The Whole Picture: Building Portfolios With Both Public and Private Infrastructure

The investment case for infrastructure is strong. Infrastructure offers potential investment benefits including compelling returns, defensiveness and inflation protection. These attractive investment outcomes, coupled with capital demands to modernize the world's core infrastructure networks, have resulted in growing interest in the asset class.

Infrastructure investments can be accessed through private or publicly traded markets. We believe portfolio benefits exist in an approach that combines both types of exposures, with the end result being a more well-rounded and comprehensive investment in the asset class.

INVESTMENT BENEFITS OF INFRASTRUCTURE

Infrastructure investments offer exposure to four main categories of assets: utilities, energy, transports and data infrastructure. These long-lived assets, while diverse, are bound together by several similarities.

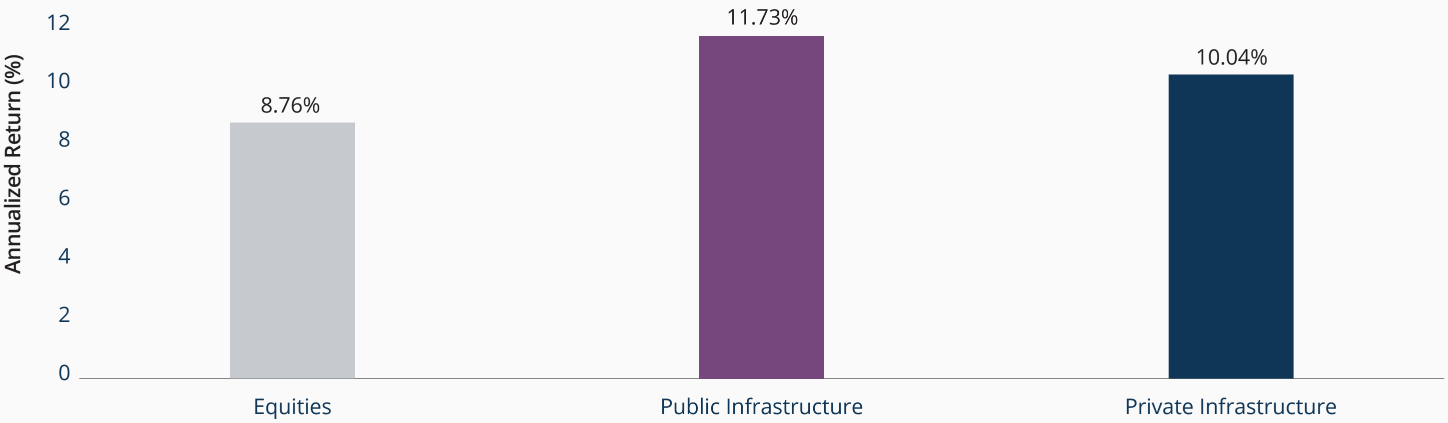
They provide essential services that form the backbone of the global economy, are typically highly cash generative, and possess high barriers to entry, including regulations and economies of scale. They generally have steady or inelastic demand, given the essential services they provide, and contracted or regulated revenue streams frequently linked to inflation. As a result of these characteristics, infrastructure investments, whether publicly traded or private, have historically provided a number of portfolio benefits.

Compelling Returns

We believe the essential nature of infrastructure assets helps drive the attractive return profile of the asset class. Though public and private infrastructure returns vary over shorter periods, their returns become very similar over longer periods. Over the past 20 years, public and private infrastructure have both provided attractive returns, with lower risk than broad equities. Further, over longer time periods, public infrastructure behaves less like equities. This may enhance portfolios' risk-adjusted returns.

