

December 31, 2022

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Return on Investment

Current Share Price	\$42.58
Intrinsic Value	\$60.00
Dividend Yield	N/A
Implied Discount	41%
Conviction Rating	2

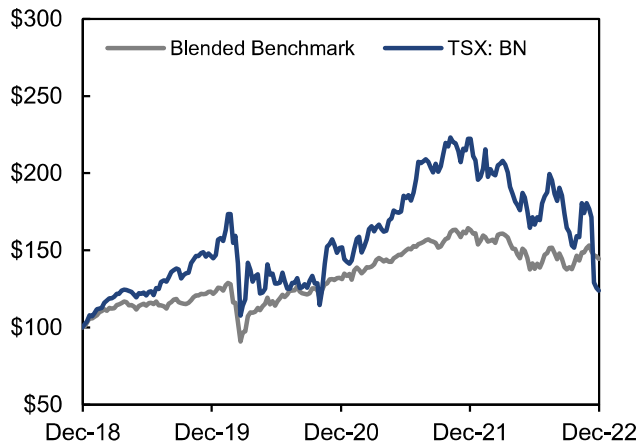
Market Profile

52-Week Range	\$41.40 - \$64.07
Market Capitalization (\$mm)	\$73,281
Net Debt, PF, & NCI (\$mm)	\$401,239
Enterprise Value (\$mm)	\$474,520
Beta (5-Year Monthly)	1.28

Metrics

	2022E	2023E	2024E
Revenue (\$mm)	\$121,980	\$122,678	\$123,088
FFO (\$mm)	\$8,011	\$8,988	\$9,540
FFO/Share	\$4.81	\$5.39	\$5.72

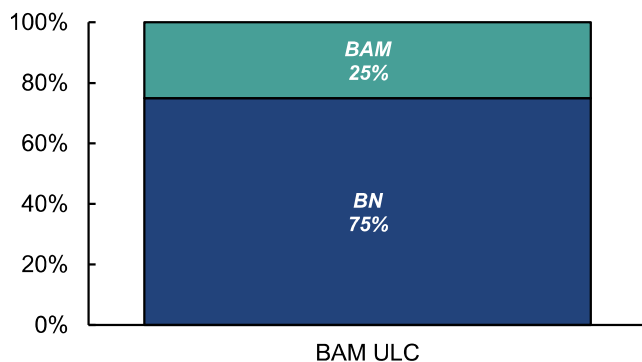
Holding Period Trading Performance (Indexed to \$100)



Source: S&P Capital IQ

Figure 1: BAM ULC Asset Management Ownership Split

BN holds 75% of BAM ULC, the asset management operating entity, while the new BAM owns the remaining 25%, acting as a pure-play asset management entity



Source: S&P Capital IQ

The Original Brookfield Asset Management

The original Brookfield Asset Management (“Old BAM”) spun off its asset management division and ownership interest in Oaktree Capital Management into an operating entity, BAM ULC, upon receiving unanimous approval from its Board on September 23, 2022. It now operates as Brookfield Corporation (TSX: BN), which holds 75% of BAM ULC.

BN operates as an alternative asset manager with over US\$750B AUM highly diversified across the renewables, infrastructure, private equity, real estate, and credit industries. The Company provides investors with a diverse product mix of private and public funds with exposure to each individual asset class through its publicly traded subsidiaries: TSX: BEP.UN, TSX: BIP.UN, and TSX: BAMR. The Company’s strong operational expertise in over 30 countries underpins its international growth and targeted returns of 12-15% over the long-term while its diversified operations reduce idiosyncratic risk.

Spin-off Overview

BAM ULC functions as the underlying operating company of Old BAM’s asset management operations and 64% stake in Oaktree. 25% of this entity has been spun off into the new Brookfield Asset Management, a pure-play alternative asset manager, which began trading under the “BAM” ticker on the NYSE and TSX on December 12, 2022. The original company, with 25% of its asset management segment spun off, is now Brookfield Corporation.

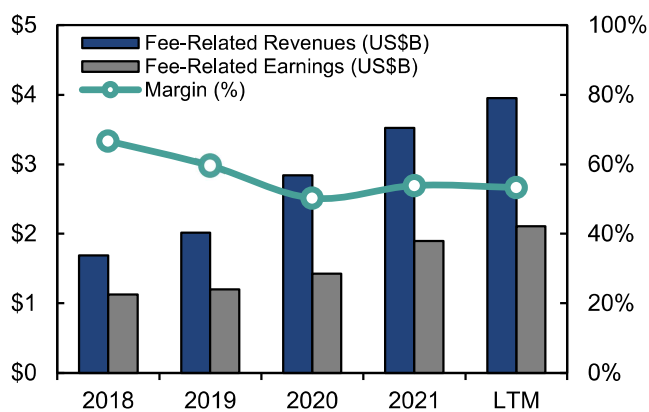
Structure: Subsequent to the resumption of trading, class A shareholders of Old BAM received shares in the spun-off entity at a ratio of 1:4, with residual (fractional) shares paid out as cash. The distribution occurred on a tax-free basis for U.S. and Canadian shareholders. BN will retain 100% of carried interest on existing funds and 1/3 on funds created in BAM ULC going forward.

