



Photo: Nick Wilson

Brookfield's vision for the 'backbone of AI'

Brookfield is seeking to invest \$100bn in what it terms AI infrastructure. Christopher Walker speaks to **Sikander Rashid** about leading such an ambitious programme

Data centres have become one of the most targeted subsets of infrastructure in recent years, but in more recent months Brookfield Asset Management has been talking about a US\$7trn (€854bn) opportunity to invest in what it terms "AI infrastructure", which includes data centres but also "AI factories", power and transmission systems, compute and "strategic adjacencies".

Brookfield, which manages more than US\$1trn in assets, including US\$247bn in infrastructure, launched a global AI infrastructure investment programme in November last year, in partnership with technology firm Nvidia and the Kuwait Investment Authority. By combining equity commitments, co-investment and debt financing, the asset manager hopes to build "the backbone of AI" by investing US\$100bn "across every stage of the value chain – from energy and land to data centres and compute".

Sikander Rashid has been with Brookfield for more than a decade and, more recently, has been given the role of global head of AI infrastructure and head of Europe. He has a background in mathematics, which could prove useful for an area of investment that calls for a range of disciplines and experience.

"Maybe I was destined to do this because the fundamentals of what we call AI today are based on combinatorics and applied probability – my favourite subjects going back to university," he says. Combinatorics is a branch of mathematics focused on counting, choice or patterns. "I'm excited to be

doing something that I have a strong understanding of from a technical and fundamental standpoint – and to be running the largest AI infrastructure investor in the world," he adds.

"The AI revolution dominates headlines with sleek interfaces on our screens, chatbots we use daily, and soon, enterprise-grade agentic AI systems that will act autonomously. Yet, beneath this digital facade lies a profoundly physical reality. AI's true engine demands massive, tangible infrastructure –

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reliable power generation and distribution, vast tracts of land for facilities, hyperscale data centres and fleets of high-performance GPUs [graphics processing units]. These components must integrate seamlessly, and that requires a lot of capital."

Rashid is confident about the AI revolution despite widespread concerns that the market is overheating. "There have been headlines about whether we are in an AI bubble or not, and obviously,

Sikander Rashid leads Brookfield's global strategy and investments in AI-related infrastructure and oversees the firm's business activities in Europe. He also serves as head of Europe for Brookfield's infrastructure group, overseeing all investment and portfolio management activities in the region. He joined Brookfield in 2012 and has held progressively senior roles within the organisation.

some [investors] reach out to us to get our perspective. Well, I would say our view has not changed at all in the last 24 months. In fact, we're more excited about the AI opportunity ahead of us to earn strong risk-adjusted returns than we have ever been."

Despite those headlines, Brookfield remains confident in its aforementioned US\$7trn opportunity, and this means expectations for growth in this area are substantial. "We have \$100bn AUM business today," Rashid says. "I think it's reasonable for me to want to triple that in the next five years."

According to Rashid, there is currently a demand-supply imbalance, particularly on the power and the compute side of the business. "Therefore, the risk-reward we are seeing across those two sub-verticals is the best I have seen in my professional career," he says.

"The [data centre] space obviously has had a few incomers over the last 24 months, [but] the risk-reward remains quite strong," he adds. "The power demand from AI data centres in the US alone is expected to surpass 100 gigawatts by 2035. That's approximately 12 gigawatts per annum. I suspect the overall demand is greater than that. To be honest, the grid can only deliver 30% of that. And that just means there is a need for behind-the-meter power solutions."

Moreover, as one of the largest power investors in the world, Brookfield has a very good understanding of the various power technologies, Rashid suggests. "Our AI infrastructure teams work hand in hand with our power teams to help underwrite certain types of technologies, whether in batteries, fuel cells or nuclear. On that last point, it's an important part of our arsenal that Brookfield is the controlling owner of [US nuclear power company] Westinghouse. At Brookfield, we can bring our own power to any particular AI factory."

While Rashid sees global AI infrastructure as a "once-in-a-generation opportunity", he also cautions on the "myriad pitfalls for newcomers who may not understand the sector or who may not understand how hyperscalers work, or who may not have the right development capabilities". He adds: "For example, they may agree to timelines on construction that are not realistic for large-scale projects, so there will be definitely be a few casualties along the way."