PUBLIC AND PRIVATE INFRASTRUCTURE HAVE EXHIBITED SIMILARLY ATTRACTIVE RETURNS

Annualized Return (January 1, 2003-December 31, 2022)

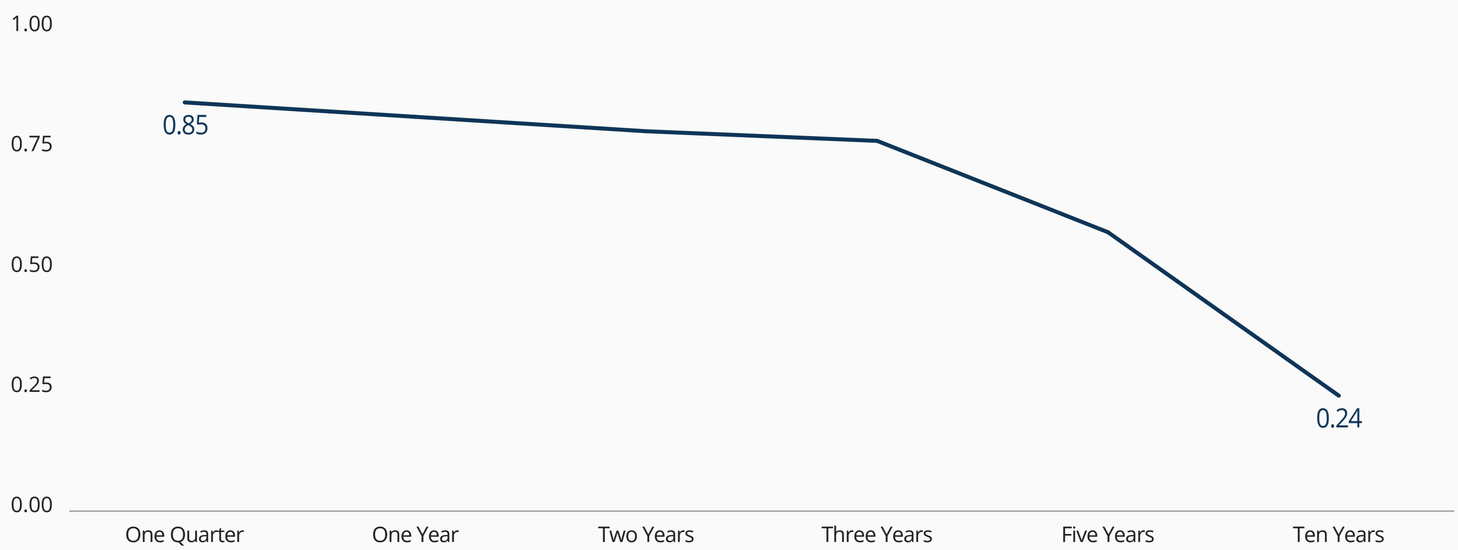


	Equities	Public Infrastructure	Private Infrastructure
Standard Deviation	17.10%	14.57%	8.81%

For the period January 1, 2003 through December 31, 2022. Source: Bloomberg, Cambridge Associates, Brookfield Public Securities Group. Equities refers to MSCI World Index. Public Infrastructure refers to data after December 31, 2014 represented by the FTSE Global Core Infrastructure 50/50 Index. Data from July 30, 2008 through December 31, 2014 represented by the Dow Jones Brookfield Global Infrastructure Index. Prior to July 30, 2008, data represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and Datastream World Pipelines Index. Private Infrastructure refers to Cambridge Associates Infrastructure Index. See disclosures for full index definitions. **Past performance is not indicative of future results.** Actual trading may produce different results. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. The indexes are unmanaged and cannot be purchased directly by investors.

OVER LONGER PERIODS, PUBLIC INFRASTRUCTURE BEHAVES LESS LIKE EQUITIES

Public Infrastructure Vs. Equities Correlations Over Rolling Periods (January 1, 2003-December 31, 2022)



