The Benefits of a Diversified Private Real Assets Portfolio

Using Real Estate and Infrastructure to Seek Diversification Benefits

As investors seek ways to adjust portfolios to mitigate the impact of inflation, elevated interest rates and fears of a possible recession, we believe an allocation to a diversified portfolio of real assets (comprised of private real estate and infrastructure assets) is an attractive investment choice both for today's challenges and for the long term.

Real assets such as real estate and infrastructure are essential assets that form the backbone of the modern economy. While real estate and infrastructure share a number of common potential benefits—including capital appreciation potential, attractive income potential and inflation protection—their subsectors are diverse, spanning several types of infrastructure and property types.

Infrastructure includes various systems which connect people and the economy. This includes utilities, data, renewables, midstream, and transportation.

Real estate today includes all manner of properties where we live, work and play, from apartment buildings, rental homes and offices to hotels, student and senior housing as well as specialized facilities for such purposes as logistics, life sciences and self storage, among other things.

While it would be difficult for any investor to directly access all these diverse types of infrastructure and real estate on their own, we believe that allocating to an investment strategy with exposure to a diversified portfolio of real assets can help an investor to benefit from exposures to these varied assets across sub-sectors and geographies. Additionally, private real assets can help reduce the volatility associated with short-term market fluctuations. This is due in part to the illiquid nature of the assets and their long-term investment horizon.

Real Estate and Infrastructure Span Many Diverse Sectors


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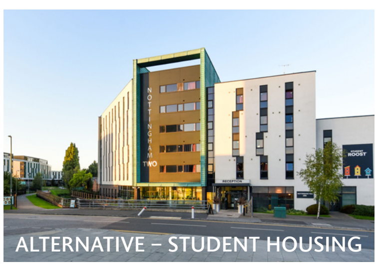
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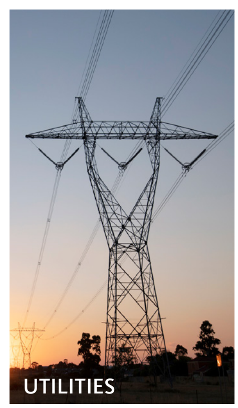
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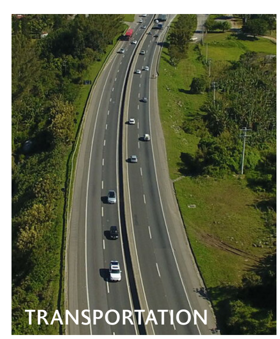
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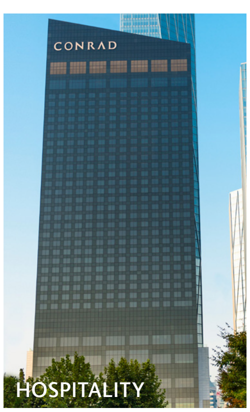

HOSPITALITY


LOGISTICS


RENEWABLES

As of May 31, 2023. Risks are subject to change without notice. Reflects the opinions of Brookfield Public Securities Group LLC which are subject to change without notice.

