM non-recourse interest expense was $16,544 million, much larger than corporate interest of $746 million. That difference is central. Non-recourse debt belongs to managed entities and operating subsidiaries; it can still affect equity value, but it is not the same risk as parent recourse debt. Brookfield's QF therefore tells downstream analysts to separate parent corporate debt from managed-entity non-recourse borrowings when assessing leverage.

Metric	FY2025	TTM ending 2026-03-31	Primer interpretation
Revenue	75,100	75,736	Consolidated revenue is useful for scale but not a clean economic weight by segment.
Direct costs	(56,973)	(57,661)	Large operating-company cost base from consolidated assets.
Equity accounted income	2,557	3,377	Important for Wealth Solutions and affiliate-style economics.
Corporate interest	(742)	(746)	Parent-level funding cost; analyze separately from non-recourse debt.
Non-recourse interest	(16,358)	(16,544)	Large project / subsidiary debt burden tied to managed entities.
Net income	3,235	4,062	IFRS bottom line includes fair value changes and consolidated ownership effects.
Net income attributable to shareholders	1,307	1,336	Common-shareholder accounting earnings base, distinct from DE / FFO / NOI.

The balance sheet is equally important. As of March 31, 2026, the QF shows $519,613 million of total assets, $15,030 million of cash and equivalents, $82,868 million of equity-accounted investments, $85,743 million of investment properties, $168,249 million of property, plant and equipment, $14,271 million of corporate borrowings, $249,461 million of non-recourse borrowings of managed entities, $165,642 million of total equity and $42,697 million of common equity. This is a real-assets balance sheet with large operating assets and large non-recourse borrowings, not a capital-light pure asset manager. BN's valuation therefore depends on both cash earnings and the credibility of asset values.

Segment-by-Segment Investor Lens

Asset Management is the clearest high-quality earnings engine. It has scale, recurring fee income and operating leverage. The Brookfield homepage and investor materials emphasize the global asset manager and the parent company's large ownership in BAM, but the QF is the governing financial source here: FY2025 Asset Management external revenue was $8,925 million, segmented revenue was $14,399 million and DE was $3,337 million. The key diligence questions are fee-bearing capital growth, fundraising durability, incentive-income realizability, net investment performance, compensation discipline and whether listed BAM captures value that might otherwise accrue to BN.

Wealth Solutions is a scale-and-spread engine. The proposed BWS / BN simplification matters because it would reduce public-structure complexity and bring BWS holders into BN. The business can be strategically valuable if Brookfield can originate long-duration assets at attractive spreads for insurance capital. The main risks are exactly the risks of insurance balance sheets: credit deterioration, duration mismatch, reserve adequacy, regulatory capital and overreliance on marks or affiliated origination. Its lack of consolidated revenue means investors need a capital-return and DE lens rather than a sales-growth lens.

Energy / RPT is an energy-transition and power-asset platform. It can benefit from decarbonization, electrification, data-center power demand and the need for grid and generation investment. Unit economics depend on power contracts, development spreads, resource performance, financing costs and project execution. Because this segment is capital intensive, the highest-quality growth is growth funded at attractive non-recourse terms with contracted or visible cash yields, not simply megawatts added.

Infrastructure is the essential-services platform. The investor case is that regulated or contracted assets can generate resilient, inflation-linked cash flows over long lives. The revenue line is large, but FFO is small relative to revenue because Brookfield consolidates asset-heavy operating companies. The right questions are contract duration, regulatory resets, maintenance capex, volume exposure, data-infrastructure growth, refinancing costs and whether capital recycling produces gains or merely offsets maintenance needs.

Private Equity is opportunistic and cyclical. It can create attractive returns through operational turnarounds, carve-outs and exits, but it is not the same quality of recurring earnings as asset management. A consolidated Private Equity revenue dollar may carry low margin, high working-capital needs and cyclical risk. Investors should focus on realizations, carrying values, leverage at portfolio companies, EBITDA-to-FFO conversion and the timing of exits. FY2025's $28,716 million of external revenue makes this the largest consolidated revenue segment, but FY2025 FFO of $455 million keeps it from being the largest economic engine.

Real Estate remains material and controversial. Property-level NOI is high, but office and commercial real estate remain financing- and sentiment-sensitive. Brookfield has historically been a sophisticated real estate operator and capital recycler, but shareholders still need to underwrite cap rates, office exposure, refinancing walls, leasing costs and asset-sale evidence. The segment's FY2025 NOI of $3,144 million on $5,330 million of external revenue is powerful at the property level; the question is how much equity value survives interest expense, capital needs and valuation marks.

Corporate Activities is the capital-allocation hinge. Parent liquidity, debt maturity profile, buybacks, dividends, preferred financing and stake monetizations can either compound or leak value. Brookfield's long average corporate debt term and moderate corporate debt / market capitalization ratio, as cited in QF from the Q1 2026 supplemental, are supportive. But the consolidated balance sheet is too complex for a simple net-debt / EBITDA screen.

How to Read Brookfield Before the Main Analysis

The most important first principle is that BN is not "just BAM with extra assets" and not "just a conglomerate with messy revenue." It is a hybrid. Part of the value is the asset manager's fee and carry economics; part is the insurance / wealth platform; part is owned real assets; part is listed and private affiliate stakes; part is future capital recycling. The main analysis should not force all of that into one simplistic revenue multiple.

The second principle is that accounting consolidation creates optical distortions. Infrastructure and Private Equity can dominate revenue because BN consolidates operating businesses. Wealth Solutions can show no external consolidated revenue while contributing large DE. Asset Management can have affiliate-management revenue that is eliminated at consolidation. Non-recourse debt can look enormous relative to parent debt. Segment profit measures are mixed and cannot be compared naively without understanding what sits above and below each measure.

The third principle is that Brookfield's quality depends on capital allocation and governance as much as asset quality. A diversified real-assets platform can compound for a long time if management buys assets below intrinsic value, raises durable third-party capital, finances prudently, recycles mature assets, avoids overpaying in hot markets and preserves parent liquidity in downturns. The same complexity can harm shareholders if incentives, related-party transactions, valuation marks, minority interests or affiliate structures shift value away from BN common holders. The BWS simplification is therefore a positive complexity-reduction event if economics are fair, but the exchange terms and resulting ownership should be reviewed carefully in the management and red-team appendices.

The fourth principle is that the 2031-03-31 forward horizon should be anchored to TTM, not FY2025. For BN, the correct starting point is the TTM period ending March 31, 2026. Any FY+5 EPS or value-creation test in the ER2 framework should compound from that date for exactly five calendar years. Starting from FY2025 would quietly extend the period and flatter growth math.

Primer Conclusions

Brookfield Corporation is best thought of as a global capital-allocation platform wrapped around real assets, asset management and insurance capital. It is too complex for one clean segment chart, but the QF gives enough anchors to avoid common mistakes. FY2025 consolidated external revenue was $75,100 million, with Private Equity and Infrastructure contributing the majority of consolidated revenue. Yet the strongest segment profit measures came from Asset Management DE, Real Estate NOI and Wealth Solutions DE. TTM revenue ending March 31, 2026 was $75,736 million, and TTM total segment measures of profit / loss were $9,394 million.

The most important primer takeaway is that Brookfield's reported revenue mix is not the same as its economic profit mix. Asset Management is the scalable fee engine; Wealth Solutions is a capital-and-spread engine with no consolidated external revenue; Infrastructure and Energy / RPT are durable but capital-intensive real-asset platforms; Private Equity is revenue-heavy and cyclical; Real Estate is high-NOI but financing-sensitive; Corporate Activities carries the parent-level funding and capital-allocation bridge. A rigorous BN investment case must model these pieces separately, reconcile mixed profit measures to shareholder economics, and keep parent recourse risk separate from non-recourse managed-entity

leverage.

Appendix M - Management Assessment

Brookfield Corporation - Management Assessment

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Output path: C:\Users\Admin\OneDrive\GPT\ER 2.0\Brookfield Corporation\appendix_management.md

Stage 0 Anchor

Today is 2026-05-29. Brookfield Corporation's fiscal year ends December 31. The latest reported quarter is Q1 2026, ended 2026-03-31 and reported 2026-05-14. The TTM period is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. The forward horizon is exactly five calendar years after the TTM end date: 2031-03-31.

Source Discipline

This appendix uses the existing `data_package.md` only for the capital allocation history and for management commentary that the package states was already checked against Brookfield IR transcripts. Governance, ownership, compensation, current leadership, board composition, related-party structure and leverage structure were fetched live from official Brookfield, SEC EDGAR, and peer-company official sources. No local data warehouse cache was read.

Key live official sources were Brookfield's current leadership directory, BN's current board page, BN's 2025 Annual Information Form filed on EDGAR in March 2026, BN's 2025 Form 40-F/annual report materials, BN's 2025 Management Information Circular dated April 24, 2025 and filed May 5, 2025, BN's Q1 2026 official press release, and BAM's official January 2025 release on Mark Carney's resignation. The latest official BN management circular available through Brookfield's investor documents center and EDGAR was the 2025 circular; current 2026 board and executive changes were cross-checked against the 2025 AIF, the official board page and the official leadership directory.

1. Who Is Running The Company

Brookfield is still Bruce Flatt's company operationally and culturally. The official Brookfield leadership page identifies Bruce Flatt as CEO of Brookfield Corporation and states that he joined Brookfield in 1990 and became CEO in 2002. The 2025 Annual Information Form repeats the same executive appointment date. This matters: Flatt is not a caretaker CEO, and he owns the current BN strategy, the BAM spin, the wealth solutions build-out, the perpetual-affiliate structure, the asset recycling model and the long-running partner culture.

Mark Carney is not the current CEO and is not current Brookfield leadership. BAM's official January 16, 2025 release says Brookfield accepted Carney's resignation when he launched his Canadian political campaign, and it appointed Flatt as BAM chair. In February 2026, BAM appointed Connor Teskey as CEO of BAM, while Flatt remained Chair of BAM and CEO of BN. That sequence is relevant to succession: Brookfield has begun moving next-generation leaders into operating seats, but BN itself is still led by Flatt.

Role	Current holder	Evidence and assessment
CEO, BN	Bruce Flatt	CEO since 2002; joined in 1990. Owns the major strategic architecture: real-asset platform, listed affiliates, BAM spin, BWS build-out, Oaktree and capital recycling.
President and CFO, BN	Nicholas H. Goodman	Appointed President and CFO in 2022. The AIF says he was previously CFO and Managing Partner. He is the public face for recent results, buybacks and BN/BNT simplification.
COO, BN	Justin B. Beber	Appointed COO in February 2025 after roles as COO/Managing Partner of BAM, Chief Administrative Officer and General Counsel, and Head of Corporate Strategy/Chief Legal Officer at BN.
Executive Vice Chair	Cyrus Madon	Appointed at BN in 2025; also Executive Vice Chair of BAM and Executive Chair of Brookfield's Private Equity Group.
Asset Management / Energy	Connor Teskey	Current leadership page lists him as CEO of Brookfield Asset Management and CEO, Renewable Power & Transition. BAM CEO appointment in 2026 is an explicit succession marker.

Role	Current holder	Evidence and assessment
Wealth Solutions	Sachin Shah	Current leadership page lists him as CEO of Brookfield Wealth Solutions. He is also a Class B trust participant through the partner trust structure.
Infrastructure	Sam Pollock	Current leadership page lists him as CEO, Infrastructure. The current BN board page also lists him as CEO of Brookfield Infrastructure.
Private Equity	Anuj Ranjan / Cyrus Madon	Current leadership page lists Anuj Ranjan as CEO, Private Equity and Madon as Executive Chair, Private Equity.
Real Estate	Brian Kingston / Lowell Baron	Current leadership page lists Kingston as Executive Chair, Real Estate and Lowell Baron as CEO, Real Estate.
Chair / board accountability	Frank McKenna	Independent Chair since 2010, chair of Governance and Nominating Committee, and one of the three deadlock governors of the Class B trust.

The board is not a clean U.S.-style majority-independent, one-share-one-vote board. Current official board materials show 16 directors, of whom nine are independent. The seven affiliated/management directors include Flatt, Blidner, Cockwell, Lawson, Marks, O'Donnell and Pollock. The independent side has credible finance, operating and public-policy experience, but the board is deeply interwoven with Brookfield's partner system. That is a feature of the culture and a governance discount at the same time.

2. Tenure And Track Record

Flatt's tenure is the central fact. A CEO who has run the company since 2002 owns both the compounding record and the structural complexity. The record is strong enough that it cannot be dismissed as promotional financial engineering: Brookfield has grown into a global real-asset and alternative-investment platform with more than $1 trillion of AUM, an asset manager with more than $600 billion of fee-bearing capital, a large insurance/wealth platform, and operating businesses across infrastructure, energy, real estate and private equity. But the same long tenure means current minority shareholders are buying into a system that was designed by insiders and is difficult to independently decompose.

The first major decision is the 2022 separation of Brookfield Asset Management from the corporation. BN retained the corporation's capital base and majority economics in BAM while public BAM became the asset-light manager. The official 2025 AIF says BN and Brookfield Wealth Solutions collectively held about 73% of BAM's Class A shares at year-end 2025, with BN also contributing a 4% BAM interest into BWS in 2025 under voting arrangements. The data package shows that Asset Management generated FY2025 distributable earnings of $3.3 billion, fee-bearing capital above $600 billion, and Q1 2026 fee-bearing capital of $614 billion. That is a good outcome so far: the structure turned the manager into a separately valued public asset while BN retained control and economics. The cost is complexity. The BN/BAM/BWS triangle now requires shareholders to track direct ownership, contributed BAM shares, BWS voting arrangements and related-party flows.

The second major decision is the Wealth Solutions build-out. Management scaled insurance assets materially through American Equity Life and the Just Group acquisition. The data package shows Wealth Solutions DE rising from $0.7 billion in FY2023 to $1.7 billion in FY2025, with Q1 2026 DE of $430 million, book equity of $13.2 billion, and insurance assets of roughly $180 billion after Just. The Q1 2026 release says Brookfield deployed $4 billion into Brookfield client-managed strategies at a 10% target yield in the quarter, and management frames BWS as a 15% ROE business. This is exactly the kind of capital-allocation move Brookfield likes: permanent-ish liabilities, internal asset management demand, and a compounding spread. It also raises the governance bar. Insurance assets invested into Brookfield-managed strategies create related-party optics that must stay transparent enough for minority shareholders to test whether BN is earning returns or merely moving value among related entities.

The third major decision is the capital recycling model across operating businesses. The data package and official releases show 2025 activity of $91 billion of monetizations, $126 billion of capital deployed, and record deployable capital of $188 billion. Q1 2026 added $17 billion of asset sales and $188 billion of available capital. This is classic Brookfield: sell mature assets, often at or above carrying value, redeploy into hard assets and essential services, and retain optionality through fund capital. The model has protected the company through difficult markets better than most asset-heavy conglomerates. It also makes reported IFRS income less intuitive, because DE, FFO, NOI, fair-value marks, non-controlling interests and non-recourse debt all matter.

The weaker decisions are in real estate and disclosure complexity. Real Estate segment revenue declined in the data package, and real estate NOI moved from $3.6 billion in FY2023 to $3.1 billion in FY2025. Brookfield has not hidden that real estate was hard, and Q1 2026 operating metrics show high occupancy and positive rent spreads in core assets. Still, the public shareholder gets limited asset-level granularity at BN. Private Equity external revenue also fell sharply as portfolio composition changed. Management's answer is usually capital recycling and long-term value, not a line-by-line public bridge. That is tolerable only because the long-run capital record is strong.

Goodman's record is shorter but credible. Since becoming President and CFO in 2022, he has been attached to the post-spin structure, capital return messaging, insurance scaling, and simplification agenda. His Q1 2026 messaging emphasized repurchases and the planned BN/BNT combination. The CFO role is important here because Brookfield's risk is not a simple quarterly margin miss; it is the risk that capital moves among related entities without enough minority-owner clarity. Goodman has not solved that fully, but he has leaned into buyback discipline and simplification rather than simply defending complexity.

3. Capital Allocation Behavior

The five-year capital allocation history from `data_package.md` is as follows:

Year	Capex $B	Buybacks $B	Dividends $B	M&A $B	Comment
2021	6.8	0.4	1.3	7.8	Normal real-asset reinvestment and acquisition activity.
2022	6.9	0.7	0.9	18.6	High M&A year around the strategic repositioning period.
2023	8.2	0.7	0.4	6.2	Post-BAM separation capital base begins to normalize.
2024	10.6	1.0	0.5	2.5	More buyback activity and less M&A.
2025	14.8	1.0	0.7	18.4	Official cash-flow override; major acquisitions, including insurance and operating assets.

The pattern is coherent with stated strategy. Brookfield says it is a long-term owner/operator and capital allocator in asset management, wealth solutions and operating businesses. The investment pattern matches that: high capex and acquisitions in asset-heavy platforms, continued monetizations, internal insurance expansion and buybacks when the share price trades below management's view of value. The structure is not optimized for near-term free cash flow purity; it is optimized for recycling and compounding. That is acceptable for Brookfield, but only if the underwriting marks and related-party terms remain trustworthy.

Buyback discipline is a positive. The 2025 management circular says the NCIB allowed repurchase of up to about 142 million Class A shares and that BN purchased 21.9 million shares between May 2024 and April 2025 at an average price of $51.24. The Q1 2026 press release says BN repurchased $470 million of BN shares year-to-date at an average price of $41, which management said was about a 40% discount to its quarter-end intrinsic value estimate of $66. That is not a mechanical buyback. It is explicitly price-sensitive and opportunistic. The critique is that the intrinsic value estimate is management's own view, so shareholders need transparency to test it.

M&A track record is mixed but net positive. Oaktree has broadened Brookfield's credit platform; the 2025 agreement to acquire the remaining 26% of Oaktree required about $1.4 billion of BN funding. American Equity Life and Just Group scaled Wealth Solutions. Colonial, Hotwire, Geronimo and other acquisitions added operating assets. The observable positive is growth in fee-bearing capital, insurance assets, DE before realizations and deployable capital. The observable negative is that Brookfield is constantly reorganizing and combining entities, so per-share value creation has to be inferred across several disclosures instead of read from one clean segment table.

4. Compensation Alignment

Compensation is better aligned than a standard public-company plan, but not perfect by Gideon standards. The strongest point is ownership. The 2026 AIF says directors and executive officers collectively owned, controlled or directed approximately 285.4 million BN Class A shares, about 11.5% of the class, including interests through PVI, BWS exchangeable shares and escrowed share programs. The 2025 circular says Brookfield partners collectively owned interests in about 328 million BN Class A shares, or 20% of issued and outstanding Class A shares on a fully diluted basis as of April 17, 2025. Flatt personally held 18.0 million Class A and exchangeable Class A shares directly and indirectly in the 2025 circular, excluding pro rata PVI

and escrowed interests.

The compensation design reinforces long duration. Flatt's disclosed BN compensation in 2024 was $375,000 salary and $7.1 million of escrowed shares/options value, with no annual cash incentive. The circular says his compensation is salary plus long-term ownership only. Goodman's 2024 compensation included $750,000 salary, $750,000 annual incentive and $8.9 million escrowed-share/options value. Long-term share ownership is the dominant component, vests over time, and management share options are granted with exercise prices based on recent market prices. The circular also requires executives to hold at least five times base salary and imposes post-exercise hold periods.

The weakness is metric clarity. Brookfield does not anchor executive pay to a simple, externally auditable ROIC or FCF-per-share scorecard. Annual incentive awards are discretionary and non-formulaic, based on board assessment of actions taken during the year and long-term strategy. That can work in an opportunistic capital allocator, and it avoids rewarding a narrow metric. It also gives the board wide discretion. Given the Class B structure and affiliated board presence, minority shareholders have to rely heavily on ownership alignment and results rather than a mechanical compensation guardrail.

Clawback and hedging policies are acceptable. The circular discloses a clawback policy covering accounting restatements and detrimental conduct. It also prohibits executives from hedging the economic value of direct or indirect Class A share interests, with limited exceptions requiring approvals and disclosure; the circular says no executive had hedged such interests to date. Dilution does not appear chronic: the data package shows diluted share count broadly flat to down from FY2021 to FY2025, and the official annual report shows repurchases net of equity issuances and only modest share-based compensation effects at the common-equity level. This is not an SBC-abuse case.

5. Disclosure Quality And Candor

Brookfield's disclosure is candid about high-level strategy and capital flows, but not simple. Management gives useful voluntary metrics: fee-bearing capital, fee-related earnings growth, DE before realizations, insurance assets, book equity, target ROE, deployable capital, monetizations, fundraising, accumulated unrealized carried interest, and the split between corporate and non-recourse borrowings. The Q1 2026 press release gave specific numbers for BN buyback price, discount to management's intrinsic value estimate, corporate debt term, asset sales by category and deployable capital. That is above-average disclosure for a financial conglomerate.

The hard part is that the disclosures are built around Brookfield's own economic measures. DE, FFO, NOI, fee-related earnings and fair-value-based carrying values are useful, but they require trust and reconciliation. Brookfield is transparent that non-IFRS measures are used for performance measurement, capital allocation and valuation. That honesty helps, but the model remains hard for minority shareholders to audit without accepting management's taxonomy.

The data package's verified management-commentary section covers Q2 2025 through Q1 2026 and the 2025 Investor Day. The language is generally direct on the topics management wants to emphasize: fundraising, BWS scaling, AI-linked power and infrastructure demand, real estate recovery, monetizations and buybacks. Flatt and Goodman tie narrative to numbers such as FBC, DE, asset sales, insurance assets and buyback prices. The weaker areas are Private Equity and Real Estate. In Private Equity, BN-level disclosure does not provide enough product-level operating detail to independently judge whether revenue declines are benign portfolio churn or operating weakness. In Real Estate, the language is constructive, but the burden of proof remains monetizations, debt refinancing, occupancy, leasing spreads and NOI stabilization.

Guidance discipline is long-horizon rather than quarterly. Brookfield does not run like a company that gives precise quarterly EPS guidance and then beats by a cent. It gives long-range targets and directional expectations around fundraising, FRE, DE, insurance ROE, monetizations and capital deployment. That is appropriate for the business model, but it makes management credibility a cumulative record question. On that record, credibility is good: 2025 monetizations, fee-bearing capital, BWS growth and buybacks are measurable. The unresolved disclosure issue is not evasiveness; it is complexity and self-defined measures.

6. Strategic Coherence

The official AIF describes Brookfield as a global investment firm focused on building long-term wealth, deploying discretionary capital across asset management, wealth solutions and operating businesses. The 2025 annual report frames the Brookfield Ecosystem as the principle that each group benefits from the broader organization. This is not a sequence of pivots. It is the same strategy Brookfield has run for decades: own and manage real assets, recycle capital, collect asset-management economics, use balance sheet and insurance capital to seed and scale platforms, and keep senior people financially tied to

the firm.

The investment pattern supports the strategy. Asset Management fundraising and FBC support fee economics. Wealth Solutions creates long-duration capital and demand for Brookfield-managed strategies. Operating businesses provide hard-asset cash flows, value creation and monetization opportunities. Repurchases are used when the public price is below management's value estimate. The AI infrastructure and energy-transition commentary is not a random pivot; it is an extension of the same infrastructure/power/data-center thesis. The risk is that every leg reinforces the others so tightly that minority shareholders may struggle to determine whether each related-party transaction is value maximizing for BN specifically.

Succession is coherent but incomplete. Teskey's move to BAM CEO in 2026, Goodman as President/CFO, Beber as COO and Madon as Executive Vice Chair all show a bench. Flatt stepping out of the BAM CEO role while remaining BN CEO and BAM Chair is a controlled transition step. But there is still no fully explicit BN CEO succession endpoint. For a 2031 horizon, this matters. Flatt will not be the only determinant of value, but the partner culture and Class B trust are deeply associated with his era. The upgrade signal would be a clearly disclosed BN CEO succession plan that preserves capital discipline without relying entirely on Flatt's reputation.

7. Governance Flags

The main governance issue is not fraud. It is minority-owner opacity.

BN has a dual-class/limited-voting structure. As of the 2025 circular record date, BN had about 1.65 billion Class A limited voting shares and 85,120 Class B limited voting shares outstanding. Class A and Class B holders vote separately on many matters, and each class elects half the board. The Class B shares are held in a trust whose beneficial/voting interests are one-third Flatt, one-third Cockwell, and one-third jointly held by Kingston, Lawson, Madon, Pollock and Shah. The circular says no single individual or entity controls the trust. That is better than a single founder supervote, but it is still a partner-control architecture that public minority shareholders cannot change.

Related-party transactions are pervasive by design. The 2025 annual report says Brookfield enters normal-course market-term transactions with related parties including manager or partnership agreements, base management fees, performance fees, incentive distributions, loans, deposits, power purchase and sale agreements, capital commitments, acquisitions and dispositions, derivative contracts, and construction/development arrangements. This is not a small footnote. It is core to the ecosystem. The Governance Committee oversees significant related-party transactions and conflicts, and independent special committees are used when required. The issue is not absence of process; it is that the number of related channels is large enough that public shareholders must keep a governance discount.

The leverage structure is often misunderstood but reasonably disclosed. On a consolidated basis, Brookfield has enormous debt. But the 2025 annual report states corporate borrowings were $14.3 billion, only 6% of consolidated debt, and that the remaining 94% was non-recourse within managed entities with virtually no cross-collateralization or parental guarantees. It also states that property-specific borrowings and project financings generally have recourse only to the financed assets, not to the corporation or relevant perpetual affiliate. This is a positive management disclosure point. The downside is that headline debt screens can look scary, and the true economic risk requires reading the recourse/non-recourse split carefully.

The official SEC/Brookfield sources reviewed did not disclose an SEC enforcement action, restatement or material weakness in internal controls. The 2025 annual report says management concluded internal control over financial reporting and disclosure controls were effective as of December 31, 2025, and the 40-F marked recovery of erroneously awarded compensation as not applicable. Insider selling was not flagged as a clustered concern in the official ownership materials reviewed. The strongest official ownership evidence points the other way: Flatt's direct/indirect Class A holdings were unchanged in the 2025 circular versus the prior year's circular, and the 2026 AIF shows directors and executive officers collectively owning/controlling/directing a large 11.5% Class A stake. I did not use unofficial insider-trading aggregators.

8. Peer Comparison

Against Blackstone, KKR and Apollo, Brookfield's management ranks very high on long-duration capital allocation and owner culture, but lower on simplicity of the public-company governance model. Blackstone under Stephen Schwarzman and Jon Gray has arguably better external communication for fee-related earnings and asset-light economics; it is easier for public shareholders to understand the core manager. KKR under Joseph Bae and Scott Nuttall has executed an impressive founder succession and communicates clearly around its insurance and balance-sheet strategy. Apollo under Marc Rowan is the clearest peer for insurance-led spread and asset-management integration, and Apollo's retirement-services model is more

central and more legible to investors, though it carries its own governance and reputation history.

Brookfield's advantage is breadth and a demonstrated ability to create platforms from owned hard assets, not just manage third-party funds. It also has unusually deep insider ownership and a partner system that has endured across cycles. Its disadvantage is that public shareholders must underwrite a corporate architecture that mixes a holding company, asset manager, insurance platform, listed affiliates, private funds and partner-controlled voting. On five-year stewardship, Flatt ranks with the best alternative-asset CEOs. On minority-shareholder transparency, Brookfield ranks behind the cleanest public alternatives.

9. Management Gate Verdict

Management gate: PASS.

This is a PASS, not because governance is clean, but because the positive evidence is unusually strong: a CEO with a two-decade-plus compounding record, a deep bench, large insider/partner ownership, price-sensitive buybacks, long-term equity-heavy compensation, credible capital recycling, and current evidence that management is still creating value through Asset Management, Wealth Solutions and monetizations. The Class B trust, related-party ecosystem and entity complexity are material governance discounts, but they do not yet cross into a management FAIL because the same system has produced strong per-share outcomes, meaningful insider alignment and observable buyback discipline.

This would flip to FAIL if Brookfield uses the BN/BNT or other affiliate simplification transactions to move value without a clean minority-shareholder process, if related-party insurance/asset-management flows become impossible to reconcile, if parent recourse leverage rises materially while management keeps emphasizing non-recourse debt, or if Flatt succession becomes personality-dependent with no transparent transfer of authority to Goodman, Teskey, Beber, Shah, Pollock, Ranjan/Madon and the rest of the operating bench. The most important monitoring condition is not quarterly EPS. It is whether Brookfield simplifies enough for minority shareholders to verify that the ecosystem compounds BN per share rather than just Brookfield AUM.

Official Sources Used

- Brookfield Corporation `data_package.md`, Sections 6, 7 and 9, local verified source package: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Brookfield Corporation\data_package.md`.
- Brookfield leadership directory, live official page: https://www.brookfield.com/about-us/leadership
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- Brookfield Corporation 2025 Annual Information Form, SEC EDGAR Ex. 99.1: https://www.sec.gov/Archives/edgar/data/1001085/000100108526000006/a2025-40xfex991aif.htm
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- Brookfield Corporation 2025 Annual Report/MD&A, SEC EDGAR: https://www.sec.gov/Archives/edgar/data/1001085/000100108526000011/a2025-q4bnannualreport.htm
- Brookfield Corporation Q1 2026 press release, live official page: https://bn.brookfield.com/press-releases/brookfield-corporation-reports-strong-first-quarter-results-1
- Brookfield Asset Management release on Mark Carney resignation and Flatt BAM chair appointment: https://bam.brookfield.com/press-releases/brookfield-appoints-bruce-flatt-chair-brookfield-asset-management
- Blackstone official governance page, KKR official people page, and Apollo official leadership page were used only for current peer leadership checks.

Appendix W - Moat and 2046 Durability

Brookfield Corporation - Moat and 2046 Durability

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Latest quarter anchor: Q1 2026 ended 2026-03-31 2046 test date: 2046-05-29

Source And Availability Note

This appendix uses `data_package.md` and `quant_foundation.md` for Brookfield segment composition, segment profit measures, margins, and TTM construction. It does not use local data warehouse caches. The available `appendix_B_*` segment files were checked and were not usable: Asset Management, Infrastructure, Energy / Renewable Power and Transition, Real Estate, Wealth Solutions, and Corporate Activities were placeholders, and no Private Equity segment appendix was available. Competitive context therefore comes from the Brookfield primer only as orientation, the Brookfield 2025 annual MD&A and Annual Information Form, Brookfield Q1 2026 results, Brookfield Wealth Solutions Q1 2026 results, Brookfield Infrastructure Q1 2026 results, and BAM's Q1 2026 filing.

Key live-source URLs used: Brookfield Q1 2026 results at `https://bn.brookfield.com/press-releases/brookfield-corporation-reports-strong-first-quarter-results-1`; Brookfield 2025 annual MD&A at `https://bn.brookfield.com/sites/brookfield-bn-v2/files/brookfield-bn/reports-filings/annual-reports/2025/MD%26A%20of%20Financial%20Results%20vF.pdf`; Brookfield 2025 AIF at `https://bn.brookfield.com/sites/brookfield-bn-v2/files/BN-IR-Master/Annual-Information-Forms/2025/2025-40-f-ex-99-1-aif.pdf`; Brookfield Wealth Solutions Q1 2026 results at `https://bnt.brookfield.com/press-releases/brookfield-wealth-solutions-announces-first-quarter-results-and-corporate`; Brookfield Infrastructure Q1 2026 results at `https://bip.brookfield.com/press-releases/bip/brookfield-infrastructure-reports-strong-first-quarter-2026-results`; BAM Q1 2026 10-Q at `https://bam.brookfield.com/sites/brookfield-bam-v2/files/brookfield-bam-v2/report-fillings/annual-quarterly-reports/q1-2026-bam-10-q.pdf`.

1. Moat Taxonomy Applied

Brookfield has no consumer-style network effect. The closest equivalent is a capital-and-origination flywheel: large institutions commit to Brookfield funds because Brookfield has the team depth, operating history, co-investment capacity, balance sheet, and global deal flow to handle large, complex real-asset transactions; that capital makes Brookfield a credible buyer or partner in situations smaller funds cannot solve; completed deals, exits, and operating performance then support the next fundraise. This flywheel is strongest in Asset Management, Infrastructure, Energy / RPT, Real Estate, and increasingly Wealth Solutions. It is not a true winner-take-all network effect because Blackstone, KKR, Apollo, Macquarie, IFM, GIP/BlackRock, pension plans, sovereign funds, insurers, and strategic buyers can still compete for both LP capital and assets.

Switching costs are real but mostly contractual rather than technological. Long-term private funds are often committed for roughly a decade with extensions, and Brookfield's AIF describes long-term private funds as closed-end, long duration vehicles. Perpetual affiliates and core or core-plus funds further extend fee duration. Insurance liabilities in Wealth Solutions create a different kind of stickiness: policyholders and pension-risk-transfer counterparties are not actively switching capital every quarter, but the liability economics only become valuable if underwriting and asset-liability management remain disciplined. Tenants, power offtakers, infrastructure customers, and regulated utility users face switching costs where Brookfield owns scarce physical capacity, but those costs live at the asset level, not necessarily at BN's consolidated parent level.

Scale economies are the strongest moat element. Brookfield reports over $1 trillion of AUM at the asset manager level in the 2025 annual MD&A, and Q1 2026 data package / press-release evidence shows fee-bearing capital of $614 billion, $188 billion of deployable capital, and $114 billion of uncalled private-fund commitments. Scale matters in institutional fundraising, debt financing, sourcing, diligence, portfolio-company operations, global tax and regulatory execution, data-center and power procurement, and the ability to offer co-investment capacity. The limitation is that scale is table stakes in large alternatives. It protects Brookfield against mid-sized entrants, but not against the other global alternative managers and direct-investing sovereign or pension funds.

Brand is meaningful and tied to trust rather than advertising. A pension plan, sovereign wealth fund, insurer, or corporate pension sponsor is choosing a fiduciary and operating partner for illiquid capital. Brookfield's 100-plus-year owner/operator heritage, real-assets specialization, and history of large transactions help it get meetings, retain mandates, and raise

successor vehicles. Brand is strongest in real assets, infrastructure, energy transition, and opportunistic real estate. It is weaker in consolidated Private Equity operating businesses, where customers usually buy the portfolio company's product or service, not the Brookfield name.

Regulatory and license-based moats exist in specific assets and in insurance. Utilities, pipelines, ports, transmission, rail, telecom towers, data centers with power and zoning access, hydro assets, and insurance subsidiaries often operate behind permits, regulation, long approval cycles, capital requirements, or contractual concessions. This is durable when returns are set to attract investment and when contracts include inflation indexation or cost pass-throughs. It can also reverse: regulators can reset allowed returns, political actors can penalize asset owners, and insurance regulators can tighten capital rules after industry credit losses.

IP and patents are not a meaningful Brookfield moat. The company may have proprietary data, underwriting models, operating playbooks, and specialized teams, but these are process advantages, not patent barriers. The moat is access to capital, access to deals, ability to execute complex transactions, and ownership or management of scarce physical assets.

High-trust procurement is a major moat. Brookfield sells to institutions and counterparties that care about certainty of close, long-term stewardship, compliance, conflicts management, and reputation. The annual MD&A explicitly frames Brookfield as a partner of choice for infrastructure buildout, energy transition, and take-private opportunities. That partner status can reduce the need to be the highest bidder in every transaction, but it is not absolute. The annual risk discussion notes intense competition for both raising public/private capital and acquiring investment opportunities, including from parties with lower return thresholds or lower cost of capital.

2. Per-Segment Moat

Asset Management has the clearest corporate moat. The moat is institutional trust, global distribution, long-duration fee-bearing capital, track record, scale, co-investment capacity, and operating expertise in real assets. Durability is credible for 10-20 years if performance remains competitive because client commitments are long duration and successor funds are hard to displace after a manager becomes embedded in an institution's private-markets allocation. What breaks it is poor absolute or relative returns, repeated realizations below marks, fee concessions, or LP insourcing. The earliest observable signs are weak flagship closes, declining fee-bearing capital, lower FRE growth, reduced fee rates, and slower fundraising despite a healthy market.

Wealth Solutions has a developing moat, not a fully proven 20-year one. The moat is the combination of long-duration insurance liabilities, access to Brookfield-originated private credit and real assets, and a large balance sheet. Brookfield Wealth Solutions reported roughly $180 billion of insurance assets after closing Just Group, and Brookfield's Q1 2026 release argues that combining BN and BNT would give the insurance business greater access to the Corporation's capital base. This can be powerful because insurance float can be invested in assets that match liabilities while earning a spread. It breaks if Brookfield grows through aggressive crediting rates, misprices longevity or P&C risk, takes credit losses in private assets, or suffers capital strain. Observable signs are deteriorating combined ratios, reserve charges, rising credit impairments, lower capital ratios, or annuity growth that requires above-market guarantees.

Energy / RPT has an asset-level moat rather than a pure corporate moat. Hydroelectric, wind, solar, distributed generation, storage, and transition assets often benefit from permits, grid interconnection, land, long-term contracts, and corporate offtake demand. The moat can last 10-20 years for well-located hydro, grid-connected renewables, storage, and contracted power assets. It breaks if contract rollovers occur at unattractive prices, project returns are competed down by lower-cost capital, subsidies or tax regimes change, or climate and hydrology reduce generation. The earliest signs are falling contracted power spreads, lower availability, higher maintenance capex, cost overruns, weaker BEP distributions, and lower organic FFO growth.

Infrastructure has a strong physical and regulatory moat in the best assets. Utilities, transport, midstream, data infrastructure, telecom towers, fiber, and data centers can be hard to replicate because they require rights of way, permits, regulatory relationships, capital, operational expertise, and anchor customers. Brookfield Infrastructure's Q1 2026 results highlighted data-segment FFO growth from a U.S. bulk fiber acquisition and more than 200 MW of operating data centers commissioned into earnings over the prior year. This segment can plausibly compound for 20 years where contracts, regulation, and scarcity remain intact. It breaks through adverse tariff resets, political intervention, refinancing stress, volume declines, data-center overbuild, or stranded midstream assets. Watch organic growth, allowed returns, contract renewal spreads, leverage, and customer concentration in hyperscale data.

Private Equity is the weakest moat in the current segment stack. Brookfield's value here is sourcing, operational improvement, access to capital, and a willingness to transact in complexity, but the underlying industrial and business-services portfolio companies usually face normal product-market competition. The data package shows FY2025 external revenue of $28.7 billion, or 38.2% of FY2025 consolidated revenue, but only $455 million of FFO and a 1.6% profit-metric margin. This is not a high-quality recurring-moat segment at the consolidated revenue line. It can be valuable as a capital-recycling engine and fund strategy, but not as the segment that carries a 20-year parent-company moat. Breakage shows up as poor exits, lower private-equity fundraising, portfolio write-downs, or inability to monetize.

Real Estate has a mixed moat. Premier office complexes, dominant retail, multifamily, logistics, and irreplaceable urban assets can have location and replacement-cost advantages. Brookfield reported Q1 2026 super-core occupancy of 96%, core-plus occupancy of 95%, office leasing at net rents 15% above expiring levels, and retail spreads up 11% in the data package and Q1 release. That is real asset-level pricing power. The weak point is cycle sensitivity: office demand, cap rates, refinancing costs, leasing costs, and property-level leverage can overwhelm location advantages. The segment's 20-year durability is asset-specific, not broad. Early warning signs are occupancy decline, leasing spreads turning negative, forced asset sales below carrying values, higher capex per leased square foot, and inability to refinance at sustainable loan-to-value ratios.

Corporate Activities has no standalone moat. Its role is capital allocation, liquidity, corporate debt, central costs, simplification, and buybacks. The Q1 2026 release disclosed corporate debt with a weighted-average term of 15 years and deployable capital of $188 billion across the franchise. That financial flexibility supports the other moats, but corporate complexity also creates a minority-shareholder penalty when investors cannot see clean segment economics or fear cross-subsidization.

The blended moat is weaker than Asset Management alone. Private Equity and Infrastructure represent large shares of consolidated revenue, while Wealth Solutions has no consolidated external revenue despite $1.7 billion of FY2025 DE. Real Estate produces high NOI but carries rate and office-cycle risk. Therefore the equity cannot be underwritten as a simple high-margin asset manager. It is a real-assets and insurance capital allocator with a strong asset-management core, a potentially strong but still developing insurance leg, durable physical assets, and several cyclical or opaque profit pools.

3. Margin Persistence Evidence

Consolidated operating margin improved from 15.3% in FY2021, 15.2% in FY2022, and 15.1% in FY2023 to 20.9% in FY2024 and 29.0% in FY2025. This looks favorable, but it is not clean moat evidence because Brookfield consolidates large managed-entity balance sheets, non-recourse borrowings, fair value changes, and mixed operating businesses. ROIC declined from 11.9% in FY2021 to 4.8% in FY2025 under the rough cross-company FMP methodology, which reinforces that consolidated industrial-style metrics are less useful than segment economics.

Segment evidence is better. In the clean current taxonomy, Asset Management DE was $3.135 billion in FY2023, $3.094 billion in FY2024, and $3.337 billion in FY2025, with margin on segmented revenue rising from 20.8% to 21.2% to 23.2%. TTM ending 2026-03-31 Asset Management DE was $3.379 billion. That supports a durable fee-and-carry pool, especially because Q1 2026 fee-related earnings increased 11% and fee-bearing capital reached $614 billion.

Wealth Solutions DE rose from $740 million in FY2023 to $1.350 billion in FY2024 and $1.671 billion in FY2025, with Q1 2026 DE of $430 million and TTM DE of $1.671 billion. This is strong growth, but the history is short and not yet cycle-tested through a private-credit loss cycle at current scale. Energy / RPT FFO margins on segmented revenue were stable near 7-8% from FY2023-FY2025, and Q1 2026 was 9.2%. Infrastructure revenue grew steadily, but FFO margin stayed low at 3.6%, 2.6%, and 3.1% from FY2023-FY2025, consistent with asset-heavy regulated/contracted economics rather than a high-margin software-style moat. Private Equity compressed from 3.4% to 2.3% to 1.6%, the clearest non-moat signal. Real Estate NOI margin stayed high at 58.3%, 54.6%, and 58.1%, but that is NOI before interest, asset-level capex, and valuation pressure.

The margin record supports a moat in Asset Management, a plausible but still young moat in Wealth Solutions, asset-level durability in Infrastructure, Energy, and selected Real Estate, and weak moat evidence in Private Equity. It does not support calling all of BN a uniformly wide-moat compounder.

4. AI Disruption Stress Test

Asset Management contains workflows that AI can improve or partially commoditize: screening, document review, diligence, risk monitoring, portfolio reporting, fundraising personalization, and market intelligence. A foundation model with access to the same public and private data could help competitors underwrite faster. But Brookfield's value is not only the workflow; it is institutional permission to handle illiquid capital, sourcing access, operating control, financing, and the ability to close complex

deals. AI likely compresses some labor costs and narrows informational advantages, but it does not dissolve the LP relationship or the contract duration.

Wealth Solutions is exposed to AI in underwriting, distribution, claims handling, policyholder service, and asset-liability modeling. Digital advice and AI-enabled distribution could intensify annuity competition, and better models could reduce underwriting differences across insurers. The moat has to live in capital, liability origination, risk discipline, private-asset sourcing, and regulation, not in the actuarial workflow itself. The danger is not that AI replaces Brookfield; it is that AI makes pricing and distribution more transparent, pushing spread economics down.

Energy / RPT and Infrastructure are mostly chokepoint economics. AI increases demand for power, grid capacity, data centers, fiber, cooling, and land near energy. It also improves predictive maintenance, siting, trading, and operations. The moat is physical capacity, permits, interconnection, contracts, regulation, and capital access. AI may shift which assets are most valuable, but it does not let a competitor instantly create hydro capacity, rights of way, grid connections, or powered data-center campuses.

Private Equity is the most exposed segment because Brookfield's operating-improvement toolkit can be copied more readily than physical scarcity. AI may reduce costs in portfolio companies, but competitors can also use it, and some portfolio-company products or services may be disrupted. Real Estate is mixed: AI affects office demand and tenant productivity, but prime locations, logistics, housing, power-adjacent land, and mixed-use districts remain physical assets. The segment most exposed to AI disruption is Private Equity, followed by asset-management workflow and insurance distribution. The most protected are Infrastructure and Energy / RPT where AI increases demand for scarce power and digital infrastructure.

5. The 2046 Test

Today is 2026-05-29. Twenty years forward is 2046-05-29. A credible 2046 Brookfield is still an owner/operator and asset manager of real assets, but with a different mix. It sells long-duration alternative investment management to pensions, sovereign wealth funds, insurers, endowments, family offices, wealth channels, and retirement platforms. It sells retirement certainty and annuity / pension-risk-transfer products through Wealth Solutions. It owns or manages infrastructure and energy assets used by governments, utilities, hyperscalers, industrial customers, shippers, telecom customers, and households. It still owns selected real estate, but the office-heavy portion is smaller, more mixed-use, and more dependent on irreplaceable locations. Private Equity remains a fund vertical and capital-recycling capability, but it is not the core durability claim.

The 2046 operating margin picture should be stable to modestly better on an economic mix basis, even if consolidated IFRS margins remain noisy. The higher-quality profit pools should be Asset Management base fees and carry, Wealth Solutions spread income, infrastructure and energy distributions, and selected real estate NOI. Fee rates may be lower than today because alternatives will be more institutionalized and competitive, but Brookfield should be managing more capital, more insurance liabilities, more digital and power infrastructure, and more long-duration credit. The reason the business still makes money is specific: institutions still need large real-asset managers; insurance liabilities still need duration-matched assets; governments and corporates still need privately financed infrastructure and power; and scarce physical capacity still earns regulated, contracted, or location-based returns.

The 2046 bear case is also specific. Brookfield could become a complex balance-sheet vehicle whose asset-management fees are competed down, whose insurance growth was bought through aggressive liabilities, whose real estate suffered a permanent office reset, and whose operating businesses produce low returns after refinancing and maintenance capex. The mechanism is not a single AI replacement event. It is fee compression plus LP insourcing, private-credit losses inside insurance assets, adverse regulatory resets, real estate capital impairment, and a persistent conglomerate discount because minority shareholders cannot verify whether value creation is reaching BN. That bear case is plausible enough to prevent a clean moat PASS, but not likely enough to fail the 2046 test. The 2046 business can be described in concrete terms, and the most durable parts do not depend on today's exact product mix surviving unchanged.

6. Competitive Threat Inventory

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Fee and fundraising pressure	Large alternative managers, direct LP investing, and lower-fee products pressure base fees and carry terms	Asset Management, Private Equity, Real Estate funds	Weak flagship closes, FBC decline, FRE margin compression, fee concessions	High

Threat	Mechanism	Segment(s) affected	Earliest observable signal	Plausibility
Insurance spread and credit mistake	Annuity or PRT growth requires aggressive crediting rates or private-asset credit risk	Wealth Solutions, Asset Management credit	Reserve charges, impairments, capital-ratio pressure, combined ratio above 100%	Medium
Physical-asset return reset	Regulators, higher rates, overbuild, or contract renewals reduce allowed or realized returns	Infrastructure, Energy / RPT, Real Estate	Lower organic FFO, adverse tariff decisions, refinancing stress, negative leasing spreads	Medium-high

7. Pricing Power Verification

Pricing power is observable, but uneven. Asset Management pricing power is not shown as explicit price increases; it is shown through long-duration contractual management fees, carry eligibility, $614 billion of fee-bearing capital at Q1 2026, and FRE growth despite intense competition. The annual report defines base management fees as contractual and tied to fee-bearing capital, and the AIF describes long-term funds, perpetual strategies, incentive distribution fees, and carry. This is durable fee retention rather than simple price-hike power.

Infrastructure and Energy pricing power comes through contracts, regulated tariffs, inflation linkage, and scarcity. Brookfield states that its operating-business cash flows are often stable, contracted, or inflation-linked. The evidence is strongest where assets have explicit escalators, long-term offtake agreements, or regulated allowed returns; it is weakest where revenue is volume-linked, commodity-exposed, or subject to political resets. Brookfield Infrastructure's data-center and fiber growth shows demand, but hyperscaler concentration and overbuild risk should be watched.

Real Estate has recent direct pricing evidence: Q1 2026 occupancy remained high in super-core and core-plus assets, office leasing rents were 15% above expiring levels, and retail rents were 11% above expiring levels. This is real but cyclical. Pricing power in premier assets does not eliminate the financing and office-demand risks. Wealth Solutions pricing power is the least directly observable because the economic spread depends on liability cost, asset yield, credit losses, capital charges, and reserves. If annuity sales grow while capital quality and spreads remain intact, the pricing power thesis strengthens. If growth depends on richer guarantees or weaker credit, it weakens. Private Equity has weak parent-level pricing power evidence because the portfolio companies compete in normal industrial and services markets and the segment margin has compressed.

8. Moat Verdict

Moat gate: YELLOW

2046 test: PASS

Brookfield has a real moat, but it is concentrated rather than uniform. The strongest protectable profit pool is Asset Management, reinforced by scale, institutional relationships, long-duration capital, operating expertise, and contractual fee structures. Infrastructure and Energy / RPT add durable physical and regulatory assets, while Wealth Solutions could become a major moat extension if it proves that insurance liabilities can be originated and invested at attractive spreads without hidden credit or capital risk. Real Estate is asset-specific and cyclical; Private Equity is not a durable parent-level moat despite being large in consolidated revenue; Corporate Activities is a capital-allocation support function, not a moat.

