Brookfield Real Assets Monthly

KEY TAKEAWAYS

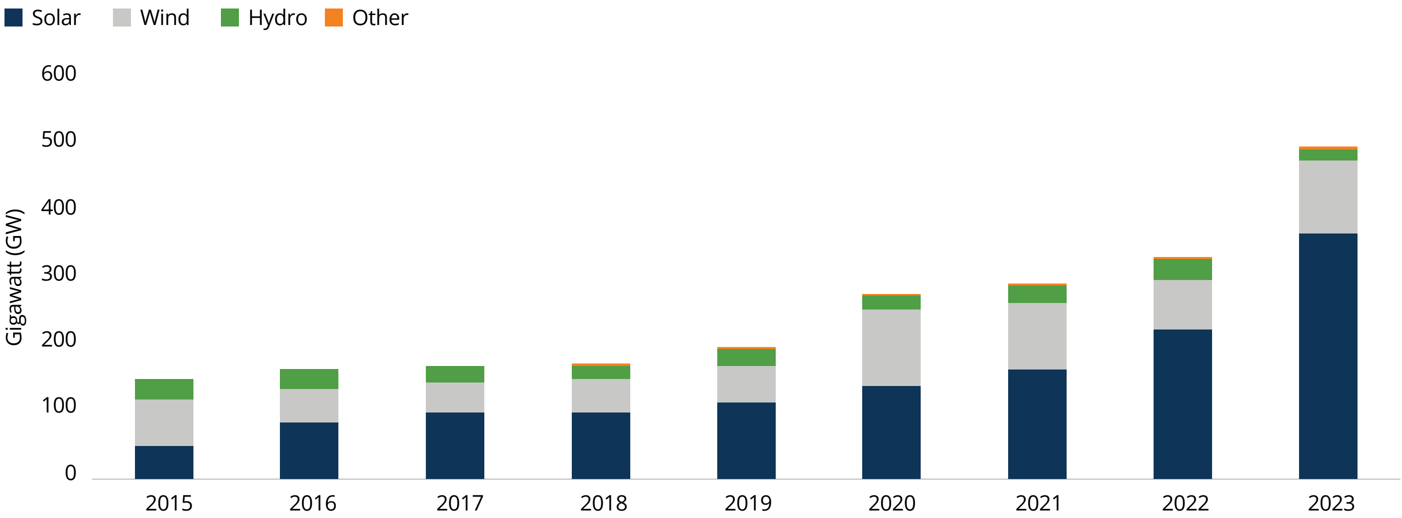
- We believe today's attractive valuations offer a very enticing entry point into renewable and sustainable infrastructure equities, amid strong demand for renewable deployments.
- Our positioning overall remains defensive, as we expect global growth will slow in 2024.
- Within our portfolios, we believe global listed infrastructure and real estate are well-positioned to produce attractive returns this year, although security selection remains key.

INSIGHTS

AN ATTRACTIVE ENTRY POINT AMID RECORD RENEWABLE DEPLOYMENTS

Falling inflation, subsiding supply chain headwinds, and a normalizing interest rate environment set the stage for an improving renewable power investing environment in 2024. Coupled with this better fundamental backdrop, we believe today's attractive valuations offer a very enticing entry point into the asset class. We expect growing positive sentiment toward listed renewables and sustainable infrastructure amid strong demand for renewable deployments.

RENEWABLE CAPACITY ADDITIONS SET A RECORD IN 2023



As of December 31, 2023. Source: International Energy Agency. Other refers to bioenergy, geothermal, concentrated solar power (CSP) and ocean.

Despite challenges related to inflation and capital costs in recent years, annual spending on renewables continues to set records. 2023 exemplified this robust global development activity, with record capacity additions largely led by additional increases in solar and incremental offshore wind. We expect further step-function renewable capacity additions across all sources (wind, solar, biomass, etc.) to be supported by favorable economics, energy security concerns and public policy.

Utility-scale solar has been among the largest sources of capacity added to U.S. grids in recent years. We anticipate this trend will accelerate as lower input costs support the long-term trend of declining installed costs. Excess production capacity of solar panels in China and restrictions related to Chinese exports to the U.S. resulted in a flood of excess supply. As a result, solar panel costs reached record lows in 2023.