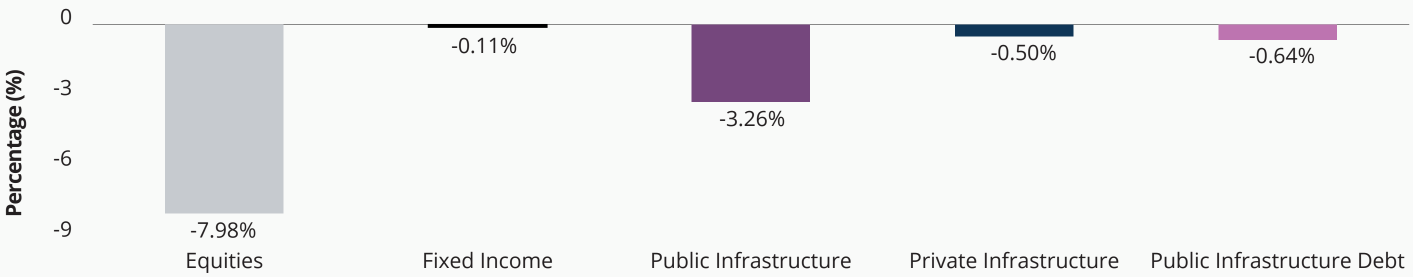
Reflects rolling time periods from January 1, 2003 through December 31, 2022. Source: Bloomberg, Brookfield Public Securities Group. Equities refers to MSCI World Index. Public Infrastructure refers to data after December 31, 2014 represented by the FTSE Global Core Infrastructure 50/50 Index. Data from July 30, 2008 through December 31, 2014 represented by the Dow Jones Brookfield Global Infrastructure Index. Prior to July 30, 2008, data represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and Datastream World Pipelines Index. See disclosures for full index definitions. **Past performance is not indicative of future results.** Actual trading may produce different results. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. The indexes are unmanaged and cannot be purchased directly by investors.

Defensiveness

We believe the essential nature of infrastructure makes the asset class less susceptible to economic downturns and volatile markets, and therefore can be defensive in periods of economic contraction and uncertainty. Our research shows both public and private infrastructure tend to outperform broader equities in down markets.

INFRASTRUCTURE HAS PROVIDED ATTRACTIVE DOWNSIDE PERFORMANCE

Down Market Performance (%) (January 1, 2003-December 31, 2022)



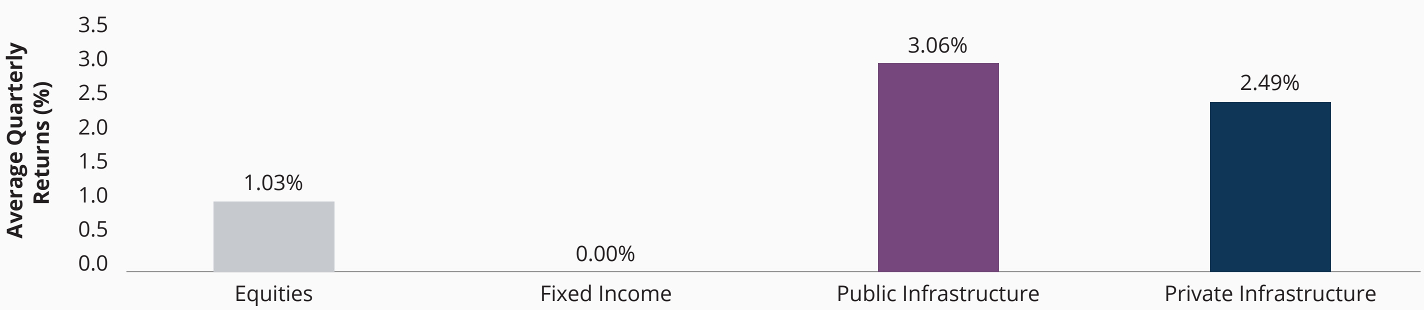
For the period January 1, 2003 through December 31, 2022. Source: Bloomberg, Cambridge Associates, Brookfield Public Securities Group. Down Markets are defined as quarterly periods during which the MSCI World Index had negative performance. There were 22 such quarters. Equities refers to MSCI World Index. Fixed Income refers to Bloomberg Global Aggregate Index. Public Infrastructure refers to data after December 31, 2014 represented by the FTSE Global Core Infrastructure 50/50 Index. Data from July 30, 2008 through December 31, 2014 represented by the Dow Jones Brookfield Global Infrastructure Index. Prior to July 30, 2008, data represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and Datastream World Pipelines Index. Private Infrastructure refers to Cambridge Associates Infrastructure Index. Public Infrastructure Debt refers to the following sectors of the ICE BofA U.S. High Yield Index and ICE BofA U.S. Corporate Index, weighted 50% high yield and 50% investment grade, that correspond to the equity infrastructure sectors in Brookfield's investing universe: Cable, Infrastructure Services, Oil Gas Transmission & Distribution, Telecommunications, Transportation, and Utilities. See disclosures for full index definitions. **Past performance is not indicative of future results.** Actual trading may produce different results. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment.