The 2046 test passes because Brookfield can be described specifically in 2046 as a real-assets asset manager, insurance-capital investor, and owner/operator of energy, infrastructure, digital capacity, and selected real estate. That future business still has identifiable buyers and defensible economics. The moat gate remains YELLOW because complexity, insurance spread risk, fee compression, real-estate cyclicality, and low-margin Private Equity dilute the strength of the best segment. Upgrade signals would be sustained FBC growth with stable fee rates, Wealth Solutions achieving scale with stable capital and credit performance, and repeated operating-business monetizations at or above carrying value. Downgrade signals would be flagship fundraising weakness, insurance reserve or credit losses, negative real-estate leasing spreads, adverse regulatory resets, or persistent evidence that corporate complexity captures value away from minority shareholders.

Appendix B1 - Private Equity

Brookfield Corporation - Private Equity Segment Deep Dive

Prepared: 2026-05-29 Ticker: BN Segment: Private Equity Latest quarter anchor: Q1 2026 ended 2026-03-31 TTM window: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 Forward horizon: 2031-03-31, exactly five calendar years from the TTM end date Dollar convention: US$ billions unless otherwise noted

0. Segment Boundary and Taxonomy Note

Brookfield's current reportable-segment framework is cleanest from FY2023 onward. The data package states that Brookfield completed the asset manager distribution in December 2022 and that FY2023-FY2025 are the comparable current-framework years, while FY2021-FY2022 are old-taxonomy SEC values before Wealth Solutions was separately visible. For this appendix, the Private Equity forecast is therefore anchored to FY2023-FY2025 and the TTM ending 2026-03-31. I do not compare FY2021-FY2022 old-taxonomy dollar totals to the current-framework forecast except to note that they exist in the package. Brookfield's official profit measure for Private Equity is FFO, not generic operating income. Where the ER2 framework asks for operating margin or operating income, this appendix reports Private Equity FFO margin and FFO.

1. What This Segment Actually Is

Brookfield's Private Equity segment is not a conventional asset-management fee line. It is a consolidation-heavy operating-company segment that captures Brookfield's private-equity-controlled operating businesses, described in the data package as essential services, industrials, infrastructure services and other operating companies. The economic reality is closer to a portfolio of owned and partially owned businesses than to a manager reporting management fees on third-party capital. That distinction matters because the segment is revenue-heavy but profit-light at the BN parent segment line: consolidated portfolio-company revenues can be very large while the FFO that accrues through Brookfield's segment presentation is a much smaller margin.

The customer base is therefore not one homogeneous buyer. The portfolio likely sells to industrial, commercial, infrastructure, business-service, healthcare, residential, energy-service and end-market customers through the underlying companies. Brookfield does not disclose Private Equity product revenue dollars at the parent level, so this appendix avoids inventing product lines such as "industrial operations" or "business services" with dollar amounts. The cleanest disclosed line is the reportable Private Equity segment itself. That is frustrating for a product-level forecast, but it is also analytically useful: the revenue line is a portfolio mix outcome, not a same-store sales series.

Pricing is set at the portfolio-company level. Some businesses may have contract-based pricing, others commodity or project exposure, and others service pricing tied to labor, utilization or cost pass-through. At the BN segment level, the visible economics are affected by acquisitions, dispositions, consolidation status, operating performance and financial leverage. The user should read the segment revenue line as "revenue of currently consolidated Private Equity operating businesses," not as a clean measure of fund AUM, fees, carried interest or same-store portfolio growth.

The go-to-market model also sits below the segment. Brookfield sources, buys, improves and monetizes operating businesses through its private-equity platform and related funds, but the revenue is earned by the operating companies themselves. Brookfield's own private-equity edge, if it exists, comes from sourcing, capital availability, operational control, industry relationships and exit discipline. It does not come from a separately disclosed product SKU or recurring software-like revenue base.

2. Current Economics

The TTM anchor is stark. The data package's segment taxonomy table points to QF P4 for TTM segment values, and QF P4 shows Private Equity external revenue of $28.550B for the TTM ending 2026-03-31 and FFO of $0.432B over the same period. That implies a TTM FFO margin of about 1.5% on external revenue. FY2025 revenue was $28.716B and FY2025 FFO was $0.455B, from QF P2 and the data_package Section 3 current-framework Private Equity rows, also about a 1.6% margin. Private Equity was Brookfield's largest FY2025 external-revenue segment at $28.7B, or 38.2% of Brookfield's FY2025 consolidated revenue, but it contributed only $0.5B of official segment profit measure. This is the key economic asymmetry: huge revenue base, low reported FFO conversion.

The recent quarterly trajectory is much less negative than the annual comparison. QF P4, which the data package references for TTM segment construction, shows Private Equity revenue of $6.964B in Q2 2025, $7.264B in Q3 2025, $7.511B in Q4 2025 and $6.811B in Q1 2026. The data_package Section 5 quarterly table shows YoY growth of -42.6% in Q2 2025, -22.9% in Q3 2025, -1.3% in Q4 2025 and -2.4% in Q1 2026. That pattern looks like a major portfolio-mix or consolidation reset in the first half of 2025, followed by stabilization around a roughly $27B to $30B run-rate. The segment is not currently a high-growth visible compounding line; it is a volatile operating portfolio recovering from a large revenue base decline.

Brookfield does not disclose product-level dollar revenue for Private Equity. The data package's product table says "no BN product revenue dollars" and gives only segment revenue of $55.7B in FY2023, $41.3B in FY2024 and $28.7B in FY2025. FMP revenue-product-segmentation returned empty arrays, and the package explicitly avoided back-solving product dollars. This appendix follows that rule. The only forecastable dollar line is the reportable Private Equity segment.

The most important modeling implication is that the segment's revenue base should not be treated like a normal same-store sales denominator. A mature industrial company that loses nearly half its revenue over two years would usually imply severe competitive damage or demand collapse. For Brookfield Private Equity, the more likely explanation is that the consolidation perimeter, portfolio ownership and monetization mix changed. That does not make the decline harmless; it means the forecast has to separate platform health from reported revenue continuity. The base case therefore uses the latest TTM base and recent quarterly stabilization rather than mechanically extrapolating the FY2023-FY2025 decline. The bear case keeps shrinkage in the model because portfolio harvesting can continue. The bull case allows rebuilding, but it remains below FY2023 revenue because there is no verified management target that supports a full recapture.

Capital intensity is also not disclosed at the segment level in the data package. Brookfield's consolidated PP&E acquisitions and non-recourse borrowings are large, but allocating them to Private Equity would require assumptions outside the verified package. The right qualitative read is that some Private Equity operating businesses are capital intensive and working-capital sensitive, while others may be lighter service operations. The segment FFO margin is therefore a better top-down constraint than a bottom-up capex model. [DATA GAP: Brookfield does not disclose Private Equity segment-level capex, working capital, product revenue, or product-level margin in the verified data package.]

3. Unit Economics

At the segment level, revenue becomes profit through the operating performance of the consolidated portfolio companies and the share of that performance recognized as FFO. Because Brookfield reports Private Equity using FFO, not operating income, the margin line is not a simple gross-margin minus SG&A calculation. It is a Brookfield segment profit measure that reflects the economics after portfolio-company costs, financing, ownership structure and segment presentation. The right analytical frame is "revenue scale times reported FFO conversion," with explicit caution that margin can move sharply as portfolio composition changes.

The historical margin data support that caution. In the current-framework period, Private Equity's official profit metric margin was 3.4% in FY2023, 2.3% in FY2024 and 1.6% in FY2025. TTM margin ending Q1 2026 was about 1.5%. The revenue base fell from $55.7B in FY2023 to $28.7B in FY2025, while FFO fell from $1.876B to $0.455B. That is not a normal same-store margin compression story. It indicates that Brookfield's reported segment base changed materially, most likely through monetizations, portfolio mix shifts, and the mix of businesses contributing to FFO at the parent segment level.

The main cost drivers are embedded in the operating companies. Direct costs, labor, materials, project costs, input inflation, energy, logistics, maintenance capex, interest expense at operating subsidiaries and integration costs can all matter. Because BN does not disclose the product-level mix, the safest forecast is to keep margin ranges conservative and tie them to portfolio quality rather than assume a return to FY2023 margin. A future margin recovery above 2% is plausible if lower-margin revenue has already been removed and if portfolio operations stabilize. A return to 3% plus requires more than mean reversion; it needs either stronger realizations, higher-quality retained businesses, better pricing, or a larger share of FFO-rich platforms.

There are three ways the segment margin can break up. First, portfolio mix can improve if Brookfield exits very low-margin revenue businesses and keeps higher-return platforms. Second, operating initiatives can lift EBITDA and FFO through cost programs, procurement, pricing and working-capital discipline. Third, a better exit market can support realizations and capital recycling, indirectly improving the segment's reported FFO profile.

There are also three ways it can break down. First, cyclical operating weakness can hit industrial and service businesses quickly. Second, rising or sticky financing costs can reduce FFO even if revenue is stable. Third, Brookfield may sell profitable businesses and consolidate lower-margin newer assets, depressing the reported margin even if the private-equity funds

create value over a full hold period. For BN shareholders, the segment is economically useful but noisy.

4. Competitive Dynamics

Brookfield's Private Equity segment competes in two overlapping arenas. The first is the market for private-equity capital, deal sourcing and portfolio ownership against Blackstone, KKR, Carlyle, Apollo, CVC, EQT, TPG and large sector specialists. The second is the operating market faced by each portfolio company against strategic acquirers, public companies, family-owned businesses and other sponsor-backed platforms. Brookfield can be advantaged in sourcing and capital formation while an individual portfolio company may have no moat at all.

The private-equity industry backdrop is better than 2023-2024 but still selective. Bain's 2026 Global Private Equity Report describes 2025 as a year when deal and exit values improved, but the recovery was narrow, distributions remained low and fundraising was still hard for many managers. That is the right lens for Brookfield's Private Equity segment: a better exit market helps, but it does not automatically restore a revenue line that fell by almost half in the current-framework period. Bain also argues that cheap debt and easy multiple expansion are no longer dependable tailwinds, which puts more weight on operational value creation. Source: [Bain Global Private Equity Report 2026](https://www.bain.com/insights/topics/global-private-equity-report/?linkId=112340241).

McKinsey's 2026 private-equity review points in the same direction. It reports that buyout and growth deals over $500M increased 44% in 2025, total buyout and growth deal value increased 17%, and PE-backed exit value rose more than 40%. But it also estimates more than 16,000 companies globally have been held for more than four years, equal to 52% of buyout-backed inventory, and that the average GP portfolio company is held for more than six and a half years. That means the industry is not suffering from lack of capital alone; it is suffering from aging portfolios, distribution pressure and a need to prove realizable value. Source: [McKinsey Global Private Markets Report 2026 - Private Equity](https://www.mckinsey.com/industries/private-capital/our-insights/global-private-markets-report/private-equity).

Fundraising power is increasingly concentrated in scale managers. S&P Global Market Intelligence reported that global private-equity fundraising across measured strategies fell 11.0% to $490.81B in 2025, compared with $551.16B in 2024, and that the recovery remains uneven. It also reported in a separate 2026 outlook that the ten largest funds closed in 2025 raised $161.90B, just over one-third of the industry's annual fundraising total. That supports a "flight to quality" read: Brookfield's scale and brand help in fundraising and sourcing, but the broader industry is not easy. Sources: [S&P Global fundraising article](https://www.spglobal.com/market-intelligence/en/news-insights/articles/2026/1/private-equity-fundraising-totals-continue-to-decline-in-2025-96694779) and [S&P Global private-equity outlook](https://www.spglobal.com/market-intelligence/en/news-insights/articles/2026/1/annual-private-equity-insights-and-outlook-deals-regain-momentum-97428571).

Direct competitors have formidable scale. Blackstone described itself in April 2026 as the world's largest alternative asset manager with over $1.3T in AUM across real estate, private equity, credit, infrastructure, life sciences, growth equity, secondaries and hedge funds. KKR's website listed $231B of Private Equity AUM as of March 31, 2026, along with large credit, infrastructure and real-estate platforms. Sources: [Blackstone Q1 2026 earnings release](https://www.blackstone.com/news/press/blackstone-reports-first-quarter-2026-earnings/) and [KKR homepage](https://www.kkr.com/). Brookfield is in the same institutional conversation, but the Private Equity segment's reported BN revenue and FFO do not map cleanly to a peer AUM metric.

Pricing power is therefore bifurcated. At the deal level, pricing power belongs to sellers when credit is available and competition is strong; it belongs to disciplined buyers when volatility widens bid-ask spreads. At the operating-company level, pricing power depends on each asset's local industry. Brookfield's edge is not that every Private Equity portfolio company has structural pricing power. The edge is that Brookfield can source complicated, capital-intensive, operationally messy assets where fewer buyers can move with speed and credibility.

This creates a different competitive question from a conventional industrial-segment review. Brookfield does not need every portfolio company to beat every local competitor for the Private Equity platform to be valuable; it needs to buy, improve and sell assets at attractive through-cycle returns while retaining enough earnings power at BN to justify the capital and complexity. The external market data cuts both ways. A better deal and exit market helps the flywheel, but aging portfolios and selective fundraising mean buyers are also more disciplined. The winners are likely to be managers that can underwrite operational improvement without relying on lower rates or higher exit multiples. That is directionally favorable for Brookfield's owner-operator identity, but the historical BN segment numbers show that execution has to appear in FFO, not just in fundraising narratives.

Entry barriers are real but uneven. Raising flagship private-equity capital at institutional scale requires track record, distribution, risk systems, operating partners, co-investment capacity and LP trust. Those are high barriers. Owning an individual industrial or service company is much less protected if competitors can buy similar assets or undercut pricing. The segment moat must therefore be assessed as a Brookfield capital-allocation and operating-control moat, not as a product moat.

5. Moat at the Segment Level

The segment-level moat is moderate, not impregnable. Brookfield has scale, global sourcing, patient capital, operational capability, relationships with institutional LPs, and a reputation for complex asset ownership. Those features matter more in a private-equity market where fundraising is selective and large managers are taking share. The data package's management-commentary section includes a Q3 2025 comment that Brookfield launched the "seventh vintage flagship private equity fund," which signals that the franchise remains fundraisable even after the reported segment revenue decline.

The moat is not visible in the reported FFO margin. A 1.5% TTM FFO margin is too low to claim obvious segment economics from the P&L alone. If one only looked at FY2023-FY2025 Private Equity segment revenue and FFO, the apparent moat would look weak: revenue fell at a roughly high-20s annualized rate over the current-framework window and FFO margin compressed. The better interpretation is that this segment's reported revenue is a poor stand-alone moat indicator because it is dominated by portfolio composition. Still, a moat that cannot protect reported FFO through a cycle deserves a conservative forecast.

The durable advantage is capital recycling. Brookfield can monetize mature businesses, redeploy into new platforms, and use its broader ecosystem to source opportunities in infrastructure services, industrial operations and essential services. That ecosystem may create deal flow that pure financial sponsors cannot easily match. Brookfield also has the institutional scale to buy assets too complex for smaller funds and to hold through difficult markets.

The weak point is that private equity is now a mature industry. McKinsey's 2026 report argues that success depends less on broad asset-class exposure and more on sourcing discipline, operational improvement, leadership and risk management. That is favorable for high-quality managers, but it reduces the margin for error. If Brookfield pays full prices, inherits cyclical businesses, or sells winners faster than it replaces them, the BN segment can remain flat or shrink even if the private-equity platform stays strategically relevant.

My five-to-ten-year moat conclusion is therefore: Brookfield has a durable sourcing and capital-allocation moat at the manager level, but the Private Equity segment's reported BN revenue and FFO are only modestly protected. The base case should not assume a return to FY2023 revenue or margin. The bull case can assume better exits and portfolio quality. The bear case must allow continuing monetizations, weak industrial demand and low FFO conversion.

6. Historical Growth Rates

The following table reproduces the clean current-framework Private Equity history from the verified data package and quant foundation. Brookfield does not disclose product-level Private Equity dollars beyond the reportable segment, so the reportable segment is the finest dollar-disclosed line. FY2023, FY2024 and FY2025 are the clean comparable years. FY2021-FY2022 are old taxonomy and are excluded from the forecast growth base. The CAGR below is the FY2023-to-FY2025 annualized two-interval rate, not a three-calendar-year compounding span.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	FY2023-FY2025 annualized CAGR	Most recent YoY	Data package cite
Private Equity reportable segment	$55.7B [data_package Section 3, Private Equity revenue row, FY2023]	$41.3B [data_package Section 3, Private Equity revenue row, FY2024]	$28.7B [data_package Section 3, Private Equity revenue row, FY2025]	-28.2% annualized [calculated from data_package Section 3 row values]	-30.5% [data_package Section 3, Private Equity YoY row, FY2025]	data_package Section 3 Private Equity table; data_package Section 4 Private Equity product row; quant_foundation P2 FY2023-FY2025 rows
Essential services, industrials, infrastructure services and other operating companies	Not separately disclosed [data_package Section 4, Private Equity product row]	Not separately disclosed [data_package Section 4, Private Equity product row]	Not separately disclosed [data_package Section 4, Private Equity product row]	n/a [data_package Section 4, no product dollars]	n/a [data_package Section 4, no product YoY]	[DATA GAP: no product-level BN Private Equity revenue dollars beyond the reportable segment]

Internal arithmetic check: FY2023 revenue of $55.683B times 0.7421 equals $41.321B, matching FY2024 within rounding. FY2024 revenue of $41.321B times 0.6949 equals $28.716B, matching FY2025 within rounding. The FY2023-to-FY2025 annualized CAGR is -28.2%, and the reported FY2025 YoY decline of -30.5% is arithmetically consistent with the data

package. No product-level dollars were back-solved.

The same package shows quarterly stabilization after the large FY2025 reset. TTM revenue ending 2026-03-31 was $28.550B, only slightly below FY2025 revenue. The last four quarters were $6.964B, $7.264B, $7.511B and $6.811B. The latest quarterly YoY decline was -2.4% in Q1 2026, much milder than the FY2025 annual decline. That recent trend is the main reason the base case is not another high-20s annual revenue decline.

7. Management Guidance

The data package includes limited forward commentary specific to Private Equity. It contains one direct segment-specific management excerpt and also flags that Brookfield gives less explicit forward product-level discussion inside Private Equity at the BN parent level.

- data_package Section 6, Private Equity row, Q3 FY2025 call, 2025-11-13, Nicholas Goodman: "seventh vintage flagship private equity fund"

Interpretation: The relevant management anchor is qualitative. Brookfield is still actively fundraising a flagship private-equity vintage, which supports franchise relevance and future capital deployment. It does not provide a numeric FY+1 revenue, FFO, margin, deployment or realization guide for the BN Private Equity reportable segment.

- data_package Section 6 commentary coverage gap: "It offers less explicit forward product-level discussion inside Private Equity and Energy at the BN parent level; operating-company detail is generally at listed affiliate or fund level."

Interpretation: This is a formal data limitation. The forward model should not pretend to have management-endorsed product growth or product margin targets. It should use the TTM segment anchor, the current-framework history, the fund-launch signal and external market context.

[DATA GAP: The verified data package contains no numeric FY+1 Private Equity revenue or FFO guide, no product-level Private Equity dollar history, and no Private Equity product-level margin disclosure.]

8. Forward Growth Assumptions

The forecast is built from the TTM ending 2026-03-31, not from FY2025. The horizon is 2031-03-31. Because only one dollar-disclosed Private Equity line exists, the product forecast table uses the reportable segment as the modeled product line. The "essential services, industrials and other" description remains qualitative and is not assigned fabricated revenue dollars.

Base case: revenue stabilizes and compounds at 2.0% annually from the TTM base. This assumes the 2023-2025 portfolio reset is mostly behind the segment, new deployment and operating growth offset continuing monetizations, and the flagship fund launch keeps the platform active. It does not assume a return to FY2023 revenue.

Product	FY2023-FY2025 annualized CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Private Equity reportable segment	-28.2% current-window annualized	Q1 2026 -2.4%; FY2025 -30.5%	No numeric guide; qualitative flagship fund launch	2.0%	The severe FY2025 decline appears portfolio-mix driven, while Q4 2025 and Q1 2026 were near flat YoY. Base assumes stabilization, modest operating growth and redeployment offset exits, consistent with an industry recovery that is real but narrow.

Base revenue path:

Period	Revenue	Growth vs prior year
TTM ending 2026-03-31	$28.55B	n/a
Year 1	$29.12B	2.0%
Year 2	$29.70B	2.0%
Year 3	$30.30B	2.0%
Year 4	$30.91B	2.0%
TTM+5 ending 2031-03-31	$31.52B	2.0%

Bull case: revenue compounds at 5.0% annually. This requires a genuine private-equity cycle reopening: easier exits, stronger deployment, better industrial/service demand and more high-quality consolidated platforms entering the BN segment than leaving it.

Product	FY2023-FY2025 annualized CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Private Equity reportable segment	-28.2% current-window annualized	Q1 2026 -2.4%; FY2025 -30.5%	No numeric guide; qualitative flagship fund launch	5.0%	Bull assumes Brookfield benefits from the flight to scale managers, exits and fundraising improve, and portfolio-company pricing plus acquisitions add growth. This is still far below a full recapture of FY2023 revenue.

Bull revenue path:

Period	Revenue	Growth vs prior year
TTM ending 2026-03-31	$28.55B	n/a
Year 1	$29.98B	5.0%
Year 2	$31.48B	5.0%
Year 3	$33.05B	5.0%
Year 4	$34.70B	5.0%
TTM+5 ending 2031-03-31	$36.44B	5.0%

Bear case: revenue declines at 5.0% annually. This assumes monetizations, deconsolidations, weak industrial demand or tighter financing continue to shrink the consolidated Private Equity revenue base. It is less severe than the FY2023-FY2025 decline because the last two reported quarters already show stabilization, but it preserves the risk that the segment is still being harvested faster than it is rebuilt.

Product	FY2023-FY2025 annualized CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Private Equity reportable segment	-28.2% current-window annualized	Q1 2026 -2.4%; FY2025 -30.5%	No numeric guide; qualitative flagship fund launch	-5.0%	Bear assumes the FY2025 reset was not finished, financing remains a drag, and exits remove revenue faster than new consolidated platforms replace it. This case treats recent stabilization as temporary rather than durable.

Bear revenue path:

Period	Revenue	Growth vs prior year
TTM ending 2026-03-31	$28.55B	n/a
Year 1	$27.12B	-5.0%
Year 2	$25.77B	-5.0%
Year 3	$24.48B	-5.0%
Year 4	$23.25B	-5.0%
TTM+5 ending 2031-03-31	$22.09B	-5.0%

The thesis-consistency check is important here. The model is not taking a segment with current positive 30% growth and forcing it to low growth. It is taking a segment that fell 30.5% in FY2025, but whose latest quarter was only down 2.4%, and assuming the forward path is a portfolio-cycle outcome. The base case's 2.0% CAGR is an acceleration versus the latest YoY, justified only because the comparison base appears to have normalized and because the private-equity market improved in 2025. The bull case requires Brookfield to convert scale-manager advantages into net consolidated growth. The bear case allows continued revenue shrinkage without mechanically extrapolating the extreme FY2025 decline.

9. Forward Operating Margin Assumptions

Current TTM FFO margin is about 1.5%, calculated as $0.432B of TTM Private Equity FFO divided by $28.550B of TTM external revenue from QF P4, the TTM segment table referenced by the data package. FY2025 margin was about 1.6%, FY2024 was 2.3% and FY2023 was 3.4% using the data package's current-framework rows. Because product-level margins are not disclosed, the margin model is segment-level and revenue-weighted by definition.

Product	Current margin	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Private Equity reportable segment	1.5% TTM FFO margin	1.0%	2.2%	3.2%	Bear assumes weak mix and financing drag; base assumes stabilization plus some operating improvement; bull assumes higher-quality retained assets, better exits and portfolio operating leverage.

The base-case margin improvement from 1.5% to 2.2% is about 70 bps from the TTM margin and about 60 bps from FY2025, so it does not require heroic margin expansion. It remains below the FY2023 margin of 3.4%, reflecting the possibility that the post-reset portfolio is structurally lower margin or that BN's segment FFO captures less of the operating-company revenue base than it once did.

The bull-case margin of 3.2% is close to, but still below, FY2023's 3.4% current-framework margin. It requires several things to go right: the exit market improves, portfolio-company cost programs work, Brookfield consolidates higher-FFO businesses, and the seventh flagship vintage or related strategies deploy into assets that convert revenue to FFO better than the FY2025 base. This is not a normal-cycle default; it is a high-quality-cycle case.

The margin cases also guard against a common error in Brookfield modeling: treating a low FFO margin as if it must revert automatically. If the revenue line consists of consolidated portfolio-company revenue, the denominator can change faster than the numerator. Selling a large low-margin business can reduce revenue and improve margin; selling a high-margin platform can do the opposite. Buying a new company can add revenue before FFO contribution is fully visible. Without product-level disclosure, the forecast should not overfit to one year's margin. The base-case 2.2% margin is therefore a controlled recovery from a low TTM base, not a claim that the segment's normalized economics are known with precision.

The bear-case margin of 1.0% assumes FFO conversion deteriorates from already low levels. The mechanism is not only lower revenue. A lower-quality retained portfolio, higher financing costs at operating subsidiaries, weaker industrial volumes, project delays or forced monetizations of better assets could all compress the segment's FFO per dollar of revenue. In this case, Brookfield may still create value in some funds over time, but the BN reportable segment would not show it by 2031.

10. Segment Rollup

The rollup is simple because Brookfield discloses only one Private Equity dollar line at the BN parent segment level. Segment totals equal the modeled reportable segment revenue. Segment profit equals revenue multiplied by the case margin, where the profit measure is official Private Equity FFO rather than generic operating income.

Case	Product line	TTM+5y revenue	TTM+5y FFO margin	TTM+5y FFO	Reconciliation
Bear	Private Equity reportable segment	$22.09B	1.0%	$0.22B	Single disclosed line equals segment total
Base	Private Equity reportable segment	$31.52B	2.2%	$0.69B	Single disclosed line equals segment total
Bull	Private Equity reportable segment	$36.44B	3.2%	$1.17B	Single disclosed line equals segment total

Arithmetic check: base revenue of $28.550B compounded at 2.0% for five years equals $31.52B, and $31.52B multiplied by 2.2% equals $0.69B. Bull revenue of $28.550B compounded at 5.0% for five years equals $36.44B, and $36.44B multiplied by 3.2% equals $1.17B. Bear revenue of $28.550B compounded at -5.0% for five years equals $22.09B, and $22.09B multiplied by 1.0% equals $0.22B. The rollup reconciles to the product-level assumptions within rounding because no undisclosed product lines were added.

The base case carries the highest probability because recent quarterly declines have moderated but management has not provided a numeric growth target. The bear case is still meaningful because the segment's current-framework history is deeply negative and because the industry still faces aging portfolios, distribution pressure and selective fundraising. The bull

case is plausible but lower probability because it requires both an external cycle recovery and Brookfield-specific portfolio mix improvement.

11. Key Risks and Wildcards

Bear risk: continued monetizations reduce consolidated revenue. If Brookfield sells mature businesses faster than it consolidates new ones, the Private Equity revenue line can shrink even if asset-level returns are acceptable. This risk is specific to a revenue-heavy segment where revenue is a portfolio composition artifact.

Bear risk: low FFO conversion persists. TTM FFO margin is only about 1.5%. If the retained operating businesses are lower-margin, more leveraged or more cyclical than the disposed businesses, the segment may not recover to even a 2% margin by 2031.

Bear risk: financing costs and exit markets remain difficult. Private equity has a large backlog of aging portfolio companies across the industry. If exits remain selective, Brookfield may face slower capital recycling, more continuation-like solutions or lower realized values.

Base risk: product-level opacity creates forecast error. Brookfield does not disclose Private Equity revenue by product, industry or portfolio company at the parent segment level. That means the segment model is necessarily less granular than a conventional product forecast.

Base wildcard: the seventh flagship vintage could improve deployment. The management quote in the data package confirms continued flagship fundraising activity. If that capital is deployed into high-quality businesses, the current low-revenue-growth base case may prove too conservative.

Bull wildcard: scale-manager consolidation benefits Brookfield. External industry data suggest LP capital is concentrating with large, proven managers. If Brookfield is a net beneficiary, it could source larger or more attractive deals, support portfolio-company bolt-ons and improve exit optionality.

Bull wildcard: operating value creation matters more. Bain and McKinsey both emphasize a world where operational improvement is more important than multiple expansion. If Brookfield's operational playbook is strong in essential services and industrials, the segment can rebuild FFO without needing revenue to return to FY2023 levels.

Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y FFO Margin	Segment TTM+5y FFO	Probability
Bear	$22.09B	1.0%	$0.22B	30%
Base	$31.52B	2.2%	$0.69B	50%
Bull	$36.44B	3.2%	$1.17B	20%

The Private Equity appendix conclusion is deliberately conservative. The segment remains strategically important because it is large, fundraisable and tied to Brookfield's operating-control franchise. But the BN reportable segment has not yet shown durable reported growth or high FFO conversion under the current framework. The base case therefore models stabilization and modest improvement, not a full return to the FY2023 revenue base.

Appendix B2 - Infrastructure

Brookfield Corporation (BN) - Infrastructure Segment Deep Dive

Prepared: 2026-05-29. Company fiscal year ends December 31. Latest reported quarter is Q1 2026, ended 2026-03-31. The TTM anchor is Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. The forward horizon is exactly five calendar years later: 2031-03-31.

All Brookfield historical dollar figures, growth rates, and management quotes in this appendix are checked against `data_package.md`. External sources are used only for competitive context. Dollar figures are US$ billions unless noted. Brookfield's official profit measure for Infrastructure is FFO. In this appendix, "operating margin" and "operating income" in the required case tables mean Infrastructure FFO margin and Infrastructure FFO, because forcing this segment into generic operating income would misstate the economics. The TTM anchor is the data package's Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026 framework ending 2026-03-31.

0. Segment Boundary And Taxonomy Note

Infrastructure is a current Brookfield Corporation reportable segment. The data package describes it as "Utilities, transport, midstream, data and related infrastructure assets" and gives FY2025 external revenue of $24.2B, or 32.3% of FY2025 total revenue [data_package Section 1, Reporting Structure row Infrastructure]. The segment boundary is mostly stable for the current post-asset-manager-distribution framework, but the broader Brookfield taxonomy is not clean over the full five-year window. Brookfield completed the asset manager distribution in December 2022, and the data package explicitly says FY2023-FY2025 are the cleanest current-framework segment comparisons while FY2021-FY2022 are old-taxonomy SEC annual values [data_package Section 1 Taxonomy investigation; Section 10 Open Data Gaps].

That matters for Infrastructure because the FY2021 and FY2022 dollar figures are still official, but they sit on the pre-2023 reporting framework. I reproduce them where useful for long-range context, yet the model leans most heavily on FY2023-FY2025 and the TTM ending 2026-03-31. No product-level dollar allocations are created for utilities, transport, midstream, data, telecom, or related assets because the data package says FMP product segmentation returned empty arrays and Brookfield does not disclose parent-level product revenue dollars sufficient to back-solve product rows [data_package Section 4; Section 10].

[DATA GAP: BN does not disclose parent-level Infrastructure revenue dollars by utilities, transport, midstream, data, telecom, or related assets. This appendix therefore models Infrastructure as one official segment line and uses the sub-verticals qualitatively.]

1. What This Segment Actually Is

Brookfield's Infrastructure segment is an owner-operator portfolio of essential real assets. The data package names utilities, transport, midstream, data, telecom, and related infrastructure as the relevant buckets [data_package Section 1; Section 4 row Infrastructure]. Economically, these are assets that make the physical economy work: networks that move energy, people, goods, packets, water, or other essential services. They normally have high fixed costs, long asset lives, regulated or contracted pricing, and limited direct substitution once the asset is embedded in a route, utility territory, supply chain, or customer workflow.

The customer set varies by sub-vertical. Utilities and regulated networks sell essential services to households, businesses, municipalities, and wholesale counterparties under regulatory frameworks. Transport assets such as rail, ports, terminals, toll roads, or logistics infrastructure sell capacity, access, handling, or throughput to industrial and consumer supply chains. Midstream assets sell gathering, processing, storage, transportation, or related services to energy producers, utilities, refiners, marketers, and large end users. Data and telecom infrastructure sell colocation, tower, fiber, connectivity, and power-enabled capacity to carriers, cloud providers, enterprises, hyperscalers, and digital platforms. The common thread is not a single product; it is the ownership of difficult-to-replicate network assets where capacity matters more than brand.

The pricing model is usually one of four types. First, regulated cost-of-service pricing lets an asset earn an allowed return on invested capital, with periodic regulatory reset risk. Second, take-or-pay or capacity-reservation contracts convert physical availability into recurring cash flow even when actual throughput varies. Third, volume-linked tariffs add upside or downside from utilization. Fourth, merchant or renewal-based exposure appears where contract terms roll faster, power input costs move quickly, or competitive capacity comes online. The quality of the segment depends on the mix among these four

models. A regulated utility with inflation-linked rate-base growth is a very different asset from a highly levered data-center development project whose economics depend on timely power delivery and customer preleasing.

Go-to-market is capital led rather than sales led. Brookfield does not win Infrastructure business primarily through short-cycle customer acquisition. It acquires, develops, recapitalizes, or expands assets, then earns over long lives through operating discipline, financing, regulatory negotiation, contract renewal, and incremental capex. The competitive edge is therefore a combination of capital access, operator credibility, counterparty trust, and the ability to underwrite political and regulatory risk. That is why this segment has a different feel from Asset Management or Wealth Solutions. Infrastructure revenue can grow quickly when Brookfield acquires or consolidates assets, but FFO per dollar of revenue can remain modest if the asset carries non-recourse leverage, minority interests, high maintenance capex, high depreciation, or timing lags between capital deployed and allowed-return realization.

The reporting also matters. Brookfield's official segment profit metric for Infrastructure is FFO, not generic operating income [data_package Section 1; Section 3 Infrastructure; Section 10 Open Data Gaps]. Segment FFO is the measure used in Brookfield's official segment framework. It is the right measure for this appendix, but it is not the same as cash from operating activities and should not be mistaken for parent free cash flow. For Gideon-style underwriting, that lowers the immediate attractiveness of this segment: durable real assets are valuable, but the parent-level equity compounding test cares about how much owner-relevant profit the Infrastructure segment produces after financing, reinvestment, and minority-ownership structure.

2. Current Economics

Infrastructure is one of Brookfield's largest revenue contributors. FY2025 external revenue was $24.2B, with rounded official segment FFO of $0.8B and a FFO margin of 3.1% [data_package Section 3 Infrastructure]. On a TTM basis ending 2026-03-31, Infrastructure revenue was $25.174B and official FFO was $0.737B, implying a TTM FFO margin of about 2.9% [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric; Section 5 Infrastructure quarterly rows]. In other words, this is a large revenue line but a small disclosed profit line at the BN parent segment level.

The recent quarterly pattern is better on revenue than on margin. Infrastructure revenue was $5.7B in Q2 2025, $6.3B in Q3 2025, $6.6B in Q4 2025, and $6.6B in Q1 2026 [data_package Section 5 rows Infrastructure]. YoY growth was 9.4%, 15.5%, 18.3%, and 16.9% over those four quarters [data_package Section 5 rows Infrastructure]. The official profit metric margin, however, was 3.3%, 3.6%, 2.4%, and 2.5% over the same periods [data_package Section 5 rows Infrastructure]. The segment therefore has clear top-line momentum but limited visible FFO conversion at the BN reporting layer.

The five-year annual history shows the same tension. Revenue rose from $11.9B in FY2021 to $24.2B in FY2025 [data_package Section 3 Infrastructure]. YoY growth was 23.3% in FY2022, 23.8% in FY2023, 18.0% in FY2024, and 12.5% in FY2025 [data_package Section 3 Infrastructure]. FFO was more volatile: $0.8B, $0.6B, $0.7B, $0.6B, and $0.8B from FY2021 through FY2025 [data_package Section 3 Infrastructure]. FFO margin moved from 6.7% in FY2021 to 4.3% in FY2022, 3.6% in FY2023, 2.6% in FY2024, and 3.1% in FY2025 [data_package Section 3 Infrastructure]. The revenue CAGR looks impressive; the segment FFO CAGR does not.

Capital intensity is structurally high. The data package does not disclose segment-level infrastructure capex, but consolidated capex or PP&E acquisitions rose from $6.8B in FY2021 to $14.8B in FY2025 [data_package Section 7]. The balance sheet snapshot also shows total debt, corporate plus non-recourse borrowings, of $259.6B at FY2025, net debt of $243.4B, and an explicit non-recourse leverage caveat [data_package Section 8]. Those figures are not Infrastructure-only, but they are important because Infrastructure is the type of Brookfield business that tends to live with asset-level debt. The segment can be economically sound while parent-visible FFO remains a relatively thin slice of gross revenue.

The sub-products are not dollar-disclosed at the BN parent level. The data package names utilities, transport, midstream, data, telecom, and related assets, but says there are no BN product revenue dollars and no back-solved product dollars [data_package Section 4 row Infrastructure; Section 4 Back-solved product dollars]. The only disclosed product trend relevant to Infrastructure is a grouped operating-business FFO trend across Energy / RPT, Infrastructure, and Private Equity, including Q4 2025 RPT and infrastructure FFO up 14% and Q1 2026 infrastructure, private equity, and energy FFO up 19% [data_package Section 4 trend row Operating FFO grouping]. Because those growth references are grouped and not Infrastructure-only dollars, they are useful directional support but not a substitute for the segment revenue and FFO table.

3. Unit Economics

Infrastructure unit economics begin with fixed assets and contracted or regulated cash flows. A pipeline, port, data center, toll road, fiber route, district energy system, transmission network, or regulated utility has a large upfront cost and relatively low marginal cost once operating. If utilization, tariff recovery, or contracted capacity rises faster than operating costs, incremental margins can be attractive. If the asset needs heavy sustaining capex, faces rate resets, suffers throughput weakness, or carries expensive floating-rate debt, the equity-level FFO margin can compress even while revenue grows.

That is exactly the pattern visible in Brookfield's disclosed Infrastructure history. Revenue grew strongly from FY2021 to FY2025, but FFO margin fell from 6.7% to 3.1% [data_package Section 3 Infrastructure]. The 2021-2022 data are old-taxonomy, so the precise margin change should not be overinterpreted, but the clean FY2023-FY2025 comparison still shows margin moving from 3.6% to 2.6% to 3.1% while revenue rose from $18.2B to $24.2B [data_package Section 3 Infrastructure]. The simple lesson is that Brookfield can grow the Infrastructure revenue base without translating that growth one-for-one into reported FFO.

The mechanics are plausible for a real-asset portfolio. First, acquisitions add revenue immediately but may initially carry acquisition financing, integration costs, minority economics, and purchase-accounting complexity. Second, development capex can create a lag: capital goes out before the regulated asset base, contracted capacity, or stabilized occupancy fully earns. Third, non-recourse leverage reduces parent risk but also means the segment is sensitive to asset-level interest cost and refinancing. Fourth, Brookfield's ownership stakes may differ across assets, so consolidated revenue can be a poor proxy for BN's ultimate economic interest. Fifth, asset sales and portfolio rotation can move revenue and FFO in different directions.

For a Gideon compounder lens, the segment's unit economics are therefore better described as "durable but capital-hungry" than "asset-light compounding." Infrastructure can be a strong source of long-duration value when Brookfield buys well, finances long, operates better, and recycles capital at attractive spreads. But the segment does not currently demonstrate high FFO margin on the reported revenue base. Its TTM FFO margin is about 2.9% [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric]. A base case that assumes major margin expansion would need specific evidence of mix improvement, lower financing drag, mature project ramp, or better ownership economics. The data package does not provide that evidence at product level.

The most favorable unit-economic feature is inflation and replacement-cost protection. Regulated utilities and contracted infrastructure often have tariff escalators, periodic rate-base resets, or contract structures that pass through certain costs. Replacement cost also rises with permitting scarcity, land scarcity, grid constraints, construction inflation, and environmental review. Existing assets can therefore become more valuable even if accounting margins look thin. The unfavorable feature is that the same replacement-cost inflation also makes growth capex more expensive. If Brookfield must pay up for acquisitions or fund new capacity in a world of higher rates and higher construction costs, the value of existing assets rises but the spread on new capital can narrow.

This segment's central underwriting question is not whether infrastructure demand exists. It does. The question is whether BN's Infrastructure segment can convert demand into owner-relevant FFO growth at an attractive rate. The answer from current disclosures is mixed. Revenue growth is strong, management is talking about AI-linked infrastructure demand, and the asset class has obvious scarcity value. But reported FFO margin is low, product-level profit is not disclosed, and consolidated leverage/capex intensity creates an ongoing need to distinguish asset value creation from near-term distributable profit.

4. Competitive Dynamics

Infrastructure is one of the most competitive institutional asset classes in the world. Brookfield competes with other global infrastructure managers, pension funds, sovereign wealth funds, strategic operators, listed utilities, pipeline companies, tower companies, data-center REITs, private equity infrastructure teams, and local regulated incumbents. The competitive set changes by asset type. In utilities and energy networks, the relevant peers are regulated utilities, transmission owners, pipeline operators, and government-backed infrastructure funds. In transport, the competitors are port operators, toll-road sponsors, rail owners, logistics landlords, and sovereign or pension capital. In data and telecom infrastructure, the peers include Equinix, Digital Realty, American Tower, Crown Castle, SBA Communications, hyperscaler self-build teams, cloud-related infrastructure partnerships, and specialist digital-infrastructure funds.

Demand is not the scarce input; investable capacity is. PwC's 2025 global infrastructure outlook estimates $151.1T of cumulative infrastructure investment need through 2050 and annual infrastructure spending rising from $4.4T in 2024 to $6.9T by 2050, with digital, power, transport, and transmission/distribution highlighted as important categories ([PwC Global Infrastructure Outlook 2025-50](https://www.pwc.com/gx/en/industries/capital-projects-infrastructure/global-infrastructure-outlook.html)). The older Global Infrastructure Hub framework also estimated $94T of global infrastructure investment need by 2040 and a further

$3.5T for water and electricity access goals, with a large unfunded gap if current trends continue ([Global Infrastructure Hub](https://www.gihub.org/media/global-infrastructure-investment-need-to-reach-usd97-trillion-by-2040/)). These are not BN-specific forecasts; they frame the size of the pond. Brookfield's problem is not finding a narrative. Its problem is winning assets at returns that remain attractive after competition bids them up.

Private capital competition is intense. Preqin's "Infrastructure in 2026" summary says infrastructure fundraising grew in 2025, closes became more concentrated in larger funds, investors shifted toward core-plus, and deal volumes declined despite abundant dry powder ([Preqin Infrastructure in 2026](https://www.preqin.com/insights/research/reports/infrastructure-in-2026)). That supports two competing conclusions. It is good for Brookfield because larger, more complex platforms favor managers with scale, relationships, and operational teams. It is bad because abundant dry powder and lower deal volume can compress forward returns. For Brookfield Infrastructure, the higher-quality conclusion is not "there is a giant market, therefore growth is easy." It is "Brookfield has an advantage in complexity, but expected returns can be competed away unless it sources proprietary deals or creates value operationally."

Data infrastructure is the most obvious growth vector. The IEA's Energy and AI report estimates data-center electricity consumption at about 415 TWh in 2024, or roughly 1.5% of global electricity consumption, and projects it roughly doubling to about 945 TWh by 2030 in its Base Case ([IEA Energy and AI](https://www.iea.org/reports/energy-and-ai/energy-demand-from-ai)). The same report emphasizes that data centers can be built in two to three years while the broader energy system has longer planning and construction lead times. This is the heart of the opportunity for an infrastructure owner: AI demand is not only a data-center story; it is also a power, grid, land, permitting, backup generation, and interconnection story.

The peer evidence also shows why this opportunity is hard. Equinix's 2025 10-K says power shortages, capacity constraints, and higher power procurement costs can harm the business, and that limits on generation, transmission, and distribution may restrict its ability to obtain sufficient power for expansion ([Equinix 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1101239/000110123926000032/eqix-20251231.htm)). Equinix also discloses that most revenue contracts have initial terms of one to five years and that power and high-density AI loads can limit utilization of older facilities. That tells us digital infrastructure has demand, but not effortless economics. The bottleneck can shift from space to power, from lease-up to interconnection, from customer demand to equipment and cooling design. Brookfield's "AI factories" framing is therefore directionally strong but execution-sensitive.

Midstream and energy networks are more mature but can be more contractually stable. TC Energy's 2025 annual filing describes Canadian natural gas pipeline revenue from firm contracted capacity as recognized ratably over the term regardless of actual gas transported, with cost-of-service tolls designed to recover costs and an approved return on capital ([TC Energy 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1232384/000123238426000015/trp-20251231_d2.htm)). Its U.S. pipeline disclosure similarly describes firm capacity contracts and FERC-regulated rates. This peer context is important for Brookfield because regulated and contracted infrastructure can carry lower volume risk than industrial revenue streams, but it also carries regulatory reset risk, public scrutiny, and lower upside if returns are capped.

Telecom towers illustrate the other side of infrastructure: strong recurring lease models, but tenant concentration and technology risk. American Tower's 2025 10-K describes itself as a global owner, operator, and developer of multitenant communications real estate and discloses large future minimum rental receipts under non-cancellable operating leases ([American Tower 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1053507/000105350726000035/amt-20251231.htm)). Tower economics can be excellent when multiple tenants share one asset, rent escalators hold, and churn is low. The risk is carrier consolidation, network architecture shifts, regulatory changes, and local permitting. For Brookfield, the lesson is that data and telecom infrastructure can be very high quality when tenancy is sticky and capital is disciplined, but quality depends on the asset's local monopoly and contract stack, not on the word "digital."

Pricing power in Infrastructure is therefore local and contractual, not universal. A regulated network with an allowed return has pricing power mediated by a regulator. A port or rail corridor has pricing power if it controls a scarce route and customers lack substitutes. A pipeline has pricing power if capacity is scarce, contracts are long, and the route is strategic. A data center has pricing power if it controls power, interconnection, customer ecosystems, land, and speed-to-market. A commodity-exposed asset has little pricing power if customers can reroute, renegotiate, or wait for competing capacity.

Brookfield's structural competitive advantages are scale, capital formation, operational reach, and willingness to transact in complexity. Its disadvantages are the same features in reverse: capital-heavy deals require financing, the best assets attract aggressive buyers, and global regulatory footprints create many ways to lose time or political goodwill. The segment deserves

credit for being in attractive markets, but the model should not assume a perpetually high revenue CAGR. The base case below deliberately decelerates growth from the recent high-teens quarterly pace toward a mid-single-digit exit rate by 2031, because competitive bidding, capital intensity, and regulatory friction are real constraints.

5. Moat At The Segment Level

Infrastructure has a real segment-level moat, but it is not a single moat. It is a portfolio of micro-moats. The strongest are legal/regulatory monopolies, physical route scarcity, interconnection scarcity, zoning and permitting barriers, long-term contracts, replacement-cost inflation, and operator credibility. The weakest are generic capital ownership, commodity throughput, and assets where competition can add capacity quickly. Brookfield's task is to keep the portfolio weighted toward the first group.

The regulatory moat is powerful but imperfect. If a utility or pipeline earns an allowed return on a regulated asset base, the moat comes from exclusivity and the difficulty of building a duplicate network. But the regulator also caps economics. Good outcomes require a fair regulator, prudent capex recognition, and cost control. Bad outcomes show up as delayed rate cases, disallowances, political pressure, or mandated customer refunds. A regulated asset can be safer than a merchant asset while still producing mediocre equity returns if the capital structure is too aggressive or the allowed return is reset lower.

The contract moat is also real. Capacity-reservation contracts, take-or-pay structures, and long-term leases can produce predictable revenue and protect downside. Peer disclosures from TC Energy and American Tower show why investors prize these models: capacity and lease payments can be recognized over the term rather than depending entirely on monthly volumes or spot demand. But contracts roll. The moat is only durable if the asset remains essential at renewal. A contract with a weak counterparty, obsolete route, or overbuilt market is not a moat; it is a countdown to renegotiation.

The data-infrastructure moat is changing fastest. Historically, interconnection density, campus ecosystems, fiber availability, and customer proximity mattered most. With AI workloads, power availability, cooling design, grid interconnection, land, and permitting have become equally important. This helps infrastructure owners with grid and power expertise, but it also invites new entrants: hyperscalers, utilities, energy developers, specialized data-center developers, and governments all have incentives to control the bottleneck. Brookfield can be advantaged if it combines power, real estate, capital, and operating expertise, but AI demand does not automatically create high returns. It can also create a capex race.

The segment's moat is durable over five to ten years if Brookfield keeps discipline. Existing high-quality assets should retain value because demand for power, data, transport, logistics, and essential networks is rising, while permitting and construction remain difficult. The segment's revenue base has already demonstrated resilience and growth, with TTM revenue of $25.174B and recent quarterly YoY growth between 9.4% and 18.3% before Q1 2026 at 16.9% [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric; Section 5 Infrastructure quarterly rows]. The weak point is not demand. It is conversion into FFO. A moat that protects asset value but does not lift BN's FFO margin may still be a good asset-management story, but it is a less compelling parent-equity earnings story.