In addition, as we begin to see input costs rolling over, and interest rates falling, we believe that financing costs are likely to moderate. An abatement in capital costs and an increase in companies' internal rates of return (IRRs) will likely accelerate any projects that have been delayed due to the recent higher rate environment. The global renewables build-out is still in its infancy. This megatrend will take decades, and we think recent headwinds related to interest rates will be a blip on the long-term horizon.

To capture this opportunity, we believe an active approach that focuses on companies with infrastructure-like business models and industry-leading growth prospects can potentially help mitigate volatility and risk.

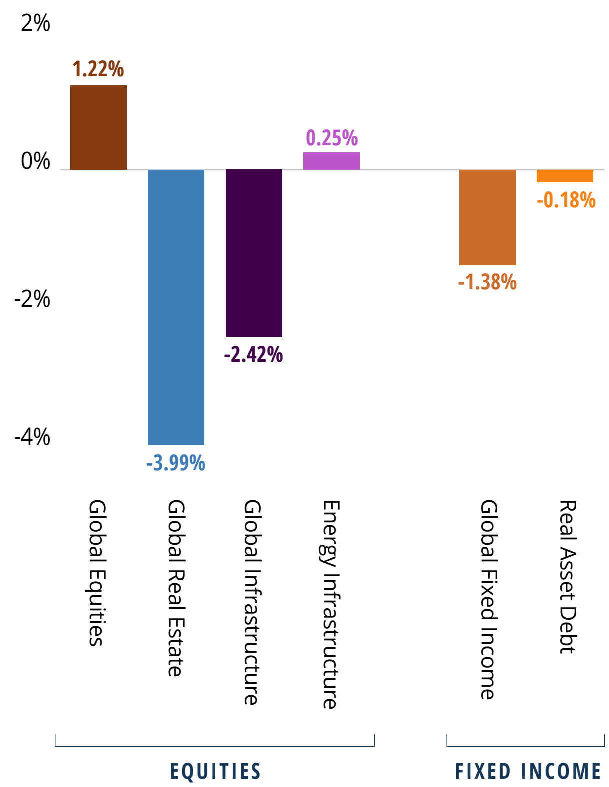
Real Assets Month in Review

REAL ASSETS

- Global equities finished January slightly higher, after losing steam late in the month when Federal Reserve Chair Jerome Powell dashed hopes of a March interest rate cut. The MSCI World Index gained 1.22%, its third straight monthly increase, with Asia Pacific and North America up 1.89% and 1.46%, respectively, while Europe fell 0.10%. The S&P 500 Index rose 1.68%, also rising for a third month in a row, as economic data backed up the soft-landing narrative.
- The 10-Year U.S. Treasury yield rose to 3.91% from 3.88% at the end of December 2023. On the last day of the month, the Fed signaled a willingness to cut rates but said a March 2024 interest rate cut seems unlikely. West Texas Intermediate Crude Oil finished the month at $75.85, up from $71.65 at the end of December, on rising geopolitical tensions, while the Bloomberg Commodity Index rose 0.40%.
- We expect growth to slow in 2024. While inflation has trended lower, we believe central banks will hold rates at restrictive levels to ensure that inflation doesn't reaccelerate. Overall, our positioning remains defensive within our portfolio, with an underweight to real asset equities and an overweight to real asset debt. We also hold a modest allocation to commodities to enhance diversification amid escalating geopolitical risks and macro uncertainty.
- Within equities, we continue to favor infrastructure over real estate due to infrastructure's potential outperformance in down markets and tighter inflation linkage. Within infrastructure, we are constructive on utilities for their defensive characteristics and current attractive valuations. We also see tailwinds for energy midstream equities, which we believe should benefit from the global push for energy security. Within real estate, lingering concerns around financing and broad negative sentiment around commercial real estate remain. However, if interest rates stabilize over the course of 2024, it may be a year of price discovery for real estate, and we expect investment opportunities to emerge in some property types that serve essential needs. Finally, elevated Treasury yields continue to make real asset debt attractive on a risk-adjusted basis, particularly the higher-quality part of the market where we believe default risks remain low.

