

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

ANNUAL
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PART III

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FACING PAGE

Information Required Pursuant to Rules 17a-5, 17a-12, and 18a-7 under the Securities Exchange Act of 1934

FILING FOR THE PERIOD BEGINNING 01/01/23 AND ENDING 12/31/23
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF FIRM: Brookfield Oaktree Wealth Solutions LLC

TYPE OF REGISTRANT (check all applicable boxes):

- ☒ Broker-dealer ☐ Security-based swap dealer ☐ Major security-based swap participant
☐ Check here if respondent is also an OTC derivatives dealer

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use a P.O. box no.)

225 Liberty Street, 43rd Floor

(No. and Street)

New York

NY

10281

(City)

(State)

(Zip Code)

PERSON TO CONTACT WITH REGARD TO THIS FILING

Rafael Beck

(212) 897-1690

rbeck@integrated.solutions

(Name)

(Area Code – Telephone Number)

(Email Address)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose reports are contained in this filing*

Deloitte & Touche LLP

(Name – if individual, state last, first, and middle name)

30 Rockefeller Plaza

New York

NY

10112

(Address)

(City)

(State)

(Zip Code)

10/20/2003

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(Date of Registration with PCAOB)(if applicable)

(PCAOB Registration Number, if applicable)

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* Claims for exemption from the requirement that the annual reports be covered by the reports of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis of the exemption. See 17 CFR 240.17a-5(e)(1)(ii), if applicable.

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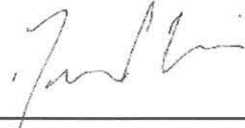
This filing contains (check all applicable boxes):**

- ☒ (a) Statement of financial condition.
- ☒ (b) Notes to unconsolidated or consolidated statement of financial condition, as applicable.
- ☐ (c) Statement of income (loss) or, if there is other comprehensive income in the period(s) presented, a statement of comprehensive income (as defined in § 210.1-02 of Regulation S-X).
- ☐ (d) Statement of cash flows.
- ☐ (e) Statement of changes in stockholders' or partners' or members' or sole proprietor's equity, as applicable.
- ☐ (f) Statement of changes in liabilities subordinated to claims of creditors.
- ☐ (g) Notes to unconsolidated or consolidated financial statements,, as applicable.
- ☐ (h) Computation of net capital under 17 CFR 240.15c3-1 or 17 CFR 240.18a-1, as applicable.
- ☐ (i) Computation of tangible net worth under 17 CFR 240.18a-2.
- ☐ (j) Computation for determination of customer reserve requirements pursuant to Exhibit A to 17 CFR 240.15c3-3.
- ☐ (k) Computation for determination of security-based swap reserve requirements pursuant to Exhibit B to 17 CFR 240.15c3-3 or Exhibit A to 17 CFR 240.18a-4, as applicable.
- ☐ (l) Computation for Determination of PAB Requirements under Exhibit A to § 240.15c3-3.
- ☐ (m) Information relating to possession or control requirements for customers under 17 CFR 240.15c3-3.
- ☐ (n) Information relating to possession or control requirements for security-based swap customers under 17 CFR 240.15c3-3(p)(2) or 17 CFR 240.18a-4, as applicable.
- ☐ (o) Reconciliations, including appropriate explanations, of the FOCUS Report with computation of net capital or tangible net worth under 17 CFR 240.15c3-1, 17 CFR 240.18a-1, or 17 CFR 240.18a-2, as applicable, and the reserve requirements under 17 CFR 240.15c3-3 or 17 CFR 240.18a-4, as applicable, if material differences exist, or a statement that no material differences exist.
- ☐ (p) Summary of financial data for subsidiaries not consolidated in the statement of financial condition.
- ☒ (q) Oath or affirmation in accordance with 17 CFR 240.17a-5, 17 CFR 240.17a-12, or 17 CFR 240.18a-7, as applicable.
- ☐ (r) Compliance report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (s) Exemption report in accordance with 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☒ (t) Independent public accountant's report based on an examination of the statement of financial condition.
- ☐ (u) Independent public accountant's report based on an examination of the financial report or financial statements under 17 CFR 240.17a-5, 17 CFR 240.18a-7, or 17 CFR 240.17a-12, as applicable.
- ☐ (v) Independent public accountant's report based on an examination of certain statements in the compliance report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (w) Independent public accountant's report based on a review of the exemption report under 17 CFR 240.17a-5 or 17 CFR 240.18a-7, as applicable.
- ☐ (x) Supplemental reports on applying agreed-upon procedures, in accordance with 17 CFR 240.15c3-1e or 17 CFR 240.17a-12, as applicable.
- ☐ (y) Report describing any material inadequacies found to exist or found to have existed since the date of the previous audit, or a statement that no material inadequacies exist, under 17 CFR 240.17a-12(k).
- ☐ (z) Other: _____

