# Real Assets Quarterly

## A SUPPORTIVE MACRO BACKDROP FOR LISTED REAL ASSETS

2022 so far has been a rough year for markets. As the volatility likely persists from here amid further Federal Reserve tightening and above-average inflation, we believe listed real assets may be poised to potentially outperform—if history is any guide.[1]

Global equities and bonds both sold off sharply in the third quarter, after the Fed signaled it would maintain an aggressive pace of tightening in order to tame inflation, even if it triggers economic pain. As the Fed continues to battle inflation, the growth outlook is becoming increasingly uncertain. Recession risks are rising, but there remains a chance—albeit a declining one—that the Fed will be able to achieve a soft landing. What is certain, however, is that the Fed's tightening cycle will continue, with interest rates remaining higher than they have been over the past 10 years. We also see inflation remaining above the Fed's 2% target for the foreseeable future.

We believe an environment of Fed tightening and above-average inflation could be supportive of listed real assets. While rising interest rates are often viewed as negative for infrastructure and real estate, our research shows that this isn't necessarily the case. We find that global infrastructure equities and real estate equities have historically outperformed the broad equity market in periods of Fed tightening—and listed real asset debt has performed better than broader fixed income. Similarly, we find listed real assets have historically outperformed global equities and bonds in periods of above-average inflation, and in periods with both above-average inflation and Fed hiking. See the charts on the next page.

We attribute the outperformance of infrastructure and real estate to the resiliency of their revenues and earnings. Rising interest rates have limited impact on current earnings because capital structures generally rely on long-term fixed-rate debt. Meanwhile, high inflation tends to increase revenues and earnings of both infrastructure and real estate companies. The contracted or regulated revenues of infrastructure companies often have periodic escalators linked to inflation. Commercial real estate leases frequently allow for annual increases in contractual rental rates, often tied to inflation, as well as pass-through to tenants of operating expense increases. In addition, real estate market rental rates frequently increase as inflation drives the replacement cost of property higher.

While continued Fed tightening and high inflation should be supportive of listed real assets, the path forward for economic growth is hard to predict. For this reason, within real assets, we favor quality companies with visible earnings and strong balance sheets. We also will be closely watching valuations in the coming months, looking for compelling opportunities as the growth outlook comes more into focus.

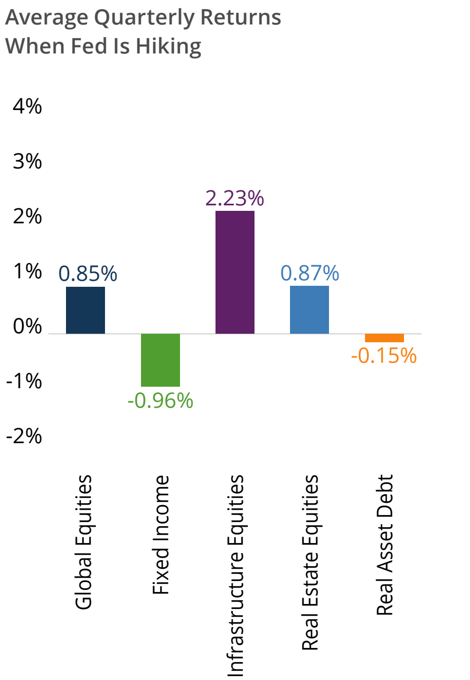
### PERFORMANCE REVIEW, AS OF SEPTEMBER 30, 2022 (%)