PERFORMANCE AT A GLANCE

January Total Returns



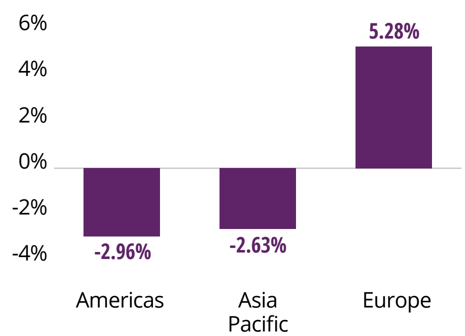
As of January 31, 2024. Source: Bloomberg, Brookfield PSG, U.S. Department of Commerce. See disclosures for full index representations and definitions. **It is not possible to invest directly in an index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Past performance is not indicative of future results.**

GLOBAL INFRASTRUCTURE

- Global infrastructure equities fell in January, with the FTSE Global Core Infrastructure 50/50 Index down 2.42%, underperforming the broader market as the 10-Year U.S. Treasury yield rose. The Alerian Midstream Energy Index rose 0.25% during the month.
- With the exception of energy-related and diversified infrastructure securities, returns were negative across infrastructure sectors in January.
- We believe that listed infrastructure is well-positioned to potentially generate attractive returns in 2024, as interest rates return to a more normalized, long-term range. We favor the utilities and communications sectors, where we are focused on compelling, security-specific valuation opportunities. Within the renewables sector, we think positive sentiment is beginning to permeate back into stock prices amid an improving fundamental backdrop.

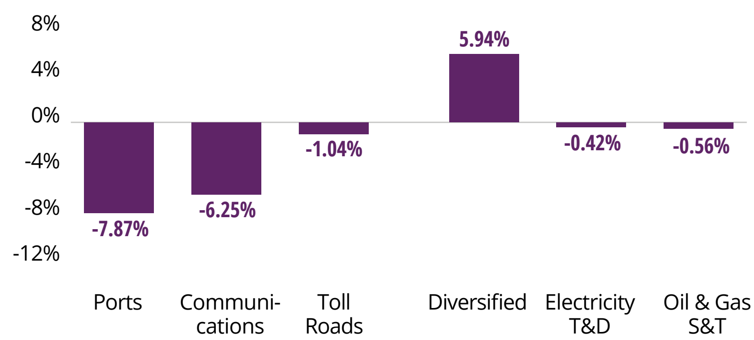
PERFORMANCE BY GEOGRAPHY

January Total Returns



PERFORMANCE BY SECTOR

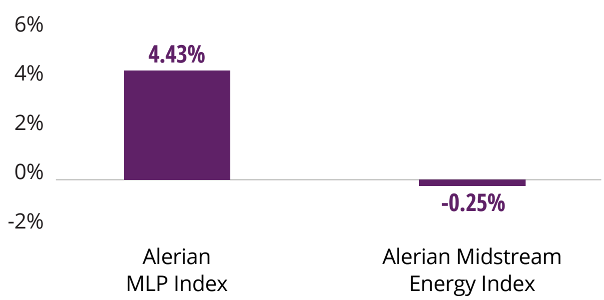
Top Three Laggards **Top Three Leaders**



As of January 31, 2024. Source: Bloomberg. Referenced by the respective subsets of the Dow Jones Brookfield Global Infrastructure Index. Brookfield has no direct role in the day-to-day management of the Dow Jones Brookfield Global Infrastructure Index. "T&D" stands for transmission and distribution, and "S&T" for storage and transportation. See disclosures for additional information. **It is not possible to invest directly in an index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Past performance is not indicative of future results.**

MIDSTREAM PERFORMANCE

January Total Returns



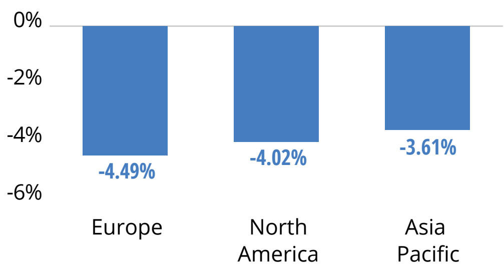
As of January 31, 2024. Source: Bloomberg. See disclosures for additional information. **It is not possible to invest directly in an index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Past performance is not indicative of future results.**

GLOBAL REAL ESTATE

- Global real estate securities fell in January, lagging the broader market. The FTSE EPRA Nareit Developed Index lost 3.99%, largely driven by an increasing 10-Year U.S. Treasury yield, with all regions posting negative returns.
- Most U.S. property types experienced negative returns in January, as central bank messaging tempered market expectations for a March rate cut. Data centers bucked the trend, continuing to be the standout top-performing sector.
- Looking ahead, we think global listed real estate remains well positioned to produce strong returns, with fundamentals strong across most property types and a stabilizing interest rate outlook likely to provide an improving backdrop for valuations. However, we prefer needs-based real estate over property types that could be more impacted by a slowing economy. Within North America, we see security-specific opportunities in net lease and communications sectors, and we are starting to see more opportunities across Continental Europe, particularly among residential, retail and industrial landlords.