Inflation Protection

During inflationary periods, infrastructure has historically outperformed global equities and bonds. We attribute this to infrastructure's contracted or regulated revenue streams that generally automatically rise with inflation. According to our analysis, average quarterly returns for infrastructure outpaced those of broad equities and broad fixed income during periods of above-average inflation over the last two decades.

INFRASTRUCTURE HAS OUTPERFORMED AMID INFLATION

Periods of Above-Average Inflation (January 1, 2003-December 31, 2022)



As of December 31, 2022. Source: Bloomberg, Cambridge Associates, Brookfield Public Securities Group. Data are for the period January 1, 2003, through December 31, 2022. Periods of Above-Average Inflation are defined as quarters during which the U.S. Consumer Price Index (CPI) was above its historical average. During the analyzed period, average CPI was 2.51% and there were 33 such quarters. Equities refers to MSCI World Index; Fixed Income refers to Bloomberg Global Aggregate Index; Public Infrastructure refers to data after December 31, 2014 represented by the FTSE Global Core Infrastructure 50/50 Index. Data from July 30, 2008 through December 31, 2014 represented by the Dow Jones Brookfield Global Infrastructure Index. Prior to July 30, 2008, data represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and Datastream World Pipelines Index. Private Infrastructure refers to Cambridge Associates Infrastructure Index. See disclosures for full index definitions. **Past performance is not indicative of future results.** Actual trading may produce different results. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment.

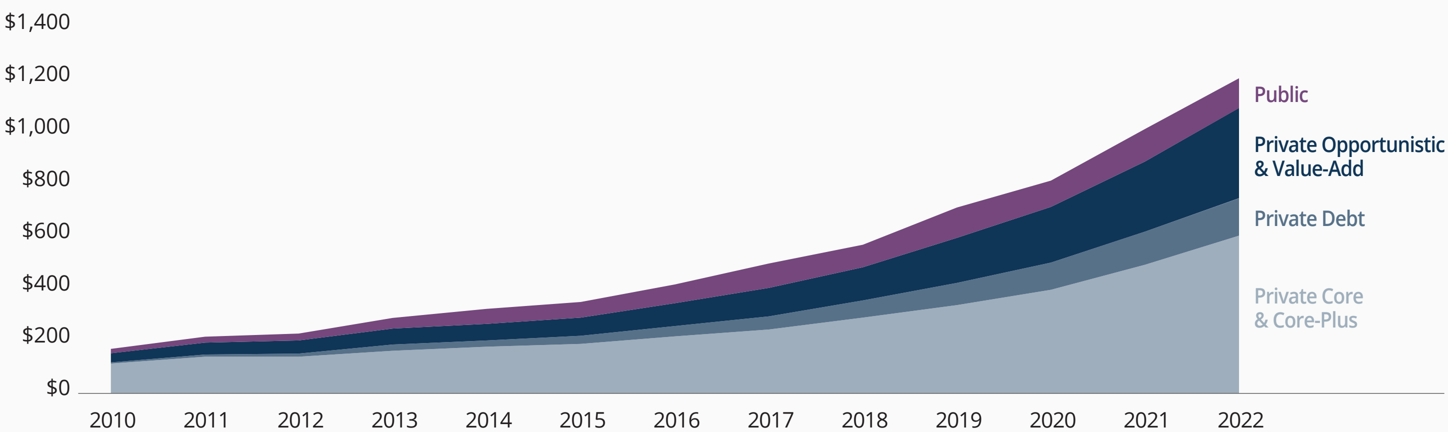
GROWING INTEREST IN THE ASSET CLASS

The amount of infrastructure spending needed to support global growth in the coming decades is in the trillions of dollars. Through 2040, public and private entities are expected to spend nearly $80 trillion to upgrade the world's roads, airports and railways; modernize utilities and expand energy infrastructure systems to support the energy transition and need for energy security; and build data infrastructure systems to meet the exponential growth needs of the digital economy.[1] Governments that were once drivers of such investment are overburdened with financial responsibilities, and as a result, capital from the private sector will be needed to fill the void.