***To request confidential treatment of certain portions of this filing, see 17 CFR 240.17a-5(e)(3) or 17 CFR 240.18a-7(d)(2), as applicable.*

OATH OR AFFIRMATION

I, David Levi, swear (or affirm) that, to the best of my knowledge and belief, the financial report pertaining to Brookfield Oaktree Wealth Solutions LLC as of 12/31/23, is true and correct. I further swear (or affirm) that neither the company nor any partner, officer, director, or equivalent person, as the case may be, has any proprietary interest in any account classified solely as that of a customer.



Signature

Chief Executive Officer

Title


Notary Public

Lisa R. Savitzky
Notary Public, State of New York
Reg. No. 01SA6274029
Qualified in Queens County
Commission December 24, 2024

Brookfield Oaktree Wealth Solutions LLC
(A wholly owned subsidiary of Brookfield US Holdings Inc.)
Statement of Financial Condition
December 31, 2023

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Member of Brookfield Oaktree Wealth Solutions LLC

Opinion on the Financial Statement

We have audited the accompanying statement of financial condition of Brookfield Oaktree Wealth Solutions LLC (the "Company") as of December 31, 2023, and the related notes (collectively referred to as the "financial statement"). In our opinion, the financial statement presents fairly, in all material respects, the financial position of the Company as of December 31, 2023, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

The financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement, whether due to error or fraud.

Our audit included performing procedures to assess the risks of material misstatement of the financial statement, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statement. We believe that our audit of the financial statement provides a reasonable basis for our opinion.

Deloitte + Touche LLP

February 29, 2024

We have served as the Company's auditor since 2021.

Brookfield Oaktree Wealth Solutions LLC
(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Statement of Financial Condition
December 31, 2023

Assets

Cash	\$ 13,433,249
Due from affiliates	32,353,809
Fixed assets, net	1,039,159
Other assets	<u>338,956</u>
Total assets	<u><u>\$ 47,165,173</u></u>

Liabilities and Member's Equity

Liabilities

Compensation payable	\$ 19,793,633
Due to affiliates	8,879,754
Accounts payable and accrued expenses	<u>868,914</u>
Total liabilities	<u>29,542,301</u>

Member's equity	<u>17,622,872</u>
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Total liabilities and member's equity	<u><u>\$ 47,165,173</u></u>
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The accompanying notes are an integral part of these financial statements.

Brookfield Oaktree Wealth Solutions LLC

(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition **December 31, 2023**

1. Organization and Nature of Business

Brookfield Oaktree Wealth Solutions LLC (the “Company”) is a limited liability company organized under the laws of the state of Delaware. The Company is a wholly owned subsidiary of Brookfield US Holdings Inc. (the “Parent”). The Company is a broker-dealer and as such is registered with the Securities and Exchange Commission (the “SEC”) and is a member of the Financial Industry Regulatory Authority (“FINRA”).

The Parent is an indirect wholly owned subsidiary of Brookfield Asset Management ULC (the “Ultimate Parent” or “BAM”), a publicly listed entity. The U.S. dollar is the functional and presentation currency of the Company.

The Company primarily distributes and wholesales investment funds that are managed by BAM and Oaktree Capital Management LP (“Oaktree”).

The Company also serves as the dealer manager for Brookfield Real Estate Income Trust, Inc. (“BREIT”), a U.S. Securities and Exchange Commission registered real estate investment trust and Oaktree Strategic Credit Fund (“OSCF”), a perpetually offered, non-listed business development company.

The liability of the Member is limited to the capital held by the Company.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

This financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”) which requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Translation of Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at December 31, 2023 rates of exchange, whereas the income statement accounts are translated at the rate of exchange on the date of the transaction.

Revenue Recognition

The Company recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company follows a five-step model to (a) identify the contract(s) with a customer, (b) identify the performance obligations in the contract, (c) determine the transaction price, (d) allocate the transaction price to the performance obligations in the contract, and (e) recognize revenue when (or as) the entity satisfies a performance obligation.

Brookfield Oaktree Wealth Solutions LLC

(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Service fee revenue

The Company has agreements with various affiliated entities, under which revenue earned for fundraising activities is limited to expenses incurred by the Company. This revenue is received through BAM and Oaktree.