Strong Performance in Challenging Markets

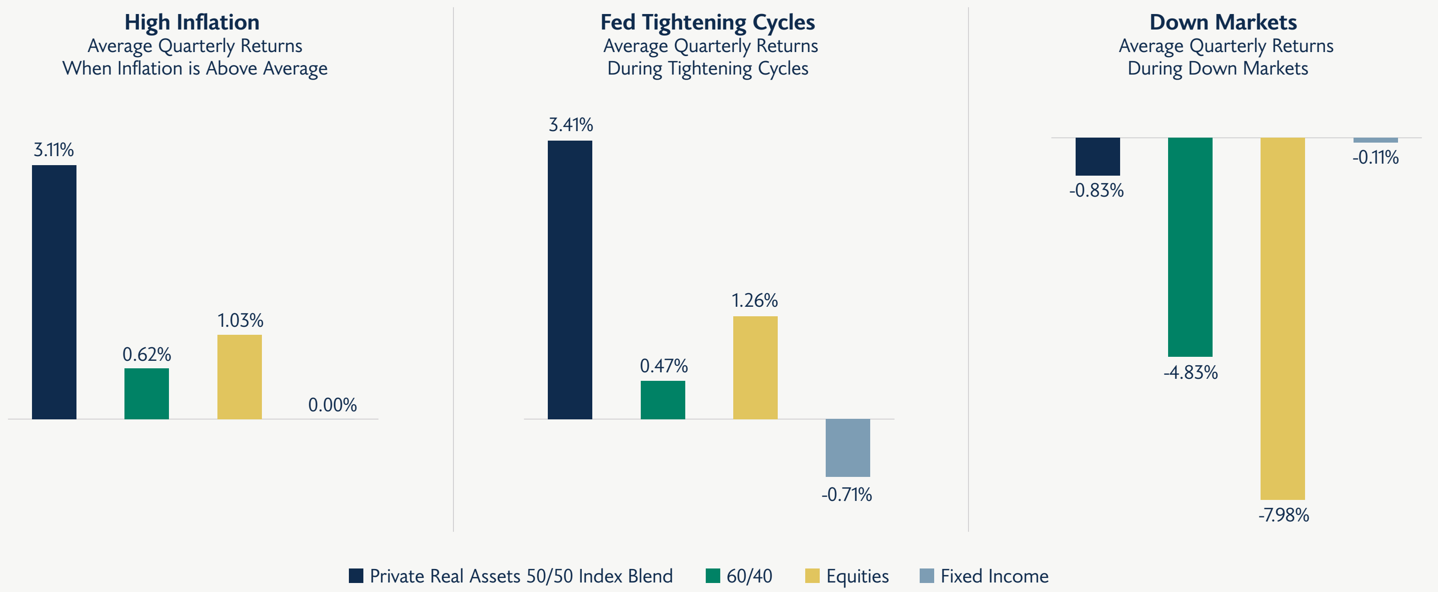
A diversified real asset portfolio of real estate and infrastructure exposures has performed well during various market environments, thanks to the characteristics of the underlying assets.

During periods of rising rates and inflation, the contracted or regulated revenues of infrastructure companies often can be increased to more than offset increased cost pressures.

In real estate, rents can also often be increased in excess of inflation, and rising materials costs may support increasing property values.

In addition, private real estate and infrastructure have performed relatively well during down markets. We believe this is due in part to their essential nature.

Figure 1: Private Real Assets Have Outperformed in Challenging Markets



Note: Inflation is defined as Seasonally Adjusted CPI-U. Data reflects the period January 1, 2003-December 31, 2022. High Inflation is defined as quarters during which CPI was above average. During the time period analyzed, average CPI was 2.5% and there were 33 such quarters. Fed Tightening Cycles are defined as quarterly periods during which the Federal Funds Target Rate increased from the prior quarter. There were 22 such quarters. Down Markets are defined as quarterly periods during which the MSCI World Index had negative performance. There were 22 such quarters. Time period reflects longest period of available data for all index components shown.

The Private Real Assets 50/50 Index Blend is a custom blend consisting of 50% Cambridge Associates Opportunistic Real Estate Index and 50% Cambridge Associates Infrastructure Index. Equities refers to MSCI World Index. Fixed Income refers to Bloomberg Global Aggregate Index. 60/40 refers to a blend of 60% MSCI World Index and 40% Bloomberg Global Aggregate Index.

Past performance is not indicative of future results. The performance results do not represent actual trading or represent the performance of any Brookfield strategy. Actual trading may produce different results. Indexes are unmanaged and cannot be purchased directly by investors. Performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison such as differences in the volatility, and regulatory and legal restrictions between the indices shown and the strategy.