My segment-level moat verdict is therefore "good but not self-proving." Infrastructure is likely one of Brookfield's more durable operating segments, and the asset class deserves a lower terminal risk than Private Equity industrial portfolio revenue. However, current reported FFO margin is too low to assume this is a high-return compounding engine without further evidence. The moat supports a base case of continued revenue growth and modest FFO margin recovery; it does not support a bull case by itself. The bull case requires data-infrastructure and power-linked opportunities to translate into higher FFO per dollar of revenue, not merely larger consolidated revenue.

6. Historical Growth Rates

The table below reproduces Brookfield Infrastructure historical revenue from the data package. Because product-level dollars are not disclosed, the only modeled line is the official Infrastructure segment total. FY2021-FY2022 are official old-taxonomy values; FY2023-FY2025 are the cleaner current-framework values. The required FY-3/FY-2/FY-1 cells therefore show FY2023, FY2024, and FY2025 directly. The CAGR cell gives the clean current-framework FY2023-FY2025 span and also discloses the longer FY2022-FY2025 arithmetic span.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Infrastructure total	$18.2B FY2023 [data_package Section 3 Infrastructure Revenue row]	$21.5B FY2024 [data_package Section 3 Infrastructure Revenue row]	$24.2B FY2025 [data_package Section 3 Infrastructure Revenue row]	15.3% FY2023-FY2025 clean span; 18.1% FY2022-FY2025 3-year span [data_package Section 3 Infrastructure Revenue and YoY rows; calc]	16.9% in Q1 2026 [data_package Section 5 Infrastructure Q1 2026 row]	Official segment external revenue; no product-dollar rows [data_package Section 4 Infrastructure row]

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Utilities	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [DATA GAP]	n/d [DATA GAP]	Product named but no BN product revenue dollars disclosed
Transport	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [DATA GAP]	n/d [DATA GAP]	Product named but no BN product revenue dollars disclosed
Midstream	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [DATA GAP]	n/d [DATA GAP]	Product named but no BN product revenue dollars disclosed
Data / telecom / related	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [data_package Section 4 Infrastructure row]	n/d [DATA GAP]	n/d [DATA GAP]	Product named but no BN product revenue dollars disclosed

The full annual sequence is: $11.9B FY2021, $14.7B FY2022, $18.2B FY2023, $21.5B FY2024, and $24.2B FY2025 [data_package Section 3 Infrastructure Revenue row]. Current-framework FY2023-FY2025 revenue grew from $18.2B to $24.2B, a two-year CAGR of approximately 15.3%. The longer official FY2022-FY2025 span grew from $14.7B to $24.2B, a three-year CAGR of approximately 18.1%, but that start year carries the old-taxonomy caveat. FY2025 YoY was 12.5% [data_package Section 3 Infrastructure YoY row]. TTM revenue ending 2026-03-31 was $25.174B [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric].

Internal arithmetic check: $11.9B x 1.233 = $14.7B, tying FY2022 revenue within rounding to the disclosed 23.3% YoY [data_package Section 3 Infrastructure]. $14.7B x 1.238 = $18.2B, tying FY2023 revenue within rounding. $18.2B x 1.180 = $21.5B, tying FY2024 revenue within rounding. $21.5B x 1.125 = $24.2B, tying FY2025 revenue within rounding. No product-dollar rows were back-solved, so there are no product-row tie-outs.

The historical profit picture is less attractive. Infrastructure FFO was $0.8B FY2021, $0.6B FY2022, $0.7B FY2023, $0.6B FY2024, and $0.8B FY2025 [data_package Section 3 Infrastructure Official profit metric row]. TTM FFO ending 2026-03-31 was $0.737B [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric]. That means the segment's revenue scale has more than doubled over the FY2021-FY2025 window, while disclosed FFO has not. This is the main reason my forward model gives Brookfield credit for growth but only modest margin expansion in the base case.

7. Management Guidance Quoted From The Data Package

The data package includes one direct Infrastructure-specific management quote and one grouped operating-business trend row that includes Infrastructure. I do not add transcript quotes from outside the data package.

Data package row	Source	Verbatim quote or disclosed trend	Interpretation
Section 6 row Infrastructure	Q1 FY2026 call, 2026-05-14, Bruce Flatt	"AI factories"	Management is explicitly linking Infrastructure demand to data centers, power, compute capacity, and data sovereignty. This supports a positive demand setup but is not product-level guidance.
Section 4 trend row Operating FFO grouping	Brookfield transcripts and Q1 press release	Q4 2025 RPT and infrastructure FFO +14%; Q1 2026 infrastructure, private equity and energy FFO +19%	Directional support that operating-business FFO momentum improved, but the row is grouped and not a clean Infrastructure-only growth rate.

[DATA GAP: The data package provides no Infrastructure-specific FY+1 revenue guide, product-level guide, asset-level backlog, contracted revenue schedule, segment capex budget, or segment non-recourse debt schedule.]

The management guidance anchor is therefore qualitative rather than numerical. "AI factories" is a powerful phrase because it captures a real shift in infrastructure demand. AI buildout needs land, grid interconnection, power generation, backup capacity, fiber, cooling, and large-scale capital. Brookfield is plausibly positioned for this because it participates across infrastructure, real estate, power, and private capital. But the quote does not tell us the revenue mix, margin, ownership stake, capital required, or time to FFO. I treat it as support for durable demand and a reason not to use a no-growth terminal case; I do not treat it as evidence for a sustained double-digit FFO CAGR at the BN segment level.

The grouped operating FFO trend helps a bit more, but still has limitations. The Q4 2025 RPT and infrastructure FFO +14% reference includes infrastructure but is not separated cleanly from RPT in the data package [data_package Section 4 trend row]. The Q1 2026 infrastructure, private equity, and energy FFO +19% reference is even broader. These trends support the

idea that FFO momentum is not broken, but they cannot be used as a direct Brookfield Infrastructure segment growth rate. The model therefore starts from the TTM segment facts: $25.174B revenue, $0.737B FFO, and a 2.9% FFO margin [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric].

8. Forward Growth Assumptions

The forward endpoint is 2031-03-31, exactly five calendar years after the TTM end date. The model compounds from TTM revenue of $25.174B, not from FY2025 revenue. Because product-level dollars are not disclosed, the tables use "Infrastructure total" as the only modeled line. The sub-verticals are discussed as drivers rather than assigned unsourced dollar values.

Base Case Growth

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM->TTM+5y	Justification
Infrastructure total	18.1% FY2022-FY2025; 15.3% FY2023-FY2025 clean two-year CAGR	16.9% Q1 2026	No numerical guide; management says "AI factories"	7.5%	Decelerates materially from recent growth to reflect larger scale, asset sales, competition for assets, capital intensity, and regulatory friction, while still crediting AI-linked power/data demand and essential-network demand.
Utilities	n/d	n/d	n/d	n/d	Not separately modeled because BN product revenue dollars are not disclosed. Contribution is embedded in Infrastructure total.
Transport	n/d	n/d	n/d	n/d	Not separately modeled because BN product revenue dollars are not disclosed. Contribution is embedded in Infrastructure total.
Midstream	n/d	n/d	n/d	n/d	Not separately modeled because BN product revenue dollars are not disclosed. Contribution is embedded in Infrastructure total.
Data / telecom / related	n/d	n/d	Qualitative AI factory demand	n/d	Not separately modeled as a dollar line, but it is the primary reason base growth remains above mature regulated-utility growth.

The base case uses a five-year revenue CAGR of 7.5%, producing 2031-03-31 Infrastructure revenue of approximately $36.1B. The year-by-year deceleration path is 10.5%, 8.5%, 7.0%, 6.0%, and 5.6%. That path matters because the latest Q1 2026 YoY was 16.9%, but the model should not assume a high-teens rate persists for five years. The IEA data-center power outlook supports elevated digital-infrastructure demand, but the peer evidence from Equinix also shows power constraints, supply chains, and grid bottlenecks. The base case assumes Brookfield wins enough growth projects and acquisitions to compound faster than GDP, but not enough to avoid normal infrastructure return compression.

Bull Case Growth

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	Justification
Infrastructure total	18.1% FY2022-FY2025; 15.3% FY2023-FY2025 clean two-year CAGR	16.9% Q1 2026	No numerical guide; management says "AI factories"	10.5%	Assumes Brookfield converts AI-linked data/power demand, transport/logistics scarcity, and midstream/utility expansion into faster project starts and acquisitions without severe return compression.
Utilities	n/d	n/d	n/d	n/d	Embedded in total; bull requires favorable rate-base growth and no major regulatory disallowance.
Transport	n/d	n/d	n/d	n/d	Embedded in total; bull requires continued volume recovery, pricing power, and scarce-route value.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	Justification
Midstream	n/d	n/d	n/d	n/d	Embedded in total; bull requires stable contract renewals and growth capex at acceptable spreads.
Data / telecom / related	n/d	n/d	Qualitative AI factory demand	n/d	Embedded in total; bull requires power-secured development and customer preleasing to produce high-quality growth.

The bull case uses a 10.5% five-year CAGR, producing approximately $41.5B of 2031-03-31 revenue. The year-by-year path is 13.0%, 11.5%, 10.5%, 9.0%, and 8.5%. This is still below the recent reported YoY rates, but it assumes the current demand environment lasts longer than the base case. For the bull case to be credible, Brookfield must do more than buy revenue. It needs to secure power, grid access, regulated growth capex, and long-term contracts at returns that survive higher competition. The bull case also assumes no large infrastructure asset sales that reduce consolidated revenue, or that recycling proceeds are redeployed quickly into similar or better assets.

Bear Case Growth

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	Justification
Infrastructure total	18.1% FY2022-FY2025; 15.3% FY2023-FY2025 clean two-year CAGR	16.9% Q1 2026	No numerical guide; management says "AI factories"	4.0%	Assumes capital recycling, asset-sale drag, regulatory delays, power bottlenecks, higher financing costs, and lower acquisition spreads pull growth toward mature infrastructure levels.
Utilities	n/d	n/d	n/d	n/d	Embedded in total; bear includes rate pressure or delayed recovery of capex.
Transport	n/d	n/d	n/d	n/d	Embedded in total; bear includes weaker volumes or more customer bargaining power.
Midstream	n/d	n/d	n/d	n/d	Embedded in total; bear includes re-contracting pressure or lower growth capex.
Data / telecom / related	n/d	n/d	Qualitative AI factory demand	n/d	Embedded in total; bear assumes demand remains high but power delivery, permitting, and competition absorb much of the economics.

The bear case uses a 4.0% five-year CAGR, producing approximately $30.6B of 2031-03-31 revenue. The year-by-year path is 5.5%, 4.5%, 3.5%, 3.0%, and 3.5%. This is not a recessionary collapse scenario; it is a "good assets, mediocre equity compounding" scenario. Infrastructure demand remains real, but returns are competed away, projects take longer, asset-level debt consumes more value, or Brookfield sells mature assets faster than it replaces them. In this case, the segment still grows revenue, but it does not meaningfully lift BN owner earnings.

9. Forward Operating Margin Assumptions

Again, the margin measure here is Infrastructure FFO margin, not generic operating income margin. Current TTM Infrastructure FFO is $0.737B on $25.174B of revenue, or about 2.9% [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric]. FY2025 FFO margin was 3.1%, FY2024 was 2.6%, and FY2023 was 3.6% [data_package Section 3 Infrastructure]. The historical range supports modest recovery but does not support assuming a high-single-digit segment FFO margin by 2031 without a stronger data package.

Case	Current TTM FFO margin	TTM+5y FFO margin	Change vs current	Mechanism
Bear	2.9%	2.4%	-0.5 pts	Higher financing cost, regulatory lag, project ramp delays, asset-sale mix, and competitive acquisition pricing offset revenue growth.

Case	Current TTM FFO margin	TTM+5y FFO margin	Change vs current	Mechanism
Base	2.9%	3.4%	+0.5 pts	Normalization toward the FY2023-FY2025 range as projects mature, digital/power demand improves utilization, and financing drag moderates.
Bull	2.9%	4.0%	+1.1 pts	Better mix from power-secured data infrastructure, scale leverage, successful rate-base growth, and high occupancy/contract renewal lift FFO conversion.

The base case is intentionally conservative on margin. It gives Brookfield 50 basis points of improvement from the TTM level, but still leaves the segment below the FY2021 old-taxonomy margin and only slightly above the clean FY2023-FY2025 range midpoint. This reflects two facts from the data package. First, revenue growth has been strong. Second, FFO has not scaled proportionately. The base model assumes some catch-up but not a sudden transformation.

The bull case is the only case with a margin move greater than 100 basis points from current. The mechanism is mix and maturity. If Brookfield's data/power infrastructure assets achieve high contracted utilization, if regulated capex enters rate base without disallowance, if transportation and midstream assets renew at attractive tariffs, and if asset-level financing is locked at tolerable rates, then FFO margin can move to 4.0%. This is still not heroic for many infrastructure assets, but it is a meaningful change relative to BN's disclosed segment margin.

The bear case margin of 2.4% is not a disaster assumption. It is below the TTM level but close to the Q4 2025 and Q1 2026 quarterly margin prints of 2.4% and 2.5% [data_package Section 5 rows Infrastructure]. It captures the risk that revenue growth continues but the benefits accrue to creditors, minority partners, sellers of assets, construction vendors, or customers rather than BN shareholders.

10. Segment Rollup

The rollup is simple because no product-level dollar allocation is disclosed. "Infrastructure total" is the model line and equals the segment total in every case. The arithmetic compounds TTM revenue of $25.174B for five years and applies the case-specific FFO margin. Totals reconcile exactly because there are no fabricated product subtotals.

Case	Product / modeled line	TTM revenue base	TTM->TTM+5y revenue CAGR	TTM+5y revenue	TTM+5y FFO margin	TTM+5y FFO
Bear	Infrastructure total	$25.174B	4.0%	$30.6B	2.4%	$0.7B
Base	Infrastructure total	$25.174B	7.5%	$36.1B	3.4%	$1.2B
Bull	Infrastructure total	$25.174B	10.5%	$41.5B	4.0%	$1.7B

Arithmetic tie-out: Bear revenue is $25.174B x 1.04^5 = $30.6B; $30.6B x 2.4% = $0.7B FFO. Base revenue is $25.174B x 1.075^5 = $36.1B; $36.1B x 3.4% = $1.2B FFO. Bull revenue is $25.174B x 1.105^5 = $41.5B; $41.5B x 4.0% = $1.7B FFO. Rounding differences are less than 1%.

This rollup produces a wide enough range to be useful. The bear case says Brookfield's Infrastructure segment can remain strategically valuable while producing almost no FFO growth from the current $0.737B TTM base. The base case says FFO rises to roughly $1.2B, a five-year CAGR of about 10.8% from TTM FFO, driven by both revenue growth and modest margin recovery. The bull case says FFO reaches roughly $1.7B, a five-year CAGR of about 17.6%, which requires both sustained revenue growth and a real improvement in FFO conversion.

I would not use the bull case as the default in a company-level Gideon model unless other appendices show strong evidence that Brookfield's capital allocation, management incentives, and asset-management flywheel convert Infrastructure growth into BN per-share value. The bull case is possible because the demand backdrop is exceptional. It is not the center of gravity because disclosed segment FFO has lagged revenue growth.

11. Key Risks And Wildcards

Risk / wildcard	Case most affected	Why it matters	Monitoring signal
FFO conversion stays weak	Bear and base	Infrastructure revenue has grown much faster than reported FFO. If this persists, the segment is more asset-value narrative than parent earnings engine.	Segment FFO margin remains below 3.0% for multiple quarters despite revenue growth.
Power and grid bottlenecks	Bear and bull	AI/data demand can be blocked by interconnection delays, power costs, and local grid limits.	Data/power projects delayed, power procurement costs rise, or customers demand price concessions.
Competitive capital compresses returns	Bear	Large infrastructure funds, pensions, and strategics can bid up assets and reduce forward returns.	Brookfield acquires at lower disclosed yields, or management emphasizes scale over returns.
Regulatory disallowance or political pressure	Bear	Utilities and regulated networks depend on fair recovery of capital and allowed returns.	Rate cases produce disallowances, delayed recovery, or lower allowed ROEs.
Asset sales reduce consolidated revenue	Bear and base	Brookfield actively recycles capital; sales can lower segment revenue even if value is realized elsewhere.	Infrastructure revenue declines after monetizations without matching FFO or buyback benefit.
Higher rates and refinancing drag	Bear	Non-recourse asset-level leverage can protect parent recourse risk but still reduce asset-level FFO.	Interest expense or refinancing commentary worsens; asset-level maturities require equity injections.
AI infrastructure upside converts into contracted growth	Bull	If Brookfield controls power, land, grid, and capital, AI demand can create high-quality long-duration contracts.	Management discloses signed long-term contracts, preleased campuses, or power-secured development returns.
Better portfolio mix	Bull	Data, telecom, contracted transport, and regulated growth capex could improve FFO margin if they scale faster than lower-return assets.	Segment FFO margin moves above 3.5% while revenue still grows high single digits or better.

The most important risk is not a collapse in infrastructure demand. It is value leakage between gross asset growth and BN shareholder earnings. Infrastructure assets can be essential, scarce, and valuable while still producing muted parent FFO if capital structures, minority ownership, interest expense, regulation, and acquisition prices absorb the economics. Brookfield's long record in infrastructure deserves respect, but the data package forces discipline: reported Infrastructure FFO was $0.737B TTM on $25.174B of revenue [data_package TTM anchor; Section 0a KPI family row Segment revenue and official profit metric]. Until FFO margin improves, the segment should be modeled as a durable growth platform with uncertain owner-earnings conversion, not as a clear high-ROIC compounding machine.

The most important wildcard is AI-linked infrastructure. Management's "AI factories" comment is directionally credible because AI demand is becoming a power, grid, land, and data-center bottleneck problem [data_package Section 6 row Infrastructure; IEA Energy and AI]. If Brookfield can solve those bottlenecks across power, real estate, and infrastructure capital, it can create value beyond conventional utility or pipeline returns. But if everyone sees the same bottleneck and bids the same assets, excess returns will migrate to landowners, equipment suppliers, regulated utilities, construction firms, or hyperscalers rather than Brookfield. That is why the bull case requires both growth and margin.

Ending Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$30.6B	2.4% FFO margin	$0.7B FFO	25%
Base	$36.1B	3.4% FFO margin	$1.2B FFO	55%
Bull	$41.5B	4.0% FFO margin	$1.7B FFO	20%

Base case conclusion: Infrastructure is one of Brookfield's better demand stories, but the model should be disciplined because BN's disclosed Infrastructure FFO margin is low and product-level economics are not disclosed. The segment can plausibly compound revenue at a high-single-digit rate through 2031-03-31, helped by essential-network demand and AI-linked infrastructure needs. The harder question is whether that growth becomes BN owner earnings. My base case gives partial credit: revenue grows to $36.1B and FFO grows to $1.2B, but the segment still does not look like a standalone high-margin compounder at the parent reporting layer.

External competitive-context sources used in this appendix: [IEA Energy and AI](https://www.iea.org/reports/energy-and-ai/energy-demand-from-ai), [PwC Global Infrastructure Outlook

2025-50](https://www.pwc.com/gx/en/industries/capital-projects-infrastructure/global-infrastructure-outlook.html), [Global Infrastructure Hub](https://www.gihub.org/media/global-infrastructure-investment-need-to-reach-usd97-trillion-by-2040/), [Preqin Infrastructure in 2026](https://www.preqin.com/insights/research/reports/infrastructure-in-2026), [Equinix 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1101239/000110123926000032/eqix-20251231.htm), [TC Energy 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1232384/000123238426000015/trp-20251231_d2.htm), and [American Tower 2025 Form 10-K](https://www.sec.gov/Archives/edgar/data/1053507/000105350726000035/amt-20251231.htm).

Appendix B3 - Asset Management

Asset Management - Segment Deep Dive

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Segment: Asset Management Fiscal year end: December 31 TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31 Forward horizon: 2031-03-31, exactly five calendar years after the TTM end date

0. Segment Boundary And Taxonomy Note

Asset Management is the Brookfield Corporation segment that captures the global alternative asset management economics around fee-bearing capital, fee-related earnings, performance fees, carried interest, and Brookfield's ownership economics in Brookfield Asset Management Ltd. The segment is not a conventional industrial operating business. The official segment profit measure is distributable earnings, or DE, not simple operating income. The data package explicitly warns that Brookfield uses mixed official profit measures across its segments: DE for Asset Management and Wealth Solutions, FFO for Energy, Infrastructure, Private Equity, and Corporate Activities, and NOI for Real Estate [data_package Section 1, lines 50-52]. This appendix therefore treats "operating income" in the required horizon tables as Asset Management DE, and labels it that way wherever the table format would otherwise say operating income.

The taxonomy boundary matters. Brookfield completed the asset manager distribution in December 2022, so the clean current-framework history starts in FY2023. The older FY2021-FY2022 rows are not comparable in a simple dollar progression because Wealth Solutions was not separately presented under the current framework and because the BAM separation changed how the asset management engine appears inside BN [data_package Section 1, lines 64-64; Section 10, lines 290-292]. For modeling, this appendix uses FY2023-FY2025 current-taxonomy annual rows and the Q2 2025 through Q1 2026 TTM window from the data package. FY2021-FY2022 are mentioned only as old-taxonomy context, not as the base for growth rates.

1. What This Segment Actually Is

Brookfield's Asset Management segment is the fee engine attached to one of the world's large alternative investment platforms. The customer is not a retail consumer buying a product. The customer is mainly an institutional allocator, sovereign wealth fund, pension plan, insurance account, family office, wealth channel, or strategic partner that wants exposure to real assets, infrastructure, renewables and transition, private equity, credit, opportunistic real estate, and related long-duration alternatives. The product is a set of funds, separately managed accounts, co-investments, listed and private vehicles, and capital markets solutions that allow third-party capital to invest beside Brookfield-controlled operating expertise.

Pricing has several layers. The recurring layer is management fees on fee-bearing capital. The performance layer is incentive income, carry, and realized performance fees. There is also a balance-sheet ownership layer through BN's interest in BAM and associated carried interest or royalty economics. The data package does not disclose parent-level product revenue dollars for fee-bearing capital, FRE, carry, or BAM ownership as separate revenue lines. It explicitly records that Asset Management product revenue dollars are not disclosed and that the most granular dollar layer is segment revenue and DE [data_package Section 4, lines 165-186]. That disclosure boundary is important: this appendix does not invent product-level revenue, and the model is built at the reported segment layer.

The go-to-market model is relationship-driven. Brookfield raises large pools of capital around asset classes where it can credibly claim operating depth: infrastructure, renewable power and transition, private equity, real estate, and credit through Oaktree. The segment's growth is therefore less about selling more units and more about expanding fee-bearing capital, launching successor funds, penetrating private wealth channels, creating perpetual capital vehicles, and compounding carried interest as old vintages mature and new vintages scale. Management commentary in the data package says 2026 is expected to be a "record year of fundraising" and describes a "20% compound annual growth rate" aspiration for asset management DE [data_package Section 6, lines 231-232]. The appendix uses those comments as an upside anchor, not as the base case.

This segment is also different from an independent listed asset manager because BN is a holding company with operating businesses, a balance sheet, Wealth Solutions, and listed affiliates. The asset manager's fee stream benefits when Brookfield can seed strategies, buy platforms, recycle capital, and show institutional clients differentiated deal flow. That is the attractive part of the story. The uncomfortable part is that reported segment revenue can move differently from underlying fee-bearing capital and FRE. FY2025 Asset Management external revenue declined while DE increased, which means a simple revenue CAGR misses the economics of the fee engine [data_package Section 3, lines 102-109]. The model therefore separates

reported revenue growth from DE margin progression.

2. Current Economics

The current clean annual view is FY2025. The data package shows Asset Management FY2025 external revenue of $8.9 billion, equal to 11.9% of Brookfield Corporation FY2025 revenue [data_package Section 1, lines 54-57; source: 2025 annual Note 3]. The same package shows FY2025 Asset Management DE of $3.3 billion and a profit metric margin of 37.4% on external revenue [data_package Section 3, lines 104-109; source: 2025 annual Note 3]. The data package also records that fee-bearing capital was over $600 billion in FY2025, FRE was about $3.0 billion, Q1 2026 fee-bearing capital was $614 billion, and Q1 2026 FRE grew 11% [data_package Section 0a, lines 42-45; sources: 2025 annual Note 3, Q4 2025 transcript, Q1 2026 supplemental].

The most recent quarterly trend is mixed but improving. The data package's Section 5 rows show Asset Management revenue of $2.4 billion in Q2 2025, $2.2 billion in Q3 2025, $2.4 billion in Q4 2025, and $2.1 billion in Q1 2026 [data_package Section 5, lines 192-212; sources: Q2 2025 interim six-month less Q1, Q3 2025 interim nine-month less six-month, FY2025 annual less Q3 2025 nine-month, and Q1 2026 interim]. Because those rows are rounded to one decimal place, this appendix uses a rounded TTM revenue base of approximately $9.1 billion for the forward model. Q1 2026 revenue grew 5.5% year over year, after the prior three quarters were down 7.7%, down 18.6%, and up 5.8% [data_package Section 5, lines 194-212]. That recent path says the segment is not a straight-line top-line compounder at the reported revenue layer.

The more important economic signal is the recurring fee base. Asset Management's product/sub-product table says parent-level product revenue dollars are not disclosed, but the relevant disclosed KPI family is fee-bearing capital, FRE, carry, and BAM ownership economics [data_package Section 4, lines 169-172; source: 2025 annual Note 3]. The quarterly trend table says FRE growth was plus 16% in Q2 2025, plus 17% in Q3 2025, plus 22% in Q4 2025, and plus 11% in Q1 2026 [data_package Section 4, lines 179-182; sources: Brookfield transcripts and Q1 2026 press release]. That is why DE can compound faster than reported revenue if the mix shifts toward recurring management fees and if performance fees normalize.

Capital intensity at the segment level is low relative to the operating businesses. Asset management requires talent, distribution, compliance, systems, seed capital, co-investment capacity, and balance-sheet credibility, but it does not require Brookfield to fund every dollar of fee-bearing capital with BN equity. Brookfield Corporation's consolidated capex and M&A history is large because the group owns and consolidates operating businesses, but the Asset Management fee engine itself should be understood as a scalable fee platform rather than a capital-heavy utility [data_package Section 7, lines 244-254]. The segment's reinvestment need is mostly people, product development, technology, and seed capital rather than recurring physical capex.

The cleanest current economic summary is this: reported Asset Management revenue is roughly $9 billion TTM, FY2025 DE is roughly $3.3 billion, the official profit metric is DE, FBC is more than $600 billion, FRE is about $3 billion, and the latest disclosed FRE growth rate is 11%. The segment is already large enough that a 20% DE CAGR is not an easy base case. But it is also scalable enough that DE can grow faster than reported external revenue if fee-bearing capital grows, realizations resume, private wealth channels scale, and Oaktree/private credit economics contribute after the remaining Oaktree acquisition.

3. Unit Economics

The core unit of economics is fee-bearing capital. A dollar of fee-bearing capital creates management fee revenue according to the fee rate of the product. The best dollars are long-duration or perpetual capital with attractive fee rates, limited redemption risk, and the potential for performance fees. The less attractive dollars are low-fee mandates, temporary capital, or assets that require more servicing, distribution expense, or fee sharing. Brookfield's platform has a structural advantage when it can raise capital into strategies where it has operating control, sourcing access, and a credible value creation track record.

The revenue-to-DE bridge has four broad components. First, management fees and related recurring fees flow from FBC and fee-paying capital. Second, compensation absorbs a meaningful share of fee revenue because investment talent, operating partners, fundraising teams, and distribution people are the core production asset. Third, non-compensation platform costs include compliance, legal, technology, reporting, fundraising infrastructure, and public-company overhead. Fourth, realized performance fees and carry can create significant upside but are cycle-sensitive. Brookfield's DE measure captures distributable earnings from the asset management platform, so it is closer to the earnings power relevant to BN shareholders than a generic operating income metric.

The historical margin pattern supports a scale story, but it should not be overread. In FY2023, Asset Management revenue was $10.2 billion and DE was $3.1 billion, a 30.7% profit metric margin. In FY2024, revenue was $10.0 billion and DE was $3.1 billion, a 30.8% margin. In FY2025, revenue fell to $8.9 billion while DE rose to $3.3 billion, implying a 37.4% margin [data_package Section 3, lines 104-109; source: 2025 annual Note 3]. The improved FY2025 margin is encouraging, but part of it may be mix, timing, internal revenue eliminations, and carry realization pattern rather than permanent efficiency. The model does not treat FY2025's 37.4% as a mechanical floor.

What can move margins up? The first driver is operating leverage in FRE. If incremental fee revenue from FBC growth comes with less-than-proportionate headcount and overhead, DE margin can rise. The second driver is product mix. Perpetual capital, infrastructure, credit, insurance-linked capital, and wealth channel products can have different fee rates and cost-to-serve profiles. The third driver is realization timing. A healthier exit market can release performance fees and carry that were delayed by higher rates or weak transaction markets. The fourth driver is ownership and royalty economics from BAM and affiliated managers, which can add DE without one-for-one external revenue growth at the BN segment line.

What breaks margins down? Fundraising can become more expensive if private wealth distribution grows through intermediaries that demand economics. Compensation ratios can rise if competitors bid aggressively for talent. Realization fees can disappoint if asset sales slow. Fee rates can compress in maturing asset classes, especially where large LPs can negotiate separately managed accounts, co-investment rights, or lower performance fees. Regulatory scrutiny can also raise compliance costs. The bear case assumes these pressures matter: fee-bearing capital grows, but fee rates and realization timing do not cooperate enough to create meaningful DE growth.

The segment's most useful unit-economic test is whether FRE growth remains positive through cycles. The data package records FRE growth of plus 16%, plus 17%, plus 22%, and plus 11% across the four most recent quarters [data_package Section 4, lines 179-182]. That pattern indicates resilience, but the deceleration to plus 11% in Q1 2026 is a reminder that the base is already enormous. For a five-year underwriting, the question is not whether Brookfield can raise another large fund. It is whether incremental FBC can be converted into high-quality, durable FRE and then into DE without excessive compensation, fee sharing, or realization dependence.

4. Competitive Dynamics

Brookfield competes in the upper tier of global alternative asset management. The closest public comparables are Blackstone, KKR, Apollo, Ares, and other scaled alternative managers with institutional and private wealth distribution. Each has a slightly different center of gravity. Blackstone is the largest broad-based alternative platform and disclosed total AUM of $1.304 trillion, fee-earning AUM of $937.6 billion, and Q1 2026 FRE of $1.5 billion in its first-quarter release [Blackstone 1Q26 release](https://www.blackstone.com/wp-content/uploads/sites/2/2026/04/Blackstone1Q26EarningsPressRelease.pdf). KKR disclosed Q1 2026 AUM of $758 billion, fee-paying AUM of $615 billion, Q1 FRE of $1.0 billion, and $127 billion of LTM new capital raised in its Q1 2026 materials as reproduced in its filed earnings release [KKR Q1 2026 filing exhibit](https://www.stocktitan.net/sec-filings/KKR/8-k-kkr-co-inc-reports-material-event-77e0b43d20f9.html). Apollo disclosed total AUM of $1.026 trillion, fee-generating AUM of $836 billion, and Q1 2026 FRE of $728 million [Apollo Q1 2026 earnings presentation](https://ir.apollo.com/_assets/_17671d81f1490963104d5f91ee0e4147/apollo/news/2026-05-06_Apollo_Reports_First_Quarter_2026_622.pdf). Ares disclosed over $644 billion of AUM and Q1 2026 fee-related earnings of $464.4 million [Ares Q1 2026 release](https://ir.ares.com/news/ares-management-corporation-reports-first-quarter-2026-results/39a9b482-1308-476f-8fb8-af9103539a37).

Against that peer set, Brookfield's Asset Management segment is competitively credible but not alone. The top alternatives managers all have brand, institutional trust, long track records, product breadth, and large fundraising teams. Blackstone has the broadest brand and private wealth franchise. KKR has strong private equity, infrastructure, credit, insurance, and capital markets franchises. Apollo has a distinctive origination and retirement-services flywheel. Ares has a powerful credit-led growth model. Brookfield's differentiation is its real-asset operating heritage: infrastructure, renewable power and transition, real estate, and related operating platforms where it can source and manage assets at scale.

The market share context is therefore not a simple winner-take-all structure. Large LPs often allocate to several managers. A pension fund can allocate to Blackstone real estate, Brookfield infrastructure, Apollo credit, KKR private equity, and Ares direct lending at the same time. That reduces single-manager substitution risk but increases performance benchmarking pressure. If Brookfield's flagship products underperform peers, fundraising slows. If Brookfield's operating expertise produces realized exits, co-investment opportunities, and differentiated themes such as AI-linked power and infrastructure, it can keep winning allocations even while peers grow.

Pricing power exists, but it is not unlimited. In differentiated strategies with scarce operating capability, Brookfield can defend management fees and carry. In more commoditized credit or large separate accounts, fee pressure is real. The biggest managers also face a mix shift toward private wealth and perpetual vehicles, which can be attractive because the capital is sticky but costly because distribution partnerships demand economics and product support. Brookfield's record-year fundraising commentary is encouraging [data_package Section 6, lines 231-231], yet the competitive data show that peers are also raising immense amounts of capital. This is a scale race, not a sheltered monopoly.

Entry barriers are meaningful. Building a global alternative platform requires decades of realized returns, regulatory infrastructure, audited reporting, valuation discipline, distribution, investment talent, and the trust of large allocators. Brookfield adds operating control and balance-sheet history. New entrants can raise niche funds, but they cannot quickly replicate the scale, product breadth, and asset-owner relationships of Brookfield, Blackstone, KKR, Apollo, or Ares. The bigger threat is not a startup replacing Brookfield. It is established peers taking marginal LP allocations, sovereign and pension clients insourcing parts of the portfolio, or fee compression as alternatives become a more institutionalized asset class.

The substitution risk is also cyclically asymmetric. In good markets, more managers can raise capital, exit assets, and monetize performance fees. In bad markets, only the largest platforms may still raise capital, but realization income can fall. Brookfield's segment should be resilient if FRE keeps growing, but DE will remain partly tied to capital markets. A five-year base case should assume no heroic multiple expansion in the alternatives industry; it should assume Brookfield earns growth because it raises capital, deploys into advantaged real-asset themes, and converts more of the platform into recurring fee earnings.

5. Moat At The Segment Level

The Asset Management segment moat is real, but it is an institutional moat rather than a consumer-brand moat. The first layer is trust. Large allocators need managers who can handle scale, governance, reporting, and complex cross-border execution. Brookfield has decades of history in real assets and a recognized brand in infrastructure, renewable power, real estate, and private equity. That creates a hurdle for smaller managers because an LP allocating billions does not experiment casually.

The second layer is sourcing and operating capability. Brookfield can originate, acquire, improve, finance, and recycle operating assets in markets where purely financial sponsors may lack depth. That matters in infrastructure, power, transition, data-center-adjacent infrastructure, and real estate, where operating know-how and local relationships can influence returns. The data package's management commentary on AI-linked infrastructure and energy transition sits outside this appendix's segment, but it supports the broader Brookfield platform's ability to raise capital around tangible themes [data_package Section 6, lines 235-236].

The third layer is product breadth. Asset Management benefits when Brookfield can offer LPs multiple ways to deploy capital: flagship drawdown funds, opportunistic strategies, credit through Oaktree, listed affiliates, co-investments, and private wealth products. A broad platform can keep client relationships active even when one asset class is out of favor. It can also cross-sell. That does not eliminate cyclicality, but it lowers the chance that one weak product cycle damages the entire fee engine.

The fourth layer is scale economics. The data package shows fee-bearing capital above $600 billion and FRE around $3 billion [data_package Section 0a, lines 42-45]. At that scale, Brookfield can fund global distribution, product development, regulatory infrastructure, and specialized teams. Scale also creates a data and relationship advantage: the firm sees more opportunities, more operating benchmarks, more financing relationships, and more LP demand signals. That can feed a positive loop where more capital creates more deal flow, which supports more products, which attracts more capital.

The moat has limits. Alternative asset management is highly competitive, relationship-based, and performance-sensitive. The largest peers are not weak; they are excellent. Fee-bearing capital is sticky only as long as performance, service, and trust hold. Carried interest is valuable but volatile. Public market valuation of asset managers can swing heavily with rates, fundraising sentiment, and exit markets. The segment-level moat is therefore strong enough to underwrite durable profitability, but not strong enough to accept management's 20% DE CAGR as the default case without a margin of safety.

Over five to ten years, the moat should remain durable if Brookfield continues to deliver realized outcomes in real assets, transition, infrastructure, credit, and real estate. The main moat decay risk is not technology disruption. AI will improve sourcing, underwriting, risk monitoring, and reporting, but it is unlikely to replace the institutional trust, capital formation, governance, asset ownership, and operating work that define Brookfield's business. The bigger risks are performance, fee compression, and LP concentration in the biggest managers. Brookfield's moat is enough for a high-quality segment rating, but the model keeps the base case below management's 20% DE aspiration because the scale and competitive context

deserve respect.

6. Historical Growth Rates

The historical table below reproduces the clean current-taxonomy Asset Management data from the data package. FY2021-FY2022 are excluded from the growth calculation because the data package flags them as old-taxonomy values before the post-2022 Brookfield Corporation framework [data_package Section 3, lines 98-100; Section 10, lines 290-292]. The current-taxonomy annual window has three observations, FY2023 through FY2025, so the table shows a two-year clean CAGR rather than a fabricated three-year CAGR.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Asset Management reported segment revenue	$10.2B	$10.0B	$8.9B	n/a; 2-year clean CAGR -6.6%	Q1 2026 revenue +5.5%	Section 3 Asset Management revenue row, source 2025 annual Note 3; Section 5 Q1 2026 row, source Q1 2026 interim
Fee-bearing capital, FRE, carry, BAM ownership economics	Not disclosed	Not disclosed	Not disclosed	n/a	Q1 2026 FRE +11%; FY2025 FBC over $600B; Q1 2026 FBC $614B	Section 0a KPI family row and Section 4 product table row; sources 2025 annual Note 3, Q4 2025 transcript, Q1 2026 supplemental
Fee-related earnings KPI trend	n/a	n/a	n/a	n/a	Q2 2025 +16%; Q3 2025 +17%; Q4 2025 +22%; Q1 2026 +11%	Section 4 quarterly product trend row; sources Brookfield transcripts and Q1 2026 press release
Official profit metric: DE	$3.1B	$3.1B	$3.3B	n/a; 2-year clean CAGR 3.2%	FY2025 DE higher versus FY2024; exact YoY not precisioned from rounded data	Section 3 Asset Management official profit metric row; source 2025 annual Note 3

Arithmetic tie-out: FY2023 revenue of $10.2B multiplied by the disclosed FY2024 YoY decline of 1.7% equals roughly $10.0B after rounding, which matches the FY2024 data-package row. FY2024 revenue of $10.0B multiplied by the disclosed FY2025 YoY decline of 11.1% equals roughly $8.9B, which matches the FY2025 row. DE moved from $3.1B in FY2023 to $3.1B in FY2024 and $3.3B in FY2025; because the data package rounds to one decimal place, the exact FY2025 growth rate should not be over-precisioned, but the direction is clear: reported revenue fell while DE rose.

The history tells two different stories. The reported segment revenue line was negative over FY2023-FY2025 because the external revenue presentation is not a pure recurring-fee proxy. The KPI story is stronger: FBC exceeded $600B, FRE was about $3.0B, and recent quarterly FRE growth stayed positive. The forward model therefore does not take the negative two-year reported revenue CAGR and mechanically project it. It also does not take management's 20% DE CAGR comment and mechanically project that. The base case sits between those facts: modest reported revenue growth, stronger DE growth from mix and scale, and a bull case that reaches management's high-teens to 20% DE frame only if fundraising and realization conditions cooperate.

7. Management Guidance

The data package provides two directly relevant Asset Management management-commentary rows.

First, on the Q1 FY2026 call dated 2026-05-14, Nicholas Goodman said "record year of fundraising in 2026" [data_package Section 6, lines 229-232; source: Brookfield Q1 FY2026 transcript]. The data-package interpretation is that Asset Management entered 2026 with FBC of $614B and that management expects fundraising to support another earnings step-up. For modeling, this is a positive FY+1 anchor. It supports the view that the Q1 2026 revenue rebound and plus 11% FRE growth are not isolated data points. It does not by itself prove that reported segment revenue will grow at a double-digit CAGR for five years because fundraising can be strong while product mix, fee rates, and realization timing vary.

Second, at the 2025 Investor Day dated 2025-09-10, Nicholas Goodman referred to a "20% compound annual growth rate" for the asset management DE plan [data_package Section 6, lines 231-232; source: Brookfield 2025 Investor Day transcript]. The data package interprets this as a high-teens to 20% compounding engine from BAM ownership, carry, and royalty economics. For modeling, this is the bull-case anchor. A 20% DE CAGR from approximately $3.3B of FY2025 DE would imply more than $8B of annual DE five years later. That is possible in a strong realization and fundraising environment, but it requires not just FBC growth; it requires fee conversion, operating leverage, and performance-fee realization. The base case below uses

roughly 12% DE compounding, not management's full 20%.

The data package also flags coverage gaps. Brookfield comments heavily on Asset Management, Wealth Solutions, AI-linked infrastructure, real estate recovery, and capital allocation, but product-level revenue dollars are not disclosed at the BN parent level [data_package Section 6, lines 242-242; Section 10, lines 286-293]. This matters because the segment cannot be modeled as a collection of product revenue lines such as infrastructure fees, credit fees, carry, and BAM royalties. The model must use the disclosed segment revenue and DE layer, then explain the KPI drivers underneath it.

8. Forward Growth Assumptions

The forward horizon is TTM ending 2026-03-31 to 2031-03-31, exactly five calendar years. The rounded TTM revenue base is approximately $9.1B, using the data-package Section 5 quarterly Asset Management rows. Since product revenue dollars are not disclosed, the revenue forecast is at the reported segment level. The KPI rows are included as drivers and checks, not as separately summed revenue products.

Base case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Reported Asset Management segment revenue	n/a; 2-year clean CAGR -6.6%	Q1 2026 +5.5%	Q1 FY2026 call, 2026-05-14: record fundraising in 2026	7.5%	Revenue recovers from the FY2025 decline as fundraising and FBC growth help, but the model stays below recent FRE growth because reported revenue includes volatile fee and realization items.
FRE / FBC / carry KPI layer	n/a; no product revenue dollars	Q1 2026 FRE +11%	Q1 2026 FBC $614B and record fundraising	n/a revenue line	KPI growth supports DE faster than revenue; not separately summed because Brookfield does not disclose parent-level product revenue dollars.
Official profit metric: DE	n/a; 2-year clean CAGR 3.2%	FY2025 DE higher versus FY2024; Q1 FRE +11%	2025 Investor Day, 2025-09-10: 20% DE CAGR frame	about 11.5% DE CAGR	Base DE growth is meaningfully below the 20% management aspiration but above reported revenue growth because FRE scale and performance fee normalization improve conversion.

The base case assumes the reported revenue line grows 7.5% annually from the rounded TTM base. This is faster than the negative FY2023-FY2025 reported revenue CAGR because FY2025 appears to have been depressed relative to DE and because Q1 2026 revenue returned to positive YoY growth. It is slower than the latest FRE growth and slower than management's DE ambition because the competitive set is also raising large amounts of capital and because fee rates, distribution economics, and realizations can dilute headline FBC growth.

Bull case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Reported Asset Management segment revenue	n/a; 2-year clean CAGR -6.6%	Q1 2026 +5.5%	Q1 FY2026 call, 2026-05-14: record fundraising in 2026	11.0%	Fundraising, private wealth, Oaktree integration, and stronger exits convert more visibly into reported revenue.
FRE / FBC / carry KPI layer	n/a; no product revenue dollars	Q1 2026 FRE +11%	Q1 2026 FBC $614B and record fundraising	n/a revenue line	FRE growth stays in the low-to-mid teens and realized performance economics reopen as capital markets improve.
Official profit metric: DE	n/a; 2-year clean CAGR 3.2%	FY2025 DE higher versus FY2024; Q1 FRE +11%	2025 Investor Day, 2025-09-10: 20% DE CAGR frame	about 20.0% DE CAGR	Bull case approximates management's high-teens to 20% DE frame, requiring both fee growth and carry/performance realization.

The bull case is not just "base case plus optimism." It requires three concrete changes. First, Brookfield's 2026 fundraising must become the start of a multi-year fundraising wave rather than a one-year catch-up. Second, fee-bearing capital must become fee-paying capital at healthy rates without excessive distribution economics. Third, realizations and carry must

normalize. Peer data show the industry can generate substantial FRE at scale, but they also show Brookfield competes against massive platforms. Blackstone, Apollo, KKR, and Ares are all growing AUM or fee-earning AUM, so the bull case depends on Brookfield taking enough incremental allocation in real assets, transition, credit, and wealth channels.

Bear case:

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Reported Asset Management segment revenue	n/a; 2-year clean CAGR -6.6%	Q1 2026 +5.5%	Q1 FY2026 call, 2026-05-14: record fundraising in 2026	2.5%	Fundraising remains positive, but fee rates compress, realization income is muted, and reported revenue grows only modestly from a large base.
FRE / FBC / carry KPI layer	n/a; no product revenue dollars	Q1 2026 FRE +11%	Q1 2026 FBC $614B and record fundraising	n/a revenue line	FBC grows but lower fee rates, slower deployment, and higher distribution costs reduce conversion to DE.
Official profit metric: DE	n/a; 2-year clean CAGR 3.2%	FY2025 DE higher versus FY2024; Q1 FRE +11%	2025 Investor Day, 2025-09-10: 20% DE CAGR frame	about 0.5% DE CAGR	Bear case assumes margin compression and weak realization offset modest revenue growth.

The bear case is deliberately not a collapse case. Brookfield's platform is too scaled and sticky to assume a five-year revenue decline absent a major performance or governance problem. The more realistic downside is mediocre compounding: FBC grows but fee rates, deployment, and performance fees disappoint. In that case, reported revenue can still rise slightly, while DE stagnates because cost growth, fee sharing, and lower performance economics absorb the benefit.

9. Forward Operating Margin Assumptions

This section uses DE margin, not operating margin, because DE is the official Asset Management segment profit measure. The data package shows FY2025 Asset Management revenue of $8.9B, DE of $3.3B, and a 37.4% profit metric margin on external revenue [data_package Section 3, lines 104-109]. It also shows recent quarterly official profit metric margins of 20.9%, 24.2%, 21.8%, and 26.0% using the segment's quarterly margin convention [data_package Section 5, lines 192-223]. Because the margin denominator differs across annual and quarterly presentation, the model uses the FY2025 external-revenue margin as the anchor for the horizon DE margin, while treating the recent quarterly margins as evidence on direction rather than an exact annualized margin.

Line	Current reference	Bear TTM+5y DE margin	Base TTM+5y DE margin	Bull TTM+5y DE margin	Justification
Asset Management official profit metric margin	FY2025 DE margin 37.4% on external revenue	34.0%	45.0%	55.0%	Bear assumes fee pressure and weak carry; base requires recurring-fee mix, fee-paying conversion and normalized realizations; bull requires strong performance-fee realization plus management's DE compounding frame.
FRE / FBC conversion driver	FY2025 FRE about $3.0B; Q1 2026 FBC $614B	Weak conversion	Healthy conversion	Strong conversion	This row is qualitative because product dollars are not disclosed, but it is the main reason DE can grow faster than reported revenue.
Realization and carry contribution	Carry and performance economics disclosed qualitatively, not product dollars	Muted	Normalizing	Strong	Any margin move above FY2025 requires realized performance economics and scalable recurring fees, not just reported revenue growth.

The bear margin of 34.0% is below the FY2025 margin. That is appropriate if fee rates compress, carry realization remains limited, private wealth distribution costs rise, or compensation grows faster than revenue. It still leaves the business highly profitable. The bear case is therefore not "Brookfield loses its moat"; it is "Brookfield remains a strong manager but the incremental economics are less attractive than management expects."

The base margin of 45.0% is a step-up of about 760 basis points from FY2025. That is a large move, so it needs a mechanism. The mechanism is not generic cost cutting. It is mix and scale: more FBC, more FRE, better conversion of fee-bearing capital to fee-paying capital, and a more normal realization backdrop. The base case assumes the platform can convert a larger recurring-fee pool into DE without adding costs at the same rate; if those drivers are not visible in FRE growth and realization income, the base margin should migrate toward the bear case. This is consistent with the segment's scale

economics, but it still leaves the bull case to capture the full management ambition.

The bull margin of 55.0% is aggressive and should be treated as upside, not the default. It requires strong performance fees, realization income, and operating leverage from a much larger fee base, and it is the margin needed for the model to approximate management's 20% DE compounding frame on the disclosed revenue line without inventing product-level revenue. It also assumes no severe fee compression despite fierce competition from Blackstone, KKR, Apollo, Ares, and others. The bull case is possible because asset management platforms can have very high incremental margins once built, but it is not the underwriting case for a conservative Gideon-style valuation.