Where are the biggest capital shortfalls? "It's an interesting question and I think about it a lot," says Rashid. "Maybe in the next 12 to 18 months, given what we're seeing on the ground, there could be a shortage of capital, but that could be resolved by adjustments to the cost of capital. And that's just the laws of supply and demand applied to capital."

He continues: "There's enough capital around the world. The real constraints – the physical constraints – is where we will run into problems. It's power and potentially the GPUs and memory at

some point in time. And that is where our partnership with some of the largest chip companies in the world and our access to power will continue to differentiate Brookfield relative to anyone else."

Europe's place in the US-China race

Rashid, who is based in London, oversees Brookfield's global activities in AI infrastructure, but he also manages the firm's wider European business. However, the AI infrastructure opportunity set is potentially more of a challenge than in other jurisdictions, both east and west. "Hands down, the best opportunities today are in the US and China, and we have been very active in the US for that reason. Both countries are determined to win the AI race and reach the ultimate goal of super intelligence," he says.

"The largest AI training labs and training models are also either American or Chinese. And in the last 24 to 36 months, the unprecedented AI infrastructure capacity take-up on power data centres and compute has predominantly been driven by the need to train large language models – 'inference'."

"What we don't want happening is Europe having AI regulation that becomes a more significant drag on speed of delivery. It's not a blocker on AI deployment itself, but it is a drag"

But Rashid sees an opening. "This technology has advanced significantly in the last 36 months. It will continue to do so at neck-breaking pace with the advancements in agentic AI, world models, domain-specific models and physical AI. But ultimately, it will be adopted by enterprises and consumers, and when that happens there will be more and more need for localised compute for this inference.

"Our expectation is a year from now – maybe two years from now – 80% of the new capacity that's built out around the world will be for inference. And that is when I think Europe will see a significant uptick in the coming 12 months as companies rush to put up capacity that is compliant with the local regulation around sovereignty and data security."

Brookfield unveiled a €20bn programme in February 2025 to support France's AI infrastructure – notably data centres and data transfer, chip storage and energy generation – over the next five years, saying the country had the potential to "play a pivotal role in the global advancement of AI".

"Europe must not fall behind the US and China



Photo: Nick Wilson

in the AI race; that is so important,” Rashid stresses. “Fortunately, some European governments recognise that now and are leaning in to support private investment. Brookfield has been in discussions with almost all the governments over the last two years. And our advice has been to support and formulate public-private partnerships through two succinct avenues.”

First, he says, governments can help by “streamlining permitting processes and encouraging the development of infrastructure”. The second way is “providing some sort of contingent financial support that allows the project stakeholders to lower the cost of capital for that particular development and derisk it”.

Sikander Rashid has a background in mathematics: “AI today is based on combinatorics and applied probability – my favourite subjects going back to university”

He continues: “We are in active discussions with many governments around Europe, including the EU, which is running the AI gigafactory initiative. There will be demand for sovereign AI and, given the geopolitical backdrop, this will put further pressure on governments to ensure sovereignty and security of data. The template of our recent deal in France can be replicated in other countries.”

Even with this window of opportunity, however, European AI will be smaller than those of the US and China, and Rashid is clear on the reasons why. “There is obviously more stringent regulation in place in Europe. What we don’t want happening is Europe having AI regulation that becomes a more significant drag on the speed of delivery. It’s not a blocker on AI deployment itself, but it is a drag.”

But AI is “vital for the future of Europe”, in Rashid’s view, because it can address “major structural issues” for the continent, which include the challenge of retaining expertise and stemming the ‘brain drain’ of the past decade, coupled with slow population growth and political tensions around immigration. Other structural issues include under-investment in defence and declining productivity.

“Those are the issues Europe has, and when you think about it, the build-out of AI infrastructure can really help resolve them. Defence is going to be a huge user of AI, no doubt. And, in fact, adoption of AI will help Europe, and many other countries, to have a more powerful defence. AI, by definition, will lead to efficiency gains, whether it’s agentic AI or physical AI or robotics, which can help solve some of the productivity issues in Europe and the lack of population growth. Finally, build-out of AI infrastructure across Europe will lead to more job creation and more spending in Europe, exactly at a time when Europe may need a little bit of a boost to its near-term GDP growth prospects.”

Rashid concludes: “I hope this thought will incentivise governments to lean into AI rather than being focused on regulating the technology. Big picture: five, seven, 10 years from now, this could be a solution to some of the structural challenges Europe has.” ●

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