The combination of this large investment opportunity and the attractive portfolio benefits of infrastructure has resulted in growing interest in the asset class. Investor appetite for infrastructure has increased remarkably over the last decade. Infrastructure assets under management (AUM) grew to $1.2 trillion in 2022, up from under $200 billion in 2010, with infrastructure allocations as a percentage of AUM growing as well.[2] In short, infrastructure has become an asset class unto itself, accessible to investors via private- and public-market exposures.

INFRASTRUCTURE AUM HAS GROWN SIGNIFICANTLY IN BOTH PUBLIC AND PRIVATE MARKETS

Infrastructure Assets Under Management by Strategy ($ billions)



For the period December 31, 2010 through December 31, 2022. Source: eVestment, Preqin, Brookfield Public Securities Group. Public Infrastructure refers to the infrastructure universe as defined by eVestment, comprised of 98 public infrastructure products. Private Infrastructure AUM refers to Global infrastructure assets under management by sub-strategy; Preqin Global Report 2023: Infrastructure. 2022 Private Infrastructure AUM reflects a Preqin forecast.

POTENTIAL BENEFITS OF A COMBINED APPROACH

We find there are numerous portfolio benefits to building portfolios with both private and public infrastructure exposures.

Liquidity

Liquidity is perhaps the most obvious benefit. Liquidity for private infrastructure investments is limited, as investor capital typically is locked up for a multiyear period. In contrast, public infrastructure securities are traded on exchanges across the world, offering daily liquidity. Public infrastructure's liquidity profile can allow investors to maintain a consistent level of exposure to the asset class, with public infrastructure used as a sleeve to manage capital committed to, and recycled from, private infrastructure investments.

Among private investments, exposure can be limited during a fund's ramp-up period, when the underlying assets are being sourced and acquired. Private fund options also may not be available for funding, or available in vehicles that meet a particular investor's objective or time horizon. Public portfolios can be constructed quickly, immediately allowing for access to infrastructure assets, as unlisted commitments are made and capital is called. Conversely, as older private investments are realized and cash is returned, capital can be immediately deployed into listed infrastructure to maintain allocations.

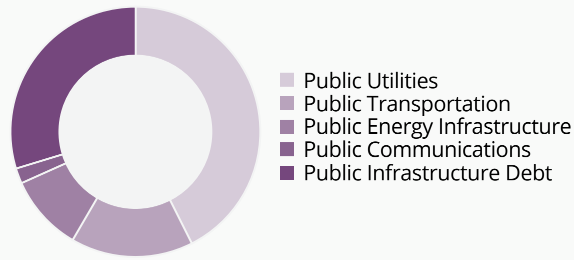
We believe an infrastructure liquidity sleeve is a more economical option to funding private commitments than broader global equities. Public infrastructure, and public infrastructure debt in particular, can provide a lower-volatility way to fund capital commitments, given the relative defensiveness of public infrastructure, as shown in the chart on page 3.

Liquidity also allows portfolio rebalancing in ways that are not possible with private infrastructure, potentially helping to minimize denominator effects. Exposure to only private infrastructure prohibits tactical or strategic rebalancing, should portfolio construction assumptions change. Where possible, investing in public infrastructure may help investors rebalance portfolios or change the overall weightings to better reflect changed perspectives or assumptions.

HOW INVESTORS UTILIZE PUBLIC INFRASTRUCTURE TO COMPLEMENT PRIVATE: LIQUIDITY CASE STUDY

- **Investor had an existing portfolio of infrastructure private funds.**
- **Investor needed a source of liquidity to fund capital calls.**
- **Investor was looking to remain fully invested in infrastructure.**

Utilize Listed as a Liquidity Portfolio



Source: Brookfield Public Securities Group. For illustrative purposes.