10. Segment Rollup

The rollup is built from one disclosed revenue line because Brookfield does not disclose parent-level Asset Management product revenue dollars. The required product-level bottom-up table is therefore a segment-level bottom-up table: reported Asset Management revenue plus a DE margin overlay. That is the only approach that avoids invented product revenue.

Case	TTM revenue base	Revenue CAGR TTM to TTM+5y	Segment TTM+5y Revenue	DE margin	Segment TTM+5y DE
Bear	$9.1B	2.5%	$10.3B	34.0%	$3.5B
Base	$9.1B	7.5%	$13.1B	45.0%	$5.9B
Bull	$9.1B	11.0%	$15.3B	55.0%	$8.4B

Arithmetic tie-out: $9.1B compounded at 2.5% for five years equals $10.3B; $10.3B multiplied by a 34.0% DE margin equals $3.5B. $9.1B compounded at 7.5% for five years equals $13.1B; $13.1B multiplied by a 45.0% DE margin equals $5.9B. $9.1B compounded at 11.0% for five years equals $15.3B; $15.3B multiplied by a 55.0% DE margin equals $8.4B. These values reconcile because there are no undisclosed product lines added underneath the segment total.

The base case implies DE grows from roughly $3.3B in FY2025 to $5.9B at the 2031-03-31 horizon. That is roughly 12% annual growth depending on the precise starting point. This is deliberately below management's 20% compound annual growth frame but materially above the reported revenue CAGR, reflecting the view that Brookfield's scalable FRE and performance economics should improve the DE conversion over time.

The bull case reaches approximately $8.4B of DE, which broadly matches the magnitude implied by a 20% DE CAGR from a roughly $3.3B starting point. The model treats that as possible but probability-weighted lower than the base case because it requires several things to go right simultaneously: sustained fundraising, healthy fee rates, strong deployment, realized carry, and no material deterioration in public or private market conditions.

The bear case leaves DE roughly flat at $3.5B despite revenue growth to $10.3B. That can happen if incremental capital is lower fee, if realization income remains suppressed, if costs and distribution economics rise, or if private wealth and insurance-linked channels require more support than expected. This is the most important downside shape for Brookfield Asset Management: not necessarily a revenue collapse, but a failure to turn more assets into more distributable earnings.

11. Key Risks And Wildcards

The first risk is fee compression. This mostly affects the bear case. Brookfield's scale and real-asset expertise create pricing power, but the largest LPs are sophisticated buyers. They can negotiate fee breaks, co-investment rights, and customized mandates. If industry growth comes through lower-fee channels, FBC can rise while FRE margin disappoints. The model's bear case captures this by letting revenue grow but reducing DE margin.

The second risk is realization timing. This affects all cases but especially the bull case. Asset management DE can benefit from carry and performance fees, but those are not annuities. A weak exit market, high rates, regulatory delays, or lower valuations can defer realizations. If realizations remain muted through much of the five-year window, the bull case becomes hard to reach even if recurring fees grow.

The third risk is performance. This affects the base and bull cases. Brookfield's fundraising advantage depends on realized and unrealized performance across flagship products. If a major strategy underperforms peers, large allocators may still keep a relationship with Brookfield but reduce marginal commitments. That would slow FBC growth and make the "record fundraising" commentary less durable.

The fourth risk is competitive intensity from peers. Blackstone, KKR, Apollo, and Ares all have substantial AUM, fee-earning AUM, and FRE. They are not standing still. The competitive risk is not that Brookfield cannot raise capital; it is that the best

incremental capital is split across several platforms, creating pressure on fees and fundraising cadence. This risk sits mainly in the base-to-bear transition.

The fifth risk is complexity and disclosure. Brookfield's segment presentation uses DE, FFO, NOI, external revenue, segmented revenue, and equity-accounted businesses. The data package has explicit open data gaps around product revenue segmentation and product-level KPI growth rates [data_package Section 10, lines 284-295]. Complexity does not make the economics bad, but it raises underwriting risk. If investors cannot cleanly observe how FBC becomes FRE and DE at BN, they may apply a lower valuation multiple even if the business grows.

The sixth risk is governance and related-party perception. Brookfield's ecosystem includes BN, BAM, BWS, listed affiliates, funds, operating companies, and partner capital. That ecosystem is part of the moat, but it can also create perceived conflicts, complex economics, and valuation discounts. Any simplification, including the proposed BN and BWS/BNT combination noted in the data package, could help or hurt depending on terms and execution [data_package Section 9, lines 274-280].

The seventh risk is macro. Alternatives fundraising and realizations are sensitive to rates, credit spreads, equity markets, and institutional liquidity. A lower-rate, healthier transaction environment supports base and bull cases. A prolonged high-rate or risk-off environment supports the bear case. The segment is more resilient than a pure transaction-fee business because FRE is recurring, but it is not immune to capital markets.

The eighth wildcard is private wealth. If Brookfield builds a larger private wealth franchise without giving away too much economics to distributors, it could expand the addressable market and improve the bull case. If private wealth growth requires high servicing costs, lower fees, or more liquidity support, it could inflate AUM without proportionate DE. The model embeds a moderate benefit in the base case and a stronger benefit in the bull case.

The ninth wildcard is Oaktree and credit. Brookfield agreed to acquire the remaining 26% of Oaktree it did not already own, with $1.4B to be funded by the corporation, according to the data package's recent corporate action section [data_package Section 9, lines 279-279]. If credit demand remains strong and Oaktree integration deepens the fee engine, it can support base and bull outcomes. If credit becomes crowded or defaults rise, the benefit could be smaller.

The tenth wildcard is AI-linked infrastructure and power demand. This is not an Asset Management product revenue line in the data package, but it can strengthen fundraising narratives across infrastructure, energy transition, and real assets. If Brookfield becomes a preferred manager for capital flowing into power, data centers, and related infrastructure, Asset Management can benefit through larger funds and more fee-bearing capital. If the AI infrastructure build-out overheats or returns disappoint, fundraising tailwinds could fade.

Ending Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$10.3B	34.0% DE margin	$3.5B DE	25%
Base	$13.1B	45.0% DE margin	$5.9B DE	55%
Bull	$15.3B	55.0% DE margin	$8.4B DE	20%

The segment is a genuine Brookfield quality asset: scalable, global, institutional, and attached to a platform with real operating depth. The issue is not whether Asset Management is valuable. It plainly is. The underwriting question is how much of management's high-teens to 20% DE compounding frame should be capitalized today. The base case gives Brookfield credit for a stronger FRE and FBC engine, but it refuses to treat bull-case DE compounding as already earned. For the consolidated BN model, this segment should be one of the largest positive contributors to TTM+5y earnings growth, but it should not be used to paper over weaker or more capital-intensive segments.

[DATA GAP: Brookfield does not disclose parent-level Asset Management product revenue dollars for fee-bearing capital, FRE, carry, BAM ownership economics, or product-specific strategy revenue. The appendix therefore uses reported segment revenue and DE only, and treats FRE/FBC as KPI drivers rather than summable product revenue lines.]

Appendix B4 - Energy / Renewable Power and Transition

Brookfield Corporation (BN) - Appendix B: Energy / Renewable Power and Transition Segment Deep Dive

Prepared: 2026-05-29 Segment: Energy / Renewable Power and Transition, abbreviated Energy / RPT Fiscal year end: December 31 Latest quarter anchor: Q1 2026 ended 2026-03-31 TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31 Forward horizon: 2031-03-31, exactly five calendar years from the TTM end date Currency: US$ billions unless noted Segment profit convention: Brookfield's official segment profit metric is FFO, not simple operating income

0. Segment Boundary And Taxonomy Note

Brookfield's Energy / Renewable Power and Transition segment is the same operating lineage that Brookfield labels "Energy" in Q1 2026 interim materials and "Renewable Power and Transition" in FY2025 and earlier annual materials. The data package flags a broader Brookfield taxonomy change around the December 2022 asset manager separation, so clean current-framework comparisons should use FY2023 onward. FY2021 and FY2022 are available in the package as old-taxonomy SEC values, but they are not used for clean dollar-comparison CAGR underwriting in this appendix. The segment's official profit metric is FFO, and every margin in this appendix should be read as FFO divided by revenue or segmented revenue, not as GAAP or IFRS operating margin. The most important data gaps are also explicit: Brookfield does not disclose parent-level product revenue dollars for hydro, wind, utility-scale solar, distributed energy, or sustainable solutions, and the verified package does not provide product-level YoY revenue growth rates for Energy / RPT. This appendix therefore models the only dollar-disclosed layer: the Energy / RPT segment total.

1. What This Segment Actually Is

Energy / RPT is Brookfield's renewable power and energy-transition ownership, development, operating, and capital-allocation platform inside Brookfield Corporation. At the Brookfield parent level, the segment is disclosed as a reportable segment with external revenue, segmented revenue, FFO, margin, and common equity. The product language in the data package identifies the underlying activity as hydro, wind, utility-scale solar, distributed energy, and sustainable solutions. That description matters because the economics of the segment are not the same as a simple merchant power generator. The core asset base is long-lived infrastructure tied to electricity demand, while the growth option sits in development, repowering, contracting, and transition capital.

The customer base is broad but the economic buyer is usually a utility, corporate offtaker, commercial or industrial load, grid operator, government procurement program, or infrastructure/fund vehicle that wants contracted electricity supply or transition-related infrastructure. Brookfield's parent-level package does not disclose customer concentration or product-level sales by technology, so this appendix should not pretend to know how much revenue comes from hydro versus solar versus wind. The correct analytical stance is to treat the segment as a diversified clean-power and transition platform whose disclosed revenue and FFO are already the portfolio-level blended result of those technologies, geographies, contracts, merchant exposures, and development activities.

The pricing model is a blend. Mature hydro and renewable facilities can sell output under long-term power-purchase agreements, regulated or quasi-regulated arrangements, bilateral corporate contracts, utility procurement contracts, environmental-attribute arrangements, and some merchant exposure. Development projects earn value by securing land, grid interconnection, permits, equipment, financing, tax or policy support where available, and long-term offtake. Sustainable-solutions and transition assets may include more bespoke structures, with returns depending on counterparty demand for decarbonization, energy security, and power availability. This is why the segment's revenue growth can look stronger than a static installed-capacity base: reported revenue can reflect acquisitions, development completions, power-price resets, contract mix, generation volumes, and portfolio rotation.

Go-to-market is not a consumer channel. Brookfield competes as a global infrastructure sponsor and operator: it can source large portfolios, bring institutional capital, develop or acquire assets, and structure deals with offtakers that need scale and execution certainty. That gives Brookfield a different competitive posture from a pure independent power producer. A utility developer may have rate-base advantages in its home region. A listed renewable IPP may have a larger transparent megawatt backlog. A private infrastructure fund may have a lower return hurdle for contracted brownfield assets. Brookfield's pitch is that it can combine operating expertise, asset-management capital, balance-sheet flexibility, and a global transition network.

The data package's management quote for this segment is short but revealing. In Q3 FY2025, Bruce Flatt referred to "energy transition in AI infrastructure globally" in the context of Energy / RPT. The package interprets the segment as part of AI-linked power and transition build-out, not merely a legacy renewable fleet. That does not by itself justify heroic growth. It does, however, explain why the segment deserves a five-year model that is not limited to historical hydro output. Demand for reliable clean power, data-center load, corporate PPAs, grid bottlenecks, and transition capital all matter to the segment's forward opportunity.

2. Current Economics

The clean current-taxonomy history starts in FY2023. Energy / RPT revenue was $5.3B in FY2023, $6.5B in FY2024, and $7.6B in FY2025, with YoY growth of 22.1% in FY2024 and 17.7% in FY2025 according to data_package Section 3, lines 120-127. Official segment FFO was $0.4B in FY2023, $0.5B in FY2024, and $0.6B in FY2025, with reported FFO margin of 7.9%, 7.2%, and 7.6%. The most recent quarterly rows show Q2 2025 revenue of $1.9B, Q3 2025 revenue of $1.8B, Q4 2025 revenue of $2.1B, and Q1 2026 revenue of $1.9B, with Q1 2026 YoY growth slowing to 0.4% and the official profit metric margin rising to 9.2% in the quarter. The Stage 0 TTM base for this review gives Energy / RPT revenue of $7.643B and FFO of $0.613B, or an 8.0% FFO margin.

That current economic profile is attractive in demand terms but not a high-margin software-like profile. The segment is capital intensive. Power assets require development spend, interconnection work, construction, long-lived equipment, maintenance capex, and financing. FFO margin in the high single digits reflects Brookfield's official segment disclosure, not necessarily the asset-level EBITDA margin of every plant. The parent-level result is affected by ownership structure, non-controlling interests, debt, project-level financing, portfolio mix, development timing, and recycling of mature assets. It is therefore a mistake to underwrite this as "renewable demand grows 15%, so Brookfield FFO grows 15% with no capital." The economics require capital deployment and execution.

The data package also says there are no BN product revenue dollars for hydro, wind, utility-scale solar, distributed energy, or sustainable solutions. That is not a minor disclosure inconvenience. It prevents a bottoms-up technology-by-technology model using Brookfield-specific revenue dollars. A hydro-heavy portfolio has different volume risk, life, storage value, and redevelopment optionality than a new solar-plus-storage portfolio. A wind portfolio has different repowering and curtailment exposures. Distributed energy and sustainable solutions can be more customer-specific and higher growth but harder to scale with the same margin. Since Brookfield does not disclose those parent-level product dollars, the honest model is a disclosed-segment model with qualitative product overlays.

Relative to Brookfield's consolidated revenue, Energy / RPT was about 10.2% of FY2025 total external revenue. Relative to Brookfield's total mixed segment measures of profit, Energy / RPT was smaller: the data_package Section 3 rounded FY2025 FFO row puts Energy / RPT at roughly 6% of the total mixed segment profit measures. The segment is strategically important because it sits at the intersection of renewables, transition investing, and power demand, but it is not yet the dominant Brookfield earnings contributor. The segment must compound materially to move the whole Brookfield Corporation earnings needle.

3. Unit Economics

Revenue in Energy / RPT begins with power availability, generation volume, contract price, merchant exposure, and the timing of new or acquired assets entering service. A contracted renewable asset usually converts megawatt-hours into revenue through a fixed or indexed offtake agreement. A merchant or partially merchant asset adds price volatility: high power prices can lift near-term revenue and FFO, while congestion, negative pricing, curtailment, weak capacity prices, or lower environmental-attribute values can compress the same assets. A development project adds a second layer: Brookfield can create value before first generation by taking permitting, procurement, interconnection, and financing risk, but the revenue and FFO do not fully arrive until assets are placed in service or monetized.

FFO is the right profit measure for this segment because it is the metric Brookfield uses in its segment table. It is not simple operating income. Depreciation, fair-value movements, equity-accounted investments, non-controlling ownership, and non-recourse financing can all make consolidated operating income a poor proxy for segment economics. The data package explicitly warns that Brookfield's segment profit measures are mixed by design and that Energy, Infrastructure, Private Equity, and Corporate Activities use FFO. For this appendix, "margin" means FFO margin.

The biggest unit-economic driver is the spread between contracted or realized power revenue and the full cost of owning, financing, and operating assets. For hydro and long-lived contracted renewables, the main value comes from useful life, low variable cost, potential inflation linkage, and scarcity of dispatchable or storage-like clean power. For wind and solar, value

increasingly depends on shape: production during high-value hours, storage pairing, congestion, interconnection, and contract structure. For transition solutions, value depends on customer willingness to pay for decarbonization, reliability, and speed-to-power.

Operating costs include plant operations, maintenance, land or concession costs, insurance, property taxes, asset-management and platform overhead, and corporate or segment-level costs. Development costs include people, engineering, permitting, grid studies, deposits, equipment procurement, and construction management. Financing costs are often project-level and non-recourse, but higher rates still matter because renewables are duration-heavy assets. A higher cost of capital can reduce project spreads, lower acquisition prices, slow development, or pressure exit values. Conversely, if rates fall and power demand remains tight, contracted clean-power assets can re-rate and development economics can improve.

The historical margin pattern is informative. FY2023 FFO margin was 7.9%, FY2024 was 7.2%, FY2025 was 7.6%, and TTM was about 8.0%. That is a narrow high-single-digit band after the FY2023 taxonomy boundary. Q1 2026 margin of 9.2% was better, but one quarter should not be capitalized into the base case. The base case in this appendix assumes moderate expansion to a 9.0% FFO margin by 2031-03-31. That is only about 100 bps above current TTM, but it remains an underwriting assumption rather than management guidance; it requires better contracted-power pricing, scale leverage, transition-project mix, or capital recycling to offset the segment's capital intensity. The bear case assumes 6.5%, below recent history, to capture lower realized prices, project delays, unfavorable hydrology or resource conditions, higher interest costs, and regulatory friction. The bull case assumes 10.5%, which would require a mix shift toward higher-return contracted development, better pricing for power availability, and disciplined capital recycling.

4. Competitive Dynamics

The renewable and transition-power market is large, growing, and intensely competitive. IRENA's Renewable Capacity Statistics 2026 reported that global renewable capacity reached 5,149 GW by the end of 2025 after 692 GW of additions in 2025, with renewables representing 85.6% of total capacity expansion and solar plus wind accounting for 96.8% of net renewable additions. That backdrop supports Brookfield's opportunity, but it also means the asset class is no longer niche. Global utilities, oil and gas transition vehicles, independent power producers, infrastructure funds, pension capital, sovereign funds, and corporate-backed developers are all competing for projects, interconnections, power contracts, and acquisitions.

The most direct public-market competitors include NextEra Energy Resources in the United States, Iberdrola, Enel, RWE, Orsted in offshore wind, ENGIE, EDF Renewables, TotalEnergies' renewables platform, and a long tail of regional IPPs and infrastructure funds. NextEra's Q1 2026 release said Energy Resources added 4 GW to its renewables and storage backlog in the quarter, with 1.3 GW of battery storage origination. NextEra's FY2025 release said the business added about 13.5 GW of new generation and storage origination during 2025. Iberdrola reported 46.741 GW of operational renewable capacity at the end of Q1 2026 on its renewable-energy page. Enel's 2025 integrated annual report reported 61.9 GW of consolidated renewable capacity. These peers show that Brookfield is competing against organizations with enormous operating scale, public-company cost of capital access, and deep procurement and development capabilities.

Demand is also changing. The IEA's Electricity 2026 outlook forecasts global electricity demand growth of 3.6% annually over 2026-2030, supported by industry, EVs, cooling, and data centres. The IEA's Energy and AI analysis says renewables remain the fastest-growing source of electricity for data centres, with renewable generation used by data centres increasing at a 22% annual average rate from 2024 to 2030 and meeting nearly half of data-centre electricity-demand growth. The EIA's January 2026 STEO press release similarly forecast strong U.S. electricity-demand growth through 2027, driven largely by data centers, with solar supplying the largest increase in U.S. generation in 2026 and 2027. These data points support management's AI-power framing in the data package, but they also attract more competitors and more regulatory scrutiny.

Contracted power is the key battleground. The IEA's Renewables 2025 analysis says competitive auctions are now the main procurement mechanism for utility-scale renewable deployment globally, expected to account for almost 60% of gross capacity additions during 2025-2030. It also says corporate PPAs, utility contracts, and merchant plants together account for a material share of global renewable capacity expansion to 2030. BloombergNEF reported that corporate clean-power PPA volumes fell 10% in 2025 to 55.9 GW after a record prior year, which shows the market is deep but price and policy risk can slow activity. LevelTen's Q1 2026 PPA Price Index and press commentary showed North American renewable PPA prices rising, with solar and wind offers at elevated levels versus the history of the index. Rising PPA prices can help owners with scarce projects, but they also expose buyers to affordability concerns and can slow contract conversion.

Brookfield's advantage is not that it can build solar panels cheaper than everyone else. The advantage, if it exists, is in sourcing, capital formation, complex transactions, global operating capability, and willingness to move across technologies

and structures. A large hydro platform can be hard to replicate because prime hydro assets are scarce, permitted, long-lived, and often locally entrenched. A global renewables developer with institutional capital can offer counterparties certainty in a market where interconnection queues, procurement bottlenecks, and financing stress can kill weaker developers. Brookfield can also buy from distressed or capital-constrained owners when rates, policy changes, or equipment costs create stress.

The weakness is that most of the market's growth is contested and returns can compress. Solar and wind capacity additions are huge, but commodity-like generation in congested markets can earn poor returns. Auctions can shift value to customers and governments. Corporate PPAs can be volatile if buyers push for flexibility or shorter tenors. Grid bottlenecks can trap projects. Policy risk can affect tax incentives, permitting, local-content rules, and offtake demand. Brookfield's parent-level disclosure does not let us see whether the Energy / RPT portfolio is winning because of unique asset selection or because the whole market has been carried by power-price inflation and capital deployment. That uncertainty limits the margin expansion we should underwrite.

5. Segment-Level Moat

Energy / RPT has a real but not absolute moat. The strongest moat elements are asset scarcity, development capability, access to capital, contracting relationships, and global operating expertise. Hydro is especially defensible where Brookfield owns irreplaceable long-life assets with storage or dispatch characteristics. Permits, water rights, grid connection, local stakeholder relationships, and physical location create barriers that cannot be copied quickly. Long-term contracted renewables also create a partial moat once projects are operating: the cash flows are locked in, counterparties need reliable supply, and replacement projects require time and capital.

The development moat is more conditional. A developer with a deep pipeline, interconnection positions, procurement scale, and balance-sheet credibility has an advantage when customers need power quickly. The AI and data-center power theme increases the value of speed and execution. But development is not a permanent monopoly. Interconnection queues can be won or lost; local opposition can block projects; turbine, panel, battery, transformer, and EPC costs can change; and large competitors can bid aggressively. Brookfield's moat is stronger in complex, capital-intensive, globally sourced transactions than in commoditized solar development.

Contracting can protect margins, but it can also cap upside. A long-term PPA reduces merchant volatility and supports debt financing. It also means Brookfield may not fully participate in spikes in power prices unless contracts are indexed, renegotiated, or staggered. Merchant exposure can create upside in tight markets, but it reduces the quality of the cash flow. The base case assumes Brookfield retains a disciplined contracted-power posture rather than chasing merchant upside. That is consistent with a compounder lens: durable FFO is worth more than a one-year merchant windfall.

The segment's moat is also affected by Brookfield Corporation's broader ecosystem. Brookfield can originate transition projects through relationships across infrastructure, real estate, private equity, and asset management. It can pair power with data centers, industrial users, and infrastructure assets. It can recycle capital across listed affiliates, private funds, and the parent balance sheet. This ecosystem can create proprietary deal flow. The risk is that public BN shareholders may only receive a portion of that value after fund ownership, affiliate ownership, non-controlling interests, and fees. The appendix therefore treats the moat as good at the asset and platform level, but less transparent at the parent-shareholder segment FFO level.

Over five to ten years, the moat should be durable if three conditions hold. First, Brookfield must continue to own or control scarce assets and development positions. Second, contracted power demand must remain strong enough to support acceptable spreads after equipment, financing, and grid costs. Third, Brookfield must allocate capital without overpaying for fashionable transition assets. If the market remains power-constrained and policy support remains broadly favorable, Energy / RPT can compound FFO faster than mature utility assets. If power markets become oversupplied in key regions, policy swings reduce incentives, or interconnection bottlenecks persist, the moat protects the installed base but not the growth rate.

6. Historical Growth Rates

The following table reproduces the disclosed historical layer from the verified data package. FY2023-FY2025 are the clean current-taxonomy years. Product-level revenue dollars are not disclosed for hydro, wind, utility-scale solar, distributed energy, or sustainable solutions, so the only modeled dollar row is the Energy / RPT segment total. FY2021-FY2022 old-taxonomy values exist in data_package Section 3 but are excluded from clean-current-taxonomy CAGR underwriting.

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	Current-taxonomy CAGR	FY2025 YoY	Data package cite
Energy / RPT segment total	$5.3B [DP section 3 line 124]	$6.5B [DP section 3 line 124]	$7.6B [DP section 3 line 124]	19.9% [calc from DP section 3 line 124]	17.7% [DP section 3 line 125]	DP section 3 lines 120-127; DP section 4 line 173
Hydro	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 183]	Product dollars not disclosed at BN parent level
Wind	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 183]	Product dollars not disclosed at BN parent level
Utility-scale solar	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 183]	Product dollars not disclosed at BN parent level
Distributed energy and sustainable solutions	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 173]	n/a [DP section 4 line 183]	Product dollars not disclosed at BN parent level

Arithmetic tie-out: $5.3B x 1.221 = $6.5B within rounding, matching the FY2024 YoY row in data_package Section 3 line 125. $6.5B x 1.177 = $7.6B within rounding, matching the FY2025 YoY row in data_package Section 3 line 125. Compounding those two data_package YoY rows gives a 19.9% current-taxonomy CAGR for FY2023-FY2025. The latest four-quarter trend is less smooth: Q2 2025 revenue grew 19.6%, Q3 2025 grew 16.0%, Q4 2025 grew 15.6%, and Q1 2026 grew only 0.4% according to data_package Section 5 lines 195, 201, 207, and 213.

The historical record therefore supports three conclusions. First, the disclosed segment grew strongly in FY2024 and FY2025. Second, the Q1 2026 slowdown prevents a straight-line 20% five-year extrapolation. Third, without product-level revenue dollars, there is no verified way to say whether growth came mainly from hydro performance, wind and solar additions, acquisitions, sustainable-solutions activity, pricing, or portfolio mix. The model must be explicit about that limitation.

7. Management Guidance

The data package contains one directly relevant Energy / RPT management quote and one broader infrastructure/power quote. For Energy / RPT, the Q3 FY2025 call quote from Bruce Flatt is: "energy transition in AI infrastructure globally" [data_package Section 6 line 235]. The package's interpretation is that Energy is positioned as part of the AI power and transition build-out, not only as a legacy renewable fleet. This is a qualitative demand signal, not a numeric FY+1 guide. It supports a positive medium-term growth assumption, but it does not support a product-level revenue split, a fixed capacity-addition forecast, or a disclosed segment FFO target.

The adjacent infrastructure quote from the Q1 FY2026 call refers to "AI factories" [data_package Section 6 line 236]. That quote is assigned to Infrastructure in the package, not Energy / RPT, so this appendix uses it only as cross-segment context. It reinforces the idea that Brookfield views AI-linked power, data centers, compute capacity, and data sovereignty as important demand themes across the platform. It should not be double-counted as Energy / RPT guidance.

The data package also explicitly flags a coverage gap: Brookfield provides less explicit forward product-level discussion inside Private Equity and Energy at the BN parent level, with operating-company detail generally at listed affiliate or fund level [data_package Section 6 line 242]. That is a material underwriting limitation. A management team can be directionally right about transition demand and still create poor shareholder returns if it overpays, underestimates interconnection delays, or earns returns mainly in vehicles where BN's parent economics are diluted.

[DATA GAP: The verified data package does not provide a Brookfield parent-level FY+1 Energy / RPT revenue guide, product-level revenue dollars, product-level capacity additions, product-level margins, or a segment-specific 2030 FFO target.]

8. Forward Growth Assumptions

The TTM base for the forward model is Energy / RPT revenue of $7.643B for the period ending 2026-03-31. The historical current-taxonomy CAGR was 19.9% from FY2023 to FY2025, but the latest quarterly YoY slowed to 0.4% in Q1 2026. The base case therefore does not extrapolate the FY2023-FY2025 CAGR. It assumes the segment keeps benefiting from renewable demand, contracted-power demand, AI-linked load, and development completions, but grows at a lower 8.0% CAGR over the next five calendar years.

Base-case growth is a deceleration case, not a denial of the transition opportunity. IRENA's 2026 capacity statistics show that global renewable deployment is still enormous. IEA's Electricity 2026 demand outlook and Energy and AI work both support a stronger power-demand backdrop than the pre-AI, pre-electrification utility era. But Brookfield's own Q1 2026 Energy / RPT

YoY slowdown shows that reported parent-level revenue does not mechanically track global capacity additions. The base case must allow for lumpy development timing, asset sales, hydrology or resource variability, and contracted-price resets.

Base Case Growth

Product	Current-taxonomy historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to 2031-03-31	Justification
Energy / RPT disclosed segment total	19.9%	Q1 2026 0.4%	No numeric guide; AI transition quote only	8.0%	Growth decelerates from FY2023-FY2025 but remains above mature utility growth because contracted clean power, development completions, and AI-linked load support demand.
Hydro, wind, solar, distributed energy, sustainable solutions	n/a	n/a	No product guide in package	n/a	Product dollars are not disclosed, so they are not separately modeled. The segment total carries the full disclosed revenue base.

Base-case revenue path:

Period ending	Revenue	Growth from prior modeled year	Comment
2026-03-31 TTM	$7.643B	n/a	Stage 0 TTM base, cross-checked to data_package Section 5 quarterly bridge
2027-03-31	$8.254B	8.0%	First modeled year normalizes from Q1 2026 softness
2028-03-31	$8.915B	8.0%	Development and contracted-power additions offset portfolio lumpiness
2029-03-31	$9.628B	8.0%	AI and electrification demand remain supportive
2030-03-31	$10.398B	8.0%	Growth slows versus FY2023-FY2025 history but remains above GDP
2031-03-31	$11.230B	8.0%	Horizon-year revenue used in segment rollup

Bull Case Growth

Product	Current-taxonomy historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to 2031-03-31	Justification
Energy / RPT disclosed segment total	19.9%	Q1 2026 0.4%	No numeric guide; AI transition quote only	12.0%	Bull case assumes Brookfield converts power scarcity, corporate demand, and transition capital into high-return contracted additions without materially diluting parent FFO economics.
Hydro, wind, solar, distributed energy, sustainable solutions	n/a	n/a	No product guide in package	n/a	Product mix could shift favorably, but the package does not support a separate product forecast.

The bull case is deliberately below the FY2023-FY2025 current-taxonomy CAGR. That historical period was too short and may include acquisitions, development timing, and favorable power conditions that should not be assumed for five more years. The bull case requires a strong global power market, fast interconnection and permitting execution, disciplined acquisitions, and contracted returns high enough to overcome higher equipment and financing costs. It also assumes Brookfield captures value at the parent level rather than only at affiliated or managed-fund levels.

Bear Case Growth

Product	Current-taxonomy historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to 2031-03-31	Justification
Energy / RPT disclosed segment total	19.9%	Q1 2026 0.4%	No numeric guide; AI transition quote only	3.0%	Bear case assumes the Q1 2026 slowdown is an early signal of lumpy reported growth, with project delays, weaker contract spreads, merchant pressure, or portfolio recycling limiting revenue compounding.
Hydro, wind, solar, distributed energy, sustainable solutions	n/a	n/a	No product guide in package	n/a	Product-level downside cannot be allocated from parent disclosures; the segment total carries the stress.

The bear case is not a collapse. Many Energy / RPT assets should still produce power and cash flow under contracts. The downside is that incremental growth capital earns less than expected, new projects take longer to connect, buyers resist high PPA prices, and policy or rate changes reduce development economics. In that world, Brookfield may still own valuable assets, but BN shareholders see only low-single-digit segment revenue growth.

9. Forward Operating Margin Assumptions

This section uses Brookfield's official segment FFO as the profit measure. The current TTM FFO margin is approximately 8.0%, based on TTM FFO of $0.613B and the $7.643B TTM revenue base used for the five-year forecast. FY2025 FFO margin was 7.6% on the data-package historical table, and Q1 2026 margin was 9.2%. The base case moves the horizon FFO margin to 9.0%, the bear case to 6.5%, and the bull case to 10.5%; the data package supports the starting margin and Q1 2026 upside reference, but it does not provide a segment margin target.

Case	Current TTM FFO margin	2031-03-31 FFO margin	Change vs TTM	Mechanism	Data package anchor
Bear	8.0%	6.5%	-150 bps	Lower contract spreads, higher financing cost, project delays, congestion, weak hydrology or resource conditions, and less favorable portfolio mix	TTM and FY2025 margins anchored to DP Section 3 lines 120-127 and Section 5 lines 195-213
Base	8.0%	9.0%	+100 bps	Moderate scale leverage, contracted-price resets, disciplined development, better mix from transition projects, and capital recycling; partly offset by capital intensity and not provided as company guidance	Same as above
Bull	8.0%	10.5%	+250 bps	Scarce clean power earns better pricing, high-return development converts on time, and Brookfield recycles capital into higher-spread assets	Same as above

The base-case 100 bps improvement is meaningful but not aggressive. It assumes that growing demand for contracted clean power lets Brookfield improve returns at the margin through better contract pricing, selective development, and portfolio mix. It also treats the segment's Q1 2026 9.2% margin as evidence that a 9.0% outcome is arithmetically plausible, not as proof that it is recurring. The segment remains exposed to the same constraints as the rest of the renewable market: higher interest rates, transmission shortages, equipment costs, tax-policy uncertainty, and offtaker affordability.

The bull-case margin requires more than power demand. It requires Brookfield to earn attractive spreads on capital deployed after 2026. A market can be demand-rich and still be return-poor if everyone bids the same projects. For a 10.5% FFO margin to be credible, Brookfield needs proprietary sourcing, scarce hydro and storage-like assets, strong contract structures, and development risk priced appropriately. This is possible, but the parent-level disclosure does not prove it.

The bear-case margin recognizes that renewable assets are not immune to commodity and regulatory pressure. Merchant exposure, curtailment, congestion, and negative pricing can pressure realized revenue. Long-duration contracts can protect downside but also lock in lower returns if capex and financing costs rise after contract signing. Policy changes can affect credits, local-content compliance, permitting, and customer economics. A 6.5% FFO margin is below the current clean-taxonomy run rate, but it is not a distressed assumption for a capital-intensive segment in a difficult power-market environment.

10. Segment Rollup

Because the data package discloses no BN parent-level product revenue dollars for Energy / RPT, the segment rollup has one modeled revenue line: disclosed Energy / RPT segment total. The product rows are included to show the boundary of the model, not to imply hidden product-level precision.

Case	Product / modeled line	TTM revenue	Revenue CAGR	2031-03-31 revenue	2031-03-31 FFO margin	2031-03-31 FFO	Reconciliation
Bear	Energy / RPT disclosed segment total	$7.643B	3.0%	$8.860B	6.5%	$0.576B	Product sum equals segment total
Base	Energy / RPT disclosed segment total	$7.643B	8.0%	$11.230B	9.0%	$1.011B	Product sum equals segment total
Bull	Energy / RPT disclosed segment total	$7.643B	12.0%	$13.470B	10.5%	$1.414B	Product sum equals segment total

Arithmetic checks: $7.643B x 1.03^5 = $8.860B; $8.860B x 6.5% = $0.576B. $7.643B x 1.08^5 = $11.230B; $11.230B x 9.0% = $1.011B. $7.643B x 1.12^5 = $13.470B; $13.470B x 10.5% = $1.414B. Because there is only one disclosed product line, the product-level revenue sum reconciles exactly to the segment total in each case.

This rollup is intentionally restrained. A bottom-up technology model would look more satisfying, but it would be less truthful because the data package does not disclose BN parent-level hydro, wind, solar, distributed-energy, or sustainable-solutions revenue. The only honest way to preserve arithmetic integrity is to model the segment total and explain which business drivers make each case plausible.

11. Key Risks And Wildcards

The first risk is contract quality. Long-term PPAs and utility contracts can make cash flows durable, but they also determine how much Brookfield participates in higher power prices. If Energy / RPT is more heavily contracted at older prices than investors assume, revenue growth could lag the broader market. If new contracts price in scarcity and inflation better than expected, the bull case becomes more realistic. This risk cuts across all cases.

The second risk is development execution. Interconnection queues, permitting, transformer and equipment supply, EPC cost inflation, and local opposition can push projects out. The IEA's Electricity 2026 work highlights that advanced-stage projects globally can be blocked by grid constraints. For Brookfield, a delayed project is not just delayed revenue; it can be a lower IRR if capital is committed early and revenues arrive later. This risk is mostly bear and base.

The third risk is power-price and commodity exposure. Contracted assets are protected, but not every revenue stream is necessarily fixed. Merchant prices, capacity prices, renewable-energy certificates, congestion, curtailment, and local market rules can all move FFO. Hydrology and wind resource variability can also change output. This is a bear-case risk in weak markets and a bull-case wildcard in tight markets.

The fourth risk is regulatory and policy change. Tax credits, auctions, local-content rules, permitting standards, grid connection rules, water rights, and environmental approvals can alter development economics. Policy can help or hurt. A supportive policy environment speeds renewables and storage build-out. A hostile or unstable policy environment raises discount rates and slows customer commitments. This risk is most important to the bear and base cases.

The fifth risk is competitive return compression. IRENA and IEA data show a huge market, but a huge market attracts capital. NextEra, Iberdrola, Enel, utilities, infrastructure funds, and sovereign capital can all chase the same contracted assets. Auctions and corporate PPAs can transfer value to buyers. The bear case assumes Brookfield keeps growing but earns lower spreads on incremental capital. The bull case requires Brookfield to avoid that trap through proprietary sourcing and execution.

The sixth risk is parent-level economic leakage. Brookfield often invests through funds, affiliates, partnerships, and structures with non-controlling interests. The asset-level opportunity may be larger than the BN parent-level FFO captured in Energy / RPT. For Brookfield Corporation investors, the relevant question is not simply whether Brookfield-related vehicles build more renewable capacity; it is how much of that value accrues to BN's disclosed segment economics and ultimately to per-share value.

The seventh risk is capital allocation. Energy transition is fashionable, and fashionable assets can be expensive. Brookfield's historical strength is buying and building when capital is scarce, then recycling when markets are receptive. If management

instead overpays for growth to satisfy AI-power enthusiasm, the segment could grow revenue while failing the compounder test. This is the central quality-of-growth risk.

The eighth wildcard is the AI and data-center power cycle. If the market needs clean, contracted, reliable power faster than grids and utilities can supply it, Brookfield's global power platform becomes more valuable. If AI load forecasts are overbuilt, grid connection delays slow demand, or customers shift toward on-site gas, nuclear restarts, or behind-the-meter solutions outside Brookfield's advantage, the growth case softens. Management's quote justifies watching this theme closely, but the appendix does not treat it as a guaranteed revenue curve.

External Competitive Context Used

The external sources below were used only for competitive and market context, not for Brookfield historical dollars, Brookfield growth rates, or Brookfield management quotes.

- IRENA, Renewable Capacity Statistics 2026 and related April 2026 release: https://www.irena.org/Publications/2026/Mar/Renewable-capacity-statistics-2026
- IEA, Renewables 2025 renewable electricity analysis: https://www.iea.org/reports/renewables-2025/renewable-electricity
- IEA, Electricity 2026 executive summary and demand discussion: https://www.iea.org/reports/electricity-2026
- IEA, Energy and AI supply analysis: https://www.iea.org/reports/energy-and-ai/energy-supply-for-ai
- EIA, January 2026 STEO press release: https://www.eia.gov/pressroom/releases/press582.php
- BloombergNEF, 1H 2026 corporate clean-energy buying summary: https://about.bnef.com/insights/clean-energy/corporate-clean-energy-buying-fell-in-2025-after-nearly-a-decade-of-growth/
- LevelTen Energy, PPA Price Index: https://www.leveltenenergy.com/ppa
- NextEra Energy Q1 2026 and FY2025 releases: https://www.investor.nexteraenergy.com/
- Iberdrola renewable-energy operating capacity page: https://www.iberdrola.com/about-us/our-company/renewable-energies
- Enel 2025 integrated annual report: https://www.enel.com/content/dam/enel-com/documenti/investitori/informazioni-finanziarie/2025/annuali/en/integrated-annual-report_2025.pdf

Ending Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y FFO Margin	Segment TTM+5y FFO	Probability
Bear	$8.860B	6.5%	$0.576B	25%
Base	$11.230B	9.0%	$1.011B	50%
Bull	$13.470B	10.5%	$1.414B	25%

The weighted case is $11.198B of horizon revenue and $1.003B of horizon FFO. The 25% / 50% / 25% probability weights are not a mechanical equal split: base receives the majority weight because FY2023-FY2025 growth and management's AI-transition comment support continued demand, while the bear case keeps a full 25% weight because Q1 2026 YoY slowed to 0.4% and there is no product-level or margin guide. The key underwriting judgment is not whether renewables and power demand grow; they almost certainly do. The key judgment is whether Brookfield converts that demand into BN parent-level FFO at attractive spreads after capital intensity, competition, policy risk, and ownership-structure leakage. On the current evidence, Energy / RPT is a strategically advantaged segment with real growth optionality, but the data package does not support a more precise or more aggressive product-level forecast.

Appendix B5 - Real Estate

Brookfield Corporation (BN) - Real Estate Segment Deep Dive

Prepared: 2026-05-29

Segment: Real Estate

Output file: `C:\Users\Admin\OneDrive\GPT\ER 2.0\Brookfield Corporation\appendix_B_real_estate.md`

Stage 0 anchor used throughout this appendix: Brookfield's fiscal year ends December 31; the latest quarter is Q1 2026 ended 2026-03-31; TTM equals Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026; the forward horizon is 2031-03-31, exactly five calendar years after the TTM end date. All forward references to FY+5 or horizon-year in this file mean TTM to 2031-03-31. Dollar amounts are US$ billions unless noted.

Data-source discipline: Brookfield historical dollar figures, historical growth rates, management quotes and Brookfield-specific operating KPIs in this appendix are taken from `data_package.md` only. External sources are used only for competitive context and real estate market framing. The official Real Estate segment profit measure is NOI, not simple operating income. This matters because Brookfield's Real Estate segment is capital-market-sensitive: fair-value movements, refinancing spreads, asset-sale timing and disposition mix can move shareholder economics even when reported NOI looks stable.

0. Segment Boundary and Taxonomy Note

Brookfield's current Real Estate segment includes office, retail, multifamily, logistics, hospitality, residential and other property investments, but the data package does not disclose BN parent-level property-type revenue dollars. The segment boundary is not comparable across the full five-year historical window. The data package's Section 1 states that the post-2022 Brookfield Corporation framework is cleanest from FY2023 onward after the asset manager distribution, while FY2021-FY2022 are old-taxonomy SEC values. Therefore, this appendix uses FY2023-FY2025 as the current-taxonomy historical window for dollar comparisons and uses Q2 2025 through Q1 2026 as the TTM modeling base. FY2021-FY2022 are mentioned only as old-taxonomy context, not as a basis for Real Estate CAGR or valuation.

The most important modeling consequence is that "Real Estate revenue" is not the same thing as "Brookfield property value" and Real Estate NOI is not the same thing as consolidated operating income. Segment revenue can fall when Brookfield sells, deconsolidates or recapitalizes assets, even if value realization is positive for the corporation. Conversely, NOI can look high as a percentage of external revenue because the segment table is an official management reporting view rather than a pure same-property landlord income statement. This appendix therefore models the disclosed segment total directly and keeps property-type commentary qualitative unless the data package provides a dollar figure.

1. What This Segment Actually Is

Brookfield Real Estate is a global real estate owner, operator, developer and capital recycler housed inside Brookfield Corporation. The segment is not a single REIT. It is a collection of property investments and real estate operating platforms across office, retail, multifamily, logistics, hospitality, residential and other property categories. The data package identifies those property types in Section 4 but explicitly says Brookfield does not disclose parent-level product revenue dollars by property type. That means the analyst cannot say, for example, that office contributes a certain number of BN Real Estate revenue dollars or that multifamily contributes a certain margin. The disclosed unit for bottom-up modeling is the Real Estate segment total.

The economic model is familiar in broad outline but complex in accounting. Real estate assets generate rental income, tenant reimbursements, property-level service income and, in some cases, operating income from hospitality or development-related activity. NOI captures property operating economics before corporate-level financing and before many valuation and ownership-structure effects. Brookfield then overlays asset management, development, partnership capital, listed-affiliate ownership, joint ventures, property-level debt and non-recourse financing. For the segment appendix, the question is not "what is the GAAP operating income of every building?" It is "what normalized Real Estate segment NOI can BN plausibly earn from the assets it still owns and consolidates by the 2031-03-31 horizon?"

Customers are tenants, real estate users, homebuyers or residential customers, retail tenants, hotel guests and institutional capital partners, depending on asset type. Pricing is largely lease-based for office, retail, multifamily and logistics, with contractual rent steps, market rent resets, occupancy, concessions, tenant-improvement allowances and lease duration

driving the realized spread. For hospitality, pricing is more daily-rate and occupancy-sensitive. For residential and development, timing of completions and sales can dominate annual revenue. Brookfield's go-to-market is not a mass direct salesforce; it relies on local leasing teams, operating partners, development and property-management platforms, and capital relationships with institutional partners.

The segment's appeal is that high-quality real estate can produce durable rental cash flow and cyclically valuable optionality. If capital markets recover, Brookfield can refinance, sell, recapitalize or seed new funds with real estate assets. The segment's hazard is that the same optionality runs in reverse. A higher cap-rate environment, office obsolescence, tenant concessions, expensive refinancing or slower asset sales can keep shareholder value trapped even when headline occupancy looks healthy.

2. Current Economics (FY2025 and TTM)

The current-taxonomy Real Estate history in the data package shows FY2025 segment external revenue of $5.330B, down 13.4% year over year, and FY2025 official segment profit metric of $3.144B of NOI, equal to a 59.0% profit metric margin on external segment revenue. The clean current-framework series is FY2023 revenue of $6.2B, FY2024 revenue of $6.2B and FY2025 revenue of $5.3B. On the same basis, official segment NOI was $3.6B in FY2023, $3.4B in FY2024 and $3.144B in FY2025. The segment is therefore high-NOI-margin but not currently growing: revenue and NOI both declined over the current-taxonomy period.

The most recent four quarters are weaker on revenue but still high on NOI margin. Data package Section 5 gives rounded Real Estate revenue of $1.0B in Q2 2025, $1.3B in Q3 2025, $1.6B in Q4 2025 and $1.2B in Q1 2026; the exact reviewer anchor for TTM external revenue is $5.038B. Section 5 gives official profit metric margins of 69.6%, 56.1%, 56.7% and 61.0% for those same quarters. Applying the exact quarterly NOI values gives approximately $3.073B of TTM NOI and a 61.0% TTM NOI margin, while FY2025 NOI of $3.144B remains the annual context. This appendix uses $5.038B of TTM external revenue as the forward revenue base and treats the 60% base margin as a normalized NOI margin, not a generic operating-income margin.

The segment's most useful current operating KPIs are not property-type revenue dollars. The data package's disclosure inventory and product sections state that Q1 2026 Real Estate had super core occupancy of 96%, core plus occupancy of 95%, office rent spreads of +15%, retail rent spreads of +11% and super core same-store NOI growth of +2%. Those are constructive KPIs for the assets Brookfield is emphasizing. They support the argument that the retained high-quality property base is not collapsing operationally. They do not, by themselves, prove that BN shareholders will earn attractive returns, because value realization still depends on refinancing, cap rates, capital needs and asset-sale prices.

[DATA GAP: The data package does not provide BN parent-level revenue dollars by office, retail, multifamily, logistics, hospitality, residential or other property type. This appendix therefore does not invent property-type revenue or product-level margins.]

[DATA GAP: The data package gives Q1 2026 property KPIs but not a five-year time series for occupancy, same-store NOI, rent spreads or property-type NOI. The model uses segment revenue and segment NOI as the disclosed dollar base.]

3. Unit Economics

The unit economics of this segment start with physical space and end with capital-market realization. At the property level, a landlord's unit economics are driven by occupancy, in-place rent, lease escalators, market rent at renewal, tenant credit, operating expenses, taxes, insurance, maintenance, energy costs and the capital required to keep the asset competitive. For higher-quality office and retail assets, tenant-improvement allowances and leasing commissions can be material. For logistics, functionality, location, clear heights and transport access matter. For multifamily, rent growth, turnover, concessions and local supply are critical. For hospitality, room rate, occupancy, labor and renovation spending create a more operating-business-like profile.

Brookfield's reported Real Estate NOI is already after property operating expenses but before the full shareholder cost of owning and financing capital-intensive assets. That is why a 55%-60% segment NOI margin should not be mistaken for a 55%-60% corporate free-cash-flow margin. Real Estate consumes capital through tenant improvements, repositioning, development, maintenance, redevelopment, refinancing fees and sometimes equity support for challenged assets. NOI can be high while equity returns disappoint if cap rates expand or property-level debt matures above underwritten rates.

The data-package history captures that tension. FY2023-FY2025 Real Estate NOI remains large, between $3.1B and $3.6B, but revenue falls from $6.2B to $5.3B and management's forward commentary is qualitative rather than a numeric growth

guide. This is a recovery thesis, not a clean growth algorithm. A bullish case needs not just high occupancy but proof that Brookfield can convert operational improvement into monetizations and reinvestment at attractive spreads. A bearish case needs only a prolonged valuation and refinancing drag: NOI may stay positive, but equity value accretion can stall.

There are four main unit-economic levers:

- Occupancy and leasing spreads. The data package's Q1 2026 96% super core occupancy, 95% core plus occupancy, +15% office rent spreads and +11% retail rent spreads support pricing power in select assets. These are not full-portfolio dollar weights, so the model treats them as directional evidence rather than a separate office or retail revenue line.

- Disposition and deconsolidation mix. Brookfield's Real Estate revenue declined in FY2025 and Q1 2026, while management also highlighted asset-sale activity elsewhere in the data package. A sale of a low-growth asset can reduce revenue but improve liquidity and intrinsic value. A forced or low-priced sale can reduce both.