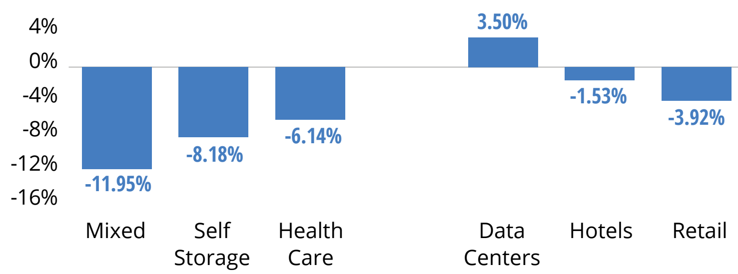
PERFORMANCE BY GEOGRAPHY

January Total Returns



PERFORMANCE BY U.S. PROPERTY TYPE

Top Three Laggards **Top Three Leaders**



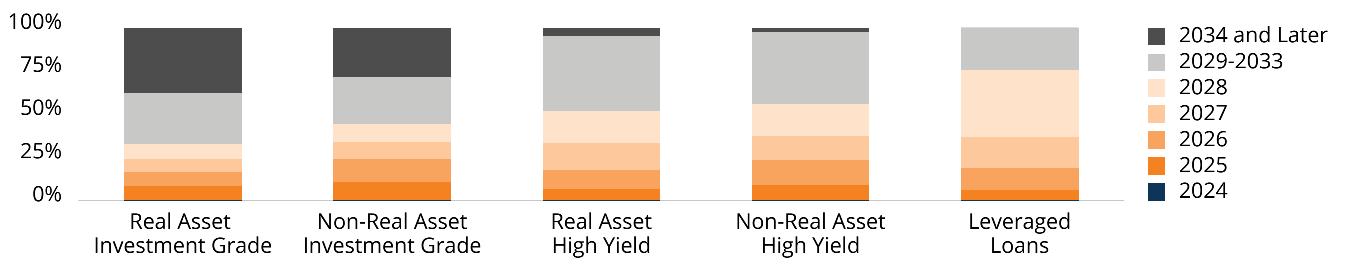
As of January 31, 2024. Source: Bloomberg. Referenced by the U.S. property types measured by the FTSE Nareit U.S. Real Estate Index Series. See disclosures for additional information. **It is not possible to invest directly in an index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Past performance is not indicative of future results.**

REAL ASSET DEBT

- Fixed-income markets were mixed in January, as the 10-Year U.S. Treasury yield finished the month up just three basis points. Broad investment grade, reflected by the ICE BofA U.S. Corporate Index, returned 0.15%, as income return more than offset rate rises in longer-dated bonds. Broad high yield returned +0.02%, as measured by the ICE BofA U.S. High Yield Index. Real asset investment grade performed approximately in line with its broader market counterpart, while real asset high yield underperformed, driven by stress within the cable and telecommunications subsectors.
- The high yield market started the year with the most issuance activity since November 2021,[1] as issuers took advantage of lower yields to refinance upcoming maturities. Default activity was muted in January, but the U.S. trailing-12-month high yield default rate could reach 5% by September of this year, above the 4.1% long-term average.[2]
- We expect a moderate slowdown in the economy in the coming quarters, although fiscal policy will likely continue to provide support for growth in this election year. Even in optimistic economic growth scenarios, default rates may continue to trend higher, driven by higher interest costs and refinancing needs. Relative to those in non-real asset sectors, issuers in real asset sectors continue to have a relatively higher proportion of fixed-rate debt and relatively lower maturities over the next five years. Spreads within high yield are near their long-term averages. However, we believe real asset high yield, particularly within the BB-rated segment, is relatively attractive after adjusting for projected credit losses during a potential period of elevated default rates. Within our portfolio, we favor infrastructure debt as well as select opportunities in real estate debt.