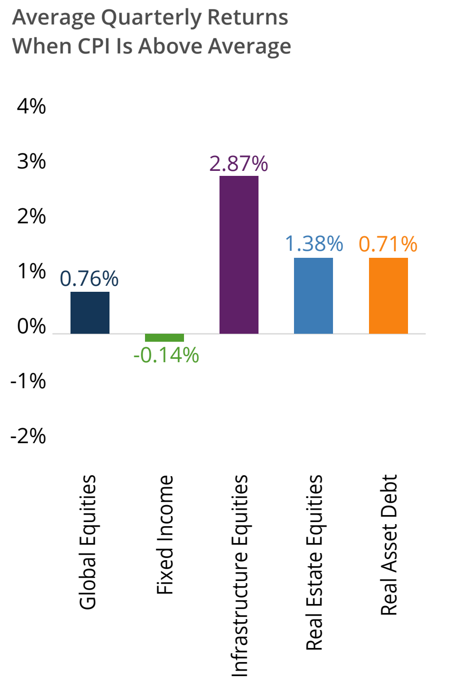
| GLOBAL INFRASTRUCTURE EQUITIES | Q3 2022 | YTD |
|---|---|---|
| FTSE Global Core Infrastructure 50/50 Index | -8.87 | -12.25 |
| Dow Jones Brookfield Global Infrastructure Index | -11.10 | -14.78 |
| **ENERGY INFRASTRUCTURE EQUITIES** | | |
| Alerian Midstream Energy Index | -0.98 | 12.13 |
| Alerian MLP Index | 8.05 | 18.90 |
| **GLOBAL REAL ESTATE EQUITIES** | | |
| FTSE EPRA Nareit Developed Index | --11.39 | -29.42 |
| MSCI U.S. REIT Index | -9.96 | -28.26 |
| ICE BofA Preferred Stock REITs 7% Constrained Index | -13.09 | -23.42 |
| **REAL ASSET DEBT** | | |
| ICE BofA Real Asset USD High Yield Custom Index | -0.27 | -13.38 |
| ICE BofA Real Asset USD Investment Grade Custom Index | -5.64 | -20.49 |
| ICE BofA Real Asset USD High Yield & Corporate Custom Index | -1.90 | -15.54 |
| **BROAD MARKET BENCHMARKS** | | |
| MSCI World Index | -6.08 | -25.13 |
| S&P 500 Index | -4.88 | -23.87 |
| Bloomberg Global Aggregate Index | -6.94 | -19.89 |
| ICE BofA U.S. High Yield Index | -0.68 | -14.62 |
| ICE BofA U.S. Corporate Index | -5.11 | -18.33 |

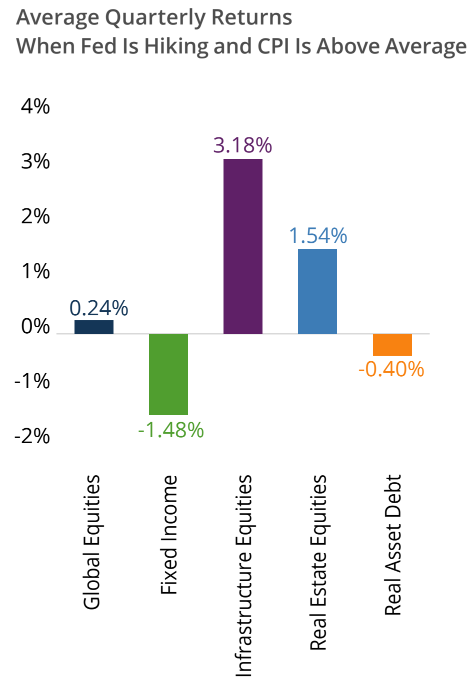
As of September 30, 2022. Source: Bloomberg. Brookfield has no direct role in the day-to-day management of the Dow Jones Brookfield Global Infrastructure Index. See index definitions at the end of this report. **Index performance is not indicative of the performance of a Brookfield investment. Indexes are unmanaged and cannot be purchased directly by investors. Past performance does not guarantee future results.**

[1] Past performance does not guarantee/is not indicative of future results.