- Financing costs and refinancing availability. Real estate is financed asset by asset, often with non-recourse debt, but equity returns still depend on the spread between property yields and debt costs. A lower-rate environment helps. A higher-for-longer environment weakens coverage, limits buyer bids and raises the probability of impairment or give-back decisions on weaker assets.

- Fair-value and cap-rate sensitivity. The official segment table focuses on NOI, but BN shareholder outcomes are also exposed to mark-to-market values, cap rates, debt marks and realized sale prices. A 25-50 bps cap-rate move can overwhelm a year of same-store NOI growth for long-duration real estate equity.

4. Competitive Dynamics

Brookfield competes in real estate against global private-capital managers, listed REITs, sovereign wealth funds, pension funds, family offices, local developers and specialist property operators. At the global private-capital end, Blackstone is the most obvious peer in scale, fundraising reach and opportunistic real estate capital. Starwood Capital, TPG Angelo Gordon, KKR, Apollo, Ares and other private-market platforms compete for distressed, opportunistic and credit-linked real estate deals. In property operations, the competitor set changes by property type: Prologis and Goodman in logistics, Simon Property and other retail specialists in high-quality retail, Boston Properties, Vornado, SL Green, Hines and Tishman Speyer in office-heavy markets, and many listed and private platforms in multifamily and residential.

The competitive backdrop is improving but uneven. CBRE's 2026 U.S. capital markets outlook expects commercial real estate investment activity to continue recovering and forecasts a 16% increase in investment volume, with cap rates for most property types compressing by 5-15 bps and good-quality assets seeing greater compression. That helps Brookfield's sale and refinancing optionality, but it also brings more bidders into attractive deals and can make new investments less obviously cheap. CBRE also emphasizes income-driven returns, asset selection and active asset management, which suits Brookfield's operating style but raises the bar for execution. Source: [CBRE 2026 Capital Markets](https://www.cbre.com/insights/books/us-real-estate-market-outlook-2026/capital-markets).

Office is the hardest major property category to underwrite. CBRE's 2026 office outlook says supply constraints are beginning to rebalance markets, with 2025 inventory removals exceeding new completions for the first time in its data history, and notes that demand remains concentrated in prime assets. That is favorable for Brookfield if its office exposure is concentrated in high-quality, amenitized, well-located assets, which the Q1 rent-spread KPIs suggest at least directionally. But office remains bifurcated. Cushman & Wakefield's 2026 U.S. outlook describes office as a market with segments performing well, struggling or in between. For Brookfield, this means a headline +15% office rent spread is not a blanket moat; it is evidence about a selected slice of leasing activity. Sources: [CBRE 2026 Office](https://www.cbre.com/insights/books/us-real-estate-market-outlook-2026/office) and [Cushman & Wakefield 2026 U.S. Outlook](https://www.cushmanwakefield.com/en/united-states/insights/united-states-outlook?sc_database=master).

Retail is more supportive for quality assets. CBRE's retail outlook says U.S. retail entered 2026 with relatively strong fundamentals, positive net absorption and low availability, while the best rent growth should be in well-located centers and high-income corridors. Brookfield's +11% retail rent spreads in Q1 2026 are directionally consistent with that backdrop, but again the data package does not provide a retail revenue weight. The base case therefore gives Brookfield credit for retail strength at the segment level without assigning invented retail dollars. Source: [CBRE 2026

Retail](https://www.cbre.com.tw/insights/books/us-real-estate-market-outlook-2026/retail).

Multifamily and living assets are mixed. JLL's global outlook says the living sector remains a major investment sector and expects capital markets momentum in 2026. CBRE's multifamily outlook, however, warns that certain Sun Belt and Mountain markets still face supply overhang and rent growth pressure. If Brookfield's relevant multifamily assets are in supply-constrained urban or gateway markets, recovery can be stronger. If exposure is tilted to high-supply markets, near-term rent growth may lag. The data package does not disclose Brookfield's property-type weights, so the appendix treats multifamily as a source of both upside and downside rather than a separate forecast line. Sources: [JLL Global Real Estate Outlook](https://www.jll.com/en-us/insights/market-outlook/global-real-estate) and [CBRE 2026 Multifamily](https://www.cbre.com/insights/books/us-real-estate-market-outlook-2026/multifamily).

The segment's pricing power is therefore asset-specific. Brookfield likely has pricing power in selected super core and core plus assets, as suggested by the Q1 occupancy and rent-spread KPIs in the data package. It does not have pricing power across all real estate simply because it is Brookfield. The market remains competitive for quality assets, structurally challenged office can destroy capital, and refinancing windows can close quickly if rates or credit spreads move against the sector.

5. Moat at the Segment Level

The Real Estate segment's moat is not a patent-like barrier. It is a combination of scale, capital access, operating specialization, restructuring capability, local market knowledge and the willingness to hold assets through cycles. Brookfield can source large, complex deals that smaller operators cannot finance; it can partner with institutional capital; it can operate across property types and geographies; and it has a long history of buying when capital is scarce and selling when buyers return. Those advantages matter most in distressed, transitional and capital-intensive situations.

The moat is stronger in deal access and capital recycling than in day-to-day rent setting. A tenant deciding between two comparable office buildings does not pay more because the landlord is Brookfield. A retailer does not accept a poor location because Brookfield owns it. The moat appears when Brookfield can acquire, finance, redevelop, lease, recapitalize or exit an asset in a way that a less-capitalized owner cannot. That is a real advantage, but it depends on cycle timing and execution. It is also difficult to measure in segment revenue because a successful asset sale can reduce reported revenue.

The segment-level moat should therefore be described as cyclical and execution-dependent, not permanent and effortless. The strongest assets may have local scarcity, high occupancy and positive rent spreads. The weaker assets may have no moat at all. Brookfield's advantage is portfolio triage: knowing which assets deserve capital, which should be sold, which should be recapitalized and which should be allowed to transfer to lenders if the equity is impaired. The data package's Q1 occupancy and rent-spread KPIs support the argument that the best assets remain competitive. They do not remove fair-value and refinancing risk.

In a five-to-ten-year view, the moat is durable if Brookfield continues to have patient capital, scale, lender relationships and credible operating partners. It weakens if higher refinancing costs consume property-level cash flow, if institutional capital avoids office and transitional real estate for longer than expected, if asset sales occur below carrying values, or if Brookfield's best opportunities shift to infrastructure, energy and insurance while real estate becomes a capital sink. For the corporate thesis, Real Estate can help if it stabilizes and releases capital. It can hurt if management keeps allocating capital to assets with weak risk-adjusted returns.

6. Historical Growth Rates - Reproduced From Data Package

The table below uses the current-taxonomy FY2023-FY2025 period because the data package flags FY2021-FY2022 as old-taxonomy values. The requested "3-year CAGR" is not meaningful for current-framework dollar comparisons because only three annual current-taxonomy points are available; therefore the table reports the clean current-taxonomy FY2023-FY2025 CAGR in that cell and explicitly labels it. No product-level real estate revenue dollars are back-solved.

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Real Estate external revenue	$6.169B, FY2023, Section 3 Real Estate revenue row	$6.156B, FY2024, Section 3 Real Estate revenue row	$5.330B, FY2025, Section 3 Real Estate revenue row	n/m for 3-year current taxonomy; FY2023-FY2025 CAGR -7.0% from Section 3 revenue row	FY2025 -13.4% from Section 3 YoY row; Q1 2026 -19.9% from Section 5 Q1 row	2025 annual Note 3; Q1 2026 interim Note 3; data package Sections 3 and 5

Product / sub-segment	FY-3 rev	FY-2 rev	FY-1 rev	3-yr CAGR	Most recent YoY	Data package cite
Real Estate official profit metric: NOI	$3.616B, FY2023, Section 3 profit metric row	$3.397B, FY2024, Section 3 profit metric row	$3.144B, FY2025, Section 3 profit metric row	n/m for 3-year current taxonomy; FY2023-FY2025 CAGR -6.8% from Section 3 profit row	FY2025 about -7.4% from Section 3 profit row; Q1 2026 NOI margin 61.0% from Section 5 Q1 row	2025 annual Note 3; Q1 2026 interim Note 3; data package Sections 3 and 5
Investment-property rental income	n/d in data package Section 4 Real Estate product row	n/d in data package Section 4 Real Estate product row	$5.8B, FY2025 consolidated property layer, Section 4 Real Estate product row	n/m; insufficient annual series in Section 4	n/d in Section 4	Section 4 Real Estate product row

Arithmetic tie-out notes:

- Revenue FY2024 to FY2025: $6.156B times (1 - 13.4%) equals about $5.331B, tying to the $5.330B FY2025 revenue row within rounding.
- Revenue FY2023 to FY2024: $6.169B times (1 - 0.2%) equals about $6.157B, tying to the $6.156B FY2024 revenue row within rounding.
- NOI FY2024 to FY2025: $3.397B times (1 - 7.4%) equals about $3.146B, tying to the $3.144B FY2025 NOI row within rounding.
- No product-dollar rows were estimated. The data package explicitly says FMP product segmentation returned empty arrays and Brookfield does not disclose parent-level product revenue dollars sufficient to back-solve.

Additional operating KPIs from the data package are useful for interpretation but cannot be turned into product dollars:

KPI	Latest disclosed value	Why it matters	Data package cite
Super core occupancy	96% in Q1 2026	Supports the claim that selected highest-quality assets remain well occupied	Section 0a Real Estate KPI row
Core plus occupancy	95% in Q1 2026	Shows occupancy strength beyond only the top bucket	Section 0a Real Estate KPI row
Office rent spreads	+15% in Q1 2026	Suggests selected office leasing still has pricing power	Section 0a Real Estate KPI row
Retail rent spreads	+11% in Q1 2026	Suggests selected retail assets can mark rents higher	Section 0a Real Estate KPI row
Super core same-store NOI	+2% in Q1 2026	Indicates modest same-store growth in the strongest bucket	Section 0a Real Estate KPI row

The historical conclusion is sober: Real Estate remains a large NOI contributor, but the disclosed segment total has been shrinking over the current-framework window. The bullish argument rests on asset-quality KPIs, a capital-markets recovery and monetization optionality. The bearish argument rests on the same data: if revenue is still down nearly 20% year over year in Q1 2026 despite strong selected KPIs, then mix, dispositions, deconsolidation and weak assets are still material enough to dominate the reported segment total.

7. Management Guidance - Quoted From Data Package Section 6

Brookfield's Real Estate management commentary in the data package is qualitative. There is no numeric FY+1 Real Estate revenue guide and no numeric FY+1 Real Estate NOI guide in Section 6. The relevant guidance is about recovery and monetization.

Data package row	Source and speaker	Verbatim excerpt	Topic	Interpretation
Section 6 Real Estate row: Q4 FY2025 call	Bruce Flatt, CEO	"great real estate owned and managed well"	Real estate recovery	Management is emphasizing asset quality and operating control rather than a near-term numerical guide. This supports a stabilization case but does not prove reported segment revenue growth.

Data package row	Source and speaker	Verbatim excerpt	Topic	Interpretation
Section 6 Real Estate row: 2025 Investor Day	Kevin McCrain, Managing Partner Real Estate	"real estate recovery that is underway"	Recovery and monetization	Management is framing Real Estate as a recovery and realization story. The appendix treats that as a base-case qualitative tailwind, not a guaranteed growth rate.

The data package's Section 9 also notes that Q1 2026 monetization activity included approximately $17B of asset sales advanced across Brookfield, with $2B related to real estate, and that IFC Seoul was recapitalized after quarter end. This is not a segment revenue guide, but it matters for Real Estate because successful recapitalizations can release capital even when reported revenue falls after asset sales. The forward model therefore separates NOI normalization from value realization risk: the segment can be economically successful with modest reported revenue growth if disposals occur above carrying value and capital is recycled well.

[DATA GAP: The data package contains no numeric FY+1 Real Estate revenue, NOI, same-store NOI, occupancy or asset-sale guidance. The forward model therefore uses qualitative management commentary plus disclosed historical and Q1 operating KPIs.]

8. Forward Growth Assumptions - Explicit, Per Disclosed Line

Because Brookfield does not disclose BN parent-level property-type revenue dollars, the only dollar-disclosed forward line is the reported Real Estate segment total. The model starts from the exact TTM base of $5.038B of external segment revenue. This ties to the data-package Section 5 rounded quarterly rows: Q2 2025 about $1.0B, Q3 2025 about $1.3B, Q4 2025 about $1.6B and Q1 2026 about $1.2B. The same official-profit framework implies about $3.073B of TTM NOI, while FY2025 NOI was $3.144B. This is not an external re-derivation of Brookfield history; it is the TTM anchor required by Stage 0 and built from the verified data-package rows.

Base case: modest recovery from depressed reported revenue, not a return to aggressive historical expansion.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Reported Real Estate segment revenue	n/m for 3-year current taxonomy; FY2023-FY2025 CAGR -7.0%	Q1 2026 -19.9%; FY2025 -13.4%	Qualitative recovery, no numeric guide	3.5%	Base case assumes Brookfield's high-quality assets and improving capital markets offset recent declines, but asset sales, office drag and lack of numeric guidance keep growth below a broad real estate recovery case.

The base case is deliberately below the tone of the management recovery language. A 3.5% segment revenue CAGR from a $5.038B TTM external-revenue base gets Real Estate to about $5.98B by 2031-03-31, still below the FY2023-FY2024 current-taxonomy revenue level. That seems appropriate because the data package shows positive selected operating KPIs but still reports Q1 2026 revenue down 19.9% year over year. The base case requires the current revenue decline to bottom, not for Brookfield to compound Real Estate like its asset management or insurance platforms.

Bull case: capital markets reopen, high-quality assets reprice, and monetization does not hollow out the segment.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Reported Real Estate segment revenue	n/m for 3-year current taxonomy; FY2023-FY2025 CAGR -7.0%	Q1 2026 -19.9%; FY2025 -13.4%	Qualitative recovery, no numeric guide	6.0%	Bull case assumes lower refinancing pressure, sustained occupancy, strong retail and office spreads, and asset sales that recycle capital without reducing the retained revenue base as much as recent disposals did.

The bull case does not assume a return to FY2021-FY2022 old-taxonomy dollar levels. It uses the current-framework TTM external-revenue base and grows it to about $6.74B over five years. The external market backdrop supports the possibility but not the certainty. CBRE expects investment volumes to recover in 2026, JLL expects capital-market momentum, and office and industrial take-up are projected to improve globally. Brookfield's own Q1 occupancy and rent spreads suggest the retained high-quality assets can participate. The key constraint is that successful monetization can reduce reported segment

revenue. Therefore, 6.0% is a constructive but not heroic bull CAGR.

Bear case: NOI remains real, but reported revenue keeps leaking from dispositions, weak assets and refinancing pressure.

Product	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Reported Real Estate segment revenue	n/m for 3-year current taxonomy; FY2023-FY2025 CAGR -7.0%	Q1 2026 -19.9%; FY2025 -13.4%	Qualitative recovery, no numeric guide	-1.0%	Bear case assumes selected strong assets are not enough to offset office bifurcation, higher leasing costs, weak asset sales, and refinancing drag; revenue declines far less severely than Q1 2026 but never fully recovers.

The bear case is not a collapse case. Brookfield's Real Estate still has high occupancy in disclosed super core and core plus buckets, and the company is not a levered single-market office REIT. The problem is equity value and consolidated revenue leakage. A -1.0% CAGR produces about $4.79B of horizon revenue, which is materially below FY2025 but not a disaster scenario. A true severe-office recession, a frozen credit market or large fair-value impairments would be worse than this appendix's bear case and should be captured in the corporate red team, not hidden in the segment base case.

Year-by-year revenue bridge from TTM base to 2031-03-31:

Case	TTM revenue base	Year 1	Year 2	Year 3	Year 4	TTM+5y revenue
Bear, -1.0% CAGR	$5.04B	$4.99B	$4.94B	$4.89B	$4.84B	$4.79B
Base, 3.5% CAGR	$5.04B	$5.21B	$5.40B	$5.59B	$5.78B	$5.98B
Bull, 6.0% CAGR	$5.04B	$5.34B	$5.66B	$6.00B	$6.36B	$6.74B

This bridge intentionally phases the recovery gradually. The data package's latest revenue growth is still negative, so the base and bull cases require an inflection rather than an extrapolation. The inflection is plausible if leasing spreads, occupancy and transaction markets continue to improve, but it is not yet proven by the segment revenue line.

9. Forward NOI Margin Assumptions - Not Generic Operating Income

The current segment profit measure is NOI. Any ER2 template field that asks for operating margin or operating income should be read here as official Real Estate NOI margin and NOI. It should not be read as GAAP operating income margin. The TTM starting point is approximately $3.073B of NOI on $5.038B of external revenue, or roughly a 61.0% NOI margin, while FY2025 was $3.144B of NOI on $5.330B of external revenue, or 59.0%.

Product / line	Current margin anchor	Bear TTM+5y margin	Base TTM+5y margin	Bull TTM+5y margin	Mechanism
Reported Real Estate segment NOI margin	61.0% TTM; FY2025 59.0%	55.0%	60.0%	62.0%	Bear assumes concessions, higher operating costs, weak office mix and refinancing-related asset actions pressure NOI conversion; base normalizes near the FY2025/TTM range; bull assumes positive rent spreads and better mix modestly lift margin.

The base margin stays close to current levels because the segment already reports high NOI margins. Expanding meaningfully from 60% would require either mix improvement, lower operating cost burden, less drag from transitional assets or unusually strong rent resets. The Q1 2026 +15% office rent spread and +11% retail rent spread are constructive, but the data package does not give the dollar weight of those signed leases. It would be too aggressive to flow those spreads mechanically into segment margin.

The bear margin compresses by about 500 bps. This is more than a minor change, so the mechanism needs to be explicit. The compression can come from lower occupancy in weaker assets, tenant-improvement and concession pressure, property tax and insurance inflation, higher hospitality labor costs, or asset sales that remove higher-margin assets while leaving lower-quality assets in the segment. Note that refinancing cost itself does not reduce NOI directly; it reduces equity returns and can force asset actions that change the NOI base. That is why the risk section discusses both NOI and fair-value/refinancing outcomes separately.

The bull margin expands only about 100 bps from the TTM anchor and 200 bps from the base-case assumption. This reflects a quality recovery, not a fantasy reset. If office and retail rent spreads continue and capital markets normalize, Brookfield may

prune weaker assets and retain a better-quality base. However, competition for tenants and the need to keep assets relevant can absorb some rent gains through tenant improvements and capital spending. A 62% NOI margin is enough to create meaningful upside without assuming every favorable KPI converts into margin.

The margin model does not break out office, retail, multifamily or logistics margins because the data package does not disclose property-type revenue or NOI. The qualitative margin drivers by property type are:

Property type	Disclosed dollar weight?	Margin direction in base case	Rationale
Office	No	Mixed	Q1 office rent spreads were positive, but office remains bifurcated and may require high leasing capital.
Retail	No	Positive	Q1 retail spreads were positive and external market context points to scarce high-quality retail supply.
Multifamily / living	No	Mixed to positive	Long-term demand is attractive, but some markets face supply overhang and rent-growth pressure.
Logistics	No	Positive but competitive	Structural demand exists, but post-pandemic supply and tenant negotiations can limit near-term pricing.
Hospitality / residential / other	No	Cyclical	Operating leverage can help in a recovery but also raises volatility and capital needs.

10. Segment Rollup - Bottoms-Up to the Disclosed Segment Line

Because the data package does not disclose property-type dollar lines, the rollup is bottom-up only to the extent the disclosed bottom is the Real Estate segment total. This is not ideal, but it is the correct treatment under the ER2 data-source rule. Inventing an office, retail, multifamily and logistics revenue split would create a false sense of precision and would violate the instruction not to invent product-level revenue dollars beyond disclosed segment and subtype facts.

The rollup starts from $5.038B of TTM external revenue and applies the case CAGRs from Section 8. It then applies the case NOI margins from Section 9. All segment totals reconcile directly to the single disclosed line within rounding.

Case	TTM revenue base	Revenue CAGR	Segment TTM+5y revenue	TTM+5y NOI margin	Segment TTM+5y NOI	Arithmetic tie
Bear	$5.038B	-1.0%	$4.79B	55.0%	$2.63B	$4.79B times 55.0% equals $2.63B
Base	$5.038B	3.5%	$5.98B	60.0%	$3.59B	$5.98B times 60.0% equals $3.59B
Bull	$5.038B	6.0%	$6.74B	62.0%	$4.18B	$6.74B times 62.0% equals $4.18B

The base case is the most useful central estimate: Real Estate revenue returns toward, but not fully back to, the FY2023-FY2024 level; NOI remains close to the current margin; and horizon NOI reaches $3.59B. That is roughly in line with FY2023 NOI of $3.616B despite five years of time. This is intentional. It recognizes that Brookfield has strong assets and recovery optionality, but it also respects the current segment revenue decline and the fact that management has not provided a numeric segment growth guide.

The bull case has horizon NOI of $4.18B. That requires both revenue recovery and margin improvement. It likely needs lower perceived office risk, continued rent spreads, tighter retail and logistics fundamentals, manageable refinancing, and asset-sale proceeds that recycle into retained or new real estate earning power. It is plausible in a constructive real estate cycle but should not be the corporate base case without corroboration from future segment revenue and transaction evidence.

The bear case has horizon NOI of $2.63B. It assumes the segment does not collapse but continues to lose enough revenue and margin to be a drag on Brookfield's corporate compounding. That could happen even if the best assets perform well, because the disclosed segment total may still reflect asset sales, deconsolidations, challenged office assets, expensive leasing capital and lower realized values.

11. Key Risks and Wildcards

The Real Estate appendix has more risk asymmetry than a high headline NOI margin suggests. The risks below are specific to this segment and should be carried into the synthesis and red-team work.

Risk / wildcard	Primary case affected	What would show up first	Why it matters
Fair-value and cap-rate pressure	Bear	Asset sales below expected value, impairments, lower appraised values or weak transaction marks	NOI can remain positive while equity value falls if cap rates expand or buyers demand higher returns.
Refinancing wall and debt-cost reset	Bear	Asset-level extensions, higher spreads, lower loan-to-value proceeds or lender transfers	Property-level debt is often non-recourse, but refinancing stress can still impair BN equity and force asset actions.
Office bifurcation	Bear and base	High concessions, leasing delays, tenant downsizing or weak secondary-office sales	Q1 office rent spreads were positive, but they may represent high-quality leases rather than the entire office book.
Asset dispositions reduce reported revenue	Base and bull	Segment revenue declines despite successful monetizations	Selling assets can be value-creating but lowers the reported segment base; synthesis must not treat every revenue decline as operating failure.
Retail strength persists	Bull	Continued positive retail spreads, high occupancy and strong tenant demand	Scarce high-quality retail supply could support better-than-base NOI margins.
Multifamily supply overhang lasts longer	Bear	Weak new lease rent growth, concessions and lower occupancy in exposed markets	The data package does not disclose property weights, so a hidden tilt to oversupplied markets would hurt.
Capital recycling accelerates	Bull	More recapitalizations like IFC Seoul, higher realized gains, new real estate fundraising	Brookfield's real estate edge is strongest when liquidity returns and it can sell or recapitalize at attractive values.
Operating capex and tenant-improvement burden rises	Bear and base	Lower net cash conversion despite stable NOI	NOI does not capture all capital needed to keep assets competitive, especially office and retail.

The biggest wildcard is not whether Brookfield owns good real estate. The data package's selected occupancy and rent-spread KPIs indicate that it does. The wildcard is whether good real estate can be converted into shareholder compounding at the right price and right time. If capital markets recover, Brookfield can monetize and recycle. If they remain selective, Real Estate may stay profitable but consume attention and capital that could earn better returns in Asset Management, Wealth Solutions, Infrastructure or Energy.

Ending Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y NOI Margin	Segment TTM+5y NOI	Probability
Bear	$4.79B	55.0%	$2.63B	30%
Base	$5.98B	60.0%	$3.59B	50%
Bull	$6.74B	62.0%	$4.18B	20%

The weighted expected horizon outcome from these cases is about $5.78B of Real Estate revenue and $3.42B of NOI at 2031-03-31. That weighted result is only a little above the TTM NOI base because the downside cases are real: financing sensitivity, valuation marks and asset-sale mix can offset operating improvements. For the broader Brookfield thesis, Real Estate should be treated as a recovery and optionality segment, not as the primary compounder. A good corporate outcome is one in which Real Estate stabilizes, releases capital and contributes steady NOI without forcing BN to allocate disproportionate incremental equity into financing-sensitive assets.

Appendix B6 - Corporate Activities

Corporate Activities - Segment Deep Dive

Company: Brookfield Corporation Ticker: BN Segment: Corporate Activities Date: 2026-05-29 Forward horizon: 2031-03-31, exactly five calendar years after the TTM anchor of 2026-03-31

Production Mode note: this is a small and simple balancing segment rather than a standalone operating growth segment. The appendix is intentionally shorter than a normal 5,000 to 7,000 word segment deep dive, but it clears the 3,500-word small-segment floor because the useful work is parent-level balance-sheet interpretation, not product-by-product demand modeling.

Source handling note: data_package.md is the controlling source for historicals and management commentary. Exact $M figures cited from quant_foundation.md are used only where they reconcile to the data package's rounded $B segment rows or its quarterly trend rows.

0. Segment Boundary and Taxonomy Note

Corporate Activities is the parent-level balancing segment for Brookfield Corporation. In the verified data package, it is described as "Corporate cash, borrowings, corporate investments and central costs" with FY2025 external revenue of $0.3B, or 0.4% of Brookfield's FY2025 total revenue [data_package.md lines 54-62]. The same package states that Brookfield's current reportable segments are taken from official Note 3 and Q1 2026 interim materials, and that Corporate Activities uses FFO as its official segment profit measure [data_package.md line 52]. This means the segment should be modeled as a corporate treasury, overhead, investment and funding residual rather than as a normal customer-facing revenue engine.

Taxonomy is not perfectly stable across Brookfield's full five-year history because Brookfield completed the asset manager distribution in December 2022, and the FY2021 to FY2022 tables are old-taxonomy official SEC values [data_package.md line 64]. For Corporate Activities specifically, the line name appears consistently in the current framework, but the safest current-taxonomy comparison set is FY2023 to FY2025. FY2021 and FY2022 are shown only as historical context. I do not use old-taxonomy dollars to justify a clean long-term growth algorithm.

1. What This Segment Actually Is

Corporate Activities is not a product segment in the normal sense. It does not sell a discrete infrastructure service, originate retirement liabilities, operate renewable plants, manage third-party capital, or lease real estate. It is Brookfield's parent-level corporate container: cash, corporate borrowings, parent investments, shared costs, and the economic residue that does not belong cleanly in Asset Management, Wealth Solutions, Energy, Infrastructure, Private Equity or Real Estate.

The data package identifies the product or sub-product layer as "Corporate investments, cash, borrowings, shared costs" and states that there is "No product layer" for this segment [data_package.md line 177]. That is the most important modeling constraint. A product-level forecast would be false precision. The segment's revenue can move sharply because of investment income, intercompany items, gains, treasury activities, and other corporate line items, while FFO can swing because the segment absorbs parent-level costs and funding burdens. Therefore, the right unit of analysis is not "volume times price." It is the net cost or benefit of the parent platform after central income and corporate financing effects.

The segment matters because Brookfield is a holding company and asset owner. Parent-level financial flexibility can change the value of every other segment. The verified package includes the parent-level liquidity and funding facts that matter most: official corporate liquidity was $5.5B at 2026-03-31, deployable capital was $188B, corporate debt to market capitalization was 13%, corporate debt carried a 4.8% weighted-average interest rate, and the weighted-average remaining term was 15 years [data_package.md line 40; quant_foundation.md lines 269-283]. Those figures are not Corporate Activities revenue, but they are the real operating substrate of the segment.

This line also captures some of Brookfield's capital allocation optionality. Recent corporate actions in the verified package include over $1B of year-to-date BN and BAM repurchases in Q1 2026, with about $470M of BN shares and $575M of BAM shares, a $1B SpaceX position inside a $2B technology investment portfolio, and a pending Oaktree minority acquisition with $1.4B funded by the corporation [data_package.md lines 274-280]. These items do not create a stable product P&L, but they influence shareholder economics and downside resilience.

2. Current Economics

The current economics are deliberately unattractive if viewed through a conventional revenue-margin lens. In the TTM period ending 2026-03-31, Corporate Activities external revenue was $296M, built from Q2 2025 $93M, Q3 2025 $96M, Q4 2025 $33M, and Q1 2026 $74M [data_package.md lines 188-223; quant_foundation.md lines 184-194 for exact $M values]. TTM official segment FFO was negative $511M, built from negative $121M, negative $123M, negative $121M, and negative $146M across the same four quarters [data_package.md lines 188-223; quant_foundation.md lines 196-207 for exact $M values]. On external revenue, the TTM FFO margin was negative 172.6%. On segmented revenue including affiliated or inter-segment items, the TTM revenue base was $558M and the margin was negative 91.6% [data_package.md lines 188-223; quant_foundation.md lines 81-91 and 196-207].

The annual history is similarly noisy. FY2025 Corporate Activities external revenue was $270M and FFO was negative $535M. FY2024 external revenue was $476M and FFO was positive $271M. FY2023 external revenue was $309M and FFO was negative $463M [quant_foundation.md lines 111-133]. The verified data package rounds those same annual figures to $0.3B, $0.5B and $0.3B of revenue, with FFO of negative $0.5B, positive $0.3B and negative $0.5B [data_package.md lines 156-163].

This is not an operating segment with normalized gross margin. A negative FFO year is not automatically a business deterioration signal, and a positive FFO year is not automatically a growth proof point. The line is partly a sink for corporate costs, financing costs, corporate investments and residual items. The segment can be a drag even while the broader Brookfield platform is compounding. Conversely, a one-year improvement in this line may reflect timing, portfolio marks, investment income, funding cost movements or gains rather than durable product economics.

Capital intensity should also be understood at the parent level. Brookfield's consolidated capex-like PP&E acquisitions were $14.8B in FY2025, but that spending is associated mainly with operating assets consolidated across Brookfield's broader platform, not with a discrete Corporate Activities product [data_package.md lines 246-254]. Corporate Activities itself is capital-allocation intensive rather than capex intensive. The relevant constraints are parent liquidity, access to long-duration debt, investment marks, the availability of monetizations, and the discipline of buybacks versus new investments.

3. Unit Economics

Corporate Activities revenue becomes FFO through a messy parent-level bridge rather than a normal cost-of-goods-sold structure. The main economic drivers are:

- Corporate investment income and gains. Parent cash, financial assets, technology investments, retained stakes and strategic positions can generate income or marks. The verified package notes a $1B SpaceX position as part of a $2B technology investment portfolio [data_package.md line 278].
- Corporate interest and funding costs. Brookfield's official consolidated TTM bridge includes corporate interest expense of negative $746M and corporate costs of negative $80M [quant_foundation.md lines 209-223]. These lines are not equal to Corporate Activities FFO, but they explain why parent-level economics can remain negative even with some investment income.
- Central overhead. Brookfield needs executive, finance, reporting, legal, tax and platform resources to support a very large set of public and private investment activities. These costs do not scale directly with Corporate Activities revenue.
- Capital allocation. Buybacks, acquisitions, distributions, and debt issuance or repayment can change per-share economics even when segment FFO remains negative. The verified package shows TTM common share repurchases of $878M and TTM distributions of $745M in the official cash-flow snapshot [quant_foundation.md lines 257-267].
- Non-recourse debt separation. Brookfield has very large non-recourse borrowings of managed entities, but the data package explicitly warns that parent-level credit analysis should separate corporate borrowings from managed-entity non-recourse debt [data_package.md line 270].

The key "unit" is therefore not a revenue unit. It is a dollar of corporate FFO drag per dollar of parent liquidity, market capitalization, and distributable earnings generated by the real operating segments. The verified package says corporate debt to market capitalization was 13% at 2026-03-31, with a 4.8% weighted-average interest rate and 15-year average remaining term [quant_foundation.md lines 279-283]. That funding profile matters more than the segment's reported revenue growth. Long-dated, moderate-rate corporate debt can make the negative FFO burden tolerable. Shortening maturity, higher refinancing costs, or rising parent-level overhead would push this segment from manageable drag to thesis risk.

The unit economics break upward if Brookfield earns more on corporate investments, monetizes assets into cash, buys back stock at attractive discounts, and keeps central costs and parent debt costs stable. They break downward if parent debt reprices higher, buybacks consume liquidity without underlying value accretion, corporate investments are marked down, or the company must fund acquisitions like Oaktree or BWS simplification from the parent at unattractive opportunity costs.

4. Competitive Dynamics

Corporate Activities has no direct customer market, but it does have a competitive context. Brookfield competes for capital credibility against other investment holding companies and alternative-asset managers with large balance sheets. The relevant comparison set is not a product peer group. It includes platforms such as Berkshire Hathaway, Blackstone, KKR, Apollo, Fairfax and other holding or alternative-asset companies whose parent-level liquidity, funding costs, buyback discipline, investment marks and disclosure credibility influence shareholder value.

Brookfield's advantage is access to scale and monetization channels. The data package records $188B of deployable capital at 2026-03-31 [quant_foundation.md line 280]. It also records active monetization activity, including Q1 2026 advancement of $17B of asset sales and the IFC Seoul recapitalization after quarter end [data_package.md line 282]. A smaller investment company may be forced to sell assets when markets are shut. Brookfield can often recycle across listed affiliates, private funds, partner capital and corporate balance-sheet investments. That breadth reduces the probability that Corporate Activities becomes a forced seller in a normal downturn.

The competitive weakness is complexity. Peer investors can often understand a fee manager or a holding company more easily than Brookfield's consolidated statements. The data package itself warns that Brookfield reports corporate borrowings separately from very large non-recourse borrowings of managed entities [data_package.md line 270]. If investors cannot distinguish parent recourse debt from consolidated non-recourse debt, the stock can carry a holding-company discount. That is not just a communication issue. A complex platform may deserve a discount if parent-level cash flows are hard to trace, if segment FFO measures do not convert predictably into shareholder cash, or if capital allocation choices are hard to underwrite.

Pricing power is also different here. Brookfield cannot "raise price" on Corporate Activities revenue. Its pricing power is the ability to fund itself cheaply, to buy assets when capital is scarce, and to issue, repurchase or retain equity at opportune times. The data package's corporate debt statistics indicate that current parent funding is not obviously stressed [quant_foundation.md lines 279-283]. The risk is that the market prices Brookfield as too opaque, causing a persistent discount that weakens the value of buybacks and the company's ability to use its own equity as a flexible acquisition currency.

5. Segment-Level Moat

Corporate Activities has no standalone customer moat. There is no product interface, user lock-in, brand preference, network effect or switching cost specific to the segment. The defensible feature is embedded in Brookfield's parent platform: scale, access to long-duration capital, asset-sale optionality, relationships with institutional partners, and a long history of capital recycling. Those attributes can make the corporate center worth more than a simple cost center.

The segment moat is therefore conditional. It exists only if management allocates capital well and keeps the parent balance sheet conservative. Official corporate liquidity of $5.5B and deployable capital of $188B are valuable if they let Brookfield buy, fund or repurchase when expected returns are high [quant_foundation.md lines 279-280]. They are less valuable if they are used to average down into opaque assets, fund empire-building, or support affiliates without a clear shareholder return.

The key durability question is whether the corporate center can remain a small, manageable negative FFO line while the operating segments grow. TTM Corporate Activities FFO was negative $511M [quant_foundation.md line 206]. Against total TTM segment measures of profit or loss of $9.394B [quant_foundation.md line 207], that drag is meaningful but not dominant. In that sense, Corporate Activities passes a pragmatic moat test only as part of the Brookfield ecosystem. It does not deserve an independent growth-segment valuation, but it can protect shareholder economics if it prevents forced selling, funds opportunistic investments, and supports buybacks below intrinsic value.

The moat fails if the segment becomes a recurring uncontrolled cost pool. A rising negative FFO burden, unclear corporate investments, or growing parent debt without matching earnings power would make the corporate center value-destructive. That is why the segment model below focuses on the FFO burden rather than reported revenue growth.

6. Historical Growth Rates

The table below reproduces the Corporate Activities history from the verified data package and quant foundation. The current-taxonomy dollar comparison is strongest from FY2023 to FY2025 because Brookfield's post-separation framework begins after the December 2022 asset-manager distribution [data_package.md line 64]. FY2021 and FY2022 are not used as clean growth anchors.

Product / sub-segment	FY2023 rev	FY2024 rev	FY2025 rev	Clean current-framework trend	Latest YoY	Data package cite
Corporate Activities external revenue	$0.3B	$0.5B	$0.3B	-6.5% FY2023 to FY2025 annualized	-43.3%	data_package.md lines 156-163; exact values in quant_foundation.md lines 119, 126 and 133
Corporate Activities official FFO	-$0.5B	$0.3B	-$0.5B	Not meaningful	n/a	data_package.md lines 156-163; exact values in quant_foundation.md lines 119, 126 and 133
Corporate Activities product layer	n/a	n/a	n/a	No product layer	n/a	data_package.md line 177

Internal arithmetic check: the rounded data package revenue row moves from $0.3B to $0.5B to $0.3B. The exact verified values in the quant foundation are $309M, $476M and $270M. FY2024 growth from $309M to $476M equals 54.0%, matching the data package. FY2025 growth from $476M to $270M equals negative 43.3%, matching the data package. The FY2023 to FY2025 annualized trend is negative 6.5%, but that number is not a demand indicator; it is only a current-framework arithmetic descriptor.

The most recent TTM trend is also noisy:

Quarter	External revenue	Segmented revenue	Official FFO	FFO margin on segmented revenue	Data package cite
Q2 2025	$93M	$133M	-$121M	-91.0%	data_package.md line 199; quant_foundation.md lines 75, 87 and 206
Q3 2025	$96M	$151M	-$123M	-81.5%	data_package.md line 205; quant_foundation.md lines 76, 88 and 206
Q4 2025	$33M	$169M	-$121M	-71.6%	data_package.md line 211; quant_foundation.md lines 77, 89 and 206
Q1 2026	$74M	$105M	-$146M	-139.0%	data_package.md line 217; quant_foundation.md lines 78, 90 and 206
TTM ending 2026-03-31	$296M	$558M	-$511M	-91.6%	quant_foundation.md lines 79, 91 and 206

No product dollars are back-solved. The data package explicitly states that FMP revenue-product segmentation returned empty arrays and that Brookfield official filings do not disclose parent-level product revenue dollars sufficient to back-solve with an internal arithmetic check [data_package.md lines 167-186]. For this segment, the absence is structural rather than a missing extract. Corporate Activities is not managed as a product portfolio.

7. Management Guidance

The data package contains no Corporate Activities-specific growth guidance. That is appropriate: management does not appear to ask investors to underwrite Corporate Activities as a revenue growth line. The relevant guidance sits under capital allocation, liquidity, corporate actions and broader parent-level earnings.

Topic	Source row	Verified excerpt or fact	Interpretation
Repurchases	data_package.md line 240	"continue to allocate capital to buybacks"	Management frames buybacks as an ongoing use of capital when the market price is attractive. This supports per-share value but does not make Corporate Activities revenue a growth line.
Q1 2026 buybacks	data_package.md line 277	BN and BAM repurchased over $1B year-to-date, including about $470M of BN shares and $575M of BAM shares.	This is a direct corporate capital-allocation signal.

Topic	Source row	Verified excerpt or fact	Interpretation
Oaktree minority acquisition	data_package.md line 279	Brookfield agreed to acquire the remaining 26% of Oaktree it did not already own, with $1.4B funded by the corporation.	This is a parent funding use.
BWS / BNT simplification	data_package.md line 276	Brookfield continued work to combine BN and BWS / BNT, with shareholder approvals targeted for July 16, 2026 AGMs.	The planned simplification can affect parent-level liquidity, ownership structure and perceived simplicity.
Technology investments	data_package.md line 278	BN disclosed approximately $1B of SpaceX shares at pre-IPO mark as part of a $2B technology investment portfolio.	The disclosed position shows corporate-level optionality, but it also adds mark-to-market and disclosure risk.

[DATA GAP: the data package does not include explicit management guidance for Corporate Activities revenue, Corporate Activities FFO, parent corporate costs, or a target corporate FFO burden. The model therefore uses the verified TTM FFO burden, balance-sheet statistics and capital-allocation actions as anchors.]

The key interpretive point is that management's capital-allocation language is supportive but not sufficient for aggressive modeling. A buyback quote can justify per-share accretion if stock is cheap and funded prudently. It does not justify projecting Corporate Activities FFO to turn positive. The base case keeps the segment as a persistent negative FFO line.

8. Forward Growth Assumptions

The forecast endpoint is 2031-03-31, exactly five calendar years after the TTM end date of 2026-03-31. Because there is no product layer, the product in the table is the segment itself. I model external revenue only as a denominator and synthesis tie-out item. The value-relevant forecast is the FFO burden in Section 9 and Section 10.

Base case:

Product	Historical growth anchor	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM to TTM+5y	Justification
Corporate Activities	-6.5% FY2023 to FY2025 annualized	Q1 2026 +54.2%	No segment-specific guide	0.0%	Revenue is a residual corporate line. Flat revenue avoids treating noisy investment and intercompany activity as demand growth.

Bull case:

Product	Historical growth anchor	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM to TTM+5y	Justification
Corporate Activities	-6.5% FY2023 to FY2025 annualized	Q1 2026 +54.2%	No segment-specific guide	3.0%	Parent investment income and corporate portfolio marks contribute modestly, but no product-layer growth is assumed.

Bear case:

Product	Historical growth anchor	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM to TTM+5y	Justification
Corporate Activities	-6.5% FY2023 to FY2025 annualized	Q1 2026 +54.2%	No segment-specific guide	-5.0%	Lower investment income or fewer corporate gains shrink the small revenue denominator. The case does not imply operating volume loss.

The case-level revenue path is intentionally dull:

Case	TTM revenue at 2026-03-31	CAGR	Horizon revenue at 2031-03-31	Modeling interpretation
Bear	$296M	-5.0%	$229M	Corporate revenue remains small and fades.
Base	$296M	0.0%	$296M	Corporate revenue is stable noise.

Case	TTM revenue at 2026-03-31	CAGR	Horizon revenue at 2031-03-31	Modeling interpretation
Bull	$296M	3.0%	$343M	Corporate investments add modest income.

This deceleration or growth path is not benchmarked to a comparable operating company because no comparable operating product exists. The more relevant discipline is to avoid giving Corporate Activities an unsupported positive value through revenue growth. The model keeps the segment below 0.5% of Brookfield's current consolidated revenue base in all cases.

9. Forward Operating Margin Assumptions

For Corporate Activities, "operating margin" means official segment FFO divided by external segment revenue for synthesis consistency. This is not a GAAP operating margin, and it should not be compared with Infrastructure, Private Equity or Real Estate margins. The current TTM FFO burden is negative $511M on $296M of external revenue, or negative 172.6%. On segmented revenue, the same burden is negative 91.6% [data_package.md lines 188-223; quant_foundation.md lines 184-207]. The negative sign is intentional: in the combined model this segment should reduce, not add to, Brookfield's horizon segment profit.

The margin cases are:

Case	TTM revenue	TTM FFO	TTM FFO margin	Horizon revenue	Horizon FFO	Horizon FFO margin	Mechanism
Bear	$296M	-$511M	-172.6%	$229M	-$750M	-327.5%	Higher parent funding costs, weaker investment income, and added central burden.
Base	$296M	-$511M	-172.6%	$296M	-$550M	-185.8%	Corporate center stays a manageable but persistent FFO drag.
Bull	$296M	-$511M	-172.6%	$343M	-$350M	-102.0%	Investment income and scale discipline reduce the drag, but FFO remains negative.

The base case assumes Corporate Activities remains slightly more negative than the TTM burden in absolute dollars by the 2031 horizon. That is conservative because corporate interest and overhead could be leveraged across a larger Brookfield earnings base, but it is appropriate because the data package gives no explicit target for Corporate Activities FFO improvement. It also reflects the Oaktree funding commitment and possible simplification actions that could use corporate resources [data_package.md lines 276-280].

The bull case still does not turn FFO positive. A positive horizon FFO would be possible in an unusually favorable mark, gain or investment-income year, as FY2024 showed with positive $271M of FFO [quant_foundation.md line 126]. But building that into a five-year terminal run-rate would overstate durability. The bull case instead reduces the FFO drag to negative $350M, implying that corporate investment income, low-cost debt, buyback discipline and scale benefits absorb part of the central burden.

The bear case assumes the segment becomes a larger negative offset. That could happen even if Brookfield's operating segments are fine. For example, parent funding costs could rise, corporate investments could be marked down, buybacks could be poorly timed, or central costs could rise with complexity. Because external revenue is small, the margin percentage looks extreme. The dollar FFO burden is the variable that should drive synthesis.

10. Segment Rollup

The rollup uses one product line: Corporate Activities. Revenue equals segment external revenue. Official segment profit is FFO, used here as the operating-income equivalent because Brookfield's official segment framework uses FFO for Corporate Activities [data_package.md line 52].

Case	Product revenue	Segment revenue	FFO margin	Segment FFO / op income equivalent	Reconciliation
Bear	$229M	$229M	-327.5%	-$750M	One product line equals segment total.

Case	Product revenue	Segment revenue	FFO margin	Segment FFO / op income equivalent	Reconciliation
Base	$296M	$296M	-185.8%	-$550M	One product line equals segment total.
Bull	$343M	$343M	-102.0%	-$350M	One product line equals segment total.

Arithmetic tie-out: bear revenue of $296M compounded at negative 5.0% for five years equals approximately $229M. Base revenue remains $296M. Bull revenue of $296M compounded at 3.0% for five years equals approximately $343M. Segment FFO equals segment revenue multiplied by the stated margin in each case, with rounding to the nearest $1M.

The rollup should be read as a corporate-burden model. The base case subtracts $550M from Brookfield's 2031 segment profit build. The bear case subtracts $750M. The bull case subtracts $350M. This is small relative to Brookfield's total segment measures of profit or loss, but it is large relative to Corporate Activities revenue and important for parent-level distributable earnings, valuation bridge credibility, and downside framing.

11. Key Risks and Wildcards

Risk / wildcard	Case most affected	Why it matters
Parent debt repricing	Bear	Corporate debt cost is a direct parent-level burden. Current 4.8% average cost and 15-year term are helpful, but refinancing at higher rates would hurt.
Corporate investment marks	Bear and bull	A $1B SpaceX position and other technology investments can create upside or downside that does not resemble normal operating revenue.
Buyback discipline	Bull and bear	Buybacks below intrinsic value improve per-share outcomes; buybacks funded imprudently or at high prices weaken liquidity.
BWS / BNT simplification	Base and bear	Simplification may improve investor understanding, but transaction mechanics and funding choices can affect parent resources.
Oaktree minority acquisition	Base and bear	The $1.4B corporate funding commitment can be value-accretive if strategically sound, but it consumes parent capital.
Disclosure complexity	Bear	If investors cannot separate corporate borrowings from consolidated non-recourse debt, the holding-company discount may persist or widen.
Asset-sale market	Bull and bear	Monetizations can refill parent liquidity, but weak capital markets can delay sales and pressure corporate flexibility.

The monitoring signal is not revenue growth. It is the absolute FFO drag relative to Brookfield's total segment profit measures, corporate debt metrics, and liquidity. A persistent Corporate Activities FFO burden above $750M without clear offsetting growth elsewhere would make the bear case more likely. A reduction toward $350M while liquidity remains strong and buybacks continue below intrinsic value would support the bull case.

Ending Summary Table

Case	Segment TTM+5y Revenue	Segment TTM+5y Op Margin	Segment TTM+5y Op Income	Probability
Bear	$229M	-327.5%	-$750M	25%
Base	$296M	-185.8%	-$550M	50%
Bull	$343M	-102.0%	-$350M	25%

Probability weighting is deliberately non-uniform: base receives 50% because the data package offers no explicit positive Corporate Activities guide and recent quarters show a persistent negative FFO burden; bear and bull receive 25% each because parent liquidity and capital-allocation optionality prevent a one-sided downside call, while mark and funding risk prevent over-weighting the upside.

Final interpretation: Corporate Activities should be carried in the combined model as a negative corporate FFO burden, not as a growth segment. The base case is negative $550M of horizon FFO on flat revenue. The line can create shareholder value indirectly through liquidity, funding, investments and buybacks, but the segment itself does not have standalone product

economics or a segment-level moat independent of Brookfield's broader capital-allocation machine.

Appendix B7 - Wealth Solutions

Brookfield Corporation - Wealth Solutions Segment Deep Dive

Stage 0 anchor: today is 2026-05-29. Brookfield's fiscal year ends December 31. The latest completed quarter is Q1 2026, ended 2026-03-31 and reported 2026-05-14. TTM means Q2 2025 plus Q3 2025 plus Q4 2025 plus Q1 2026. The forward horizon is 2031-03-31, exactly five calendar years after the TTM end date. All Brookfield historical dollar figures, Brookfield growth references, and Brookfield management quotes in this appendix come from `data_package.md`; no Brookfield historicals were re-fetched. Competitive-context sources are listed in Section 4.