Portfolio Completion

While their underlying assets may be the same, private and public infrastructure tend to have different concentration levels of exposure to a given sector, company size or geography. Given the large amounts of capital and complexity necessary to acquire and operate unlisted assets, private infrastructure funds tend to be concentrated in a smaller number of larger assets in specific sectors or themes. Once acquired, assets are typically held for multiyear periods.

An adverse geopolitical or regulatory outcome that negatively impacts an asset in a private infrastructure portfolio can have meaningful impacts to returns, given the higher level of asset concentration. The addition of a public infrastructure allocation can help mitigate concentration risk over the long term.

Public exposures also can provide investment opportunities that are more difficult to access in a private portfolio, such as exposure to U.S. and European utilities. Many governments and regulators have a strong preference for public vs. private ownership of their strategically important grid transmission & distribution assets. It is very hard for U.S. utilities to be completely bought out by private capital, given intense regulatory scrutiny, particularly with regard to potential foreign buyers. European utilities, meanwhile, have little chance of privatization given that they are essentially national monopolies that are of critical and strategic importance to European governments.

THERE ARE DIFFERENCES IN SECTOR EXPOSURES BETWEEN PRIVATE AND PUBLIC INFRASTRUCTURE

Private Infrastructure Deals reflect the share of the number of deals by sector from full calendar year 2013 through year-to-date as of the end of Q3 2022. Source: Preqin Global Report 2023: Infrastructure. Public Infrastructure Index Weights reflect the market capitalization weights by sector as a snapshot in time on June 30, 2023. Source: FactSet.

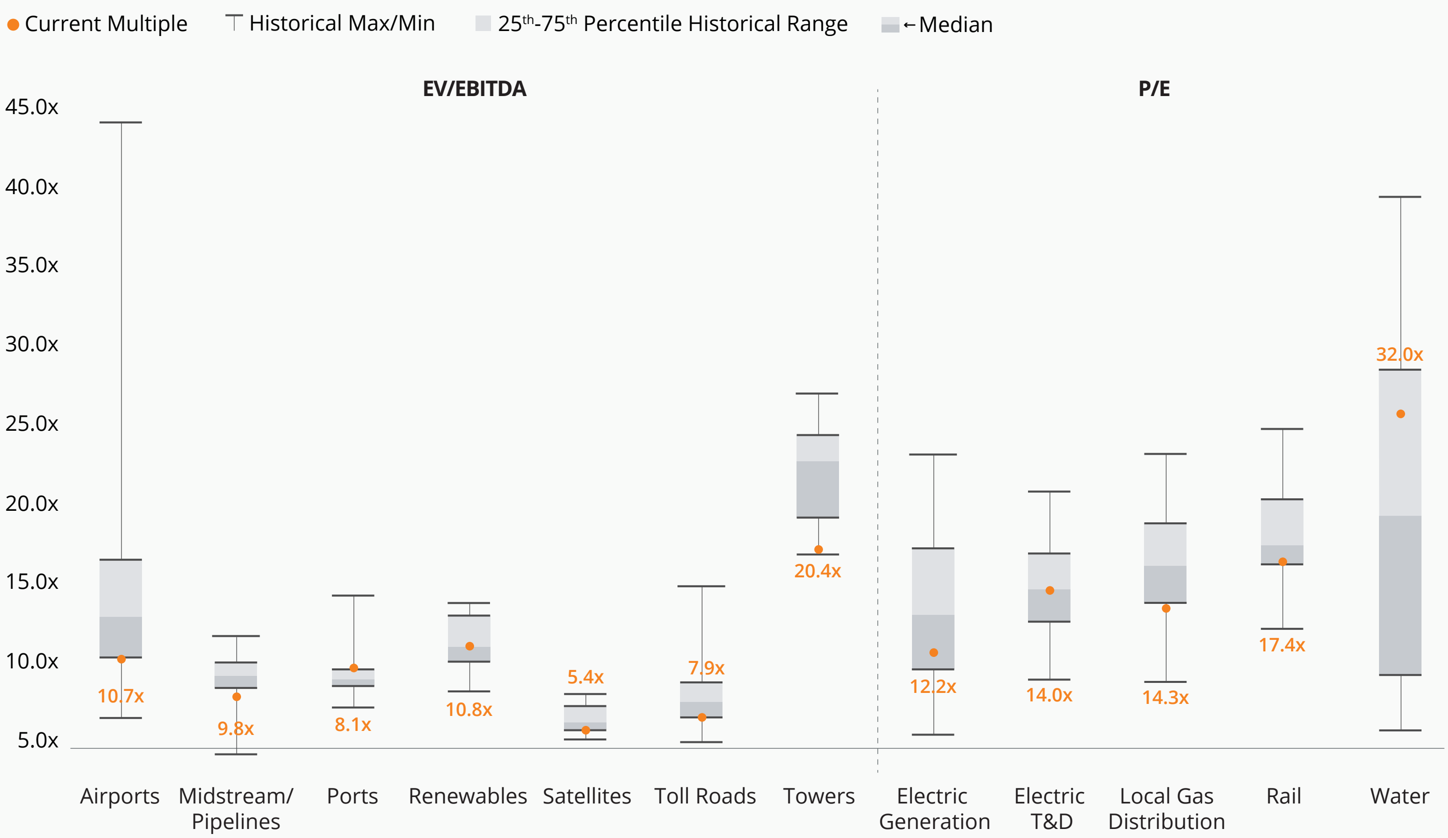
Opportunities for Skilled Managers During Market Volatility