REAL ASSET COMPANIES' INTEREST BURDEN TO REMAIN RELATIVELY LOW

Weight by Maturity Date

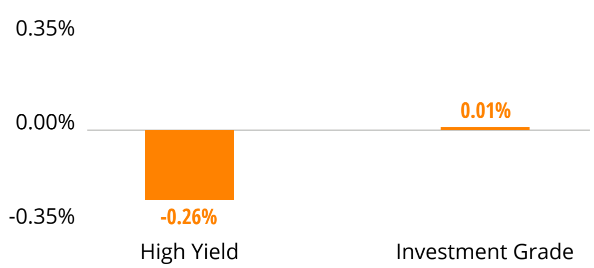


Real Asset Investment Grade	Non-Real Asset Investment Grade	Real Asset High Yield	Non-Real Asset High Yield	Leveraged Loans	
4.33%	4.04%	6.05%	6.14%	9.36%	**Par Weighted Coupon**

As of December 31, 2023. Source: Brookfield Public Securities Group LLC analysis of Bloomberg and ICE BofA data. Real Asset Investment Grade represented by the real assets sectors, as defined by Brookfield, of the ICE BofA U.S. Investment Grade Index. Non-Real Asset Investment Grade represented by the non-real assets sectors, as defined by Brookfield, of the ICE BofA U.S. Investment Grade Index. Real Asset High Yield represented by the real assets sectors, as defined by Brookfield, of the ICE BofA U.S. High Yield Index. Non-Real Asset U.S. High Yield represented by the non-real assets sectors, as defined by Brookfield, of the ICE BofA U.S. High Yield Index. Brookfield classifies the following sectors as real asset debt: cable & satellites; chemicals; energy; gaming, lodging & leisure; housing; metals & mining; telecommunications; transportation and utilities. Brookfield classifies all other sectors as non-real asset. Leveraged Loans represented by the Morningstar LSTA U.S. Leveraged Loan Index. See disclosures for additional information.

REAL ASSET DEBT PERFORMANCE

January Total Returns



As of January 31, 2024. Source: Bloomberg. Real asset high yield represented by the ICE BofA Real Asset USD High Yield Custom Index, and real asset investment grade represented by the ICE BofA Real Asset USD Investment Grade Custom Index. See disclosures for additional information. **It is not possible to invest directly in an index. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Past performance is not indicative of future results.**

MORE PSG INSIGHTS

- The Whole Picture: Building Better Portfolios With Public and Private Real Asset Debt
- Observations for Listed Real Asset Investing in 2024
- Lessons from 2023

ENDNOTES

[1] Source: JPMorgan.

[2] Source: S&P Global Ratings Credit Research & Insights.

RISK DISCLOSURE

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. Real assets include real estate securities, infrastructure securities and natural resources securities.

Investments in real estate-related instruments may be affected by economic, legal or environmental factors that affect property values, rents or occupancies of real estate.

Infrastructure companies may be subject to a variety of factors that may adversely affect their business, including high interest costs, high leverage, regulation costs, economic slowdown, surplus capacity, increased competition, lack of fuel availability and energy conservation policies.

The market value of natural resources securities may be affected by numerous factors, including events occurring in nature, inflationary pressures and international politics.

Diversification does not guarantee a profit or protect against loss.

For the January 2024 total-returns data, global equities are represented by the MSCI World Index, global real estate by the FTSE EPRA Nareit Developed Index, global infrastructure by the FTSE Global Core Infrastructure 50/50 Index, energy infrastructure by the Alerian Midstream Energy Index, global fixed income by the Bloomberg Global Aggregate Index, and real asset debt by the ICE BofA USD Real Asset High Yield & Corporate Custom Index. Real asset high yield is represented by the ICE BofA Real Asset USD High Yield Custom Index, and real asset investment grade is represented by the ICE BofA Real Asset USD Investment Grade Custom Index.

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INDEX DEFINITIONS

The Alerian Midstream Energy Index is a broad-based, capped, float-adjusted, capitalization-weighted index of North American energy infrastructure companies.

The Alerian MLP Index is the leading gauge of energy infrastructure master limited partnerships (MLPs). The capped, float-adjusted, capitalization-weighted index, whose constituents earn the majority of their cash flow from midstream activities involving energy commodities, is disseminated real-time on a price-return basis (AMZ) and on a total-return basis (AMZX).

The Bloomberg Commodity Index is a broadly diversified index that tracks the commodities markets through commodity futures contracts.

The Bloomberg Energy Subindex is a commodity group subindex of the Bloomberg Commodity Index. It is composed of futures contracts on crude oil, heating oil, unleaded gasoline and natural gas. It reflects the return of the underlying commodity futures price movements.

The Bloomberg Global Aggregate Index tracks the performance of investment-grade public debt issued in the major domestic and eurobond markets, including global bonds.