Service fee revenue is comprised of reimbursable expenses incurred by the Company during the fulfillment of services, including but not limited to compensation and benefits, and general and administrative expenses. In this arrangement, the Company is primarily responsible for fulfilling the services, has discretion in setting the price and is therefore acting as a principal for accounting purposes. As a result, the expense and related reimbursement associated with those services is presented on a gross basis. Costs incurred are classified as Expenses and reimbursements of such costs are recognized and classified as Service fees - affiliates on the Statement of Operations. The reimbursements of such costs are paid in arrears.

Fund service fees and commissions:

Acting as the dealer manager for BREIT and OSCF (collectively, the “Funds”), the Company is entitled to receive commissions based on the transaction price of each applicable class of shares sold in the Offering and based on rates outlined in the offering. The Company recognizes commissions (“Commissions”) upon the issuance of the Funds’ shares on the trade date. Commissions earned are typically collected monthly, such revenues are treated as commission income on the Statement of Operations.

In accordance with its role as the dealer manager, the Company is also entitled to receive a shareholder servicing fee of 0.25% to 0.85% per annum of the aggregate net asset value (“NAV”) of certain of the Funds’ outstanding share classes, including certain feeder fund share classes. There is no shareholder servicing fee with respect to Class I shares. The shareholder service fees are accrued during the period in which they are earned.

The shareholder service fees are variable consideration to be received in the future. This variable consideration is fully constrained since the consideration is dependent upon the future value of the shares and the length of time an investor retains the shares, both of which are outside of the Company's control. Therefore, the revenue related to the shareholder service fees is recognized when the Company can determine the fees monthly. These fees are recorded as Fund services fees - affiliate in the Statement of Operations.

The Company has entered into agreements with the selected dealers distributing the Funds’ shares in the Offering, which provide, among other things, for the re-allowance of the full amount of the selling commissions and all or a portion of the shareholder service fees received by the Company to such selected dealers. Such re-allowance is recognized in the Commission income - affiliates line item on the Statement of Operations.

Service fee revenue and service fee expense are recognized over the time in which the performance obligations are simultaneously provided by the Company and consumed by the customer.

Brookfield Oaktree Wealth Solutions LLC

(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Allowance for Credit Losses

ASC Topic 326, Financial Instruments – Credit Losses (“ASC 326”) impacts the impairment model for certain financial assets by requiring a current expected credit loss (“CECL”) methodology to estimate expected credit losses over the entire life of the financial asset. The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the statement of financial condition that is deducted from the asset’s amortized cost. Changes in the allowance for credit losses are reported in credit loss expense.

The Company identified fees and other receivables (including, but not limited to, receivables related to securities transactions, and advisory fees) as impacted by the guidance. The allowance for credit losses is based on the Company’s expectation of the collectability of financial assets including fees receivable and due from affiliates utilizing CECL framework. The Company considers factors such as historical experience, credit quality, age of the balances and economic conditions that may affect the Company’s expectation of the collectability in determining the allowance for credit losses. The Company’s expectation is that credit risk associated with the receivables is not significant until they reach 90 days past due based on the contractual arrangement and expectation of collection.

As of December 31, 2023, the Company did not provide for or experience any credit losses.

Cash

All cash deposits are held by one financial institution and therefore are subject to the credit risk at that financial institution. The Company has not experienced any losses in such accounts and does not believe there to be any significant credit risk with respect to these deposits.

Income Taxes

The Company is a single member limited liability company and is treated as a disregarded entity for federal income tax reporting purposes. The Internal Revenue Code provides that any income or loss is passed through to the ultimate taxpaying entity for federal, state and certain local income taxes. Accordingly, the Company has not provided for federal, state or local income taxes. Additionally, any tax benefit that the Parent may receive is not remitted to the Company.

At December 31, 2023, management determined that the Company had no uncertain tax positions that would require financial statement recognition. This determination will be subject to ongoing reevaluation as facts and circumstances may require. Interest and penalties assessed, if any, are recorded as income tax expense. The Parent’s federal and state income tax returns are generally open for examination for years subsequent to 2018.

Brookfield Oaktree Wealth Solutions LLC

(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition

December 31, 2023

2. Summary of Significant Accounting Policies (continued)

Stock Compensation

The Ultimate Parent provides compensation to certain key employees of the Company in the form of share-based awards with an option to settle in cash or shares. The expense for these share-based awards is recognized based on the grant date fair value and expensed on a proportionate basis consistent with the vesting features over the vesting period.