Stock market volatility can result in dislocations between public infrastructure prices and the intrinsic values of underlying infrastructure assets. In scenarios where infrastructure securities are selling off while the fundamentals for the underlying assets are attractive, investors in private infrastructure can potentially capitalize by adding exposure to public infrastructure securities.

As a complement to private portfolios, public infrastructure exposure can be quickly tailored to potentially take advantage of depressed valuations. What's more, exposure to public infrastructure via an experienced active manager may provide access to attractive opportunities, given active managers' ability to dynamically and tactically shift portfolio exposures.

LISTED INFRASTRUCTURE VALUATIONS CAN DISLOCATE FROM UNDERLYING INFRASTRUCTURE ASSET VALUES

5-Year Range of Observed Valuation Multiples



As of June 30, 2023. Source: Brookfield Public Securities Group, FactSet. The universe and sector classifications are defined by Brookfield Public Securities Group. Airports current multiple reflects an abnormally wide dispersion of valuations due to the dyssynchronous recovery of airport earnings in various geographies. We believe a more representative valuation multiple range of ~15x to ~16x using 2023 or 2024 EBITDA estimates better captures a more normalized forward-looking valuation level. EV/EBITDA refers to enterprise value/earnings before interest, taxes, depreciation and amortization, while P/E refers to price/earnings. T&D refers to transmission and distribution.