#### LISTED REAL ASSETS HAVE OUTPERFORMED DURING PAST TIGHTENING CYCLES AND PERIODS OF ABOVE-AVERAGE INFLATION




As of September 30, 2022. For the period January 1, 2003 through September 30, 2022. Source: Bloomberg; Brookfield Public Securities Group LLC. Periods of Fed hiking are defined as quarterly periods during which the Federal Funds Target Rate increased from the prior quarter. During the time period analyzed there were 21 such hiking periods. Above-average inflation is defined as quarters during which the Consumer Price Index (CPI) was above average. During the time period analyzed, the average CPI was 2.46% and there were 32 above-average quarters. During the time frame, there were 13 periods of both Fed tightening and above-average inflation. Global equities are represented by the MSCI World Index and fixed income is represented by Bloomberg Global Aggregate Index. Infrastructure equities data after 12/31/19 represented by the FTSE Global Core Infrastructure 50/50 Index. Data from 7/30/08 through 12/31/19 represented by the Dow Jones Brookfield Global Infrastructure Index. Prior to 7/30/08, data represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and Datastream World Pipelines Index. Real estate equities data after 2/28/05 represented by the FTSE EPRA Nareit Developed Index. Data prior to 2/28/05 represented by the S&P Developed Market REIT Index. Real asset debt data after 12/31/19 represented by the ICE BofA Real Asset USD High Yield & Corporate Custom Index. Prior to 12/31/19, data represented by the sectors of the ICE BofA Global High Yield Index and ICE BofA Global Corporate Index that correspond to the equity real asset sectors in Brookfield's investing universe: Cable, Infrastructure Services, Oil/Gas T&D, Telecommunications, Transportation, Utilities, Agriculture, Timber & Basic Materials, Energy Exploration & Production, Metals & Mining, Real Estate (RE), RE Ownership & Development, and REITs, weighted 70% high yield and 30% corporate. See disclosures for full index definitions. **Index performance is not indicative of any Brookfield portfolio, fund or composite performance. Indexes are unmanaged and cannot be purchased directly by investors. Past performance is not indicative of future results.**

## OUR CURRENT VIEWS ON HOW TO POSITION A DIVERSIFIED REAL ASSETS ALLOCATION

Amid elevated market volatility, rising interest rates, high inflation, and concerns over slowing growth, we have been selectively reducing risk. We have reduced equity exposure, removed direct commodity exposure and increased exposure to real asset debt. Accordingly, we are positioned for tighter monetary policy and slowing economic growth, with a modest overweight position in real asset debt and an underweight to real asset equity. With a material rise in yields year to date, we believe debt has become increasingly attractive, providing greater insulation from potential future interest rate volatility. In our view, debt may offer a defensive profile vs. equity with limited downside potential and attractive value.

Within equities, we continue to favor infrastructure over real estate despite attractive valuations in real estate. This is due to infrastructure's potential outperformance in down markets and tighter inflation linkage. Within infrastructure, we are most constructive on renewables and energy midstream equities, which we believe should benefit from the energy transition toward renewable power and the global push for energy security. Within real estate, although valuations appear attractive, we believe slowing economic growth may pressure this more cyclical sector further. We hold no direct exposure to commodities. While near-term supply/demand technicals may support energy commodities, slowing economic growth remains a headwind.