Fixed Assets

The Company's fixed assets are stated at cost. Repairs and maintenance are charged to expense as incurred. Upon disposition of fixed assets, if any, the related assets, and accumulated depreciation are removed from the accounts and any gain or loss credited or charged to income. For financial reporting, fixed assets are depreciated using the straight-line method over a period of 3-7 years for fixed assets.

Recent Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures." The amendments in this Update improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The amendments in this Update are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments in this Update shall be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. The Company is currently evaluating the impact of adopting this guidance.

3. Transactions with related parties

The Company maintains administrative services agreements with affiliates. Costs shared between affiliates are allocated based on factors specific to the respective services agreement.

The following is a summary, at December 31, 2023, of balances owed to or from related parties:

<u>Due from affiliates</u>	
Due from Brookfield US Inc.	\$ 26,658,153
Due from Oaktree Capital Management LLC	5,037,400
Due from Funds	657,696
Other	560
	<u>\$ 32,353,809</u>

Brookfield Oaktree Wealth Solutions LLC
(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition
December 31, 2023

3. Transactions with related parties (continued)

<u>Due to affiliates</u>	<u>Included in</u>		<u>Total</u>
	<u>Compensation Payable</u>	<u>Due to Affiliates</u>	
Due to Brookfield Asset Management LLC	\$ 15,582,000	\$ 562,864	\$ 16,144,864
Due to BOWS Administrator LLC	1,072,396	6,621,325	7,693,721
Due to Brookfield Public Securities Group LLC	2,239,427	1,695,565	3,934,992
	<u>\$ 18,893,823</u>	<u>\$ 8,879,754</u>	<u>\$ 27,773,577</u>

All transactions with related parties are settled in the normal course of business. The terms of any of these arrangements may not be the same as those that would otherwise exist or result from agreements and transactions among unrelated parties.

4. Fixed assets

Fixed assets at December 31, 2023 consists of:

Website costs	\$ 1,279,317
Software costs	61,950
	<u>1,341,267</u>
Less: Accumulated depreciation	<u>(302,108)</u>
	<u>\$ 1,039,159</u>

5. Employee deferred compensation awards

Cash-settled deferred compensation

Deferred compensation awards were granted to select executives and senior employees (the “grantee”). The value of each award is tied to a Reference Investment, the hypothetical performance of an investment in a specific security or fund. The awards vest over periods of up to five years and are payable to the grantee in cash or shares of the Reference Investment, at the discretion of the Company, in accordance with the terms of the specific award agreements.

At any time, the value of the liability for an award corresponds to the vested portion of the fair market value of the corresponding Reference Investment. At each reporting date, the Company marks to market a liability in respect of the vested portion of the awards. The total deferred compensation liability related to these awards at December 31, 2023 was \$1,824,394, and is included in compensation payable on the statement of financial condition.

Brookfield Oaktree Wealth Solutions LLC
(A wholly owned subsidiary of Brookfield US Holdings Inc.)

Notes to Statement of Financial Condition
December 31, 2023

5. Employee deferred compensation awards (continued)

Equity-settled share-based restricted stock plan – BAM

The Restricted Stock Plan awards executives with BAM Class A shares purchased on the open market (“Restricted Shares”). Under the Restricted Stock Plan, Restricted Shares awarded vest over a period of up to five years, except for Restricted Shares awarded in lieu of a cash bonus which may vest immediately. Vested and unvested Restricted Shares must be held until the fifth anniversary of the award date. Holders of vested Restricted Shares are entitled to vote Restricted Shares and to receive associated dividends. Employee compensation expense for the Restricted Stock Plan is charged against income over the vesting period.

6. Regulatory Requirements

The Company is subject to SEC Uniform Net Capital Rule 15c3-1 under the Securities Exchange Act of 1934 and has elected to compute its net capital requirements in accordance with the Alternative Net Capital Method. As of December 31, 2023, the Company had net capital of \$1,524,288 which exceeded the required net capital by \$1,274,288.

The Company does not hold customers’ cash or securities and, therefore, has no obligations under SEC Rule 15c3-3 under the Securities Exchange Act of 1934.

7. Financial risk management

The Company is exposed to credit risk as substantially all the cash of the Company is held by a single major money center bank. The Company manages its credit risk through careful selection of the financial institutions through which it conducts its business and clients to whom it provides services. The Company has minimal liquidity, foreign exchange, and market risk.

8. Subsequent events

Management of the Company has evaluated events or transactions that may have occurred since December 31, 2023, and determined that there are no material events that would require recognition or disclosure in the Company’s financial statements except for the below.

On February 23, 2024, the Company paid approximately \$15.4 million of the compensation payable accrued as of December 31, 2023.