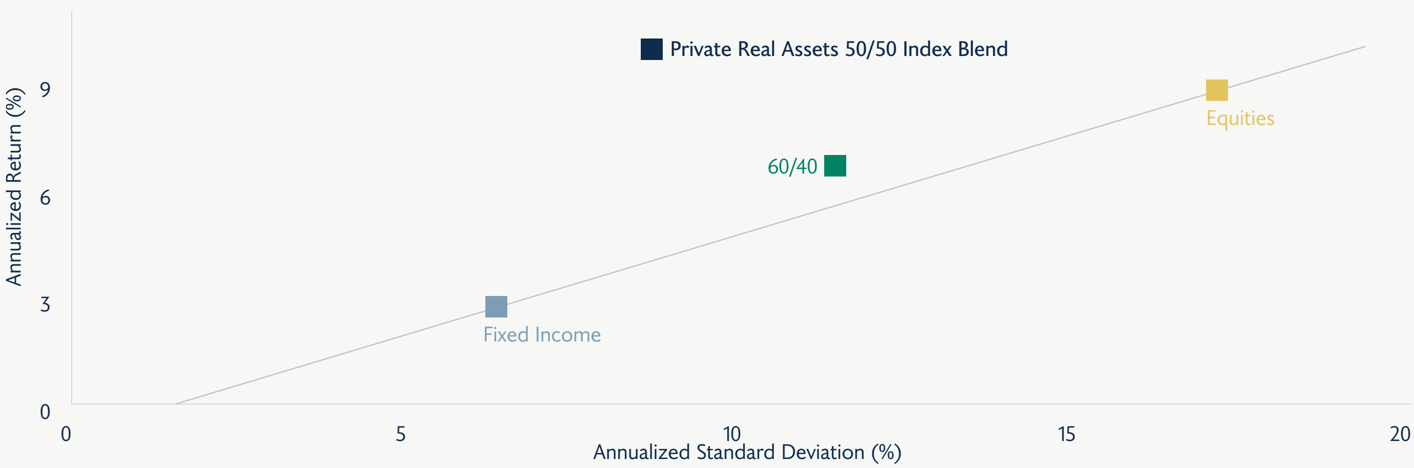
Source: Bloomberg; Cambridge Associates; Brookfield Public Securities Group LLC., data as of December 31, 2022.

Historical Outperformance and Lower Risk Over the Long Term

In addition to attractive long-term total returns, private real assets have also exhibited low volatility relative to traditional asset classes. Private real assets are traded infrequently and therefore best-suited for long-term investors.

Figure 2: Private Real Assets Have Produced Stronger Returns With Less Risk vs. Traditional 60/40 Portfolio

Risk/Return (January 1, 2003-December 31, 2022)



Note: Data reflects the period January 1, 2003-December 31, 2022. The Private Real Assets 50/50 Index Blend is a custom blend consisting of 50% Cambridge Associates Opportunistic Real Estate Index and 50% Cambridge Associates Infrastructure Index. Equities refers to MSCI World Index. Fixed Income refers to Bloomberg Global Aggregate Index. 60/40 refers to a blend of 60% MSCI World Index and 40% Bloomberg Global Aggregate Index.

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Source: Bloomberg; Cambridge Associates; Brookfield Public Securities Group LLC., data as of December 31, 2022.

Benefits of a Diversified Private Real Assets Solution

- We believe investing in a diversified portfolio of private real estate and infrastructure may deliver attractive total return with inflation protection and low volatility.
- This type of allocation seeks to provide diversification benefits, which can help lead to better portfolio outcomes for many investors.
- One diversified solution of private real assets may be an attractive option for many investors.

DISCLOSURES

A WORD ABOUT RISK

All investing involves risk. The value of an investment will fluctuate over time, and an investor may gain or lose money, or the entire investment. Past performance is no guarantee of future results.

All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. Real assets include real estate securities, infrastructure securities and natural resources securities.

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INDEX DEFINITIONS

The **Bloomberg Global Aggregate Index** is a market-capitalization-weighted index comprising globally traded investment-grade bonds. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are more than one year.

The **Cambridge Associates Opportunistic Real Estate Index** is an end-to-end calculation based on data compiled from opportunistic real estate funds, including fully liquidated partnerships, formed beginning in 1986.

The **Cambridge Associates Infrastructure Index** represents a horizon calculation based on data compiled from infrastructure funds, including fully liquidated partnerships, formed beginning in 1993.

The **Consumer Price Index** for All Urban Consumers (CPI-U) is a monthly measure of the average change over time in the prices paid by consumers for a market basket of consumer goods and services. The CPI-U is based on the spending patterns of urban consumers.

The **MSCI World Index** is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

DEFINITIONS OF TERMS

Annualized Return is periodic returns rescaled to a period of one year.

Standard Deviation is a measure of the average deviations of a return series from its mean; often used as a risk measure.

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