● OVERWEIGHT OUTLOOK ● NEUTRAL OUTLOOK ● UNDERWEIGHT OUTLOOK

| WEIGHTING | ASSET CLASS | OBSERVATIONS |
|---|---|---|
| **INFRASTRUCTURE** | | |
| | **Core Infrastructure Equities** | Core infrastructure equities warrant a modest underweight, given very strong relative performance year to date. Overall, there is low economic sensitivity in infrastructure cash flows, due to limited competition and steady demand; however, high relative valuations predominantly among U.S. Utilities may result in lower return prospects in a global recession. We believe inflation may also drive infrastructure cash flows higher, as revenues are frequently subject to regulation or long-term contracts that may allow for potential returns or price increases indexed to inflation. |
| | **Energy Infrastructure Equities** | Energy infrastructure equities carry a modest overweight amid short-term upside potential in light of attractive valuations and supportive near-term supply/demand fundamentals. |
| | **Renewable and Sustainable Infrastructure Equities** | Renewable and sustainable infrastructure equities warrant an overweight based on attractive fundamentals and investor demand, as well as potential diversification benefits from the sector's higher growth profile. |
| **REAL ESTATE** | | |
| | **Real Estate Equities** | Real estate equities warrant an underweight view amid continued near-term uncertainty stemming from tighter monetary policy and slowing economic growth. Fortunately, supply and demand are generally balanced; recent new construction has been appropriate (higher in property sectors with stronger demand, such as residential and industrial, and lower in property sectors with weaker demand, such as office and retail). In addition, inflation results in higher replacement costs, which in turn could drive real estate values higher, and inflation may also lead to higher real estate cash flows through rent increases. |
| | **REIT Preferreds** | REIT preferreds have high interest rate sensitivity. This, combined with our rising interest rate outlook, contributes to our underweight view of the sector. |
| **REAL ASSET DEBT** | | |
| | **Real Asset Debt** | Real asset debt carries an overweight. Given that absolute yields have materially moved higher, we believe debt has become increasingly attractive and could likely provide greater insulation from potential future interest rate volatility. We are cautious on credit risk, given economic uncertainty, favoring investment grade and up-in-quality high yield. |
| **OPPORTUNISTIC** | | |
| | **Commodities** | Commodities have provided attractive diversification from our equity and bond allocations. However, we believe slowing economic growth and the risk of a recession will weigh on the sector, and we have eliminated direct exposure. |

As of September 30, 2022. Source: Brookfield PSG. Underweight: Potentially decrease allocation versus a benchmark. Neutral: Consider benchmark allocation. Overweight: Potentially increase allocation versus a benchmark.

# Global Infrastructure Equities

Global infrastructure securities fell 8.87% in the third quarter, as measured by the FTSE Global Core Infrastructure 50/50 Index. All sectors fell amid broader market volatility, rising interest rates and recession fears.

## OUR OUTLOOK

### THE ENERGY TRANSITION AND THE SEARCH FOR ENERGY SECURITY

We have been focused on the ongoing energy crisis for much of this year, and as we head into the fourth quarter, it remains top of mind.

The impacts of the European natural gas crunch have reverberated across the globe. In the U.S.—a net exporter of natural gas—domestic natural gas prices have more than doubled in 2022, as U.S. liquefied natural gas (LNG) production has been running at full capacity.

As the energy crisis has worsened, politicians have been scrambling to shield consumers and businesses from the impact of substantially higher gas and electric bills and have been searching for ways to ensure adequate gas supply for critical functions such as home heating and hospital power.

We believe the challenges facing world economies today could potentially create substantial opportunities for investors in globally listed infrastructure companies due to:

- A heightened urgency to accelerate renewables adoption to not only combat climate change but also provide regional energy security
- A recognition that substantial utility grid development is needed to connect demand centers with new sources of supply
- A growing call on U.S. LNG to support renewables intermittency, displace coal and offset lost Russian supply

We recently published a white paper that discusses our views on this topic in more detail: *The Energy Transition and the Search for Energy Security: Implications and Opportunities for Listed Infrastructure*.

## OUR CURRENT VIEWS

● OVERWEIGHT OUTLOOK ● NEUTRAL OUTLOOK ● UNDERWEIGHT OUTLOOK

| WEIGHTING | SECTOR | OBSERVATIONS |
|---|---|---|
| ● | **Utilities** | • We are selectively taking advantage of dislocations in Europe. However, we remain mindful of regulatory risks in the region.<br>• Overall, we remain mindful of valuations in U.S utilities. |
| ● | **Transports** | • We favor toll roads over airports. However, traffic patterns are uncertain as fuel prices continue to rise. |
| ● | **Communications** | • Valuations are more compelling after the recent selloff trigged by rising interest rates. |
| ● | **Energy Infrastructure** | • We favor exposure to natural gas-oriented assets in North America. |

As of September 30, 2022. Source: Brookfield PSG. Underweight: Potentially decrease allocation versus a benchmark. Neutral: Consider benchmark allocation. Overweight: Potentially increase allocation versus a benchmark.