Rationale: In recognition of a market that prioritizes asset-light operations, New BAM’s pure-play operations are well-positioned to benefit from increased investor interest. The spin-off was likely prompted by management’s belief in the tendency of markets to value diversified businesses at less than the sum of its parts. The spin-off provides the potential to increase valuation to trade in-line with peers, as it attracts new investors interested in pure exposure to its asset-light model of operations. Additionally, it establishes the firm as a more attractive buyer of alternative asset management operations, given its pure-play nature.

Mandate Fit

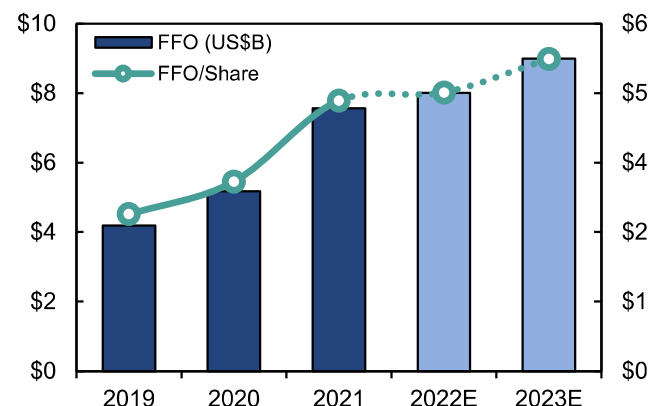
Quality Management: Bruce Flatt is maintaining his position as CEO in both legacy BN and the newly spun-off BAM. The CPMT has a positive view on his continued leadership given his strong execution in previous years with a focus on enhancing shareholder value. Over the past five years, BN has boasted an average ROE of 6.07% and increased its annual dividend from \$0.40 to \$0.55 per share. Moving forward, BN plans to distribute quarterly dividends of \$0.07 per share, which in combination with an anticipated variable dividend paid by New BAM, will provide investors with a payout in-line with pre-spin levels.

Figure 2: LHS Fee-Related Flows vs RHS Earnings Margin



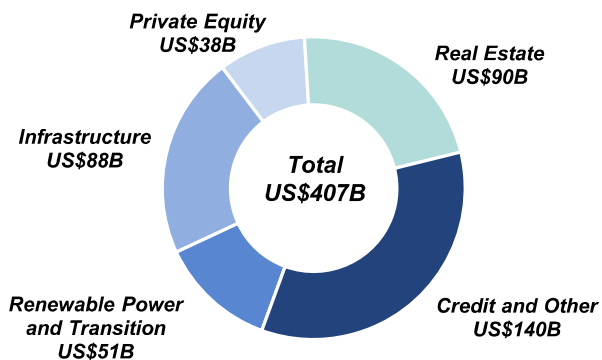
Source: Company Filings

Figure 3: LHS FFO Growth vs RHS FFO per Share



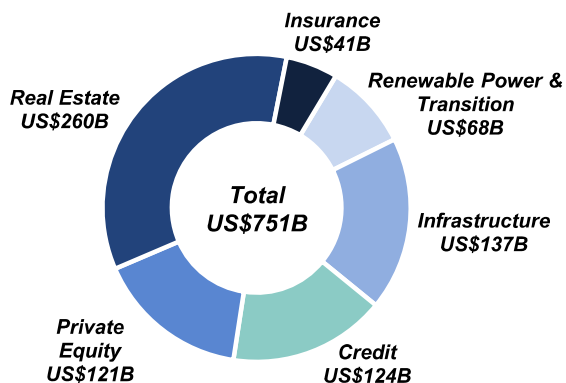
Source: Company Filings

Figure 4: Fee-Bearing Capital Diversification



Source: Company Filings

Figure 5: Total AUM Diversification



Source: Company Filings

Competitive Advantage: BN has demonstrated strong deal-sourcing capabilities and strategic flexibility in its operating platform. This, in addition to its extensive network of government, partner, and stakeholder relationships, allows it to access a wide range of investment opportunities out of reach for competitor asset managers. BN's global presence and diversified portfolio mix help reduce idiosyncratic risk and provide unique insight into economic fluctuations, easing the Company's selection process for allocating exposure to specific trends. BN's portfolio consists of long-duration assets with stable cash flows secured through contracts in industries with significantly high barriers to entry. The Company's long-standing track record of intrinsic growth through optimized asset procurement and operational expertise further sets it apart from industry peers.