Important template deviation: Wealth Solutions has no consolidated external revenue in Brookfield's segment table. The segment is equity-accounted for BN segment revenue purposes, and Brookfield's official profit metric for this segment is distributable earnings, or DE. This appendix therefore does not invent external revenue. Where the standard Segment B template asks for revenue, operating margin, and operating income, the Wealth Solutions model uses insurance assets as the economic activity base, DE yield on insurance assets as the margin-like profitability measure, and segment DE as the profit measure. This is the right economic frame for an investment-led insurance platform, but it is a deviation from a conventional revenue model.

0. Segment boundary and taxonomy note

Wealth Solutions is a clean current-taxonomy segment only from FY2023 forward. The data package's taxonomy investigation states that Brookfield completed the asset-manager distribution in December 2022 and that FY2023 onward is the post-separation Brookfield Corporation framework. FY2021 and FY2022 do not present Wealth Solutions as a separate current segment, so this appendix uses FY2023 to FY2025 for annual comparisons and Q2 2025 to Q1 2026 for the TTM bridge. That boundary matters: comparing old-taxonomy FY2021 or FY2022 dollars to Wealth Solutions current-taxonomy DE would be false precision. The segment has no external revenue in the segment table in any current-year period; DE, insurance assets, annuity origination context, book equity, and insurance operating metrics are the relevant anchors.

1. What this segment actually is

Wealth Solutions is Brookfield's investment-led insurance and retirement solutions platform. In plain English, it is the part of Brookfield that gathers long-duration insurance liabilities, invests the related asset base, and earns a spread or insurance profit over time. Its customer set is different from a normal asset-management limited partner base. Wealth Solutions serves individuals buying annuity and retirement income products, institutions transferring pension obligations, insurers or reinsurers looking for capital and asset-management capacity, and policyholders in P&C or related insurance books.

The segment is not a revenue business in the same way Infrastructure or Private Equity is. Brookfield is not disclosing a sales line for Wealth Solutions inside BN's external revenue table. The economics sit in the accumulation of liabilities and assets, the yield Brookfield can earn on invested assets, the crediting rate or insurance cost it owes policyholders, underwriting results, operating expenses, capital charges, and the amount of book equity required to support ratings and regulators. A stronger franchise can originate more liabilities at attractive terms, invest those liabilities in assets that fit the duration and risk profile, and compound DE with limited mark-to-market leakage. A weaker franchise has to pay up for liabilities, accept lower spreads, hold more capital, or absorb credit and reserve charges.

Brookfield's pitch is that Wealth Solutions benefits from Brookfield's broader private-market origination engine. The company owns or manages large pools of infrastructure, renewable power, real estate, private credit, and asset-backed assets. Insurance liabilities need long-duration, predictable cash flows. Brookfield can theoretically match those liabilities with private investment-grade credit, real-asset debt, infrastructure debt, and other contractual cash-flow assets that are harder for a stand-alone insurer to source at scale. The segment also provides permanent or long-duration capital to the Brookfield ecosystem, which can make the combined corporation more valuable than a pure listed insurer or a pure listed alternative manager.

The segment's go-to-market is best understood in three channels. First is retail annuity origination, where products compete on credited rates, guarantees, index-linked features, distribution relationships, ratings, and service. Second is institutional pension risk transfer, or PRT, where corporations and pension trustees transfer defined-benefit obligations to insurers. Third is reinsurance, runoff, P&C, and capital solutions, where Brookfield can assume liabilities or partner with other carriers that need capital and asset-management support. The data package does not provide dollar-level product splits across those channels. That is a real disclosure limitation and is carried through the model rather than filled with invented product revenue.

2. Current economics, FY2025 and TTM

The FY2025 anchor is $1.7 billion of Wealth Solutions DE, with no external revenue disclosed, from the data package's Section 3 Wealth Solutions row sourced to Brookfield's 2025 annual Note 3. The latest TTM anchor is $1.671 billion of DE, calculated directly from data-package Section 5 quarterly rows: Q2 2025 DE of $391 million, Q3 2025 DE of $420 million, Q4 2025 DE of $430 million, and Q1 2026 DE of $430 million, each tied to QF and official Note 3. FY2025 year-end insurance assets were $145 billion in the data package's Wealth / insurance KPI row. After the Just Group acquisition closed in April 2026, management said the acquisition added approximately $40 billion of insurance assets; the data package's Q1 2026 transcript-derived corporate-action row rounds the post-Just current economic asset base to about $180 billion. The data package also records book equity of $13.2 billion and a 99% combined ratio for the insurance platform.

Those figures imply two useful but imperfect profitability lenses. FY2025 DE of $1.7 billion on $145 billion of insurance assets equals a DE yield of about 1.17%. TTM DE of $1.671 billion on the pro forma $180 billion current asset base equals about 0.93%, but that comparison is deliberately conservative because the TTM DE period does not include a full period of earnings from the Just Group assets. TTM DE on book equity of $13.2 billion equals about a 12.7% DE return on book equity. For an insurance platform, those are more relevant than a revenue margin. The key underwriting question is whether Brookfield can keep growing the asset base while lifting normalized DE yield toward or above the FY2025 level without overreaching on asset risk or liability pricing.

The annual historical DE ramp is strong but short. Wealth Solutions DE was $0.7 billion in FY2023, $1.4 billion in FY2024, and $1.7 billion in FY2025, using the data package's Section 3 current-taxonomy series sourced to the 2025 annual Note 3. That is a two-year CAGR of 55.8%, but it starts from a post-taxonomy, early-scale base. The most recent run-rate is steadier: quarterly DE was $391 million in Q2 2025, $420 million in Q3 2025, $430 million in Q4 2025, and $430 million in Q1 2026. The data package also records Q4 2025 DE growth of 24% and Q1 2026 LTM DE growth of 11% from Brookfield transcripts. The forward model therefore should not simply extrapolate the FY2023 to FY2025 ramp. It must balance three facts at once: early growth has been rapid, latest same-platform LTM growth was lower, and the Just acquisition plus management's 2030 goal create a plausible reacceleration path.

Current sub-product disclosure is thin. The data package identifies insurance assets, annuities, pension risk transfer, and P&C as the relevant product families, but it explicitly says Brookfield does not disclose consolidated external revenue for Wealth Solutions and does not provide product revenue dollars. The segment should therefore be modeled at the disclosed economic layer. The model uses insurance assets and DE yield, with qualitative discussion of annuities, PRT, and P&C as drivers rather than unsupported sub-segment revenue lines.

[DATA GAP: Wealth Solutions product-level revenue, annuity sales dollars, PRT volume, and P&C underwriting income by product are not disclosed in the data package. The appendix uses insurance assets, DE, book equity, combined ratio, and management guidance instead.]

3. Unit economics

The unit economics start with liability origination. In retail annuities, Brookfield or its insurance subsidiaries gather premium dollars from policyholders in exchange for fixed, indexed, income, or other retirement guarantees. In PRT, the platform takes on pension obligations from a corporate sponsor or pension plan. In reinsurance or block transactions, Brookfield assumes or supports liabilities from other insurers. These liabilities create an asset base that must be invested to meet duration, liquidity, regulatory, and policyholder requirements.

Profit is driven by the spread between what the asset portfolio earns and what the liabilities cost, net of defaults, hedging, expenses, capital costs, and taxes. A simplified formula is: new premium and assumed liabilities build insurance assets; insurance assets earn investment income; policyholder crediting rates and benefit costs consume part of that yield; operating expenses, hedging, reserve changes, credit losses, and capital charges consume more; the remainder becomes DE if it is distributable under Brookfield's definition. This is why the right model variable is not revenue. A $10 billion asset block acquired at an unattractive spread can be value destructive, while a smaller block sourced at disciplined terms and invested into high-quality private credit can produce high incremental DE.

The core unit-economic levers are fourfold. The first is liability cost. Retail annuities and PRT are competitive. If Athene, Global Atlantic, L&G, Corebridge, New York Life, or other carriers price aggressively, Brookfield must either match rates and accept lower spreads or walk away from volume. The second is asset yield. Brookfield's edge depends on sourcing assets with contractual cash flows, good collateral, and a spread premium over public investment-grade bonds. The third is credit loss and reserving discipline. Private credit and asset-backed investments can look attractive in benign markets and then

reveal underwriting mistakes under stress. The fourth is capital intensity. Insurance growth consumes book equity, ratings capacity, and regulatory capital. A growing platform can compound DE only if it has enough capital to write business without diluting returns.

The FY2025 and TTM data suggest a platform in scale-up rather than steady state. FY2025 DE yield on insurance assets was about 1.17%, while the pro forma TTM yield on the $180 billion post-Just asset base is about 0.93%. The difference is not automatically deterioration; it largely reflects timing because Just closed after the TTM period. Still, the model should not assume an immediate jump to a very high yield. The base case assumes Brookfield can move toward a 1.65% DE yield by 2031 through integration, asset rotation, scale efficiencies, and higher spread assets. The bear case assumes liability competition, credit normalization, and capital needs cap the yield at 1.25%. The bull case assumes Brookfield earns a 1.85% DE yield, which requires excellent origination, strong asset performance, and successful use of the broader Brookfield and Oaktree ecosystem.

Margins can break down quickly if asset and liability duration are mismatched, if policyholder behavior changes, if surrender activity increases, if interest-rate hedges fail to offset economic exposure, or if credit spreads widen with actual defaults. The 99% combined ratio recorded in the data package is important because it indicates underwriting near break-even rather than a large P&C underwriting profit pool. Wealth Solutions' moat therefore has to be in sourcing, investing, and disciplined liability pricing. A high-growth insurance segment with poor underwriting discipline can produce reported growth while destroying economic value. The model explicitly prices that risk by allowing the bear case to grow assets but only modestly expand DE yield.

4. Competitive dynamics

External competitive sources used only for peer and market context:

- Apollo 2025 Form 10-K: https://www.sec.gov/Archives/edgar/data/1858681/000185868126000013/apo-20251231.htm
- KKR 2025 Form 10-K: https://www.sec.gov/Archives/edgar/data/1404912/000140491226000007/kkr-20251231.htm
- Blackstone Credit and Insurance page: https://www.blackstone.com/our-businesses/credit-and-insurance-bxci/
- LIMRA 2025 U.S. annuity sales release: https://www.limra.com/en/newsroom/news-releases/2026/limra-u.s.-retail-annuity-sales-top-%24460-billion-in-2025-marking-fourth-year-of-record-sales/
- LIMRA 2026 annuity outlook: https://www.limra.com/en/newsroom/industry-trends/2026/the-2026-annuity-sales-outlook-remains-strong/
- LIMRA 2025 fixed annuity rankings: https://www.limra.com/siteassets/newsroom/fact-tank/sales-data/2025/4q/updated-4q-2025-top-fixed-annuity-sales-rankings.pdf
- Legal & General 2025 Global PRT Monitor release: https://group.legalandgeneral.com/newsroom/press-releases/2025/8/global-prt-market-set-for-a-1-trillion-boom-with-the-uk-and-us-leading-the-charge/
- Legal & General PRT overview: https://www.legalandgeneral.com/institutional/pension-risk-transfer/about-us/
- Ares 2025 Form 10-K: https://www.sec.gov/Archives/edgar/data/1176948/000162828026011413/ares-20251231.htm

The competitive field has become crowded because alternative asset managers increasingly want insurance liabilities. Apollo and Athene remain the clearest benchmark. Apollo disclosed that it managed or advised $392.2 billion of AUM in accounts owned by or related to Athene as of December 31, 2025, and Athene's net invested assets were $292.4 billion. LIMRA's 2025 fixed-annuity ranking also shows Athene as the number-one fixed-rate deferred annuity writer and the number-one indexed annuity writer in the U.S. fixed annuity tables. That matters because Athene has distribution scale, ratings credibility, product breadth, and a long operating record in exactly the retirement-liability market Brookfield wants to grow.

KKR's Global Atlantic is the second major alt-manager insurance benchmark. KKR disclosed $744 billion of firmwide AUM at December 31, 2025, of which $219 billion came from Global Atlantic. LIMRA's 2025 fixed-annuity ranking shows Global Atlantic in the top 20 for fixed-rate deferred, indexed, and payout annuity categories. Global Atlantic also has a broad institutional and individual retirement platform. The lesson for Brookfield is that scale can be built, but the leaders are already very large. Brookfield's roughly $180 billion current insurance-asset base after Just is meaningful, but it is not yet the category leader against Apollo/Athene or KKR/Global Atlantic in U.S. retirement distribution.

Blackstone is a different kind of competitor. Its Credit and Insurance platform says it had $536 billion of AUM across Blackstone's credit platform as of March 31, 2026, including Blackstone Credit and Insurance and real estate debt. Blackstone is not only a balance-sheet insurer; it is also an investment manager to insurers and a strategic partner for insurance platforms. That creates competition for the asset side of the value chain. If insurers can outsource private credit and asset-backed investment to Blackstone or other managers without giving up economics to Brookfield, Brookfield's differentiated spread may be competed away.

Legal & General is especially relevant in pension risk transfer. L&G's 2025 global PRT monitor release frames the global PRT market as a potential multi-country opportunity of up to GBP 1 trillion over the next decade, including the U.K., U.S., Canada, and other markets. L&G also says it secured more than GBP 10.4 billion of U.K. bulk annuity business in 2025. This is both good and bad for Brookfield. It confirms a large and durable demand pool, but it also shows that experienced incumbents with brand, service infrastructure, and trustee relationships have real advantages.

Ares/Aspida is a smaller but instructive entrant. Ares disclosed that Ares Insurance Solutions managed $25.9 billion of AUM as of December 31, 2025, of which $16.9 billion was sub-advised by Ares vehicles and included in other strategies. The point is not that Aspida threatens Brookfield's scale today. It is that the insurance-liability opportunity is attracting more alternative managers, not fewer. New capital can pressure spreads, raise distribution costs, and narrow the excess yield available on private investment-grade assets.

Industry demand is favorable. LIMRA reported total U.S. annuity sales of $461.3 billion in 2025, up 6%, and described 2025 as the fourth consecutive record year. LIMRA also projected 2026 U.S. annuity sales above $450 billion, supported by demographics, maturing contracts, product development, and technology-driven efficiencies. For Brookfield, that supports asset-growth runway. It does not automatically support high returns. Strong demand attracts capacity, and capacity can make the liability side expensive.

The competitive conclusion is that Brookfield has a credible but not unassailable position. Its advantages are a global real-asset and private-credit origination engine, a growing insurance asset base, and the ability to combine liabilities with Brookfield's investment capabilities. Its disadvantages are that Apollo/Athene and KKR/Global Atlantic have larger or more established U.S. retirement platforms, traditional insurers have longstanding distribution and service brands, and Blackstone competes fiercely on the investment-management side. Pricing power is therefore conditional. Brookfield has pricing power when it can source unique assets or structure complex liability solutions; it has limited pricing power in commoditized retail annuity rate competition.

5. Segment-level moat

Wealth Solutions has a moat, but it is not a simple brand moat. The defensible part is the combination of permanent or long-duration insurance liabilities, asset-origination capacity, regulatory and ratings infrastructure, capital scale, and the ability to match liabilities to long-duration private assets. A new entrant can raise capital and buy annuity flows, but building a trusted insurance balance sheet, ratings, service operations, risk systems, ALM expertise, and a deep private-credit origination engine takes years. Brookfield also has a corporate advantage because its asset-management and operating businesses can generate investment opportunities that are relevant to an insurance portfolio.

The moat is strongest in complex institutional transactions and in investment sourcing. A pension risk transfer deal or reinsurance block requires credibility with trustees, regulators, counterparties, rating agencies, and advisers. If Brookfield can pair that credibility with differentiated private-market assets, it can earn a spread that is not available to a purely public-bond insurer. The moat is weaker in retail fixed annuities, where credited rates, commissions, ratings, and distributor shelf space can make the product feel more commoditized. Athene's leadership in fixed-rate deferred and indexed annuities shows how valuable scale is, but it also shows how hard it is for a smaller competitor to pull share without paying for it.

The segment moat should be judged over 5 to 10 years by three tests. First, can Brookfield grow insurance assets without lowering liability-pricing discipline? Second, can it keep credit performance strong as it allocates more assets to private credit and asset-backed loans? Third, can it grow DE faster than insurance assets through yield improvement and operating leverage? The base case assumes the answer is yes, but only moderately. The bull case assumes Brookfield's ecosystem creates a durable spread advantage. The bear case assumes the moat is real enough to grow, but not strong enough to prevent spread compression, capital drag, or credit normalization.

6. Historical growth rates reproduced from the data package

Because Wealth Solutions has no external revenue, this section uses the official economic measures disclosed in the data package. "FY-3", "FY-2", and "FY-1" mean FY2023, FY2024, and FY2025, the clean current-taxonomy years. Growth calculations are arithmetic from the cited data-package rows and are not based on any external Brookfield source.

Product / sub-segment	FY-3 rev or economic base	FY-2 rev or economic base	FY-1 rev or economic base	3-yr CAGR	Most recent YoY	Data package cite
Wealth Solutions external revenue	n/a	n/a	n/a	n/a	n/a	data_package Section 3 Wealth Solutions revenue row and Section 10 open data gaps; 2025 annual Note 3; no external revenue
Wealth Solutions segment DE	$0.7B	$1.4B	$1.7B	55.8% two-year CAGR	Q1 2026 LTM DE +11%	data_package Section 3 Wealth Solutions official profit metric row and Section 4 trend row; 2025 annual Note 3 and Brookfield transcripts
Insurance assets	[DATA GAP]	[DATA GAP]	$145B	n/a	about $180B current after Just, pro forma uplift of 24.1% versus FY2025 base	data_package Section 0a Wealth / insurance KPI row and Section 9 Just Group corporate-action row; 2025 annual Note 3, Q1 2026 supplemental, and Q1 2026 Brookfield transcript
Book equity	[DATA GAP]	[DATA GAP]	[DATA GAP]	n/a	$13.2B latest interim	data_package Section 0a Wealth / insurance KPI row; Q1 2026 supplemental
Combined ratio	[DATA GAP]	[DATA GAP]	[DATA GAP]	n/a	99% latest interim	data_package Section 0a Wealth / insurance KPI row; Q1 2026 supplemental

Arithmetic tie-out notes:

- DE row: $0.7B x 2.000 = $1.4B, matching FY2024. $1.4B x 1.214 = $1.7B, matching FY2025 within rounding.
- TTM DE bridge: $391M plus $420M plus $430M plus $430M = $1.671B, matching the Q2 2025 through Q1 2026 TTM convention from data_package Section 5 and QF / official Note 3 rows.
- Insurance asset bridge: $145B FY2025 to about $180B after Just is a 24.1% pro forma uplift using the data-package rounded current base. This is not a same-store YoY growth rate; it reflects the acquisition timing described in data_package Section 9 from the Q1 2026 Brookfield transcript.

The table makes the core modeling issue visible. The only clean annual dollar series is DE. Insurance assets are disclosed at FY2025 and after Just, but the data package does not provide a three-year annual asset series or product-channel series. Therefore, the forward model uses a disclosed current asset base and explicit DE yield rather than trying to back-solve product revenue.

7. Management guidance quoted from data package Section 6

Guidance item	Data package row	Verbatim quote	Interpretation
Insurance asset scale	Section 6, Wealth Solutions Q2 FY2025 call row; Q2 FY2025 call, 2025-08-07, Nicholas Goodman	"path towards $200 billion of insurance assets"	Just Group moved Brookfield closer to a near-term $200B insurance-asset scale marker. The quote supports asset growth but does not by itself prove high DE yield.
DE target	Section 6, Wealth Solutions 2025 Investor Day row; 2025 Investor Day, 2025-09-10, Sachin Shah	"over $5 billion of distributable earnings"	Management is underwriting Wealth Solutions as a major 2030 earnings contributor. The base case is tested directly against this target.

Two additional data-package facts are relevant but are not management quotes from Section 6. First, the data package's recent corporate actions section states that Just Group closed in April 2026 and added approximately $40 billion of insurance assets. Second, it says Brookfield continued work to combine BN and BWS/BNT, with board review expected in coming weeks and shareholder approvals targeted for July 16, 2026 annual meetings. Those facts affect the implementation path but

do not change the historical DE anchor.

There is no explicit FY+1 management guide for Wealth Solutions DE in the data package. The available guideposts are a scale marker of about $200 billion in insurance assets and an Investor Day objective of more than $5 billion of DE by 2030. The model uses those as boundary checks, not as guaranteed outcomes.

8. Forward growth assumptions by economic line

The forward endpoint is 2031-03-31. Since external revenue is n/a, the model projects insurance assets and segment DE. The DE path is not a separate top-down guess; it ties to insurance assets multiplied by an explicit DE yield in Sections 9 and 10.

Base case:

Product / economic line	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Base CAGR TTM->TTM+5y	Justification
Insurance assets	n/a, only FY2025 and current pro forma disclosed	n/a; $145B FY2025 to about $180B after Just	No FY+1 guide; path toward $200B assets	11.5%	The base case grows from about $180B to $310B by 2031, above the near-term $200B marker but below a heroic doubling. LIMRA annuity demand and PRT opportunity support growth, while Apollo/Athene and KKR/Global Atlantic constrain pricing.
Segment DE	55.8% two-year CAGR from FY2023 to FY2025	Q1 2026 LTM DE +11%	No FY+1 guide; 2030 target over $5B DE	25.1%	DE reaches $5.12B at the horizon, broadly consistent with management's 2030 ambition after allowing for Just integration. This requires asset growth plus yield expansion, not a simple extrapolation of the early 55.8% CAGR.

Base year-by-year bridge:

Horizon year ending	Insurance assets	Segment DE	Implied DE growth
2026-03-31 anchor, pro forma assets after Just	$180B	$1.67B	n/a
2027-03-31	$205B	$2.10B	25.7%
2028-03-31	$235B	$2.65B	26.2%
2029-03-31	$265B	$3.32B	25.3%
2030-03-31	$288B	$4.13B	24.4%
2031-03-31	$310B	$5.12B	24.0%

The base bridge intentionally shows reacceleration versus the latest 11% LTM DE growth. That reacceleration is not assumed to come from same-store momentum alone. It comes from the April 2026 Just acquisition, continued asset gathering, integration, and a gradual move from a 0.93% pro forma TTM DE yield toward a 1.65% horizon yield. If those mechanisms do not occur, the base case fails.

Bull case:

Product / economic line	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	Justification
Insurance assets	n/a, only FY2025 and current pro forma disclosed	n/a; $145B FY2025 to about $180B after Just	No FY+1 guide; path toward $200B assets	16.1%	Assets reach $380B as Brookfield takes share in annuities, PRT, and reinsurance while retaining pricing discipline. This requires the industry demand environment to remain strong and capital to be available without rating pressure.

Product / economic line	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bull CAGR TTM->TTM+5y	Justification
Segment DE	55.8% two-year CAGR from FY2023 to FY2025	Q1 2026 LTM DE +11%	No FY+1 guide; 2030 target over $5B DE	33.3%	DE reaches $7.03B as scale and private-credit origination lift DE yield to 1.85%. The bull case assumes Brookfield's asset-origination edge is real and that credit losses remain benign through the horizon.

Bear case:

Product / economic line	3-yr historical CAGR	Latest YoY	Mgmt FY+1 guide	Bear CAGR TTM->TTM+5y	Justification
Insurance assets	n/a, only FY2025 and current pro forma disclosed	n/a; $145B FY2025 to about $180B after Just	No FY+1 guide; path toward $200B assets	5.5%	Assets reach $235B, still above the near-term scale marker but well below the base path. The drag is liability competition, more selective writing, or limited capital availability after integration.
Segment DE	55.8% two-year CAGR from FY2023 to FY2025	Q1 2026 LTM DE +11%	No FY+1 guide; 2030 target over $5B DE	11.9%	DE reaches $2.94B, growing but missing the management target by a wide margin. This case assumes asset growth continues but spread, credit, expenses, and capital needs prevent meaningful DE-yield expansion.

The thesis-consistency check is that the base and bull cases are not just "more annuity sales." In an insurance platform, volume without spread can destroy value. The growth assumptions require both asset growth and improving DE yield. Conversely, the bear case is not a collapse scenario. It recognizes that a platform with $180B of assets can keep growing, but that competitive pricing and credit normalization can keep DE well below the 2030 ambition.

9. Forward operating margin assumptions, adapted to DE yield

There is no operating margin because there is no segment external revenue. The margin-like measure is DE yield on insurance assets. Current reference points are 1.17% for FY2025 DE on FY2025 insurance assets and 0.93% for TTM DE on the pro forma current asset base after Just. The pro forma TTM yield is conservative because Just assets were not in the TTM DE for a full period.

Case	Current segment margin measure	TTM+5y margin measure	Change from pro forma TTM	Specific mechanism
Bear	DE yield 0.93% on pro forma current assets	DE yield 1.25%	+32 bps	Some Just earnings and scale benefits emerge, but competitive crediting rates, reserve/capital needs, and credit losses cap profitability.
Base	DE yield 0.93% on pro forma current assets	DE yield 1.65%	+72 bps	Integration, asset rotation, private-credit origination, operating leverage, and disciplined liability pricing raise normalized yield.
Bull	DE yield 0.93% on pro forma current assets	DE yield 1.85%	+92 bps	Brookfield compounds liabilities rapidly while sourcing high-quality spread assets and avoiding material credit or reserve charges.

The margin expansion is meaningful but not mechanically impossible. It does not require a 300 bps spread jump. It requires moving from a timing-depressed pro forma TTM yield toward a normalized yield that reflects a fully integrated Just asset base, more seasoned asset deployment, and better operating leverage. The main risk is that the accounting measure improves while economic risk rises. That is why the moat discussion and risk section focus heavily on credit, reserving, and liability discipline.

Product-level margin is not disclosed. Retail annuity, PRT, reinsurance, and P&C books likely have different capital intensity and spread profiles, but the data package does not provide enough information to weight them. Creating product-level margins would look precise and be wrong. The segment-level yield approach is less granular but more faithful to Brookfield's

disclosure.

10. Segment rollup built bottom-up from economic base and DE yield

The rollup has three inputs: current insurance assets of about $180 billion after Just, TTM DE of $1.671 billion, and a horizon DE yield by case. The product-level rollup is replaced by an economic-base rollup because no product revenue dollars are disclosed.

Case	Current economic base	Asset CAGR TTM->TTM+5y	TTM+5y economic base	TTM+5y DE yield	Segment TTM+5y DE	DE CAGR TTM->TTM+5y
Bear	$180B	5.5%	$235B	1.25%	$2.94B	11.9%
Base	$180B	11.5%	$310B	1.65%	$5.12B	25.1%
Bull	$180B	16.1%	$380B	1.85%	$7.03B	33.3%

Rollup arithmetic:

- Bear: $235B x 1.25% = $2.94B of DE.
- Base: $310B x 1.65% = $5.12B of DE.
- Bull: $380B x 1.85% = $7.03B of DE.

This rollup reconciles exactly to the Section 8 growth assumptions and Section 9 DE-yield assumptions. It also frames the management target clearly. The base case lands around $5.1 billion of DE by 2031, broadly aligned with the Investor Day "over $5 billion" 2030 ambition but with a one-year cushion from the 2031-03-31 horizon. The bear case misses the target because asset growth and spread expansion are insufficient. The bull case exceeds it because Brookfield compounds assets faster and captures more of the private-credit spread advantage.

The table also shows why revenue is the wrong output. A conventional revenue forecast would obscure the two real questions: how many insurance assets does Brookfield control, and how much DE can it earn per dollar of insurance assets without taking excessive risk?

11. Key risks and wildcards

Bear risk - liability pricing competition. Strong annuity and PRT demand attracts capital from Apollo/Athene, KKR/Global Atlantic, traditional mutuals, public life insurers, reinsurers, and newer alt-manager-backed platforms. If competitors pay more for liabilities, Brookfield must either accept lower spread or slow growth. This risk primarily hits the bear case by reducing both asset CAGR and DE yield.

Bear risk - private-credit cycle. Wealth Solutions' edge depends on asset origination. If private credit, real-estate credit, infrastructure debt, or asset-backed lending suffer a credit cycle, reported spread can be offset by defaults, reserves, or realized losses. This would not necessarily show up in revenue, which is another reason a revenue model is misleading. It would show up in lower DE yield, capital strain, and possibly ratings pressure.

Bear risk - integration and governance. Just Group added approximately $40 billion of insurance assets after Q1 2026. Integration must preserve risk controls, ALM discipline, and regulatory relationships. The proposed combination of BN and BWS/BNT also creates execution and governance complexity. A misstep could delay the path to management's 2030 target even if the market opportunity remains attractive.

Base risk - disclosure opacity. The data package does not disclose product revenue, annuity sales dollars, PRT volumes, or product-level margins. Investors have to model at the segment economic layer. That does not make the business bad, but it does make external verification harder. If management changes definitions or if DE includes items that are less recurring than they appear, the segment can look smoother than the underlying economics.

Base risk - capital intensity. Growth in insurance assets requires capital. The latest book equity data point is $13.2 billion. If regulators, rating agencies, or counterparties require more capital per dollar of liability, ROE can fall even while DE rises. This risk affects the base case by limiting multiple expansion and by reducing the amount of cash distributable to BN.

Bull wildcard - Brookfield ecosystem flywheel. If Brookfield can consistently originate high-quality investment-grade private assets from its global infrastructure, renewable power, real estate, and Oaktree credit channels, Wealth Solutions could earn better spreads than a traditional insurer relying mainly on public bonds. That flywheel is the core bull case.

Bull wildcard - demographic and PRT demand. LIMRA's annuity data and L&G's PRT outlook support a long runway for retirement risk transfer. If rates remain high enough to make annuity products attractive, if pension funded status remains strong, and if institutions keep de-risking, Brookfield can grow without relying only on acquisitions.

Wildcards across all cases - rates, hedging, and policyholder behavior. Lower rates can pressure fixed annuity sales and reinvestment yields; higher rates can raise crediting competition and surrender risk. Hedging errors or unexpected policyholder behavior can move economics quickly. These risks can affect any case, but they matter most in the bear case because thin spread leaves less room for mistakes.

Summary table

The ending summary table substitutes economic base and DE yield for revenue and operating margin because Wealth Solutions has no consolidated external revenue in BN's segment table.

Case	Segment TTM+5y economic base	Segment TTM+5y DE yield	Segment TTM+5y DE	Probability
Bear	$235B insurance assets	1.25%	$2.94B	25%
Base	$310B insurance assets	1.65%	$5.12B	50%
Bull	$380B insurance assets	1.85%	$7.03B	25%

The probability-weighted case is $5.05 billion of segment DE at 2031-03-31 on approximately $309 billion of insurance assets. That is close to the base case because the 50% base weight reflects the solid but not fully proven management path, while the 25% bear and 25% bull tails recognize that spread discipline can either cap or amplify asset growth. The most important diligence point for the synthesis agent is not whether Brookfield can show high reported growth; it is whether that growth is being earned through disciplined liability pricing and durable asset spread rather than through capital-heavy balance-sheet expansion.

Appendix S - Synthesis (Combined Earnings Model)

Brookfield Corporation - Synthesis (Combined Earnings Model)

Date: 2026-05-29 Ticker: BN Currency: USD Current price: $46.08

1. Anchors

- Today: 2026-05-29.
- Fiscal year end: December 31.
- TTM anchor end date: 2026-03-31.
- TTM quarters: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026.
- Latest completed FY label used for historical tie-out only: FY2025.
- Horizon date: 2031-03-31.
- Compounding span: exactly 5.0 calendar years from the TTM end date, not six fiscal years and not FY2025 to FY2030.
- Current price: $46.08, from the provided FMP live quote saved in `raw/BN_quote_20260529.json`.
- TTM diluted share count: 2,366.8 million, from `quant_foundation.md` P6C.

This appendix is intentionally Brookfield-specific. The segment appendices use official Brookfield profit measures: DE for Asset Management and Wealth Solutions, FFO for Energy / RPT, Infrastructure, Private Equity and Corporate Activities, and NOI for Real Estate. Those measures are not the same thing as GAAP operating income. The combined model therefore starts with a clearly labeled "segment economic profit measure" bridge. It then converts that bridge into adjusted shareholder net income and EPS with a transparent haircut anchored to recent BN net income attributable to shareholders, LTM distributable earnings before realizations, and current diluted share count from the verified data package and quant foundation.

The most important caution is that a punitive GAAP-looking bridge and an adjusted shareholder bridge tell different stories. TTM official segment measures sum to $9.394B. TTM net income attributable to shareholders is only $1.336B, or 14.2% of that segment-measure total. LTM distributable earnings before realizations, however, is $5.5B, or 58.5% of the same TTM segment-measure total. The synthesis uses the adjusted bridge for the P/E 15 gate because Brookfield's own framework and the cleared appendices are built around DE, FFO and NOI economics, but it haircut the horizon segment-measure total well below the current 58.5% DE conversion ratio. The base case uses a 50.0% retained conversion to adjusted shareholder net income. That is a conservative DE-based bridge, not a claim that Brookfield's GAAP EPS will mechanically equal the same number in every year.

2. Segment-Level Forward Assumptions

The table below reproduces the R-cleared segment outputs. Wealth Solutions has no external segment revenue, so the revenue cells are marked n/a and the economic base is insurance assets. Corporate Activities is a negative parent-level FFO burden and is deducted from the segment economic profit bridge.

Segment	TTM revenue or base	Bear TTM+5y revenue or base	Base TTM+5y revenue or base	Bull TTM+5y revenue or base	Bear margin or yield	Base margin or yield	Bull margin or yield	Horizon profit measure
Asset Management	$9.035B revenue	$10.3B revenue	$13.1B revenue	$15.3B revenue	34.0% DE margin	45.0% DE margin	55.0% DE margin	Bear $3.5B DE; Base $5.9B DE; Bull $8.4B DE
Wealth Solutions	$180B insurance assets	$235B assets	$310B assets	$380B assets	1.25% DE yield	1.65% DE yield	1.85% DE yield	Bear $2.94B DE; Base $5.12B DE; Bull $7.03B DE
Energy / RPT	$7.643B revenue	$8.860B revenue	$11.230B revenue	$13.470B revenue	6.5% FFO margin	9.0% FFO margin	10.5% FFO margin	Bear $0.576B FFO; Base $1.011B FFO; Bull $1.414B FFO
Infrastructure	$25.174B revenue	$30.6B revenue	$36.1B revenue	$41.5B revenue	2.4% FFO margin	3.4% FFO margin	4.0% FFO margin	Bear $0.7B FFO; Base $1.2B FFO; Bull $1.7B FFO

Segment	TTM revenue or base	Bear TTM+5y revenue or base	Base TTM+5y revenue or base	Bull TTM+5y revenue or base	Bear margin or yield	Base margin or yield	Bull margin or yield	Horizon profit measure
Private Equity	$28.550B revenue	$22.09B revenue	$31.52B revenue	$36.44B revenue	1.0% FFO margin	2.2% FFO margin	3.2% FFO margin	Bear $0.22B FFO; Base $0.69B FFO; Bull $1.17B FFO
Real Estate	$5.038B revenue	$4.79B revenue	$5.98B revenue	$6.74B revenue	55.0% NOI margin	60.0% NOI margin	62.0% NOI margin	Bear $2.63B NOI; Base $3.59B NOI; Bull $4.18B NOI
Corporate Activities	$0.296B revenue	$0.229B revenue	$0.296B revenue	$0.343B revenue	n/m negative FFO	n/m negative FFO	n/m negative FFO	Bear -$0.750B FFO; Base -$0.550B FFO; Bull -$0.350B FFO

The source chain is `data_package.md`, `quant_foundation.md`, and the R-cleared segment appendices named in the user dispatch. I did not re-fetch or re-derive historical Brookfield data. I used the current price supplied in the dispatch.

The table also shows why a standard industrial revenue and operating-income rollup would be misleading. Asset Management is best understood through DE conversion from fee-bearing capital, carry and BAM economics. Wealth Solutions has no external revenue line at the BN segment table level and must be modeled through insurance assets and DE yield. Real Estate's segment measure is NOI, before financing and valuation effects. Corporate Activities is not a growth segment; it is a parent-level burden and capital-allocation support line. A synthesis that forces all of those into GAAP operating income would create a tidy but false model.

3. Combined Revenue Build

Combined revenue excludes Wealth Solutions because the verified data package states that Wealth Solutions has no consolidated external revenue in the segment table. The segment remains inside the economic profit bridge through DE, but it is not assigned invented revenue.

Line	Bear	Base	Bull
Asset Management revenue	$10.300B	$13.100B	$15.300B
Energy / RPT revenue	$8.860B	$11.230B	$13.470B
Infrastructure revenue	$30.600B	$36.100B	$41.500B
Private Equity revenue	$22.090B	$31.520B	$36.440B
Real Estate revenue	$4.790B	$5.980B	$6.740B
Corporate Activities revenue	$0.229B	$0.296B	$0.343B
Wealth Solutions revenue	n/a	n/a	n/a
Corporate eliminations	$0.000B	$0.000B	$0.000B
Combined TTM+5y revenue	$76.869B	$98.226B	$113.793B
Implied TTM to TTM+5y revenue CAGR	0.3%	5.3%	8.5%

The TTM revenue base is $75.736B from `quant_foundation.md` P4A. The bear case produces only 0.3% annual revenue growth because Private Equity and Real Estate remain weak while Infrastructure and Energy grow. The base case grows revenue 5.3% annually, driven mainly by Infrastructure, Private Equity stabilization and Asset Management recovery. The bull case requires a broad cycle in which Infrastructure, Private Equity, Energy and Asset Management all grow while Real Estate stops shrinking. Wealth Solutions can be economically important without appearing in consolidated external revenue; that is a core Brookfield modeling adaptation rather than an omission.

4. Combined Segment Economic Profit Measure

This section is the operating-income substitute, but it is not GAAP operating income. It is a sum of official segment economic measures: DE, FFO, NOI and negative Corporate Activities FFO. The label "economic profit measure" is used throughout to prevent a silent category error.

Line	Bear	Base	Bull
Asset Management DE	$3.500B	$5.900B	$8.400B
Wealth Solutions DE	$2.940B	$5.120B	$7.030B
Energy / RPT FFO	$0.576B	$1.011B	$1.414B

Line	Bear	Base	Bull
Infrastructure FFO	$0.700B	$1.200B	$1.700B
Private Equity FFO	$0.220B	$0.690B	$1.170B
Real Estate NOI	$2.630B	$3.590B	$4.180B
Corporate Activities FFO burden	-$0.750B	-$0.550B	-$0.350B
Combined segment economic profit measure	$9.816B	$16.961B	$23.544B
Economic profit measure margin on revenue excluding Wealth	12.8%	17.3%	20.7%

The base case grows combined segment economic profit from a TTM base of $9.394B to $16.961B. Most of the increase comes from Asset Management and Wealth Solutions, not from a heroic Private Equity margin recovery. That shape matters. Brookfield's highest-quality economic engines are the scalable asset manager and the insurance-spread platform, while several large revenue lines remain low margin or cyclical. In the bear case, Asset Management and Wealth Solutions still grow, but Real Estate, Private Equity and Corporate Activities prevent a strong per-share outcome. In the bull case, the model needs both scalable financial-platform economics and a better operating-business cycle.

The Corporate Activities burden is already included as a negative line. I do not add a second corporate expense layer in Section 5, because that would double-count the burden modeled by the Corporate Activities appendix. The larger reconciliation from segment economic profit to shareholder net income is handled through the conversion haircut.

5. Adjusted Shareholder Net Income and EPS Build

Brookfield does not disclose a simple path from each segment's DE, FFO and NOI to future GAAP net income attributable to BN shareholders. The bridge below uses the recent historical anchors to avoid overstating the model:

- TTM segment economic measures: $9.394B.
- TTM net income attributable to shareholders: $1.336B, equal to 14.2% of TTM segment measures.
- LTM DE before realizations: $5.5B, equal to 58.5% of TTM segment measures.
- FY2025 net income attributable to shareholders: $1.307B, equal to 13.9% of FY2025 official segment-measure total cited in QF Check 6.

The 14% GAAP-looking conversion is too punitive for a five-year Brookfield adjusted EPS test because it captures fair-value changes, depreciation, non-recourse interest, non-controlling interests and timing items that the segment appendices do not model as recurring owner earnings. The 58.5% LTM DE conversion is too generous to use without a haircut because DE before realizations is management's non-GAAP owner-economics lens. The synthesis therefore uses a 45% retained conversion in the bear case, 50% in the base case and 55% in the bull case. These retained percentages are the proportion of the segment economic profit measure that survives to adjusted shareholder net income after taxes, non-controlling interests, depreciation and amortization mismatch, fair-value volatility, non-recourse structure, insurance capital needs, and holding-company complexity.

Line	Bear	Base	Bull
Combined segment economic profit measure	$9.816B	$16.961B	$23.544B
Retained conversion to adjusted shareholder NI	45.0%	50.0%	55.0%
Deduction / haircut from segment measure	-$5.399B	-$8.481B	-$10.595B
Adjusted shareholder net income / DE proxy	$4.417B	$8.480B	$12.949B
Diluted share count at TTM+5y	2,362.2M	2,362.2M	2,362.2M
Adjusted shareholder EPS at TTM+5y	$1.87	$3.59	$5.48
Punitive GAAP-look EPS if 14.2% TTM NI ratio persisted	$0.59	$1.02	$1.42

The last row is not the underwriting case, but it is a useful guardrail. If Brookfield cannot turn the segment economic measures into distributable owner earnings closer to the DE bridge than to the GAAP-looking bridge, the stock would not pass the P/E test. The base case P/E pass therefore depends on the quality of the adjusted shareholder bridge, not only on segment growth. That is why the final valuation gate is "PASS with bridge caveat" rather than a clean industrial-company pass.

6. Share Count Path

The starting diluted share count is 2,366.8 million. The data package shows FY2021-FY2025 buybacks of $0.4B, $0.7B, $0.7B, $1.0B and $1.0B, and it notes Q1 2026 year-to-date BN repurchases of about $470M at an average price of $41. The forward path assumes $0.9B of annual buybacks, an average purchase price that rises 5% annually from 105% of the current price, and 16.0 million shares per year of SBC / issuance / dilution. The issuance assumption is deliberately blunt: diluted share count has been broadly stable despite buybacks, so the model does not let repurchases mechanically create large EPS accretion.

Year	Starting diluted shares	Buyback dollars	Avg price assumed	Shares retired	SBC / other issuance	Ending diluted shares
Year 1	2,366.8M	$0.900B	$48.38	18.6M	16.0M	2,364.2M
Year 2	2,364.2M	$0.900B	$50.80	17.7M	16.0M	2,362.5M
Year 3	2,362.5M	$0.900B	$53.34	16.9M	16.0M	2,361.6M
Year 4	2,361.6M	$0.900B	$56.01	16.1M	16.0M	2,361.5M
Year 5	2,361.5M	$0.900B	$58.81	15.3M	16.0M	2,362.2M

The TTM+5y diluted share count used in the EPS calculation is 2,362.2 million. This is almost flat versus the TTM starting count, which is conservative relative to management's buyback rhetoric but consistent with the historical evidence that share count has not collapsed despite repurchases. A more aggressive buyback path could add EPS, but that should be earned by future evidence of sustained repurchases below intrinsic value, not assumed as a shortcut.

7. P/E 15 Test

Required TTM+5y EPS for a P/E of 15 at the current price is $3.07. The base case is the decisive case. The bull case cannot rescue the thesis if the base case fails. Here, the base case clears on adjusted shareholder EPS, but the cushion is not wide enough to ignore the Brookfield bridge risk.

Case	EPS at TTM+5y	EPS times 15	Current price	Cushion	Pass?
Bear	$1.87	$28.05	$46.08	-39.1%	Fail
Base	$3.59	$53.85	$46.08	16.9%	Pass with bridge caveat
Bull	$5.48	$82.23	$46.08	78.4%	Pass

P/E 15 gate: PASS on conservative adjusted shareholder EPS, YELLOW on bridge quality. The base case clears required EPS by $0.52 per share and clears the price by 16.9% on EPS times 15. That is a real cushion, but it is not a massive cushion. If the correct shareholder conversion ratio is materially below 50%, the base case would fail. For example, a 43.0% retained conversion on the base segment economic profit measure would produce adjusted EPS of about $3.09, barely above the $3.07 requirement. A 40.0% conversion would fail. This is the single most important valuation sensitivity.

8. Reflexivity Check

The TTM revenue reconstruction ties exactly to the official consolidated revenue base. `quant_foundation.md` P4A shows segment revenue of $9.035B, $7.643B, $25.174B, $28.550B, $5.038B and $0.296B for the six revenue-presenting segments. The sum is $75.736B, matching consolidated TTM revenue. Wealth Solutions has no external revenue and is therefore excluded from revenue rather than forced into the table.

The profit-measure reconstruction is Brookfield-adapted. P4B shows TTM segment economic profit measures of $3.379B Asset Management DE, $1.671B Wealth Solutions DE, $0.613B Energy / RPT FFO, $0.737B Infrastructure FFO, $0.432B Private Equity FFO, $3.073B Real Estate NOI and -$0.511B Corporate Activities FFO. The sum is $9.394B. That sum ties to Brookfield's official segment-measure framework, not to GAAP operating income. It should not be compared mechanically with the consolidated industrial-style operating-income line.

For the latest completed FY sanity check, the data package shows FY2025 consolidated revenue of $75.1B and segment revenue rows that sum to approximately the same value after rounding. The quant foundation's Check 6 states that FY2025

official segment profit measures sum to $9.413B and that TTM segment measures sum to $9.394B. This is sufficient for the Brookfield-specific synthesis because the forward model compounds from official segment revenue and official segment economic measures, then explicitly bridges to adjusted shareholder EPS.

9. In-Progress FY Reconciliation

Stage 0 did not treat an in-progress fiscal year as effectively complete. The anchor is the TTM period ending 2026-03-31, built from Q2 2025, Q3 2025, Q4 2025 and Q1 2026. Therefore the in-progress-FY reconciliation is not applicable as a separate gate.

The recency check is still useful. The base case's first modeled forward-year revenue run-rate is approximately $80.410B, built from Asset Management $9.713B, Energy / RPT $8.254B, Infrastructure $27.817B, Private Equity $29.120B, Real Estate $5.210B and Corporate Activities $0.296B. That is 6.2% above the $75.736B TTM revenue anchor, within the 10% recency tolerance. The model therefore does not begin with an immediate step-change that is disconnected from the last four reported quarters.

10. Sensitivity

The sensitivity table holds the rest of the base case constant and varies one driver at a time. The base EPS is $3.59.

Variable changed	Downside EPS	Base EPS	Upside EPS	Interpretation
Asset Management revenue CAGR plus / minus 200 bps	$3.48	$3.59	$3.71	Meaningful but not decisive by itself because DE margin and conversion haircut matter more than revenue alone.
Infrastructure FFO margin plus / minus 200 bps	$3.44	$3.59	$3.74	Infrastructure revenue is large, so small margin changes move EPS despite low current FFO conversion.
Wealth Solutions DE yield plus / minus 25 bps	$3.43	$3.59	$3.75	Wealth is one of the main swing factors because $310B of assets magnifies yield changes.
Diluted share count plus / minus 5%	$3.42	$3.59	$3.78	Buybacks help, but the model does not rely on buybacks to clear the gate.
Retained conversion haircut plus / minus 300 bps	$3.37	$3.59	$3.81	This is the central risk. The model clears only if adjusted owner-earnings conversion remains near the base bridge.

The two variables that matter most are the retained conversion from mixed segment economic measures to adjusted shareholder earnings and Wealth Solutions DE yield. Infrastructure margin and share count also matter, but they do not dominate the verdict alone. Asset Management growth is highly important qualitatively, but in this base case a 200 bps revenue CAGR change does not move EPS as much as the conversion haircut because the P/E test is applied after the Brookfield shareholder bridge.

11. Combined Earnings Summary

The probability weights are 25% bear, 50% base and 25% bull. The base case receives the largest weight because management and moat gates passed or remained investable, but the moat gate is YELLOW and Brookfield's disclosure complexity prevents a more aggressive bull skew. The bear and bull weights are symmetric because the current price already embeds some platform quality while the model still faces bridge, insurance, real estate and private-equity risks.

Case	Revenue excluding Wealth ($B)	Economic profit measure ($B)	Economic margin (%)	Adjusted shareholder NI ($B)	EPS ($)	Probability	EPS times 15	vs. $46.08
Bear	$76.869	$9.816	12.8%	$4.417	$1.87	25%	$28.05	-39.1%
Base	$98.226	$16.961	17.3%	$8.480	$3.59	50%	$53.85	16.9%
Bull	$113.793	$23.544	20.7%	$12.949	$5.48	25%	$82.23	78.4%
Probability-weighted	$96.779	$16.820	17.4%	$8.582	$3.63	100%	$54.49	18.3%

The headline base case is $98.226B of revenue excluding Wealth Solutions, $16.961B of combined segment economic profit measure, $8.480B of adjusted shareholder net income / DE proxy, and $3.59 of adjusted shareholder EPS at the 2031-03-31 horizon. The required EPS for P/E 15 at $46.08 is $3.07. On that bridge, BN clears by 16.9%.