# Global Real Estate Equities

Global real estate securities, as measured by the FTSE EPRA Nareit Developed Index, declined 11.39% in the third quarter. Amid a slowing economic backdrop and central bank tightening, the index closed at its lowest monthly level since October 2020. On a regional basis, European real estate equities posted the largest decline (-21.62%), followed by North America (-10.15%) and Asia Pacific (-9.24%). Among U.S. property types, those with the shortest lease terms (self storage and hotels) fared the best during the quarter. Conversely, mixed use, data centers and health care stocks posted the steepest quarterly declines.

## OUR OUTLOOK

In our view, global real estate securities are attractively valued relative to the long-term average. Based on our analysis, global real estate securities trade at an approximate 20% discount to net asset value (NAV), relative to the long-term average of about 6%.

Despite a widening of valuations, balance sheets are relatively strong, and companies appear well positioned to weather a mild economic slowdown. The potential for a recession and the direction of interest rates are the key macro factors we are monitoring. We remain constructive on the prospects for moderate rent growth—either through contractual rent escalators tied to inflationary measures or through supply and demand dynamics of the market. Demand is currently strong across many property types (the exceptions being some lower-quality retail and office). Additionally, the cost to construct new buildings remains elevated, helping to constrain new supply.

## OUR CURRENT VIEWS

● OVERWEIGHT ● NEUTRAL ● UNDERWEIGHT

| CURRENT | GEOGRAPHY/ SECTOR | OBSERVATIONS |
|---|---|---|
| | **NORTH AMERICA** | |
| | **Residential** | • While the uncertain macro outlook could present challenges for rent growth, we think many tailwinds remain in place for the property type. At the top of the list is the relative affordability of rents vs. property prices, favoring renting over buying. Higher rates are pushing home-buyers to the sidelines, while higher input costs are constraining new supply. |
| | **Industrial** | • We are mindful of potential headwinds facing the sector, including a slowing economy and new supply. Additionally, given the magnitude of rent increases in recent years, we expect rent growth to moderate in coming quarters. That said, long-term demand remains strong, and relative underperformance for the sector has resulted in select relative value opportunities. |
| | **Office** | • Companies are seeing an uptick in office utilization rates, but we believe it's too early for broad overweight exposure. Recognizing the flight-to-quality trend will remain key to selecting the right positioning in this sector. |
| | **Net Lease** | • We are less positive on the outlook for net lease amid higher interest rates, but we believe select opportunities remain among retail and experiential landlords. |
| | **ASIA PACIFIC** | |
| | **Hong Kong** | • We are encouraged by recent travel trends in Asia as countries scale back quarantine regulations. There are indications that restrictions could ease further in Hong Kong in coming months. |
| | **Japan** | • Japan continues to fine-tune its approach to boosting tourism. However, traffic remains well below historical averages, and we see upside as travel restrictions continue to ease and economic activities resume. We are focused on select travel and leisure names where we see attractive value. |
| | **EUROPE** | |
| | **U.K.** | • We maintain our view that the most attractive opportunities are in the retail sector, based on relative valuations vs. other property types in the region. We also see selective opportunities within office and student housing. |
| | **Continental Europe** | • We remain underweight following a period of outperformance among select companies benefiting from the reopening. We are selectively positioned in retail, office and residential landlords across the region. |

As of September 30, 2022. Source: Brookfield PSG. Underweight: Potentially decrease allocation versus a benchmark. Neutral: Consider benchmark allocation. Overweight: Potentially increase allocation versus a benchmark.

# Real Asset Debt

Fixed income markets fell in the third quarter, as interest rates continued to rise amid higher-than-anticipated Consumer Price Index (CPI) reports. Anticipating the Fed's reaction to elevated inflation data, both investment-grade and high-yield credit spreads widened in September, particularly during the last four trading days of the month, contributing to one of the worst calendar years of performance so far on record for fixed income.