The Dow Jones Brookfield Global Infrastructure Composite Index is calculated and maintained by S&P Dow Jones Indexes and comprises infrastructure companies with at least 70 of their annual cash flows derived from owning and operating infrastructure assets, including MLPs. Data presented in this report reflect performance and characteristics of the index and not those of a Brookfield fund or composite. Brookfield is not involved in the management of the Dow Jones Brookfield Global Infrastructure Composite Index.

The Dow Jones Brookfield Global Infrastructure Index is calculated and maintained by S&P Dow Jones Indices and comprises infrastructure companies with at least 70 of their annual cash flows derived from owning and operating infrastructure assets, excluding master limited partnerships, or MLPs. Brookfield has no direct role in the day-to-day management of any Brookfield-branded indexes.

The FTSE EPRA Nareit Developed Index is an unmanaged market-capitalization-weighted total-return index that consists of publicly traded equity REITs and listed property companies from developed markets.

The FTSE Global Core Infrastructure 50/50 Index gives participants an industry-defined interpretation of infrastructure and adjusts the exposure to certain infrastructure subsectors. The constituent weights are adjusted as part of the semi-annual review according to three broad industry sectors: 50% utilities; 30% transportation, including capping of 7.5% for railroads/railways; and a 20% mix of other sectors, including pipelines, satellites and telecommunication towers. Company weights within each group are adjusted in proportion to their investable market capitalization.

The FTSE Nareit U.S. Real Estate Index Series tracks the performance of the U.S. REIT industry at both an industrywide level and on a sector-by-sector basis.

The ICE BofA Real Asset USD Corporate and High Yield Custom Index is a custom index blend of sectors of the ICE BofA U.S. High Yield Index (70) and the ICE BofA U.S. Corporate Index (30) that correspond to equity sectors in Brookfield's real asset universe. Such real asset-related sectors include Cable, Infrastructure Services, Oil and Gas Transmission & Distribution (T&D), Telecommunications, Transportation, Utilities, Agriculture, Timber, Basic Materials, Energy Exploration & Production, Metals & Mining, Real Estate, Real Estate Ownership & Development and REITs. The ICE BofA U.S. High Yield Index tracks the performance of U.S. dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market. The ICE BofA U.S. Corporate Index tracks the performance of U.S. dollar-denominated investment-grade corporate debt publicly issued in the U.S. domestic market.

The ICE BofA Real Asset USD High Yield Custom Index is a custom index that tracks the performance of sectors of the ICE BofA U.S. High Yield Index that correspond to equity sectors in Brookfield's real asset universe. Such real asset-related sectors include Cable, Infrastructure Services, Oil and Gas Transmission & Distribution (T&D), Telecommunications, Transportation, Utilities, Agriculture, Timber, Basic Materials, Energy Exploration & Production, Metals & Mining, Real Estate, Real Estate Ownership & Development and REITs.

The ICE BofA Real Asset USD Investment Grade Custom Index is a custom index that tracks the performance of sectors of the ICE BofA U.S. Corporate Index that correspond to equity sectors in Brookfield's real asset universe. Such real asset-related sectors include Cable, Infrastructure Services, Oil and Gas Transmission & Distribution (T&D), Telecommunications, Transportation, Utilities, Agriculture, Timber, Basic Materials, Energy Exploration & Production, Metals & Mining, Real Estate, Real Estate Ownership & Development and REITs.

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.

The S&P 500 Index is an equity index of 500 widely held large-capitalization U.S. companies.

The 10-Year U.S. Treasury Note is a debt obligation issued by the United States government that matures in 10 years and pays interest at a fixed rate once every six months and pays the face value to the holder at maturity.

West Texas Intermediate crude oil is a crude oil stream produced in Texas and southern Oklahoma that serves as a reference, or "marker," for pricing a number of other crude streams, and it is traded in the domestic spot market at Cushing, Oklahoma.

DEFINITIONS

Bear: An investor who is bearish, i.e., who expects a market where the economy is slowing and equities are decreasing in value.

Beta: Is a statistical measure that compares the volatility of returns of a specific stock or portfolio to those of the market as a whole. An equity beta of 1 implies as volatile as the stock market while a beta above 1 reflects higher volatility than the market.

Bull: An investor who is bullish, i.e., who expects a market where the economy is in good shape and equities are increasing in value.

CONTACT US

brookfield.com | publicsecurities.enquiries@brookfield.com

ID-1246