ACCESSING THE OPPORTUNITY

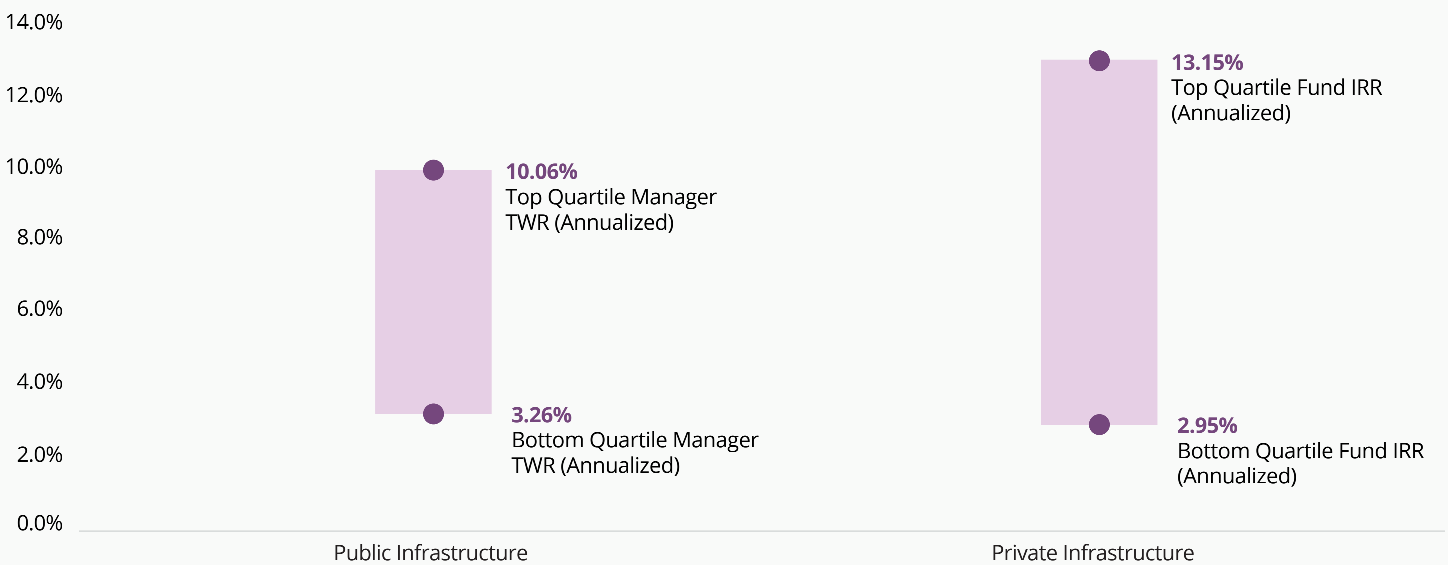
With infrastructure now an important asset class unto itself, attractive investments offering the potential benefits of infrastructure—compelling returns, defensiveness and inflation protection—can be found in both public and private markets. However, we believe an investing approach that includes both public and private exposures can provide even more potential portfolio benefits, including liquidity, portfolio completion, and tactical asset allocation opportunities.

To access this opportunity, we believe it's crucial to work with a manager with a dedicated focus on infrastructure and deep expertise in both private and public markets. At Brookfield, our infrastructure offerings span the full liquidity spectrum.

Brookfield's Public Securities Group's seasoned infrastructure investing team has extensive understanding of how infrastructure assets behave across various markets, and the team leverages the expertise of Brookfield Asset Management, our parent company and one of the world's largest investors in infrastructure, with a 100-year heritage as a global owner and operator. We believe we are uniquely positioned to help our clients identify the best opportunities, and the right mix of public and private, at any given time, and adjust exposures accordingly.

WORKING WITH A TOP MANAGER IS CRUCIAL

Infrastructure manager performance dispersion between top and bottom quartile managers (1/1/2013-12/31/2022)



For the 10-year period January 1, 2013, through December 31, 2022. Source: eVestment, Cambridge Associates, Brookfield Public Securities Group. TWR is time-weighted return. IRR is internal rate of return. Public Infrastructure refers to the Infrastructure universe, as defined by eVestment, comprised of 98 Public Infrastructure products. Private Infrastructure refers to Cambridge Associates Infrastructure Index.

ENDNOTES

[1] Source: Reuters.

[2] Source: eVestment, Preqin, Brookfield Public Securities Group.

RISK DISCLOSURES

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. Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies, and other factors.

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INDEX DEFINITIONS

The Bloomberg Global Inflation Linked Index (Series-L) measures the performance of investment-grade, government inflation-linked debt from 12 different developed market countries. Investability is a key criterion for inclusion of markets in this index, and it is designed to include only those markets in which a global government linker fund is likely and able to invest.

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 Datastream World Index Series of infrastructure-related sectors, including Gas, Water & Multi-Utilities, Materials and Oil & Gas Pipelines, is used as a proxy for infrastructure prior to the inception of the Dow Jones Brookfield Global Infrastructure Index in the exhibits of this report. These indexes are compiled by Thomson Reuters Datastream.

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 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 ssectors: 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 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 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 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 U.S. Consumer Price Index (CPI) is a measure of the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.

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