Broad high yield, as measured by the ICE BofA U.S. High Yield Index, lost 0.68% during the quarter, and broad investment grade, as measured by the ICE BofA U.S. Corporate Index, fell 5.11%. Real asset high yield and real asset investment grade performed approximately in line with their broad counterparts, down 0.27% and 5.64% for the quarter, respectively.

## OUR OUTLOOK

As has been the case in previous central bank tightening cycles, we believe the investment-grade corporate universe became a primary source of liquidity during the last month of the quarter, this time for pension funds in the U.K. seeking to fund margin calls. With important economic and earnings announcements on the horizon, we anticipate continued volatility in credit markets.

We see potential to opportunistically upgrade the credit quality of our portfolios, as we remain cautious on economic growth. We hold an overweight view of real asset investment grade relative to high yield, though we believe high-yield spreads provide somewhat attractive compensation for risk-taking in sectors with better visibility.

## OUR CURRENT VIEWS

OVERWEIGHT NEUTRAL UNDERWEIGHT

| WEIGHTING | SECTOR | OBSERVATIONS |
|---|---|---|
| | **INFRASTRUCTURE** | |
| | **Utilities** | We see strong fundamentals and find favorable risk-adjusted opportunities in stable senior unsecured bonds as well as in junior subordinated securities. |
| | **Energy Infrastructure** | We favor higher-yielding energy infrastructure, as the sector has strong near-term fundamentals. |
| | **Communications** | Dispersion within subsectors is creating opportunities, with some subsectors benefiting from tailwinds (i.e., towers) and others facing headwinds (i.e., cable). |
| | **REAL ESTATE** | |
| | **Residential** | Within real estate, we still favor residential exposure across a mix of home-builders, single-family rentals, multifamily REITs and developers (master planned communities), but given the current interest rate environment, we have reduced our view to neutral. |
| | **Hospitality** | We see solid fundamentals for gaming companies, particularly regional-focused ones, as they have structurally improved their margins and tend to be less cyclical. We continue to see relative value in select hotel owners/operators. An economic slowdown, and related weakening consumer strength, is an acute risk for this sector that we are watching very closely. |
| | **NATURAL RESOURCES** | |
| | **Exploration & Production** | Given the strong commodity environment, we are overweight pure-play exploration & production companies, but underweight integrated energy, given rich valuations, and underweight oil field services and refining, given those companies' volatility of cash flows. |

As of September 30, 2022. Source: Brookfield PSG. Underweight: Potentially decrease allocation versus a benchmark. Neutral: Consider benchmark allocation. Overweight: Potentially increase allocation versus a benchmark.

## IMPORTANT DISCLOSURES

Brookfield Public Securities Group LLC is an SEC registered investment adviser and is registered as a portfolio manager in each of the provinces and territories of Canada and represents the Public Securities Group of Brookfield Asset Management Inc., providing global listed real assets strategies including real estate equities, infrastructure equities, multi-strategy real asset solutions and real asset debt. PSG manages separate accounts, registered funds and opportunistic strategies for institutional and individual clients, including financial institutions, public and private pension plans, insurance companies, endowments and foundations, sovereign wealth funds and high-net-worth investors. PSG is an indirect, wholly-owned subsidiary of Brookfield Asset Management Inc., a leading global alternative asset manager.

The information in this publication is not and is not intended as investment advice, an indication of trading intent or holdings, or prediction of investment performance. Views and information expressed herein are subject to change at any time. Brookfield disclaims any responsibility to update such views and/or information. This information is deemed to be from reliable sources; however, Brookfield does not warrant its completeness or accuracy. This publication is not intended to and does not constitute an offer or solicitation to sell or a solicitation of an offer to buy any security, product or service (nor shall any security, product or service be offered or sold) in any jurisdiction in which Brookfield is not licensed to conduct business and/or an offer, solicitation, purchase or sale would be unavailable or unlawful. Opinions expressed herein are current opinions of Brookfield Public Securities Group LLC, including its subsidiaries and affiliates, and are subject to change without notice. Brookfield Public Securities Group LLC, including its subsidiaries and affiliates, assumes no responsibility to update such information or to notify clients of any changes. Any outlooks, forecasts or portfolio weightings presented herein are as of the date appearing on this material only and are also subject to change without notice. Past performance is not indicative of future performance and the value of investments and the income derived from those investments can fluctuate. Future returns are not guaranteed, and a loss of principal may occur. 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.