Strong Balance Sheet: As of Q3 2022, BN had US\$205B of total debt, with only 6% having recourse to the Company and US\$178B attributable to property-specific borrowings. In the same period, BN had US\$419B of total assets equating to a debt-to-asset ratio of 0.5x. The Company's leverage deployment has allowed it to preserve capital and maintain returns throughout economic downturns. With US\$28B in cash and US\$8B undrawn from its credit facilities, BN has increased its core liquidity to US\$36B in Q3 2022, an increase of >100% YoY. The rise in BN's core liquidity provides ample dry powder to fund future transactions and capitalize on investment opportunities.

Growing Free Cash Flow: Over the last 12 months to Q3 2022, BN generated funds from operations of US\$6.2B, compared to US\$7.6B in FY2021. The decline was primarily related to an additional ~US\$0.5B of interest expenses on increased debt levels from recent acquisitions. Over the same period, the Company increased its distributable earnings net of realizations to US\$5.0B reflecting a 16% CAGR since FY2018. The two sources of the Company's LTM gross distributable earnings are fee-related earnings (~45%) and distributions from investments (~55%). The CPMT views this breakdown as favourable as it enables relatively equal exposure to cash flows supported by long-term, perpetual contract agreements, and high-quality operating assets.

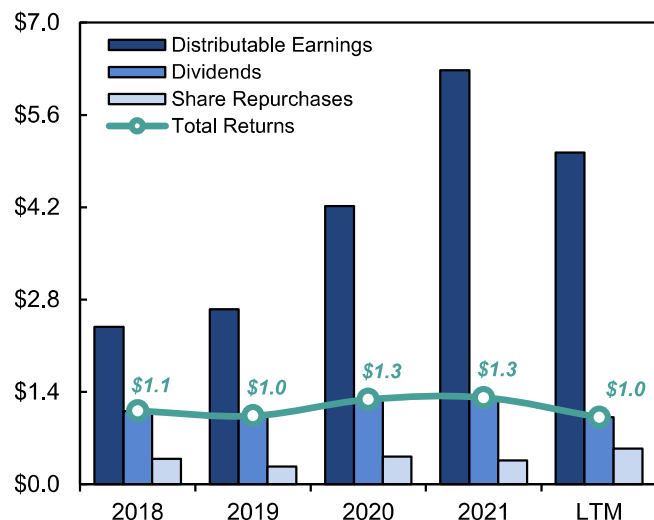
Risks

Global headwinds from the COVID-19 pandemic have resulted in a high interest rate environment accompanied by recessionary fears pointing toward a weakened fundraising outlook in the coming year. Although the value of BN's real assets typically increase during inflationary periods, high interest rates could expose the Company to diminishing future cash flows generated by its long-life assets. Furthermore, should volatility and unfavourable conditions prevail in public markets, BN may be faced limited fee-related earnings growth, primarily driven by lower asset management fees.

Original Investment Thesis

The CPMT's original investment thesis prior to BN's restructuring stemmed from the Company's experienced management team with a proven track record of operational success and a focus on shareholder value creation. The Company's diversified portfolio of assets and disciplined approach to capital investment provided a stable platform for growth. In addition, market-wide interest in and capital allocation to real asset classes had been increasing, which left BN well-positioned to benefit through its industry-leading operational and investment capabilities. The Fund believed that BN was an attractive long-term investment that provided a differentiated, diversified, and steady source of returns.

Figure 6: Distributable Earnings & Returns (US\$B)