This is not a "cheap on GAAP EPS" result. It is a "reasonable on conservative adjusted owner earnings if the Brookfield segment measures convert" result. The distinction matters for the ultimate ER2 verdict. Brookfield has enough asset-management, insurance and hard-asset durability to support a pass through the P/E 15 gate, but the shareholder has to accept complexity, mixed measures, and a valuation bridge that depends on management's DE framework being economically real.

12. Tie-Out Checks

- Reported-financial tie-out: PASS under the Brookfield-adapted framework. TTM segment revenue sums to $75.736B, matching consolidated TTM revenue exactly. The TTM segment economic profit measure sums to $9.394B and ties to Brookfield's official segment-measure framework. It does not tie to GAAP operating income because Brookfield uses DE, FFO and NOI by segment; the appendix explicitly avoids calling it GAAP operating income.

- NI / shares = EPS: PASS. Bear $4.417B divided by 2,362.2M shares equals $1.87. Base $8.480B divided by 2,362.2M shares equals $3.59. Bull $12.949B divided by 2,362.2M shares equals $5.48. Differences are rounding only.

- Segment sum tie-out at horizon: PASS. Combined TTM+5y revenue equals the sum of revenue-presenting segment appendices in each case. Wealth Solutions is excluded from revenue because it has no consolidated external revenue; it is included through DE in the economic profit bridge.

- Product-to-segment rollup: PASS. Each R-cleared segment appendix either has one disclosed dollar line that equals the segment total or, in Wealth Solutions, an economic-base rollup from insurance assets to DE. No product-level revenue dollars were back-solved.

- Weighted margin check: PASS. Because Brookfield does not disclose product-level dollar splits for these BN segment appendices, each segment's horizon margin is applied to the disclosed segment total. Wealth Solutions uses DE yield on insurance assets rather than a revenue margin.

- Share count path: PASS. The ending share count of 2,362.2M is derived from five explicit years of buybacks, assumed purchase prices and 16.0M annual issuance / dilution. The model does not assume flat share count without showing the math.

- Growth plausibility: PASS with Brookfield disclosure caveat. Base CAGRs are documented in the cleared segment appendices and are generally below recent momentum where recent momentum is strong. Asset Management and Wealth Solutions require management execution and are explicitly tied to fundraising, FBC, insurance assets and DE-yield mechanisms. Private Equity base growth is stabilization, not extrapolation.

- Historical arithmetic: PASS. The appendices show the TTM base compounded for exactly five years to the horizon revenue figures and then multiplied by the case margin or yield. Rounding differences are below 1%.

- Recency anchor: PASS. The base first-forward-year revenue run-rate is about $80.410B, 6.2% above the $75.736B TTM revenue anchor and within the 10% tolerance.

- Sensitivity arithmetic: PASS. The sensitivity table recomputes EPS from the base bridge by varying one driver at a time while keeping the conversion haircut and share count mechanics explicit.

- Valuation gate and Markdown table integrity: PASS. Required EPS is $46.08 divided by 15, or $3.07. Base EPS of $3.59 times 15 equals $53.85, a 16.9% cushion. Tables in sections 2, 3, 4, 5, 6, 7, 10 and 11 use valid pipe-table structure with consistent cell counts.

Final Synthesis Judgment

The P/E 15 gate passes, but the quality of the pass is not equivalent to a simple industrial company trading at less than 15 times GAAP EPS. Brookfield's base-case clearance depends on converting mixed segment economic measures into adjusted shareholder earnings at a 50% retained conversion ratio. That ratio is conservative versus the current LTM DE before realizations / TTM segment-measure ratio of 58.5%, but far above the recent GAAP shareholder net income ratio of about 14%. The right answer is therefore not "Brookfield is plainly cheap." The right answer is that Brookfield clears the ER2 valuation gate if one accepts the adjusted DE-style bridge and if Wealth Solutions plus Asset Management deliver most of the expected growth.

The strongest contributors are Asset Management and Wealth Solutions. Asset Management base DE rises to $5.9B, supported by fundraising, fee-bearing capital and eventual realization normalization. Wealth Solutions base DE reaches $5.12B on $310B of insurance assets at a 1.65% DE yield, roughly consistent with management's 2030 ambition but not guaranteed. Infrastructure and Energy add durable hard-asset growth but remain lower-margin at the BN segment-measure level. Real Estate contributes meaningful NOI, but it is not assumed to become a high-growth engine. Private Equity remains a low-margin and cyclical contributor. Corporate Activities stays a negative FFO burden.

The main kill signal is shareholder conversion. If future reporting shows segment DE / FFO / NOI growing but adjusted distributable earnings to BN shareholders failing to grow, the base EPS bridge should be cut quickly. The second kill signal is Wealth Solutions quality: if growth in insurance assets comes with weaker credit, reserve charges, higher capital needs or aggressive liability pricing, the base case loses one of its two main engines. The main upside trigger is cleaner evidence that Asset Management and Wealth Solutions are converting scale into recurring, distributable owner earnings while Corporate Activities remains contained and buybacks continue below intrinsic value.

Appendix CS - Compounder Score

Brookfield Corporation - Compounder Score

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Exchange: NYSE Currency: USD Current price: $46.08 TTM end: 2026-03-31 Horizon date: 2031-03-31

1. Executive Verdict

Compounder Score: **67 / 100**. Business Quality Score: **63 / 80**. Valuation / 20% Return Underwriting Score: **4 / 20**. Score-implied classification: **Reject under this diagnostic compounder rubric**.

The evidence supports Brookfield as a high-quality, unusually durable, but complex real-assets capital allocator. The evidence does not support classifying BN at $46.08 as a current 20% annualized-return compounder. This is an important distinction. The synthesis appendix shows that Brookfield clears the ER2 P/E 15 test on adjusted shareholder EPS, with the base case producing $3.59 of adjusted EPS at 2031-03-31 and a 16.9% cushion versus the current price. That P/E 15 pass is real, but it is not the same as underwriting a 20% annualized shareholder return.

This score is capped for three reasons. First, Brookfield is not a standard industrial company, and standard consolidated ROIC is misleading because the company consolidates asset-heavy entities, non-recourse debt, fair-value movements, insurance economics, and multiple profit measures. The correct adaptation is to treat Asset Management and Wealth Solutions as the highest-quality economic engines and treat Infrastructure, Energy, Real Estate, Private Equity, and Corporate Activities through their official DE, FFO, NOI, and burden measures. Even after that adaptation, acquisition-inclusive ROIIC cannot be cleanly proven at a high level from the verified source chain.

Second, cash conversion remains hard to verify. The quant foundation shows TTM CFO of $9.489 billion and TTM PP&E acquisition outflow of $17.841 billion, so a simple CFO less capex view is negative. Brookfield's DE, FFO, and NOI measures are economically relevant, but they are not the same as consolidated free cash flow available to BN shareholders. The synthesis bridge uses a 50% retained conversion from mixed segment measures to adjusted shareholder net income; that is conservative versus LTM DE before realizations, but far above the recent GAAP shareholder net income conversion. If that conversion bridge is wrong, the P/E 15 pass deteriorates quickly.

Third, the 20% return math does not work independently. Using the synthesis base case, 2031 adjusted EPS is $3.59. At a 15x exit multiple, the ending price is $53.85. Adding about $1.67 per share of five-year dividends gives an annualized return of roughly 3.8% from $46.08. The bull case reaches only about 12.7% on the same exit multiple. A 20% return in the base case would require either a buy price near $22.31, far higher than base-case EPS, or terminal multiple expansion to roughly 31x base adjusted EPS. That violates the rule that the 20% case should not depend on terminal multiple expansion.

The conclusion is therefore not "Brookfield is low quality." The conclusion is narrower and harsher: BN is not a clean high-ROIIC, high-cash-conversion, 20% return-underwritable compounder at the current price under this diagnostic rubric.

2. Data Source Map

The source chain used only verified ER2 files in the Brookfield workdir. No local data warehouse caches were read, and no fresh FMP data was fetched for this CS run.

Data need	Source used	Period / date	Key value or use	Confidence
Price	`quant_foundation.md` P6C and user dispatch	2026-05-29	$46.08 current price	High
Market cap	`quant_foundation.md` P6C	2026-05-29	FMP quote market cap $103.087B; diluted equity value from price times diluted shares is $109.062B	High
Enterprise value	`quant_foundation.md` P6 and `data_package.md` Section 8	FY2025 / Q1 2026	Conventional EV is not decision-useful because consolidated debt includes large non-recourse managed-entity borrowings	Medium
Income statement	`quant_foundation.md` P3A	TTM ending 2026-03-31	Revenue $75.736B; net income to shareholders $1.336B	High

Data need	Source used	Period / date	Key value or use	Confidence
Segment economics	`quant_foundation.md` P2 and P4B; segment appendices	FY2023-FY2025 and TTM	DE, FFO, NOI, and Corporate Activities burden by segment	High
Balance sheet	`quant_foundation.md` P6A; `data_package.md` Section 8	2026-03-31 and FY2025	Cash $15.030B; corporate borrowings $14.271B; non-recourse borrowings $249.461B	High
Cash flow	`quant_foundation.md` P6B; `data_package.md` Sections 2 and 7	FY2021-FY2025 and TTM	TTM CFO $9.489B; TTM PP&E outflow $17.841B; FY2025 FCF after capex -$3.8B	High
Share count	`quant_foundation.md` P6C; `appendix_synthesis.md` Section 6	2026-03-31 and model horizon	TTM diluted shares 2,366.8M; modeled horizon diluted shares 2,362.2M	High
SBC and dilution	`appendix_management.md`; `appendix_synthesis.md`	FY2021-FY2025 and forward model	Diluted shares broadly stable; model assumes 16.0M annual issuance / dilution offsetting buybacks	Medium
Management and capital allocation	`appendix_management.md`; `data_package.md` Section 7	FY2021-FY2025 and Q1 2026	Management gate PASS; buybacks, acquisitions, partner ownership, related-party structure	High
Moat and durability	`appendix_moat.md`	2026-05-29 / 2046 test	Moat gate YELLOW; 2046 test PASS	High
Valuation bridge	`appendix_synthesis.md`	2031-03-31	Base adjusted EPS $3.59; P/E 15 pass with 16.9% cushion; bridge caveat	High
TAM and competitors	Segment appendices	2026 source context	Alternative asset management, insurance, infrastructure, power, real estate, and PE context	Medium

Company resolution: Brookfield Corporation is a global investment firm, holding company, asset manager, insurer / wealth-solutions platform, and real-assets owner / operator. The reporting currency in the ER2 source chain is USD. Brookfield's fiscal year ends December 31. The current analysis uses the TTM period ending 2026-03-31 and the five-year horizon ending 2031-03-31.

Enterprise value is deliberately not used as the main scoring anchor. A screening EV that adds all consolidated borrowings to equity value would include managed-entity non-recourse debt and would exaggerate parent-level financial leverage. A parent-only enterprise value is also incomplete because it ignores non-recourse asset value, BAM ownership, insurance assets, and affiliate structures. For the 20% return test, the cleanest available anchor is per-share adjusted owner earnings from the synthesis bridge.

3. Key Financial and Quality Metrics

Metric	Evidence	Interpretation
TTM revenue	$75.736B	Official roll-forward from Q2 2025 through Q1 2026 ties exactly to segment revenue
TTM segment economic profit measure	$9.394B	Sum of Asset Management DE, Wealth Solutions DE, Energy FFO, Infrastructure FFO, Private Equity FFO, Real Estate NOI, and Corporate Activities FFO burden
TTM net income to shareholders	$1.336B	Only 14.2% of TTM segment economic measures, showing the conversion problem
LTM DE before realizations	$5.5B	58.5% of TTM segment economic measures; useful but management-defined
FY2025 rough standard ROIC	4.8%	FMP EBIT after tax over invested capital; explicitly rough and misleading for Brookfield
5-year median rough ROIC	8.1%	Positive but not high under standard industrial scoring
TTM CFO	$9.489B	Positive operating cash flow, but not enough to cover TTM PP&E acquisitions
TTM PP&E acquisition outflow	$17.841B	Capex-like outflow makes simple FCF negative
TTM common distributions	$745M	About 0.7% of FMP market cap

Metric	Evidence	Interpretation
TTM common repurchases	$878M	About 0.9% gross buyback yield before dilution
Diluted shares	2,366.8M	Broadly stable across FY2021-FY2025
Asset Management FBC	$614B at Q1 2026	Strong scalable fee-bearing capital base
Wealth Solutions insurance assets	About $180B after Just Group	Major runway, but not yet fully cycle-tested at current scale
Corporate debt profile	13% of market cap; 4.8% rate; 15-year term	Parent-level balance sheet is not obviously stressed
Deployable capital	$188B	Supports capital allocation and downside flexibility

The 1-year, 3-year, 5-year, and 10-year metric table has to be adapted because the verified source chain has clean current-taxonomy segment data from FY2023 onward, five-year consolidated data from FY2021-FY2025, and no clean 10-year Brookfield Corporation post-separation series.

Metric family	1-year / latest	3-year / current taxonomy	5-year / available history	10-year
Consolidated revenue CAGR	TTM revenue $75.736B versus FY2025 $75.100B, roughly flat	Current-taxonomy segment mix changed materially	FY2021-FY2025 revenue roughly flat, about -0.2% CAGR	Insufficient comparable evidence
Segment economic profit	TTM $9.394B, FY2025 $9.413B	FY2023-FY2025 segment measures roughly stable but mixed by segment	Not clean because FY2021-FY2022 use older taxonomy	Insufficient comparable evidence
NOPAT CAGR	FY2025 rough NOPAT $16.6B	Not clean under Brookfield framework	Rough FY2021-FY2025 standard NOPAT rose at a low-teens rate	Insufficient comparable evidence
Adjusted ROIC	FY2025 rough 4.8%	FY2023-FY2025 rough standard ROIC fell from 10.2% to 4.8%	5-year median rough ROIC 8.1%	Insufficient comparable evidence
ROIIC	Insufficient clean latest-year evidence	Acquisition-inclusive rough ROIIC is low to borderline	Rough acquisition-inclusive ROIIC about 7-8%; capex-only higher but incomplete	Insufficient comparable evidence
Reinvestment rate	High	High	Capex plus M&A is very large versus NOPAT	Insufficient comparable evidence
FCF conversion	Negative after capex in TTM	Negative in FY2023-FY2025 after capex	Cumulative FCF after capex negative over FY2021-FY2025	Insufficient comparable evidence
Share count CAGR	Forward model nearly flat	Diluted share count broadly stable	FY2021-FY2025 diluted share count about -0.1% CAGR	Insufficient comparable evidence
Dividend yield	About 0.7%	Low	Low	n/a
Net buyback yield	Gross about 0.9%; net lower after issuance	Buybacks offset issuance rather than retire large share count	Stable share count supports discipline but limits per-share accretion	n/a

The main metric conclusion is that Brookfield has strong platform-level economics but weak textbook compounder evidence. The asset manager is scalable. Wealth Solutions can compound if liability pricing and private-credit underwriting remain disciplined. Infrastructure, Energy, and selected Real Estate assets have long-duration value. But consolidated FCF after capex is negative, standard ROIC is low, and acquisition-inclusive ROIIC cannot be proven high.

4. Rubric Scorecard

Rubric category	Score	Max	Evidence-based reason
Incremental Returns on Capital	17	25	Adapted segment economics are positive, but high ROIIC is not cleanly proven and acquisition-inclusive ROIIC is low to borderline
Reinvestment Runway	18	20	Large AM, Wealth, infrastructure, energy, and real-estate opportunity set; growth runway is real but capital intensive
Durability of Moat	12	15	Moat gate is YELLOW and 2046 test PASS; moat is concentrated in AM, physical assets, and possibly Wealth, not uniform across BN

Rubric category	Score	Max	Evidence-based reason
Accounting and Financial Quality	7	10	No major red flags found, but cash conversion, DE / FFO / NOI definitions, related-party flows, and bridge complexity cap the score
Capital Allocation Discipline	9	10	Management gate PASS; owner culture, buybacks, capital recycling, and long-term incentives are strong, with complexity as the main deduction
Price and 20% Return Underwriting	4	20	P/E 15 base pass is not a 20% IRR; base and bull cases do not clear 20% without a much lower entry price or multiple expansion
Total	67	100	Good business, not a current 20% compounder under this rubric

The category that most constrains the quality score is not moat or runway. It is incremental returns on capital. Brookfield has real sources of advantaged economics, but the verified ER2 files do not support a clean high acquisition-inclusive ROIIC calculation. The category that most constrains the total score is valuation. A diagnostic compounder score cannot let reputation or P/E 15 clearance substitute for a base-case 20% return model.

Subcomponent scoring:

Subcomponent	Score	Max	Note
1A Normalized ROIC is high	3	5	Adapted segment economics are better than consolidated ROIC, but rough standard 5-year median ROIC is only 8.1%
1B ROIIC is high	4	8	Organic / capex-only evidence is better than acquisition-inclusive evidence; score is capped for unclean acquisition ROIIC
1C ROIIC is not deteriorating sharply	2	3	Segment measures are not collapsing, but standard ROIC has declined
1D Unit economics support reported returns	3	3	Asset Management, Wealth, infrastructure, energy, and selected real estate have understandable unit economics
1E Cash conversion is real	2	3	DE / FFO / NOI have economic content, but consolidated FCF after capex is weak
1F ROIC is not an accounting artifact	3	3	The score does not rely on inflated industrial ROIC; it explicitly adapts the framework
2A Large remaining market opportunity	5	5	Alternatives, insurance, infrastructure, power, and real estate all have runway
2B Proven ability to reinvest at scale	4	5	Brookfield has a long record, but segment-level return proof is incomplete
2C Organic growth opportunity	3	4	Strongest in AM, Wealth, Energy, and Infrastructure; weaker in PE and Real Estate
2D Repeatable expansion playbook	3	3	Raise capital, buy / build assets, operate, recycle, repeat
2E Market structure supports growth	2	2	Scale favors large platforms, though competition is intense
2F Growth does not require ROIC collapse	1	1	Not disproven, but must be monitored through conversion and acquisition discipline
3A Clear source of advantage	4	4	Institutional trust, scale, real-asset operating expertise, and physical scarcity
3B Pricing power	2	3	Present but uneven; strongest in contractual, regulated, or scarce assets

Subcomponent	Score	Max	Note
3C Competitive evidence	2	3	Strong versus most entrants, but large peers are excellent
3D Customer stickiness	2	2	Long-duration funds, insurance liabilities, contracts, and leases create stickiness
3E Resilience through stress	1	2	Brookfield has survived cycles, but real estate, credit, and PE risks remain
3F Low disruption risk	1	1	AI changes workflows but does not erase physical assets or institutional trust
4A Clean revenue and earnings quality	1	2	Official data ties, but mixed measures complicate earnings quality
4B Cash flow supports earnings	1	2	CFO is positive, but FCF after capex lags
4C Conservative SBC and dilution	1	2	Share count is stable, but dilution assumptions remain necessary
4D Balance sheet strength	2	2	Parent corporate debt profile is manageable
4E Transparent disclosures	1	1	Disclosure is extensive even if complex
4F No governance / accounting red flags	1	1	No restatement, material weakness, or enforcement issue found in verified files
5A Rational reinvestment priority	2	2	Capital flows align with long-term platform strategy
5B Acquisition discipline	1	2	Mixed but net positive; return disclosure not clean enough for full credit
5C Buyback discipline	2	2	Price-sensitive buybacks supported by Q1 2026 evidence
5D Incentives align with value creation	2	2	Insider / partner ownership and long-term equity incentives are strong
5E Owner mentality	1	1	Management culture supports this
5F Evidence from past decisions	1	1	BAM separation, BWS scaling, and recycling show a coherent record

5. ROIIC and Reinvestment Analysis

Standard industrial ROIC is not the right sole lens for BN. Brookfield consolidates real assets, investment properties, insurance-related economics, non-recourse borrowings, affiliates, and operating companies. It also reports segment profit through mixed official measures: DE for Asset Management and Wealth Solutions, FFO for Energy / RPT, Infrastructure, Private Equity, and Corporate Activities, and NOI for Real Estate. A standard NOPAT over invested capital calculation turns all of that into one industrial ratio, which can be directionally useful as a warning flag but not as a precise economic return measure.

The rough standard data still matter because they discipline the story. The data package shows rough ROIC of 11.9% in FY2021, 8.1% in FY2022, 10.2% in FY2023, 6.5% in FY2024, and 4.8% in FY2025. The five-year median is 8.1%. FY2025 NOPAT was about $16.6 billion on invested capital of $342.5 billion, producing the 4.8% figure. That is not high under the rubric. The standard ratio is noisy, but it does not give permission to call Brookfield a high-ROIC compounder.

The acquisition-inclusive ROIIC test is also not strong enough for high points. Using the verified capital allocation table, FY2022-FY2025 capex / PP&E acquisitions total roughly $40.5 billion and M&A totals roughly $45.7 billion, for about $86.2 billion of reinvestment before working-capital and disposal refinements. Rough standard NOPAT increased by only about $6 billion to $7 billion across the available FY2021-FY2025 window, depending on exact FMP tax and EBIT inputs. That implies acquisition-inclusive ROIIC around the high single digits, not a 25% to 35% reinvestment engine. A capex-only version looks materially better, but excluding acquisitions would be too generous for Brookfield because acquisitions, entity simplification, insurance buildout, and platform purchases are central to the capital allocation model.

The Brookfield-adapted evidence is more favorable than the industrial screen, but still incomplete. Asset Management has scalable fee economics, $614 billion of fee-bearing capital, FRE growth, and a base-case path from $3.379 billion TTM DE to $5.9 billion horizon DE. Wealth Solutions has a credible path from $1.671 billion TTM DE to $5.12 billion base horizon DE if

insurance assets grow to $310 billion and DE yield reaches 1.65%. Those are the best incremental-return stories. Energy / RPT and Infrastructure have durable demand but require capital and show modest current FFO margins. Private Equity is revenue-heavy and low-margin. Real Estate has high NOI but financing and valuation drag. Corporate Activities is a recurring negative FFO burden.

This score is capped because the evidence supports pockets of high incremental return rather than a clean company-wide high-ROIIC proof. The base synthesis grows segment economic profit from $9.394 billion TTM to $16.961 billion in 2031, or about a 12.5% CAGR. That is a good earnings-growth forecast, but it is not a realized ROIIC calculation. The key unknown is how much reinvestment, insurance capital, acquisition spend, debt, and equity support is required to produce that growth and how much of it reaches BN shareholders after non-controlling interests, fair-value movements, taxes, financing, and related-party structures.

The evidence therefore supports a mid-quality incremental-return score, not a dream-compounder score. The cleanest upgrade signal would be several years of rising adjusted shareholder DE / EPS, stable or falling diluted shares, positive parent-level cash conversion after recurring capital needs, and clearer disclosure showing that acquisitions and insurance growth are earning returns above Brookfield's cost of capital. The downgrade signal would be segment DE, FFO, and NOI growth without corresponding shareholder net income, distributable cash, or per-share value creation.

6. Runway Analysis

Brookfield's runway is the strongest part of the score. The opportunity set is large across multiple engines. Asset Management has more than $600 billion of fee-bearing capital and participates in institutional alternatives, private wealth, real assets, infrastructure, credit, transition, and Oaktree-related strategies. Wealth Solutions has about $180 billion of insurance assets after the Just Group acquisition and a management ambition above $5 billion of DE by decade-end. Infrastructure and Energy / RPT participate in power, data, grid, transport, telecom, energy transition, and scarce physical capacity. Real Estate remains cyclical but can release capital and recover if high-quality assets monetize well. Private Equity is weaker in current reported economics but remains a fund and capital-recycling vertical.

The evidence supports a large remaining market opportunity. Brookfield does not need one product to dominate the entire company. It can compound through several channels: raising more fee-bearing capital, growing recurring fees, originating insurance liabilities, investing insurance assets into spread opportunities, developing or acquiring power and infrastructure, recycling mature assets, simplifying affiliate structures, and buying back shares below intrinsic value. That breadth is valuable because it reduces dependence on one end market.

The runway is not costless. Infrastructure and Energy require capital. Insurance growth requires regulatory capital, ratings capacity, credit discipline, and liability-pricing discipline. Real Estate can consume capital when refinancing markets are poor. Private Equity can show large revenue but low parent FFO conversion. Brookfield's playbook works only if incremental capital is deployed at attractive risk-adjusted returns and if the ecosystem does not obscure who receives the economics.

The base synthesis is not heroic on consolidated revenue. It grows revenue excluding Wealth Solutions from $75.736 billion TTM to $98.226 billion in 2031, a 5.3% CAGR. Most of the profit growth comes from Asset Management and Wealth Solutions rather than a broad recovery in every segment. That is the right shape. The highest-quality engines should carry the base case. The lower-quality or more cyclical engines should not be allowed to mask poor conversion.

Overall, the runway earns 18 / 20. The only meaningful deductions are the reliance on capital-intensive growth, the short cycle-tested history of Wealth Solutions at current scale, and insufficient product-level disclosure in several segments.

7. Moat Analysis

The moat source chain is explicit: moat gate **YELLOW**, 2046 test **PASS**. That is the correct blended judgment. Brookfield has a real moat, but it is concentrated and uneven. The strongest protectable profit pool is Asset Management, reinforced by institutional trust, scale, long-duration fee-bearing capital, operating expertise in real assets, co-investment capacity, and a track record that helps raise successor funds. Infrastructure and Energy / RPT add asset-level moats through permits, regulation, contracts, scarce routes, interconnections, land, grid access, and long-lived assets. Wealth Solutions could become a major moat extension if it proves disciplined liability origination and private-asset credit performance through a cycle.

The moat is weaker in other areas. Private Equity is the weakest segment-level moat in the current stack because underlying portfolio companies face normal product-market competition, and the segment has very low reported FFO conversion. Real Estate has real asset-level advantages in selected super-core and core-plus properties, but office exposure, cap rates,

refinancing, and leasing costs make the moat cyclical rather than uniform. Corporate Activities has no standalone product moat; it is valuable only as part of Brookfield's capital allocation machine.

Pricing power is real but uneven. Asset Management pricing power appears through sticky fee-bearing capital and contractual fee structures rather than simple price increases. Infrastructure and Energy pricing power appears through regulation, contracts, inflation linkage, scarce capacity, and renewal spreads. Real Estate pricing power is visible in Q1 2026 occupancy and rent-spread evidence, but it is selected-asset evidence rather than a full-book guarantee. Wealth Solutions pricing power is the least externally observable because it depends on liability costs, asset yields, credit losses, reserves, and capital requirements.

The 2046 test passes because a credible Brookfield in 2046 can still be described specifically: a real-assets asset manager, insurance-capital investor, and owner / operator of energy, infrastructure, digital capacity, and selected real estate. The reason the business still makes money in that future is not today's exact mix. It is the continuing need for institutional capital formation, retirement risk transfer, privately financed infrastructure, power, grid capacity, and scarce physical assets.

The moat remains YELLOW because the bear case is plausible. Brookfield could become too complex, fees could compress, LPs could insource more, insurance growth could reveal credit or reserve mistakes, real estate could remain capital trapped, and the conglomerate discount could persist because minority shareholders cannot easily verify value flow. The moat is good enough for 12 / 15. It is not clean enough for a full wide-moat score.

8. Accounting and Capital Allocation Analysis

Accounting and financial quality are acceptable but not simple. The quant foundation clears reconciliation: 8 / 8 checks passed. Official segment revenue ties to consolidated revenue. TTM segment profit measures tie to Brookfield's official framework. FMP product segmentation was empty, and official filings control. This gives high confidence in the source chain, but it does not eliminate the economic interpretation problem.

Brookfield asks investors to underwrite DE, FFO, NOI, and fair-value-heavy accounting. Those measures are useful, but they require trust and reconciliation. The synthesis bridge exposes the issue: TTM segment economic measures are $9.394 billion, while TTM net income attributable to shareholders is only $1.336 billion. LTM DE before realizations is $5.5 billion. The base model uses a 50% retained conversion to adjusted shareholder net income. That is below the current DE-before-realizations ratio but far above the GAAP-looking ratio. The correct score is therefore neither "cash flow proves everything" nor "ignore all non-GAAP measures." The correct score is "use the adjusted bridge, but cap the confidence."

Cash conversion is the largest financial-quality deduction. TTM CFO was positive at $9.489 billion, but TTM PP&E acquisition outflow was $17.841 billion. FY2023, FY2024, and FY2025 FCF after capex were negative in the data package. Some of this reflects growth investment and asset-heavy accounting rather than recurring maintenance capex, but the rubric asks whether cash conversion is real. For BN shareholders, the answer is not yet clean enough.

Capital allocation is much stronger. The management appendix gives the management gate a PASS. Brookfield has a long-term owner / operator culture, high insider and partner ownership, equity-heavy incentives, price-sensitive buybacks, active capital recycling, and a coherent strategy linking asset management, wealth solutions, operating businesses, and corporate liquidity. The 2022 BAM separation, Wealth Solutions buildout, Oaktree expansion, monetizations, and opportunistic repurchases all fit a consistent playbook.

The deductions are governance and acquisition transparency. The Class B control structure, affiliated board presence, related-party ecosystem, BWS / BN / BAM triangle, insurance assets invested into Brookfield-managed strategies, and large acquisitions make minority-owner verification harder. The official sources did not show fraud, restatements, material weaknesses, or enforcement issues, but the number of related channels is large enough to deserve a governance discount. Acquisition discipline receives partial rather than full credit because return disclosure is not clean enough to calculate high acquisition-inclusive ROIIC.

9. 20% Return Underwriting

The 20% return model uses the synthesis adjusted EPS bridge rather than GAAP EPS because the Brookfield-adapted ER2 source chain is built around segment economic measures and retained conversion to adjusted shareholder net income. This is already the favorable lens. Even on that lens, the 20% return case does not work at $46.08.

Case	Revenue excl. Wealth	Segment economic profit	Adjusted shareholder NI	EPS	Exit P/E	Ending price	5-year dividends	Annualized IRR
Bear	$76.869B	$9.816B	$4.417B	$1.87	15.0x	$28.05	$1.67	-8.4%

Case	Revenue excl. Wealth	Segment economic profit	Adjusted shareholder NI	EPS	Exit P/E	Ending price	5-year dividends	Annualized IRR
Base	$98.226B	$16.961B	$8.480B	$3.59	15.0x	$53.85	$1.67	3.8%
Bull	$113.793B	$23.544B	$12.949B	$5.48	15.0x	$82.20	$1.67	12.7%

The dividend assumption is simple: current common and preferred distributions of $745 million divided by 2,366.8 million diluted shares, grown at 3% per year. This is not the main swing factor. Cash returns help at the margin, but the yield is too low to rescue the 20% case.

The base-case 20% buy price is about **$22.31**. This equals the base ending price plus five-year dividends, discounted at 20% for five years. The bull-case 20% buy price is about **$33.71**. At today's $46.08, the base case would need an ending value of about $114.66 per share, or roughly $112.99 before dividends. At the base 2031 EPS of $3.59, that implies an exit multiple of roughly **31.5x**. That is terminal multiple expansion, not conservative underwriting.

The reverse DCF is not friendly. With a 15x exit multiple, the EPS needed at the 2031 horizon for a 20% return is about $7.53. That requires roughly 26.5% annual growth from the current LTM DE-before-realizations per-share proxy of about $2.32, or roughly 16.0% annual growth from the synthesis base horizon EPS of $3.59 for an additional step. Brookfield's bull case can approach a high-teens earnings shape in the best engines, but the consolidated evidence does not support making that the base case without assuming strong Wealth Solutions execution, Asset Management realization normalization, and cleaner retained conversion.

Valuation score detail:

Valuation item	Score	Max	Reason
Base-case IRR at least 20%	0	6	Base IRR is about 3.8% using 15x exit P/E
Conservative exit multiple	2	4	Exit 15x is conservative versus current adjusted DE-style multiple, but it does not clear 20%
Bear case acceptable	0	3	Bear IRR is negative
Reverse DCF beatable	0	3	Required EPS / adjusted earnings growth is too high for the evidence
Multiple does not price perfection	1	2	P/E 15 gate has a 16.9% cushion, but bridge risk is large
Cash returns help	1	2	Dividend plus gross buybacks help, but net cash return is modest
Total	4	20	The 20% hurdle fails

The evidence does not support an "investable now under this rubric" classification. Brookfield could be attractive under a lower target return or at a lower entry price. Under this specific 20% compounder rubric, the current price fails.

10. Hard Veto Checklist

#	Hard veto item	Status	Evidence
1	ROIIC below cost of capital with no credible path	Watch	Acquisition-inclusive ROIIC is low to borderline, but AM and Wealth provide a credible improvement path
2	Reported ROIC high only because invested capital is tiny or negative	Pass	Reported standard ROIC is not high; the issue is low / noisy ROIC, not inflated ROIC
3	Growth requires persistent external financing	Watch	Asset-heavy and insurance growth need capital, but parent liquidity and deployable capital are strong
4	Share count rises materially without clear value creation	Pass	Diluted shares are broadly stable and forward model assumes buybacks mostly offset issuance
5	Large acquisitions without disclosed returns	Watch	Acquisitions are central and return disclosure is incomplete; not enough to fail management, enough to cap ROIIC

#	Hard veto item	Status	Evidence
6	FCF consistently lags earnings structurally	Watch	FCF after capex is negative, but Brookfield is not a simple industrial CFO / capex business
7	Concentration, regulation, cyclicality, or leverage can impair equity	Watch	Real estate, insurance, private credit, regulation, and non-recourse leverage require monitoring
8	20% return case requires terminal multiple expansion	Fail	Base case needs about 31.5x exit P/E to produce 20% from $46.08
9	Flawless execution needed to justify today's price	Watch	P/E 15 pass has only a 16.9% cushion and depends on 50% retained conversion
10	Cannot explain the moat in one paragraph	Pass	Moat is clear but concentrated: AM scale, institutional trust, real assets, and physical scarcity
11	Accounting, governance, auditor, related-party, or restatement issues impair trust	Watch	No red flag found, but related-party complexity and Class B control deserve discount
12	Balance sheet risk could wipe out equity in downturn	Watch	Parent debt is manageable, but consolidated non-recourse debt and asset-level leverage are large

The hard veto screen blocks an "investable now" compounder classification. The valuation veto is decisive. The other watch items are not enough by themselves to reject Brookfield's business quality, but they matter because the 20% return case already fails.

11. Final Decision

The final classification is **Reject under this diagnostic compounder rubric**. This is not a claim that Brookfield is a poor business, and it does not mechanically override the broader ER2 verdict. It means the evidence does not support buying BN at $46.08 as a high-ROIIC, clean-cash-conversion, 20% annualized-return compounder.

The positive case is meaningful: Brookfield has a strong asset-management core, a potentially powerful Wealth Solutions leg, durable hard-asset platforms, a 2046 pass, management gate PASS, large insider / partner ownership, and disciplined buyback behavior. The negative case is equally important: standard ROIC is low, acquisition-inclusive ROIIC is not cleanly high, consolidated FCF after capex is weak, the owner-earnings bridge depends on a 50% retained conversion ratio, and the 20% return math fails without a much lower price or terminal multiple expansion.

Compounder Score note: 67 / 100; Brookfield is high quality but does not clear the compounder rubric because ROIIC and cash conversion are not cleanly proven and the 20% return case fails at $46.08.

Business Quality Score note: 63 / 80; strongest in runway, management, Asset Management, Wealth Solutions, and hard-asset durability, capped by acquisition-inclusive ROIIC uncertainty, mixed segment measures, and owner-earnings conversion risk.

20% Return UW Score note: 4 / 20; base-case IRR is about 3.8% and bull-case IRR about 12.7% using a 15x exit multiple, so a 20% case requires a much lower entry price or terminal multiple expansion.

Confidence rating: **Medium**. Source confidence is high for the ER2 files, but score confidence is medium because Brookfield's economic conversion, insurance capital needs, acquisition-inclusive ROIIC, and product-level disclosure are inherently hard to verify from public files.

12. Machine-Readable JSON


```
{
  "company": "Brookfield Corporation",
  "ticker": "BN",
  "analysis_date": "2026-05-29",
  "business_quality_score": 63,
  "valuation_underwriting_score": 4,
  "total_score": 67,
  "classification": "Reject",
  "clears_20pct_hurdle": false,
  "base_case_irr": 0.038,
  "bear_case_irr": -0.084,
```

```
  "bull_case_irr": 0.127,
  "max_buy_price_for_20pct_irr": 22.31,
  "source_confidence": "Medium"
}
```

Appendix CSA - Scoring Audit

Brookfield Corporation - Scoring Audit

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Currency: USD Current price used: $46.08 TTM end: 2026-03-31 Horizon date: 2031-03-31

1. Original vs Audited Scores

This audit reviews the original CompounderScorer output for Brookfield Corporation using only the verified ER2 files in the Brookfield workdir and the provided current price. I did not read local data warehouse caches and did not fetch fresh FMP data. The original score was internally consistent between `appendix_compounder_score.md` and `compounder_score.json`: Business Quality 63 / 80, Valuation / 20% Return Underwriting 4 / 20, total Compounder Score 67 / 100, and classification Reject. The original score also reported bear, base, and bull IRRs of -8.4%, 3.8%, and 12.7%, with a base-case maximum buy price for a 20% IRR of $22.31.

The audited score is lower: Business Quality 57 / 80, Valuation / 20% Return Underwriting 3 / 20, and total Compounder Score 60 / 100. The classification remains Reject. This is not a rejection of Brookfield's business quality in ordinary language. It is a stricter diagnostic reading of a 20% compounder rubric. Brookfield has a real asset-management core, a plausible Wealth Solutions engine, strong owner culture, and durable hard-asset platforms. The evidence does not support treating the whole company as a clean high-ROIIC, high-cash-conversion, 20% annualized-return compounder at $46.08.

The biggest audit adjustment is the Business Quality score. The original score correctly refused to give Brookfield full credit for reputation alone, but it still awarded too much credit inside Incremental Returns on Capital. The verified ER2 files show rough standard 5-year median ROIC of only 8.1%, FY2025 rough ROIC of 4.8%, cumulative negative FCF after capex over FY2021-FY2025, and acquisition-inclusive ROIIC around the high single digits rather than a clearly high reinvestment engine. Brookfield deserves credit for pockets of high-quality economics, especially Asset Management and Wealth Solutions, but the rubric asks for company-wide evidence, not only a coherent story.

Item	Original	Audited	Notes
Business Quality Score / 80	63	57	Reduced for low or unclean ROIIC, negative FCF after capex, and YELLOW moat concentration
Valuation / 20% Return UW Score / 20	4	3	P/E 15 pass is real, but the 20% case fails and requires major exit multiple expansion
Total Score / 100	67	60	Still below 70 and still blocked by the 20% return hard veto
Classification	Reject	Reject	Reject remains correct under the diagnostic compounder rubric

2. Score Reductions and Reasons

The Business Quality reduction is concentrated in Category 1, Incremental Returns on Capital. The original 17 / 25 is reduced to 13 / 25. This score is reduced because the evidence does not support high company-wide ROIC or high acquisition-inclusive ROIIC. The data package's rough standard ROIC series is 11.9%, 8.1%, 10.2%, 6.5%, and 4.8% for FY2021-FY2025, with a 5-year median of 8.1%. That is not a high normalized ROIC result under the CompounderScorer rubric. It can be adjusted for Brookfield's structure, but the adjustment should not turn a low industrial warning flag into a high score.

The original 1B ROIIC score of 4 / 8 is too generous. The score is not set to zero because the original file did calculate rough ROIIC and because Asset Management and Wealth Solutions provide credible pockets of attractive incremental economics. But the high-ROIIC claim is only partly supported. The original JSON gives 3-year ROIIC of 8.4%, 5-year ROIIC of 7.4%, and acquisition-inclusive ROIIC of 7.4%. The compounder rubric says 8-15% earns low credit and below 8% or insufficient evidence earns zero. Brookfield is right at that floor, and the acquisition-inclusive version is material because acquisitions, insurance scale-up, asset purchases, and platform consolidation are central to the model. The audited score for 1B is therefore 2 / 8, not 4 / 8.

Cash conversion also deserves a lower score. TTM CFO was positive at $9.489 billion, but TTM PP&E acquisition outflow was $17.841 billion. FY2023, FY2024, and FY2025 FCF after capex were negative, and cumulative FY2021-FY2025 FCF after capex was negative. Brookfield is not a simple industrial CFO-minus-capex company, so this is not an automatic fail, but the compounder rubric asks whether cash conversion is real over multiple years. The answer is "partly, but not cleanly for BN shareholders." Category 1E is reduced from 2 / 3 to 1 / 3, and Accounting and Financial Quality is reduced from 7 / 10 to 6 / 10.

The moat score is reduced from 12 / 15 to 11 / 15. The moat appendix is explicit: Moat gate YELLOW and 2046 test PASS. That is a good result, not a wide-moat green light. Asset Management has the strongest moat; Infrastructure and Energy / RPT have asset-level durability; Wealth Solutions is promising but not cycle-tested at current scale; Private Equity is weak as a parent-level moat; Real Estate is cyclical and asset-specific. A 12 / 15 score is not absurd, but it leaves too little daylight between a concentrated YELLOW moat and a clean wide-moat compounder. The audited score preserves strong credit while recognizing that the best profit pools do not describe the entire company.

Reinvestment Runway remains 18 / 20. Brookfield has a real opportunity set across fee-bearing capital, insurance assets, infrastructure, power, data infrastructure, real estate recycling, credit, and capital deployment. This is the area where the original score is best supported. Capital Allocation remains 9 / 10 because the management appendix supports a PASS: long-tenured leadership, high insider and partner ownership, price-sensitive buybacks, coherent capital recycling, and explicit long-duration incentives. The score is not 10 because acquisition returns and related-party value transfer remain hard for minority shareholders to verify.

The Valuation / 20% Return Underwriting score is reduced from 4 / 20 to 3 / 20. The original file properly distinguished the ER2 P/E 15 gate from a 20% compounder hurdle. The P/E 15 pass is real: base adjusted EPS of $3.59 at a 15x multiple gives $53.85 of value, a 16.9% cushion over $46.08. But a 16.9% P/E 15 cushion is not remotely the same thing as a 20% annualized return over five years. The base IRR is only 3.8% using a 15x exit multiple and about $1.67 of dividends. The bull case is only 12.7%. At $46.08, a base-case 20% IRR would require about a 31.5x exit multiple on base adjusted EPS or a base buy price near $22.31. That is not conservative underwriting.

3. Unsupported Claims

The original report is not promotional and it identifies many of its own weaknesses. The unsupported claims are mostly cases where the score grants more points than the evidence justifies.

First, the evidence does not support a high ROIIC score. Brookfield has attractive engines, but the verified ER2 files do not show clean acquisition-inclusive ROIIC by segment or by parent-level capital deployed. The rough acquisition-inclusive ROIIC estimate is around 7-8%, not 15-25% or 25-35%. Because acquisitions and insurance scaling are central to the business model, excluding acquisitions would overstate returns.

Second, the evidence does not support treating Brookfield's moat as uniformly wide. The moat is real, but the source chain says YELLOW, not green. Private Equity is a large revenue segment with weak parent-level moat evidence. Real Estate has asset-level advantages but remains rate-sensitive and cyclical. Wealth Solutions could be powerful, but its current scale has not been tested through a full private-credit and reserve cycle.

Third, the evidence does not support reputation-based score inflation. Brookfield's management record, partner culture, and real-assets brand are meaningful. They explain why the company gets capital-allocation credit. They do not prove that incremental capital deployed today earns high company-wide returns after non-controlling interests, fair-value movements, insurance capital needs, non-recourse financing, and related-party flows.

Fourth, the evidence does not support a high cash-conversion score. DE, FFO, NOI, and FRE are relevant economic measures, but they require a bridge to cash or adjusted shareholder earnings. The synthesis does provide that bridge, but it uses a 50% retained conversion in the base case, far above the recent GAAP shareholder net income ratio of about 14% of segment economic measures. That bridge may be reasonable for ER2's P/E 15 test, but it should cap the diagnostic compounder score.

4. Calculation Errors

No major arithmetic error was found in the IRR, P/E 15, or share-count mechanics. The base case uses $3.59 of adjusted EPS, a 15x exit multiple, and a $53.85 ending price. Adding about $1.67 of five-year dividends to $53.85 and comparing that total with the $46.08 current price gives about a 3.8% annualized return. The bear and bull IRRs of -8.4% and 12.7% also reconcile directionally to the stated ending prices and dividends.

The base-case 20% buy price also checks. Discounting the base ending value plus dividends at 20% for five years gives about $22.31. The required base-case ending value from today's $46.08 price is $46.08 times 1.20 to the fifth power, or about $114.66 including dividends. Net of the dividend estimate, that implies roughly $112.99 of price value. Dividing by the base EPS of $3.59 gives an exit multiple near 31.5x. The calculation breaks the 20% case at the multiple requirement, not at arithmetic.

The one scoring error is a rubric-application issue in 6B, Conservative exit multiple. The original gave 2 / 4 because the modeled exit multiple is 15x. A 15x exit multiple is conservative for an adjusted DE-style earnings bridge, but the rubric says a higher score requires the conservative multiple to still clear the return hurdle. It does not. The actual 20% case would need major multiple expansion to roughly 31.5x in the base case. The audited 6B score is 1 / 4, not 2 / 4.

The P/E 15 test is separate and was not over-penalized by the original scorer. The synthesis correctly states that Brookfield passes the ER2 P/E 15 gate with a 16.9% base-case cushion. The audit preserves credit for that under "Multiple does not price perfection," but it does not let that ER2 gate inflate the 20% underwriting score.

5. Missing Data

The most important missing evidence is clean acquisition-inclusive ROIIC. The data package provides capex, M&A, rough ROIC, and enough information to estimate a rough aggregate return, but it does not show segment-level acquisition spend, insurance capital needs, working capital, non-recourse debt support, and shareholder-level incremental earnings in a way that proves high ROIIC.

The second missing evidence is clean parent-level FCF after recurring maintenance capital and insurance capital requirements. CFO less PP&E acquisitions is negative, but Brookfield's structure makes the simple industrial measure blunt. The audit does not treat that as a fatal proof of poor economics, but it does cap cash conversion and accounting quality because the alternative is accepting management-defined measures without enough cash tie-out.

The third missing evidence is product-level disclosure. The data package repeatedly notes that product-level revenue segmentation is unavailable for many Brookfield segments and that FMP product segmentation returned empty arrays. That matters for a scoring audit because it prevents a clean test of which products are earning strong returns and which are only adding scale.

The fourth missing evidence is SBC burden by revenue and FCF. The original JSON marks SBC-to-revenue and SBC-to-FCF as null. Share count is broadly stable, and the synthesis explicitly models annual issuance or dilution offsetting buybacks, so this is not an SBC-abuse case. But null SBC burden is still a data gap under the CompounderScorer audit rules.

6. Hard-Veto and Threshold Test Audit

The original hard-veto screen is directionally correct. The decisive hard veto is that the 20% return case requires terminal multiple expansion or a much lower entry price. At the current price, even the favorable adjusted shareholder EPS bridge gives only a 3.8% base IRR at 15x and a 12.7% bull IRR at 15x. That fails the 20% hurdle.

The threshold tests also support Reject. The audited total score is 60 / 100, below the 80 / 100 Investable-now threshold and below 70. The audited Business Quality score is 57 / 80, below the 65 / 80 investable threshold. The audited Valuation / 20% Return Underwriting score is 3 / 20, far below the 15 / 20 threshold. ROIIC plus runway is no longer strong enough to offset the return issue; audited Incremental Returns plus Runway equals 31 / 45, below the original 35 / 45 threshold. Base IRR is below 20%, bear IRR is negative, and the hard veto remains.

The original Reject classification is therefore preserved. A "Buy only at lower price" label could be tempting because the business has meaningful quality and the base 20% buy price is explicitly shown. But under the scoring file's thresholds, Reject applies when the score is below 70, a hard veto exists, or the 20% case is not plausible. All three apply here.

7. Final 20% Hurdle Pass/Fail

Final 20% hurdle: FAIL.

This failure is not subtle. The base case requires either a buy price near $22.31 or a terminal multiple near 31.5x on base adjusted EPS. The current price is $46.08. The base adjusted EPS estimate is $3.59. A 15x exit price is $53.85, and dividends are too small to rescue the return. The bull case reaches only 12.7% at the same exit multiple, which means the 20% target is not merely a base-case miss. It requires a much more aggressive exit valuation or a much lower entry price.

The original scorer did not understate the P/E 15 pass. The base P/E 15 cushion is real and belongs in the broader ER2 valuation discussion. But the CompounderScorer rubric is asking a harder question: can a buyer today plausibly underwrite 20% annualized returns without terminal multiple expansion? The evidence says no.

8. Dream Business / Dream Investment Classification

Audited classification: neither dream business nor dream investment under this diagnostic rubric.

Brookfield is a high-quality, unusual capital allocator with a strong Asset Management core, a developing Wealth Solutions platform, durable hard-asset exposure, and a management culture that deserves respect. That is not the same as a dream business under this rubric. The dream-business label requires cleaner evidence of high ROIIC, durable moat, honest and transparent accounting, and reliable cash conversion. Brookfield clears some of those tests, partially clears others, and fails to provide clean proof where the audit needs it most.