## FORWARD-LOOKING STATEMENTS

Information herein contains, includes or is based upon forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended, and Canadian securities laws. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including, without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals, expansion and growth of our business, plans, prospects and references to our future success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

## INDEX PROVIDER DISCLAIMER

The quoted indexes within this publication are unmanaged and cannot be purchased directly by investors. Index 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 volatility and regulatory and legal restrictions between the indexes shown and any investment in a Brookfield strategy, composite or fund. Brookfield obtained all index data from third-party index sponsors and believes the data to be accurate; however, Brookfield makes no representation regarding its accuracy. Indexes are unmanaged and cannot be purchased directly by investors.

Brookfield Public Securities Group LLC does not own or participate in the construction or day-to-day management of the indexes referenced in this document. The index information provided is for your information only and does not imply or predict that a Brookfield Public Securities Group LLC product will achieve similar results. This information is subject to change without notice. The indexes referenced in this document do not reflect any fees, expenses, sales charges or taxes. It is not possible to invest directly in an index. The index sponsors permit use of their indexes and related data on an "as is" basis, make no warranties regarding same, do not guarantee the suitability, quality, accuracy, timeliness and/or completeness of their index or any data included in, related to or derived therefrom, and assume no liability in connection with the use of the foregoing. The index sponsors have no liability for any direct, indirect, special, incidental, punitive, consequential or other damages (including loss of profits). The index sponsors do not sponsor, endorse or recommend Brookfield Public Securities Group LLC or any of its products or services. Unless otherwise noted, all indexes are total-return indexes.

## INDEX DEFINITIONS

The Alerian Midstream Energy Index is a broad-based composite of North American energy infrastructure companies. 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 (AMNA) and on a total-return basis (AMNAX).

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

The 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. Indexes are available for the U.S. and various geographic areas from the U.S. Bureau of Labor Statistics.

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 Datastream World Pipelines Index is an index of global energy pipeline companies, as compiled by Thomson Reuters Datastream.

The Dow Jones Brookfield Global Infrastructure Index comprises infrastructure companies with at least 70% of their annual cash flows derived from owning and operating infrastructure assets. 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 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 EPRA Nareit Developed Real Estate 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 ICE BofA Global Corporate Index tracks the performance investment-grade corporate debt publicly issued in major domestic or eurobond markets.

The ICE BofA Global High Yield Index tracks the performance of below-investment-grade corporate debt publicly issued in major domestic or eurobond markets.

The ICE BofA Preferred Stock REITs 7% Constrained Index is a subset of the BofA Fixed-Rate Preferred Securities Index including all real estate investment trust-issued preferred securities. The ICE BofA Fixed-Rate Preferred Securities Index tracks the performance of fixed-rate U.S.-dollar-denominated preferred securities issued in the U.S. domestic market.

The ICE BofA Real Asset USD High Yield and Corporate Custom Index is a custom index blend of sectors of ICE BofA U.S. High Yield Index (70%) and 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/Gas 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 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/Gas 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 High Yield Custom Index is a custom index that tracks the performance of sectors of 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/Gas T&D, Telecommunications, Transportation, Utilities, Agriculture, Timber, Basic Materials, Energy Exploration & Production, Metals & Mining, Real Estate, Real Estate Ownership & Development and REITs.

The MSCI U.S. REIT Index is a free-float market-capitalization-weighted index that is composed of equity REIT securities that belong to the MSCI U.S. Investible Market 2500 Index.

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.

## CONTACT US

brookfield.com | publicsecurities.enquiries@brookfield.com