

What Is a Non-Traded REIT?

A non-traded REIT is a private real estate investment vehicle not listed or traded on a public exchange. Non-traded REITs are designed to provide individual investors access to income-producing, institutional-caliber private real estate.

Non-Traded REIT Investment Benefits



Access to Private Real Estate

Non-traded REITs directly own commercial real estate properties and mortgages across a variety of property types. They offer the potential for attractive current income and moderate capital appreciation over time.



Attractive Distributions

Non-traded REITs pay investors distributions (typically monthly), which are generated from rents and mortgage interest payments.¹



Investment Transparency

Non-traded REITs file mandatory regulatory filings and investor reports. They are subject to oversight from FINRA, the SEC and state regulators, helping to ensure financial transparency.

Features of Non-Traded REITs

A non-traded REIT has several attractive features—most notably that it is designed to access income-producing private real estate, with periodic liquidity.



Subscriptions

Investors can initiate and add to investments periodically (typically monthly).



Liquidity

A non-traded REIT is not listed on a stock exchange, but it seeks to provide regular liquidity through redemption programs subject to terms described in the investment's prospectus.



Valuations

Assets are valued by independent third parties and published regularly so investors can evaluate the performance of their investment.



Tax Considerations²

REITs are required to distribute at least 90% of their taxable income to stockholders annually. In addition, U.S. investors get the investment and tax benefits of direct real estate ownership, along with the ease of Form 1099 reporting.

Potential Benefits of Adding a Non-Traded REIT to Your Portfolio

✓ Income Generation

Non-traded REITs include long-term private real assets with income-producing potential. They may offer investors attractive dividends compared with other investments, as they are required to distribute at least 90% of their taxable income to shareholders annually.

✓ Market Volatility Dampener

Private real estate has historically exhibited significantly less volatility than public real estate and equity markets, because these assets are not traded in public markets and valuations are generally determined by a third party based on the fundamentals of the underlying assets.

✓ Portfolio Diversification

Private real estate has the potential to add effective diversification to stocks and bonds, as well as to public real estate. An allocation to private real estate has historically increased returns and lowered volatility when added to a traditional 60% equity and 40% bond portfolio.

✓ Inflation Hedge

Private U.S. real estate returns exceeded those of stocks and bonds in periods when U.S. inflation was higher than average. This is largely because rent escalations are often tied to inflation and rising input costs can discourage new development—limiting supply and putting upward pressure on rents.

Endnotes

¹ Monthly distributions are not guaranteed.

² Investors should contact their own legal or tax advisors to learn more about the rules that may affect their individual situation.

Disclosures

A copy of the Brookfield Real Estate Income Trust Inc. prospectus is available at www.brookfieldREIT.com. This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. **This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. A copy of the prospectus must be made available to you in connection with any offering.** No offering is made except by a prospectus filed with the Department of Law of the State of New York. Neither the Securities and Exchange Commission, the Attorney General of the State of New York nor any other state securities regulator has approved or disapproved of our common stock, determined if the prospectus is truthful or complete or passed on or endorsed the merits of the offering. Any representation to the contrary is a criminal offense.

Summary of risk factors

An investment in shares of common stock of Brookfield Real Estate Income Trust Inc. ("Brookfield REIT") involves a high degree of risk. These securities should only be purchased if you can afford to lose your complete investment. Please read the prospectus for a description of the material risks associated with an investment in Brookfield REIT. These risks include but are not limited to the following:

- Brookfield REIT has a limited operating history, and its operating history should not be relied upon due to the changes to its business resulting from the adviser transition, including the engagement of Brookfield REIT Adviser LLC (the "Adviser") and Brookfield Oaktree Wealth Solutions LLC and the changes to Brookfield REIT's board of directors, executive officers and investment portfolio. There is no assurance that Brookfield REIT will be able to successfully achieve its investment objectives.
- Brookfield REIT has only made limited investments to date and you will not have the opportunity to evaluate its future investments before Brookfield REIT makes them.
- Since there is no public trading market for shares of Brookfield REIT's common stock, repurchase of shares by it will likely be the only way to dispose of your shares. Brookfield REIT's share repurchase plan will provide stockholders with the opportunity to request that it repurchase their shares on a monthly basis, but Brookfield REIT is not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in its discretion. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, Brookfield REIT's board of directors may modify or suspend the share repurchase plan if it deems such action to be in our best interest and the best interest of stockholders. As a result, the shares should be considered as having only limited liquidity and at times may be illiquid.
- Brookfield REIT cannot guarantee that it will make distributions, and if it does, it may fund such distributions from sources other than cash flow from operations, and there are no limits on the amounts Brookfield REIT may pay from such sources. Brookfield REIT believes that the likelihood that it pays distributions from sources other than cash flow from operations, will be higher in the early stages of the offering.
- The purchase and repurchase price for shares of Brookfield REIT common stock will generally be based on its prior month's net asset value (NAV) (subject to material changes as described in the prospectus) and will not be based on any public trading market. While there will be independent annual appraisals of Brookfield REIT's properties, the appraisal of properties is inherently subjective, and its NAV may not accurately reflect the actual price at which its assets could be liquidated on any given day.
- Brookfield REIT has no employees and is dependent on the Adviser to conduct its operations.

The Adviser will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among Brookfield REIT and other Brookfield funds and accounts, the allocation of time of its investment professionals and the substantial fees that Brookfield REIT will pay to the Adviser.

- This is a “best efforts” offering. If Brookfield REIT is not able to raise a substantial amount of capital in the near term, its ability to achieve its investment objectives could be adversely affected.
- Principal and interest payments on any borrowings will reduce the amount of funds available for distribution or investment in additional real estate assets. Borrowing also increases the risk of loss and exposure to negative economic effects.
- There are limits on the ownership and transferability of Brookfield REIT’s shares.
- If Brookfield REIT fails to maintain its qualification as a REIT and no relief provisions apply, its NAV and cash available for distribution to stockholders could materially decrease as a result of being subject to corporate income tax.
- Investing in commercial real estate assets involves certain risks, including but not limited to Brookfield REIT’s tenants’ inability to pay rent; increases in interest rates and lack of availability of financing; tenant turnover and vacancies; and changes in supply of or demand for similar properties in a given market.
- Brookfield REIT’s operating results will be affected by global and national economic and market conditions generally and by the local economic conditions where its properties are located, including changes with respect to rising vacancy rates or decreasing market rental rates; fluctuations in the average occupancy; inability to lease space on favorable terms; bankruptcies, financial difficulties or lease defaults by its tenants; and changes in government rules, regulations and policies, such as property taxes, zoning laws, limitations on rental rates, and compliance costs with respect to environmental and other laws.
- The novel coronavirus (“COVID-19”) may have an adverse impact on Brookfield REIT’s NAV, results of operations, cash flows and fundraising, ability to source new investments, obtain financing, pay distributions to stockholders and satisfy repurchase requests, among other factors.

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Forward-looking statements

Statements contained in this sales material that are not historical facts are based on our current expectations, estimates, projections, opinions or beliefs. Such statements are not facts and involve known and unknown risks, uncertainties, and other factors. Prospective investors should not rely on these statements as if they were fact. Certain information contained in this sales material constitutes “forward-looking statements,” which can be identified by the use of forward-looking terminology such as “may,” “will,” “should,” “expect,” “anticipate,” “project,” “target,” “estimate,” “intend,” “continue,” “forecast,” or “believe” or the negatives thereof or other variations thereon or other comparable terminology. Due to various risks and uncertainties, including those described in the prospectus, actual events or results or our actual performance may differ materially from those reflected or contemplated in such forward-looking statements. No representation or warranty is made as to future performance or such forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person that our objectives and plans, which Brookfield REIT considers to be reasonable, will be achieved.

You should carefully review the “Risk Factors” section of the prospectus for a discussion of the risks and uncertainties that Brookfield REIT believes are material to its business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, Brookfield REIT does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Brookfield Oaktree Wealth Solutions LLC (member FINRA/SIPC) is the intermediary manager for the Oaktree Strategic Credit Fund offering.