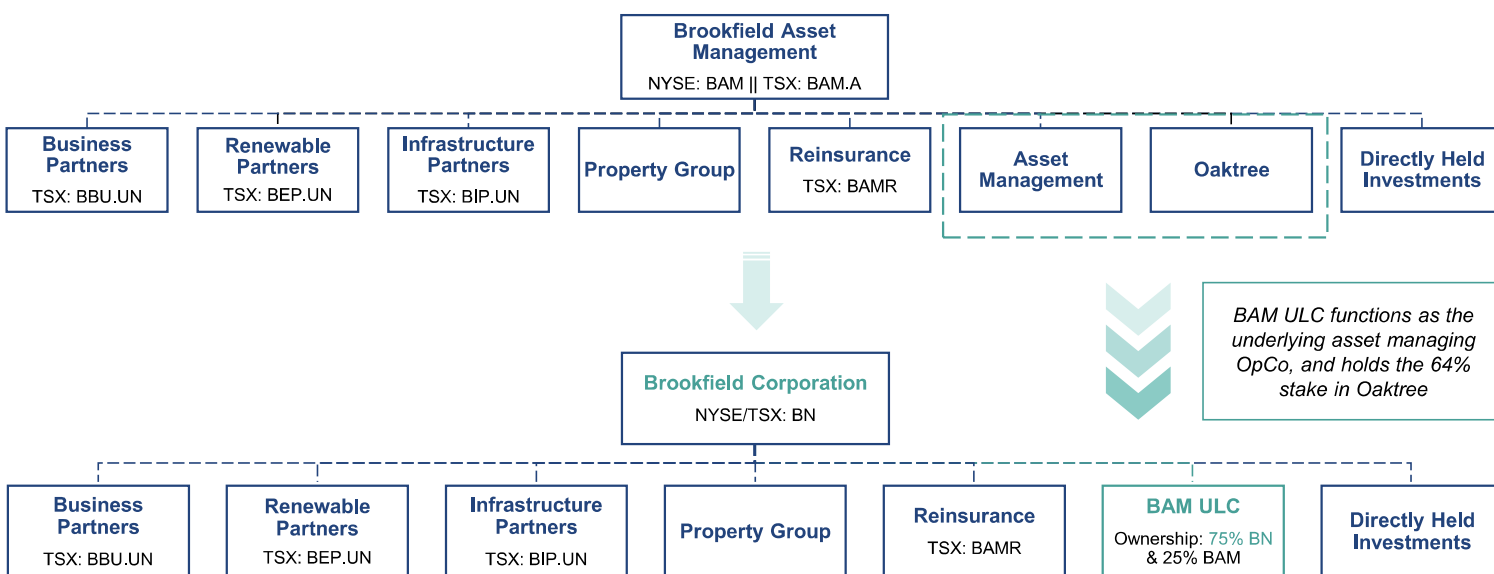
Source: Company Filings

Brookfield Corporation Investment Thesis

BN: The Fund is confident in BN's ability to execute upon attractive investment opportunities to drive future growth, given its strong track record and ample cash-on-hand (US\$124B). Its broad investment portfolio, consistent long-term returns, operational flexibility, and deal sourcing capabilities instill confidence in its ability to generate returns for investors. The CPMT arrived at an intrinsic value of \$60 through a sum-of-parts NAV analysis, implying a 41% discount to its price at year-end.

BAM: The spun-off entity provides direct exposure to private/alternative asset management operations. The Fund views BAM as an attractive investment opportunity given its expected fee-related earnings multiple expansion driven by realized valuation post-split and increased investor interest in its asset-light operations. Furthermore, BAM's 90.0% dividend payout policy on distributable earnings implies a 4.4% dividend yield in 2023E. The CPMT will conduct further due diligence on BN and BAM to determine a balanced position between the two names with optimal exposure to heavy and light asset operations.

Figure 7: BN Organizational Structure Transformation



Source: Company Filings

Figure 8: BN Comparable Analysis

Company Metrics	P/E		P/BV		Margin Analysis		Leverage				
	LTM	2023E	LTM	2023E	Profit	Operating	ND /EBITDA	Int. Coverage			
(all figures in US\$, unless noted otherwise)	Price	Mkt Cap	AUM ⁽²⁾	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
COMPANY	(\$/sh)	(\$mm)	(\$B)	(x)	(x)	(x)	(x)	(%)	(%)	(x)	(x)
Peers											
Blackrock	\$708.63	\$106,433	\$8,594	19.5x	20.4x	2.9x	2.7x	29.8%	28.5%	0.3x	32.5x
Blackstone Group	\$74.19	\$52,065	\$975	21.1x	14.5x	6.9x	7.7x	21.9%	43.9%	0.8x	32.8x
KKR & Co	\$46.42	\$39,973	\$496	(65.0x)	11.0x	2.4x	1.5x	(5.7%)	(2.0%)	3.8x	3.8x
Franklin Resources	\$26.38	\$13,197	\$1,297	10.4x	10.6x	1.1x	1.1x	15.6%	16.1%	(0.1x)	24.7x
Ares Management	\$68.44	\$12,108	\$341	76.2x	16.9x	8.0x	5.7x	5.1%	12.0%	12.9x	2.3x
Carlyle Group	\$40.39	\$14,685	\$369	6.2x	7.8x	1.8x	2.0x	30.5%	31.2%	2.4x	9.3x
Average				11.4x	13.5x	3.9x	3.4x	16.2%	21.6%	3.3x	17.6x
Median				15.0x	12.8x	2.7x	2.3x	18.8%	22.3%	1.6x	17.0x
Brookfield Corp⁽¹⁾	\$42.58	\$67,022	\$762	15.0x	8.9x	1.2x	1.1x	3.7%	9.2%	8.1x	2.5x

Source: S&P Capital IQ. Notes: (1) TSX: BN share price and market capitalization listed in CAD. (2) AUM expressed as LTM values.