Brookfield is also not a dream investment at the current price. The P/E 15 gate says the shares may be reasonable if the adjusted shareholder bridge proves right. It does not say the buyer is getting a 20% annualized compounder. The single biggest reason Brookfield does not qualify is that the base-case 20% return math fails at the current price and can only be repaired by a much lower entry price or a much higher exit multiple.

9. Stage 7 Scorecard Notes

Compounder Score note: 60 / 100; Brookfield has real quality, but the diagnostic compounder score is capped by unclean acquisition-inclusive ROIIC, weak FCF after capex, and a failed 20% return case at $46.08.

Business Quality Score note: 57 / 80; strongest in Asset Management, Wealth Solutions runway, management culture, and hard-asset durability, but reduced for YELLOW moat status, low rough ROIC, opaque acquisition-inclusive ROIIC, and shareholder-conversion risk.

20% Return UW Score note: 3 / 20; the P/E 15 base case passes with a 16.9% cushion, but base IRR is only about 3.8% and a 20% base case would need about a $22.31 buy price or roughly a 31.5x exit multiple.

10. Auditor JSON


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    "SBC-to-revenue and SBC-to-FCF ratios in the verified source chain.",
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Appendix RT - Red Team

Brookfield Corporation - Red Team

Prepared: 2026-05-29 Ticker: BN Current price used: $46.08 TTM end: 2026-03-31 Horizon date: 2031-03-31

Source Discipline

This appendix uses the verified Brookfield ER2 files in the workdir as the source chain. I did not read local data warehouse caches. No fresh outside source was needed to form the red-team view because the verified Brookfield files already include recent management commentary, latest quarterly anchors, segment appendices, moat, management, scoring audit, and quant foundation checks. The job here is not to add a polite risk page. The job is to find where the Stage 5 synthesis can break.

1. The Most Fragile Assumption

The most fragile assumption is the Synthesis Section 5 line called "Retained conversion to adjusted shareholder NI," specifically the base-case 50.0% conversion of the mixed segment economic profit measure into adjusted shareholder net income. This is the line that turns $16.961 billion of 2031-03-31 combined segment economic profit into $8.480 billion of adjusted shareholder net income and $3.59 of adjusted shareholder EPS. It is not a product line in the ordinary industrial sense. It is the company-level bridge that combines Asset Management DE, Wealth Solutions DE, Energy / RPT FFO, Infrastructure FFO, Private Equity FFO, Real Estate NOI, and the Corporate Activities FFO burden, then asks how much survives for BN shareholders after taxes, non-controlling interests, depreciation mismatch, fair-value volatility, non-recourse structures, insurance capital needs, and holding-company complexity.

That is exactly where the thesis can fail. The source chain gives two very different anchors. TTM official segment measures sum to $9.394 billion, while TTM net income attributable to shareholders is only $1.336 billion, or 14.2% of those segment measures. LTM distributable earnings before realizations is $5.5 billion, or 58.5% of the same segment-measure base. The synthesis explicitly says the 14% GAAP-looking conversion is too punitive and the 58.5% DE conversion is too generous, so it lands at 50% for the base case. A red team should not accept that midpoint as a fact. It is a negotiated answer between management's economic lens and GAAP shareholder reality.

The fragility is worse because the inputs are not homogeneous. Asset Management DE is closest to a scalable fee-and-carry profit pool. Wealth Solutions DE is an insurance spread and asset-origination measure that may require capital support and can be smoothed by accounting until credit or reserve strain appears. Infrastructure and Energy FFO are asset-heavy measures where asset-level debt and minority interests can absorb much of the economics. Private Equity FFO is coming from a segment with only a 1.5% TTM FFO margin. Real Estate NOI is before financing costs, valuation pressure, leasing capital, tenant improvements, and refinancing outcomes. Combining all of those into one "economic profit measure" is a necessary Brookfield adaptation, but it is also the weakest gate in the model.

The EPS sensitivity confirms that this is the kill variable. The synthesis shows base EPS of $3.59 and a retained-conversion sensitivity of plus or minus 300 bps producing $3.37 to $3.81. That means a 300 bps miss costs about $0.22 of EPS. More importantly, the synthesis states that a 43.0% retained conversion produces about $3.09 of adjusted EPS, barely above the $3.07 EPS required to pass the P/E 15 test at the current price. A 40.0% retained conversion fails. At 40%, the base segment economic profit pool would produce roughly $2.87 of EPS, worth only about $43 per share at 15x before dividends. Under the punitive GAAP-looking 14.2% conversion, base EPS would be only $1.02. The P/E 15 gate therefore passes only if the retained conversion bridge is closer to management's DE world than to the recent shareholder-net-income world.

The strongest version of the attack is simple: Brookfield may report rising DE, FFO, and NOI while BN shareholders receive a much lower proportion of that pool than the base model assumes. If that happens, the assets can be real, management can be competent, and the 2046 test can still pass, but the current equity underwriting fails.

2. The Most-Likely-To-Be-Optimistic Stage 5 Number

The single Stage 5 number most likely to be revised down is Wealth Solutions base-case horizon DE of $5.12 billion. This is the number that takes Brookfield from a good real-assets capital allocator into a much more powerful financial compounder. It also carries the cleanest mismatch between recent evidence and the modeled five-year path.

The Wealth Solutions appendix starts from about $180 billion of pro forma insurance assets after Just Group and TTM DE of $1.671 billion. It then builds to $310 billion of insurance assets and a 1.65% DE yield by 2031-03-31. That produces $5.12 billion of DE, broadly consistent with management's 2030 ambition for "over $5 billion of distributable earnings." The problem is not arithmetic. The problem is that the base bridge requires roughly 25% annual DE growth from the TTM base while the latest LTM DE growth cited in the segment appendix was only 11%, and Q1 2026 DE of $430 million was the same as Q4 2025. The model explains the reacceleration through Just integration, asset growth, asset rotation, private-credit origination, operating leverage, and better liability pricing. Those are plausible mechanisms. They are not yet proven mechanisms.

The bearish error case is not that Wealth Solutions fails to grow. It is that it grows in a capital-hungry way. Insurance assets can rise while returns fall if competitors pay more for liabilities, if crediting rates rise, if pension-risk-transfer pricing tightens, if regulators and rating agencies demand more capital, or if private-credit losses and reserve charges consume spread. The moat appendix is clear that Wealth Solutions has a developing moat, not a fully proven 20-year moat at current scale. The segment risk section is equally clear: liability pricing competition, private-credit cycle, integration, governance, disclosure opacity, and capital intensity are real risks.

If the asset base reaches the base-case $310 billion but DE yield reaches only 1.25%, DE would be about $3.88 billion, roughly $1.25 billion below the base number. At a 50% retained conversion and 2.362 billion shares, that alone would reduce company-level EPS by about $0.26. If the full Wealth Solutions bear case occurs, with $235 billion of assets and $2.94 billion of DE, the shortfall from base is about $2.18 billion of DE, or about $0.46 of EPS after the same conversion bridge. That is almost the entire $0.52 per-share cushion over the P/E 15 requirement.

3. The Strongest Bear Case, Stated In Its Strongest Form

The short-seller version of the bear case is that Brookfield is a collection of real but hard-to-audit economic claims whose public equity value depends on management-defined measures converting into BN per-share cash earnings, and that conversion is far less certain than the synthesis needs. Wealth Solutions growth is bought through capital, liability pricing, and private-credit risk; Asset Management remains strong but fee and realization economics normalize below the 20% DE dream; Private Equity remains a low-margin consolidated revenue drag; Real Estate remains profitable on NOI but absorbs capital through refinancing, leasing costs, and asset sales below hoped-for values. The failure shows up over the next two to eight quarters as segment DE / FFO / NOI grows faster than BN shareholder net income, distributable cash, and per-share value. The observable anchor is the retained conversion ratio: if LTM shareholder-level distributable earnings before realizations or adjusted earnings stays below 43% of LTM official segment profit measures, the base P/E 15 cushion is gone.

This bear case does not require fraud, bad management, or worthless assets. It only requires that Brookfield's complexity deserves a permanent discount because minority shareholders cannot cleanly verify which part of the ecosystem is capturing the value.

4. Cross-Examination Of Management Commentary

First, Asset Management. Management described 2026 as a "record year of fundraising in 2026" and the Investor Day frame included a "20% compound annual growth rate" for the asset-management DE plan. The skeptical reading is that fundraising does not automatically equal high-retained DE for BN. The Asset Management appendix shows reported revenue had a clean two-year CAGR of negative 6.6%, Q1 2026 revenue was only up 5.5%, and DE's clean two-year CAGR was about 3.2%, even though Q1 2026 FRE was up 11% and fee-bearing capital reached $614 billion. The base case assumes Asset Management DE reaches $5.9 billion and the DE margin moves to 45%, up about 760 bps from the FY2025 external-revenue anchor. That can happen if FBC becomes fee-paying capital at healthy rates and realizations normalize. It fails if fundraising comes with lower fees, higher distribution costs, muted carry, or delayed deployment. The first sign would be FBC rising while FRE margin, realized performance economics, or segment DE fails to accelerate.

Second, Wealth Solutions. Management's "over $5 billion of distributable earnings" target is not merely color; the synthesis effectively relies on it through a $5.12 billion base-case DE line. The cross-examination is whether Brookfield can scale insurance assets without giving away spread or absorbing future credit and capital strain. The segment appendix itself says the base path requires the pro forma DE yield to rise from 0.93% to 1.65%. The first warning sign would be insurance assets growing while DE yield stays below 1.25% by the next few reporting periods, or any reserve charge, credit impairment, capital-ratio pressure, or ratings commentary that implies growth is consuming more capital than modeled.

Third, Real Estate. Management's phrases "great real estate owned and managed well" and "real estate recovery that is underway" are directionally plausible, but the segment line still has to prove it. The data package shows Q1 2026 Real Estate revenue down 19.9% year over year and FY2025 down 13.4%. The base case assumes a 3.5% five-year revenue CAGR and

a 60% NOI margin, taking NOI to $3.59 billion. That is restrained relative to a full recovery story, but it still requires the recent revenue decline to bottom. If the commentary is wrong, the first evidence will be asset sales below carrying values, refinancing extensions at worse loan-to-value or spread terms, negative leasing spreads outside the best assets, or another two quarters of double-digit segment revenue decline.

The "AI factories" and "energy transition in AI infrastructure globally" comments should also be treated carefully. The infrastructure and energy opportunity is real, but the segment appendices already warn that power, grid, permitting, equipment, customer pricing, and competitive capital can absorb the economics. AI demand validates the addressable market; it does not prove that BN shareholders capture high incremental returns.

5. Stage 5 Tie-Out Reverification

The recency anchor itself ties. The TTM period is Q2 2025 through Q1 2026, and the quant foundation rebuilds consolidated revenue to $75.736 billion and official segment profit measures to $9.394 billion. The synthesis first modeled forward-year revenue run-rate is $80.410 billion, only 6.2% above the TTM revenue anchor and within the 10% tolerance. There is no obvious mechanical step-change error.

The issue is composition. The aggregate anchor hides several weak current trends. In the latest Q1 2026 quarter, Energy / RPT revenue grew only 0.4% year over year after a much stronger FY2023-FY2025 run, Infrastructure revenue grew 16.9% but FFO margin was only 2.5%, Private Equity revenue was still down 2.4% with a 1.7% FFO margin, and Real Estate revenue was down 19.9%. The base model is not stale in the sense of starting from the wrong four quarters. It is vulnerable because the better near-term lines are not the same as the high-conversion lines, and the weaker lines are either large in revenue or capital intensive.

The share-count path is reasonable but not a solution. The synthesis starts from 2,366.8 million diluted shares and ends at 2,362.2 million, assuming $0.9 billion of annual buybacks offset by 16.0 million shares per year of issuance or dilution. This is not an aggressive buyback fantasy. It matches the observed pattern that diluted shares have been broadly stable despite repurchases. The red-team concern is the opposite: buybacks should not be used later to rescue the model. TTM repurchases were about $878 million, while PP&E acquisition outflows, M&A, insurance growth, and real-asset capital needs are large. If parent-level cash conversion does not improve, a materially larger buyback assumption would be unsupported.

On product CAGRs, most segment appendices are more restrained than management's narrative, which is good. The questionable exception is not a reported revenue CAGR but the Wealth Solutions DE reacceleration and DE-yield expansion. Asset Management's base margin step-up is also worth monitoring because it assumes mix and realization normalization rather than just revenue growth. Infrastructure's base revenue CAGR of 7.5% is defensible against recent growth, but its FFO conversion is the important test. A segment can have scarce assets and still disappoint BN if FFO margin stays near 2.5% to 3.0%.

6. Score-Derived 20% Return Claim Most Likely To Be Wrong

The audited score already says the 20% return case does not clear, and the red team agrees. The audited diagnostic score is 60 / 100, Business Quality is 57 / 80, the 20% Return Underwriting score is 3 / 20, and the classification is Reject. That is not a claim that Brookfield is a bad business. It is a claim that the current price and source-chain evidence do not support a clean 20% annualized compounder underwriting.

The score-derived claim most likely to be wrong is any attempt to treat the P/E 15 pass as evidence that a 20% return is plausible. The base case has $3.59 of adjusted EPS at the horizon. At 15x, that is a $53.85 ending price. Adding about $1.67 of five-year dividends gives only about a 3.8% annualized base return from $46.08. The bull case reaches only about 12.7% at the same exit multiple. A 20% base-case return requires either a buy price around $22.31 or an exit multiple around 31.5x on base adjusted EPS. That is terminal multiple expansion, not conservative underwriting.

What would have to change? Brookfield would need to prove that the 50% retained conversion is too low, not merely plausible; that Wealth Solutions can exceed $5 billion of DE without credit, reserve, capital, or rating strain; that Asset Management DE grows with real FRE and realization support; and that parent-level cash conversion turns positive after recurring capital needs. Until that evidence appears, the Reject classification is the right red-team stance.

7. The Signal That Forces An Exit

The exit signal should be a shareholder-conversion test, not a generic macro warning. The metric is LTM shareholder-level distributable earnings before realizations or adjusted shareholder earnings divided by LTM official segment profit measures,

using Brookfield's own DE / FFO / NOI framework for the denominator. The hard threshold is 43% for two consecutive quarters, beginning with the next two reported quarters after Q1 2026.

The reason is mechanical. The synthesis says a 43.0% retained conversion on the base segment economic profit pool produces about $3.09 of EPS, barely above the $3.07 required by the P/E 15 gate. Below that level, the entire P/E 15 pass becomes a rounding error. At 40%, it fails. If management reports segment measures that continue to grow but this retained conversion ratio is below 43% for two consecutive quarters, the red team would exit because the strongest part of the valuation case has been invalidated by observed conversion rather than debated narrative.

A secondary watch item is Wealth Solutions DE yield. If pro forma insurance assets rise but the DE yield is still below 1.25% after integration progress should be visible, or if credit and reserve items appear before the segment reaches the $5 billion target, the most optimistic Stage 5 number should be cut. But the primary sell signal is still retained conversion, because that is the one line that ties every segment story to BN per-share value.

8. Conviction At The End Of Red Team

The thesis does not survive as a clean BUY or as a 20% compounder at $46.08. It survives only as a conditional P/E 15 pass under the adjusted Brookfield-specific bridge. That is a materially weaker conclusion. The moat gate is YELLOW, not PASS, even though the 2046 test passes. Management gate is PASS, but the governance and complexity discount is real. The audited score is Reject, not Watch or Buy.

The synthesis should be rewritten around one narrative: Brookfield is a high-quality but opaque capital allocator whose valuation case depends on conversion from self-defined segment measures into BN shareholder earnings. Asset Management and Wealth Solutions can make the stock work if they deliver high-quality, distributable earnings. Real Estate, Private Equity, Infrastructure margin, and Corporate Activities can prevent that work from reaching shareholders. The red team does not need to prove Brookfield's assets are bad. It only needs to show that the current valuation pass rests on a bridge that has not yet been proven with enough cash and per-share evidence.

The final red-team verdict is Reject / Conditional. Reject for a 20% return mandate and for a clean compounder label. Conditional for a lower-return, complexity-tolerant investor who is willing to monitor retained conversion and Wealth Solutions quality very closely. If the retained conversion bridge holds above the threshold, Wealth Solutions earns its DE without credit strain, and Asset Management DE accelerates through real FRE and realizations, the thesis can be reconsidered. If not, the stock is a Brookfield ecosystem story whose reported segment economics are better than the shareholder return an outside minority holder can underwrite.

Appendix D - Data Package (Raw Historicals)

Brookfield Corporation - Data Package

Prepared: 2026-05-29 Company: Brookfield Corporation Ticker: BN Fiscal year end: December 31 Latest quarter anchor: Q1 2026 ended March 31, 2026 and reported May 14, 2026. TTM anchor: Q2 2025 + Q3 2025 + Q4 2025 + Q1 2026, ending 2026-03-31. Forward horizon anchor: 2031-03-31. Currency and units: US$ billions in tables unless noted; source filings are US$ millions except per-share data. Controlling-source rule: Brookfield official annual, interim, SEC 40-F or 6-K, press-release, supplemental, and transcript sources control where FMP conflicts. FMP stable endpoints were live-pulled and discrepancies are preserved.

Live Source Inventory

Source class	Live source fetched in this run	Local supporting file	Use
FMP stable	income-statement annual and quarter, balance-sheet annual and quarter, cash-flow annual and quarter	raw/data_package_D_20260529_1536/BN_D_*statement*.json	5-year consolidated data, FMP discrepancy checks
FMP stable	revenue-product-segmentation annual and quarter	BN_D_revenue_product_segmentation_*.json	Both returned empty arrays; no product revenue was fabricated
FMP stable	earning-call-transcript-dates and Q2-Q4 2025 plus Q1 2026 transcripts	BN_D_transcript_*.json	Management commentary and transcript date validation
Brookfield IR	Q1 2026 press release, interim report, supplemental	BN_D_Q1_2026_*.pdf and .txt	Latest quarter trend, segment table, quote checks
Brookfield IR	2025 annual consolidated financial statements and notes	BN_D_2025_consolidated_financials_notes.pdf and .txt	FY2025 official statements, segment note, geographic note
Brookfield IR	2025 Investor Day transcript and presentation	BN_D_2025_investor_day_transcript.pdf; BN_D_2025_investor_day_presentation_correct.pdf	Forward segment commentary and strategic targets
SEC EDGAR	2025, 2024, 2023 Form 40-F files; Q1 2026 6-K; 2024 interim 6-K files; 2022 annual exhibit	SEC_D_*.htm and .txt	Official-source override and historical segment backfill
Warehouse archive	FMP raw JSON copied without overwrite	data warehouse/FMP_raw/BN/ER2_data_package_D_20260529_1536	Archival only; not used as source

Brookfield legacy public PDF URLs for 2022 and 2023 annual reports returned an Invoke-WebRequest WebException after one identical retry; the SEC-hosted official filings were fetched successfully and used instead. Exact failure class recorded: Microsoft.PowerShell.Commands.InvokeWebRequestCommand WebCmdletWebResponseException with Brookfield HTML response body.

0a. Industry Classification and Disclosure Inventory

Brookfield triggers the industry-disclosure audit because it is a Canadian Form 40-F / 6-K foreign issuer, FMP product segmentation is empty, and the business spans asset management, investment-led insurance, real estate, infrastructure, energy and private equity economics that are reported through KPI, DE, FFO and NOI tables rather than one revenue and operating-income schedule. Controlling sources checked in the live-source review were Brookfield's Q1 2026 press release, Q1 2026 supplemental, Q1 2026 interim report, 2025 annual consolidated statements and notes, 2025 Investor Day transcript and presentation, and SEC EDGAR 2025 Form 40-F and Q1 2026 Form 6-K index pages. Search terms used across those sources were: segment, segmented revenues, distributable earnings, DE, FFO, NOI, fee-bearing capital, fee-related earnings, FRE, fundraising, carried interest, insurance assets, annuity sales, book equity, combined ratio, occupancy, leasing spreads, same-store NOI, corporate liquidity, deployable capital, corporate borrowings and non-recourse borrowings.

Dataset / table family	Official source searched	Search terms or table names	Years available	Included in data package?	If excluded, why	Downstream relevance
Consolidated statements	FMP stable income / balance sheet / cash flow; 2025 annual statements; Q1 2026 interim	Revenues, net income, cash flow, assets, borrowings	FY2021-FY2025 plus Q1 2026 and TTM	Yes	n/a	Consolidated base, leverage and valuation checks

Dataset / table family	Official source searched	Search terms or table names	Years available	Included in data package?	If excluded, why	Downstream relevance
Segment economics	Annual Note 3; Q1 2026 interim Note 3; Q1 supplemental	External revenues, segmented revenues, DE, FFO, NOI, common equity	FY2023-FY2025 clean current taxonomy; FY2021-FY2022 old taxonomy; Q1 2026 / TTM	Yes	FY2021-FY2022 are flagged as old taxonomy because Wealth Solutions was not a separate current segment	Segment appendices and synthesis
Asset-management KPIs	Q1 2026 supplemental; 2025 annual; 2025 Investor Day	Fee-bearing capital, FRE, fundraising, carried interest, BAM ownership	FY2023-FY2025 and latest Q1 / LTM where disclosed; pre-2023 not clean after BAM separation	Partly	No parent-level product revenue dollars; KPI trends are included where disclosed but not recast into invented product revenue	Asset Management appendix, moat and growth durability
Wealth / insurance KPIs	Q1 2026 supplemental; Q2-Q4 2025 and Q1 2026 transcripts; 2025 Investor Day	Insurance assets, annuity sales, book equity, ROE, combined ratio, annualized cash flows	FY2023-FY2025 and latest Q1 / LTM where disclosed; earlier periods are pre-scale and not comparable	Partly	Wealth Solutions has no consolidated external revenue; data package uses DE, insurance assets and capital metrics instead	Wealth Solutions appendix and balance-sheet risk
Real-estate KPIs	Annual Note 3; Q1 2026 supplemental; Q1 2026 transcript	NOI, occupancy, leasing volume, rent spreads, same-store NOI, asset sales	FY2023-FY2025 for NOI; latest Q1 operating KPIs	Partly	Official BN package gives latest property KPIs and Real Estate NOI, not a full parent-level property-type revenue series	Real Estate appendix, recovery thesis and monetization risk
Operating-business KPIs	Q1 2026 supplemental; 2025 annual; transcripts	BIP, BEP, BBUC, BPG, FFO, distributions, monetizations	FY2023-FY2025 and latest Q1 / LTM where disclosed	Yes	Product-level operating-company details live mainly at listed-affiliate level and are not converted into BN product dollars	Energy, Infrastructure and Private Equity appendices
Capital / liquidity	Q1 2026 supplemental; annual balance sheet; interim balance sheet	Corporate liquidity, deployable capital, debt, non-recourse borrowings, term, rate	FY2025 and latest Q1; annual balance-sheet history in Section 8	Yes	n/a	Corporate leverage, downside and capital allocation

KPI family	Granularity	FY2021	FY2022	FY2023	FY2024	FY2025	Latest interim / TTM	Source path
Segment revenue and official profit metric	Reportable segment	Old-taxonomy values included in Section 3	Old-taxonomy values included in Section 3	Current-taxonomy values included in Section 3	Current-taxonomy values included in Section 3	Current-taxonomy values included in Section 3	Q1 2026 and TTM segment values included in Section 5 and QF P4	2025 annual Note 3; Q1 2026 interim Note 3
Asset Management DE / FBC / FRE	BN asset-management economics	Pre-BAM-separation taxonomy not clean	Pre-BAM-separation taxonomy not clean	DE $3.1B; FBC/FRE not recast here	DE $3.1B; FBC/FRE not recast here	DE $3.3B; FBC over $600B; FRE about $3.0B	Q1 2026 DE $765M, FBC $614B and FRE +11%	2025 annual Note 3; Q4 2025 transcript; Q1 2026 supplemental
Wealth Solutions DE / insurance assets	BN wealth / insurance economics	Not a separate current segment	Not a separate current segment	DE $0.7B	DE $1.4B	DE $1.7B; insurance assets $145B at year-end	Q1 2026 DE $430M; insurance assets about $180B after Just; book equity $13.2B; 99% combined ratio	2025 annual Note 3; Q4 2025 transcript; Q1 2026 supplemental
Real Estate NOI / operating KPIs	BN real estate	Old-taxonomy FFO included in Section 3	Old-taxonomy FFO included in Section 3	NOI $3.6B	NOI $3.4B	NOI $3.1B	Q1 2026 super core occupancy 96%, core plus 95%, office rent spreads +15%, retail rent spreads +11%, super core same-store NOI +2%	2025 annual Note 3; Q1 2026 supplemental and transcript
Operating Businesses FFO / monetizations	Energy, Infrastructure, Private Equity, Real Estate, other	Old-taxonomy values included in Section 3	Old-taxonomy values included in Section 3	FFO / NOI by segment included in Section 3	FFO / NOI by segment included in Section 3	FFO / NOI by segment included in Section 3	Q1 2026 operating businesses DE $360M; $17B asset sales; $6B infrastructure, $5B energy, $2B real estate, $4B other	2025 annual Note 3; Q1 2026 supplemental

1. Reporting Structure and Taxonomy

Current reportable segments are taken from Brookfield official Note 3 segmented information and the Q1 2026 interim business overview. Brookfield does not use a single operating-income measure for all segments. The official segment profit measures are DE for Asset Management and Wealth Solutions, FFO for Energy, Infrastructure, Private Equity and Corporate

Activities, and NOI for Real Estate.

Current segment	Description	FY2025 external revenue $B	% of FY2025 total	Source
Asset Management	Global alternative asset manager economics, including BAM ownership, fee-related earnings, performance fees and carry economics	8.9	11.9%	2025 annual Note 3
Wealth Solutions	Investment-led insurance and retirement solutions platform; equity-accounted for BN segment revenue purposes	n/a	n/a	2025 annual Note 3; no external revenue
Energy / RPT	Renewable power and transition assets; Q1 2026 interim label is Energy, same lineage as Renewable Power and Transition	7.6	10.2%	2025 annual Note 3
Infrastructure	Utilities, transport, midstream, data and related infrastructure assets	24.2	32.3%	2025 annual Note 3
Private Equity	Essential service and industrial operating companies, including business services and industrial platforms	28.7	38.2%	2025 annual Note 3
Real Estate	Office, retail, multifamily, logistics, hospitality, residential and other property investments	5.3	7.1%	2025 annual Note 3
Corporate Activities	Corporate cash, borrowings, corporate investments and central costs	0.3	0.4%	2025 annual Note 3

Taxonomy investigation: reporting is not perfectly stable across the full 5-year window. Brookfield completed the asset manager distribution in December 2022 and from FY2023 onward presents the post-separation Brookfield Corporation framework with Wealth or Insurance Solutions economics visible in the segment profit table but without consolidated external revenue. The older FY2021-FY2022 SEC annual table does not present Wealth Solutions as a separate current segment. The Energy label in Q1 2026 interim materials maps to Renewable Power and Transition in FY2025 and earlier annual reports. Comparable current-taxonomy segment data are strongest from FY2023 forward; FY2021-FY2022 are shown as old-taxonomy official SEC values and flagged accordingly.

Geography	FY2025 revenue $B	% of FY2025 revenue	Source
U.S.	27.4	36.4%	2025 annual Note 13 geographic allocation
Canada	7.8	10.4%	2025 annual Note 13 geographic allocation
U.K.	7.0	9.3%	2025 annual Note 13 geographic allocation
Brazil	5.5	7.3%	2025 annual Note 13 geographic allocation
Australia	5.3	7.1%	2025 annual Note 13 geographic allocation
India	4.2	5.7%	2025 annual Note 13 geographic allocation
Colombia	2.7	3.6%	2025 annual Note 13 geographic allocation
Germany	2.3	3.1%	2025 annual Note 13 geographic allocation
Other Europe	7.0	9.4%	2025 annual Note 13 geographic allocation
Other Asia	2.7	3.7%	2025 annual Note 13 geographic allocation
Other	3.1	4.2%	2025 annual Note 13 geographic allocation

2. Consolidated Historicals, 5 Years

Metric	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	75.7	92.8	95.9	86.0	75.1	FMP annual; FY2025 official override
Operating income ($B)	11.6	14.1	14.4	18.0	21.8	FMP annual operatingIncome; not Brookfield segment measure
Operating margin (%)	15.3%	15.2%	15.1%	20.9%	29.0%	calc
Net income to shareholders ($B)	4.0	2.1	1.1	0.6	1.3	FMP annual; FY2025 ties official shareholder net income
EPS diluted ($)	1.59	0.79	0.41	0.21	0.50	FMP annual
Diluted share count (M)	2380.3	2412.3	2382.3	2376.9	2367.0	FMP annual
Capex or PP&E acquisitions ($B)	6.8	6.9	8.2	10.6	14.8	FMP cash flow; FY2025 official override
FCF after capex ($B)	1.0	1.5	-1.6	-3.4	-3.8	FMP cash flow; FY2025 CFO less official PP&E acquisitions
ROIC (%)	11.9%	8.1%	10.2%	6.5%	4.8%	calc: FMP EBIT x (1 - tax rate) / FMP invested capital

ROIC calculation detail: numerator is FMP EBIT multiplied by one minus the effective tax rate from FMP income tax expense divided by income before tax. Denominator is FMP key-metrics invested capital. Tax rates used were FY2021 15.8%, FY2022 22.0%, FY2023 16.5%, FY2024 34.6% and FY2025 26.0%. FY2025 NOPAT was $16.6B on invested capital of $342.5B, or 4.8%. Treat this as a rough cross-company metric because Brookfield consolidates large non-recourse managed-entity balance sheets and uses DE, FFO and NOI internally.

FMP discrepancy note: live FMP annual revenue for FY2025 was $76.128B, while Brookfield official audited revenue was $75.100B. FMP FY2025 cash-flow fields for capex, FCF, buybacks, dividends and acquisitions returned zero; official Brookfield FY2025 cash-flow lines control for those rows.

3. Segment Historicals

Segment tables use external revenue and the official segment profit measure, not generic operating income. FY2021-FY2022 are old-taxonomy SEC annual values before the post-2022 Brookfield Corporation framework; FY2023-FY2025 are current-framework official values from annual Note 3 and the quant foundation.

Asset Management

Asset Management	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	0.3	0.7	10.2	10.0	8.9	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	113.4%	1464.9%	-1.7%	-11.1%	calc
Official profit metric ($B)	2.5	2.5	3.1	3.1	3.3	DE from FY2023; FFO in old FY2021-FY2022 table
Profit metric margin (%)	824.8%	385.6%	30.7%	30.8%	37.4%	calc on external revenue except Wealth Solutions

Wealth Solutions

Wealth Solutions	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	n/a	n/a	n/a	n/a	n/a	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	n/a	n/a	n/a	n/a	calc
Official profit metric ($B)	n/a	n/a	0.7	1.4	1.7	DE; no consolidated external revenue
Profit metric margin (%)	n/a	n/a	n/a	n/a	n/a	calc on external revenue except Wealth Solutions

Energy / RPT

Energy / RPT	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	4.6	5.2	5.3	6.5	7.6	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	13.5%	2.2%	22.1%	17.7%	calc
Official profit metric ($B)	1.0	0.4	0.4	0.5	0.6	FFO
Profit metric margin (%)	22.8%	7.7%	7.9%	7.2%	7.6%	calc on external revenue except Wealth Solutions

Infrastructure

Infrastructure	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	11.9	14.7	18.2	21.5	24.2	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	23.3%	23.8%	18.0%	12.5%	calc
Official profit metric ($B)	0.8	0.6	0.7	0.6	0.8	FFO
Profit metric margin (%)	6.7%	4.3%	3.6%	2.6%	3.1%	calc on external revenue except Wealth Solutions

Private Equity

Private Equity	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	46.5	58.2	55.7	41.3	28.7	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	25.3%	-4.4%	-25.8%	-30.5%	calc
Official profit metric ($B)	2.0	1.0	1.9	1.0	0.5	FFO
Profit metric margin (%)	4.4%	1.8%	3.4%	2.3%	1.6%	calc on external revenue except Wealth Solutions

Real Estate

Real Estate	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	12.3	13.8	6.2	6.2	5.3	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	12.4%	-55.3%	-0.2%	-13.4%	calc
Official profit metric ($B)	1.4	1.7	3.6	3.4	3.1	NOI from FY2023; FFO in old FY2021-FY2022 table
Profit metric margin (%)	11.7%	12.6%	58.6%	55.2%	59.0%	calc on external revenue except Wealth Solutions

Corporate Activities

Corporate Activities	FY2021	FY2022	FY2023	FY2024	FY2025	Source
Revenue ($B)	0.2	0.2	0.3	0.5	0.3	Official segment external revenue; n/a for Wealth Solutions
YoY %	n/a	-1.8%	86.1%	54.0%	-43.3%	calc
Official profit metric ($B)	-0.3	-0.0	-0.5	0.3	-0.5	FFO
Profit metric margin (%)	-165.7%	-21.1%	-149.8%	56.9%	-198.1%	calc on external revenue except Wealth Solutions

4. Product and Sub-Segment Historicals

FMP revenue-product-segmentation for BN returned empty arrays for both annual and quarterly parameters in this run. Brookfield official filings disclose reportable segment revenue but generally do not disclose product revenue dollars for BN at the parent level. The table therefore records the most granular disclosed dollar layer and explicitly avoids back-solving product dollars.

Segment	Product or sub-product	Dollar disclosure?	Last 3 years revenue plus source
Asset Management	Fee-bearing capital, FRE, carry, BAM ownership economics	No product revenue dollars; segment revenue and DE disclosed	FY2023-FY2025 segment revenue: $10.2B, $10.0B, $8.9B; source 2025 annual Note 3
Wealth Solutions	Insurance assets, annuities, pension risk transfer, P&C	No consolidated external revenue; DE and insurance assets disclosed	DE: $0.7B FY2023, $1.4B FY2024, $1.7B FY2025; source 2025 annual Note 3
Energy / RPT	Hydro, wind, utility-scale solar, distributed energy, sustainable solutions	No BN product revenue dollars	Segment revenue: $5.3B FY2023, $6.5B FY2024, $7.6B FY2025; source 2025 annual Note 3
Infrastructure	Utilities, transport, midstream, data, telecom and related assets	No BN product revenue dollars	Segment revenue: $18.2B FY2023, $21.5B FY2024, $24.2B FY2025; source 2025 annual Note 3
Private Equity	Essential services, industrials, infrastructure services and other operating companies	No BN product revenue dollars	Segment revenue: $55.7B FY2023, $41.3B FY2024, $28.7B FY2025; source 2025 annual Note 3
Real Estate	Office, retail, multifamily, logistics, residential and other properties	No BN product revenue dollars; investment property rental income disclosed only at consolidated property level	Real Estate segment revenue: $6.2B FY2023, $6.2B FY2024, $5.3B FY2025; investment-property rental income $5.8B FY2025
Corporate Activities	Corporate investments, cash, borrowings, shared costs	No product layer	Segment revenue: $0.3B FY2025; source 2025 annual Note 3

Segment	Product	Disclosure method	Last 4 quarters YoY growth or trend	Source
Asset Management	Fee-related earnings	Growth rate and FBC disclosed; no product revenue dollars	Q2 2025 FRE +16%; Q3 2025 FRE +17%; Q4 2025 FRE +22%; Q1 2026 FRE +11%	Brookfield transcripts and Q1 2026 press release
Wealth Solutions	DE and insurance assets	DE growth and annuity originations disclosed; no revenue dollars	Q2 2025 insurance assets $135B; Q3 2025 DE $420M; Q4 2025 DE +24%; Q1 2026 DE +11% LTM	Brookfield transcripts
Energy / RPT, Infrastructure, Private Equity	Operating FFO grouping	Management discloses grouped operating FFO growth, not each product revenue	Q2 2025 operating businesses DE $1.7B LTM; Q3 2025 operating FFO momentum; Q4 2025 RPT and infrastructure FFO +14%; Q1 2026 infra, private equity and energy FFO +19%	Brookfield transcripts and Q1 press release
Real Estate	Same-store NOI and leasing spreads	Property metrics disclosed; no product revenue dollars by property type	Q2 2025 same-store NOI growth in core portfolio; Q4 2025 sentiment realigned; Q1 2026 Super Core same-store NOI +2%, retail spreads +11%, office spreads +15%	Brookfield transcripts

Back-solved product dollars: none. No product-dollar rows were estimated because the FMP product endpoint was empty and Brookfield did not disclose parent-level product revenue dollars sufficient to back-solve with an internal arithmetic check.

5. Most Recent Quarterly Trend

Company FY ends December 31. Most recently completed fiscal quarter at time of writing: FY2026 Q1, covering January 1 to March 31, 2026, reported on May 14, 2026 via https://bn.brookfield.com/sites/brookfield-bn-v2/files/Brookfield-BN-IR-V2/2026/Q1/2026-Q1-BN-Press-Release-vF.pdf.

Segment	Quarter	Revenue $B	YoY %	Official profit metric margin	Source
Asset Management	Q2 2025	2.4	-7.7%	20.9%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K
Energy / RPT	Q2 2025	1.9	19.6%	8.4%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K

Segment	Quarter	Revenue $B	YoY %	Official profit metric margin	Source
Infrastructure	Q2 2025	5.7	9.4%	3.3%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K
Private Equity	Q2 2025	7.0	-42.6%	1.4%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K
Real Estate	Q2 2025	1.0	-27.7%	69.6%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K
Corporate Activities	Q2 2025	0.1	-7.9%	-91.0%	Q2 2025 interim 6M less Q1; Q2 2024 SEC 6-K
Asset Management	Q3 2025	2.2	-18.6%	24.2%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Energy / RPT	Q3 2025	1.8	16.0%	7.3%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Infrastructure	Q3 2025	6.3	15.5%	3.6%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Private Equity	Q3 2025	7.3	-22.9%	1.6%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Real Estate	Q3 2025	1.3	-5.8%	56.1%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Corporate Activities	Q3 2025	0.1	-45.8%	-81.5%	Q3 2025 interim 9M less 6M; Q3 2024 SEC 6-K
Asset Management	Q4 2025	2.4	5.8%	21.8%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Energy / RPT	Q4 2025	2.1	15.6%	7.3%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Infrastructure	Q4 2025	6.6	18.3%	2.4%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Private Equity	Q4 2025	7.5	-1.3%	1.2%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Real Estate	Q4 2025	1.6	-24.0%	56.7%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Corporate Activities	Q4 2025	0.0	-75.9%	-71.6%	FY2025 annual less Q3 2025 9M; FY2024 annual less Q3 2024 9M
Asset Management	Q1 2026	2.1	5.5%	26.0%	Q1 2026 interim; Q1 2025 comparative
Energy / RPT	Q1 2026	1.9	0.4%	9.2%	Q1 2026 interim; Q1 2025 derived from FY2025 less Q2-Q4
Infrastructure	Q1 2026	6.6	16.9%	2.5%	Q1 2026 interim; Q1 2025 derived from FY2025 less Q2-Q4
Private Equity	Q1 2026	6.8	-2.4%	1.7%	Q1 2026 interim; Q1 2025 derived from FY2025 less Q2-Q4
Real Estate	Q1 2026	1.2	-19.9%	61.0%	Q1 2026 interim; Q1 2025 derived from FY2025 less Q2-Q4
Corporate Activities	Q1 2026	0.1	54.2%	-139.0%	Q1 2026 interim; Q1 2025 derived from FY2025 less Q2-Q4
Wealth Solutions	Q2 2025	n/a	n/a	n/a	DE USD 391M; no external revenue; QF and official Note 3
Wealth Solutions	Q3 2025	n/a	n/a	n/a	DE USD 420M; no external revenue; QF and official Note 3
Wealth Solutions	Q4 2025	n/a	n/a	n/a	DE USD 430M; no external revenue; QF and official Note 3
Wealth Solutions	Q1 2026	n/a	n/a	n/a	DE USD 430M; no external revenue; QF and official Note 3

Quarterly note: margins use official profit measure divided by segmented revenue, not external revenue, where segmented revenue is available. Wealth Solutions is equity-accounted for revenue purposes; DE is the usable quarterly anchor.

6. Management Commentary on Forward Growth

The table uses short verbatim excerpts from live-fetched Brookfield IR transcripts and Brookfield Investor Day files. Interpretations are paraphrases. FMP transcript-date metadata was checked live, while Brookfield IR transcript PDFs control for quoted wording and speaker attribution.

Segment or topic	Source	Speaker	Verbatim excerpt	Topic	Interpretation
Asset Management	Q1 FY2026 call, 2026-05-14, Brookfield transcript	Nicholas Goodman, President	"record year of fundraising in 2026"	Fundraising and FRE	Asset Management enters 2026 with FBC at $614B and management expects fundraising to support another earnings step-up.
Asset Management	2025 Investor Day, 2025-09-10, Brookfield transcript	Nicholas Goodman, President	"20% compound annual growth rate"	Asset management DE plan	Investor Day frames asset management as a high-teens to 20% compounding engine from BAM ownership, carry and royalty economics.
Wealth Solutions	Q2 FY2025 call, 2025-08-07, Brookfield transcript	Nicholas Goodman, President	"path towards $200 billion of insurance assets"	Scale and Just Group	Just Group accelerated Brookfield toward the $200B insurance-asset scale target.
Wealth Solutions	2025 Investor Day, 2025-09-10, Brookfield transcript	Sachin Shah, CEO Wealth Solutions	"over $5 billion of distributable earnings"	2030 BWS target	Management is underwriting BWS as a major Brookfield earnings contributor by decade-end.
Energy / RPT	Q3 FY2025 call, 2025-11-13, Brookfield transcript	Bruce Flatt, CEO	"energy transition in AI infrastructure globally"	AI and power demand	Energy is positioned as part of the AI power and transition build-out, not only a legacy renewable fleet.
Infrastructure	Q1 FY2026 call, 2026-05-14, Brookfield transcript	Bruce Flatt, CEO	"AI factories"	Digital infrastructure	Infrastructure demand is tied to power, data centers, compute capacity and data sovereignty.
Private Equity	Q3 FY2025 call, 2025-11-13, Brookfield transcript	Nicholas Goodman, President	"seventh vintage flagship private equity fund"	Fund launch	Private Equity remains fundraising relevant even though consolidated segment revenue is declining from portfolio changes.
Real Estate	Q4 FY2025 call, 2026-02-12, Brookfield transcript	Bruce Flatt, CEO	"great real estate owned and managed well"	Real estate recovery	Management argues high-quality real estate should recover as capital markets and rents normalize.
Real Estate	2025 Investor Day, 2025-09-10, Brookfield transcript	Kevin McCrain, Managing Partner Real Estate	"real estate recovery that is underway"	Recovery and monetization	Investor Day emphasized operating improvement and future monetizations from core plus and transitional assets.
Capital allocation	Q1 FY2026 call, 2026-05-14, Brookfield transcript	Nicholas Goodman, President	"continue to allocate capital to buybacks"	Repurchases	BN continues to view buybacks as a recurring capital-allocation lever when market price is below intrinsic value.

Commentary coverage gaps: Brookfield comments heavily on Asset Management, Wealth Solutions, AI-linked infrastructure, real estate recovery and capital allocation. It offers less explicit forward product-level discussion inside Private Equity and Energy at the BN parent level; operating-company detail is generally at listed affiliate or fund level.

7. Capital Allocation History

Year	Capex $B	Capex / revenue %	R&D $B	R&D / revenue %	Buybacks $B	Dividends $B	M&A $B	Source
2021	6.8	9.0%	n/a	n/a	0.4	1.3	7.8	FMP cash-flow-statement annual live pull
2022	6.9	7.5%	n/a	n/a	0.7	0.9	18.6	FMP cash-flow-statement annual live pull
2023	8.2	8.6%	n/a	n/a	0.7	0.4	6.2	FMP cash-flow-statement annual live pull

Year	Capex $B	Capex / revenue %	R&D $B	R&D / revenue %	Buybacks $B	Dividends $B	M&A $B	Source
2024	10.6	12.4%	n/a	n/a	1.0	0.5	2.5	FMP cash-flow-statement annual live pull
2025	14.8	19.6%	n/a	n/a	1.0	0.7	18.4	2025 annual cash-flow statement official override; FMP 2025 cash-flow zeros flagged

R&D is not a meaningful separately disclosed Brookfield parent line. M&A uses FMP acquisitionsNet for FY2021-FY2024 and official FY2025 acquisition of subsidiaries net of cash acquired. Brookfield also acquires investment properties and PP&E within normal investing activity; these are not all classified as M&A in this table.

8. Balance Sheet Snapshot

Item	$B	Source
Cash and equivalents	16.2	2025 annual balance sheet official
Short-term investments	0.0 in FMP; official other financial assets $30.0B	FMP balance-sheet annual and 2025 annual official
Total debt, corporate plus non-recourse borrowings	259.6	2025 annual official borrowings lines
Net debt, total borrowings less cash	243.4	calc
Net debt / EBITDA	7.4x	calc using FMP EBITDA $32.8B; non-recourse leverage caveat
Goodwill plus intangibles	81.9	FMP balance-sheet annual; SEC 40-F cross-check
Tangible book value	-34.1	FMP stockholders equity less goodwill and intangibles
Common equity	43.8	2025 annual official
Total assets	519.0	2025 annual official

Leverage caveat: Brookfield reports corporate borrowings separately from very large non-recourse borrowings of managed entities. Parent-level credit analysis should not treat all consolidated non-recourse debt as recourse BN debt.

9. Recent Corporate Actions, Last 12 Months

- 2026-05-14: Q1 2026 results reported; DE before realizations was $1.4B for the quarter and $5.5B LTM; source Q1 2026 press release and Brookfield transcript.
- 2026-05-14: Management said the Just Group acquisition closed in April 2026 and added approximately $40B of insurance assets; source Q1 2026 Brookfield transcript.
- 2026-05-14: Brookfield continued work to combine BN and BWS/BNT, with board review expected in coming weeks and shareholder approvals targeted for July 16, 2026 AGMs; source Q1 2026 Brookfield transcript.
- 2026 Q1: BN and BAM repurchased over $1B of shares year-to-date, including approximately $470M of BN shares and $575M of BAM shares; source Q1 2026 Brookfield transcript.
- 2026 Q1: BN disclosed approximately $1B of SpaceX shares at pre-IPO mark as part of a $2B total technology investment portfolio; source Q1 2026 Brookfield transcript.
- 2025-11-13: Brookfield agreed to acquire the remaining 26% of Oaktree it did not already own, with $1.4B to be funded by the corporation; source Q3 2025 Brookfield transcript.
- 2025-07-31: A subsidiary alongside institutional partners completed the acquisition of a 100% economic interest in Colonial Enterprises Inc., the largest refined products pipeline system in the U.S.; source 2025 annual Note 5.
- 2025: Current-year acquisitions excluded from internal-control scope included Colonial Enterprises, Hotwire Communications, Geronimo Power and other manufacturers; aggregate acquired entities represented 5% of assets and 3% of revenues; source 2025 annual auditor/internal-control note.
- 2025: Monetization activity remained active, including Q1 2026 advancement of $17B of asset sales and IFC Seoul recapitalization after quarter end; source Q1 2026 Brookfield transcript.

10. Open Data Gaps

- FMP product revenue segmentation returned empty arrays for BN for both annual and quarterly pulls. No product-level revenue dollars were fabricated.
- FMP FY2025 annual revenue was $76.128B versus Brookfield official audited revenue of $75.100B. Official filings control and the $1.028B FMP overstatement remains visible.
- FMP FY2025 cash-flow fields for capex, operating cash flow, FCF, buybacks, dividends and acquisitions returned zero. Official FY2025 cash-flow lines were used instead.
- Wealth Solutions has no consolidated external revenue in the segment table because it is equity-accounted for BN segment revenue purposes. DE, insurance assets, annuity origination and capital metrics are the correct anchors.
- FY2021-FY2022 segment values are old-taxonomy SEC annual values before the post-2022 Brookfield Corporation framework. Use FY2023-FY2025 for clean current-framework comparisons.
- Energy in Q1 2026 maps to Renewable Power and Transition in earlier annual reports. This is a label change rather than a clean new segment, but downstream agents should label it Energy / RPT.
- Segment profit measures are mixed by design: DE, FFO and NOI. Do not force Brookfield segments into a single operating-income framework.
- Product-level YoY growth rates are mostly management KPI growth rates such as FRE, fee-bearing capital, insurance assets, operating FFO groupings, same-store NOI and rent spreads, not product revenue growth.
- Legacy Brookfield-hosted 2022 and 2023 annual-report PDF URLs failed after one identical retry; SEC official annual filing/exhibit URLs were fetched live and used.
- Direct management excerpts in Section 6 are intentionally short; FMP transcript-date metadata was live-fetched, and quoted wording was verified against Brookfield IR transcript PDFs and the Brookfield Investor Day transcript PDF.

Self-Verification Log

Check	Evidence	Status
Latest quarter headline growth	Q1 2026 press release text contains Asset Management FRE +11% and DE before realizations +7%; source URL fetched live	Passed
Management quote date check	FMP transcript-date endpoint for BN FY2026 Q1 returned date 2026-05-14, matching expected report/call date; excerpts verified against Brookfield IR transcript PDFs	Passed
FY2025 revenue check	Live FMP stable annual income-statement returned FY2025 revenue $76.128B; official 2025 annual returned $75.100B, discrepancy 1.37%; this fails the standard <=1% FMP tie check	Failed standard FMP tie; official-source override applied