

Brookfield

Brookfield Real Estate Income Trust Inc.

13.3%

SINCE INCEPTION
TOTAL RETURN¹

13.6%

3-YEAR
TOTAL RETURN¹

97%

PORTFOLIO
OCCUPANCY

9.4%

SAME PROPERTY NOI
GROWTH Q1 2023²

5.4%

DISTRIBUTION
RATE³

Brookfield REIT

Since its inception, Brookfield REIT has demonstrated resilience and strong performance in challenging economic climates, reinforcing its all-weather approach. It has generated a strong annualized total net return of 13.3% since inception for Class I shares, despite unprecedented turmoil in the real estate sector and the broader economy. This is a testament to the value of building a diversified portfolio of income-focused properties and real estate-related debt, leveraging the expertise of Brookfield and Oaktree. For example, in 2020, amid a global pandemic, Brookfield REIT generated a net return of nearly 10%. And even as the U.S. Federal Reserve (Fed) raised interest rates in 2022 to combat the highest inflation in four decades, the net return was 12.7%.

During the first quarter of 2023, conditions were challenging: Silicon Valley Bank failed in early March, banks retrenched from real estate lending, and the Fed continued hiking rates but was expected to soon slow the pace of rate hikes. Brookfield REIT sought to capitalize on these dislocations by leaning into investments in credit, with a focus on debt secured by high-quality properties. Indeed, credit markets today are presenting what our investment team believes are some of the best risk-adjusted return opportunities in recent years.

Q1 2023 Performance

Brookfield REIT returned -1.77% in the first quarter (Class I shares), yet it managed to maintain a consistent and appealing annualized distribution rate of 5.4%. Total return was restrained by two factors: value adjustments made by our independent valuation advisor to account for rising interest rates and more conservative growth assumptions, and mark-to-market adjustments on derivatives and fixed-rate debt aimed at protecting the portfolio from rising interest costs. While more cautious assumptions have put downward pressure on valuations over the past six months, we believe these changes do *not* reflect any deterioration in the underlying performance of our properties.

Despite moderating valuations, our portfolio fundamentals remain strong, and overall operating performance was robust: Q1 net operating income (NOI) growth in our same-store property portfolio was 9.4% year-over-year, well ahead of inflation of 5.8% during the same period (**Figure 1**).

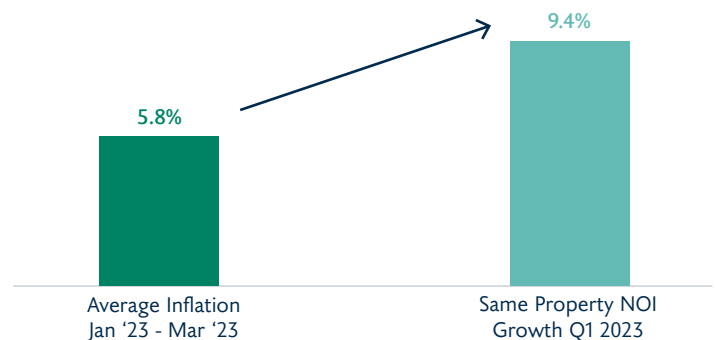
In addition, our portfolio has an attractive maturity schedule compared with the overall commercial real estate sector: At the end of March, less than 20% of our portfolio's debt was set to mature within three years vs. 44% for the broader U.S. commercial real estate industry, according to the Mortgage Bankers Association.

Asset Selection Is Key

Our investment approach is differentiated by a meticulous, bottom-up asset selection process that focuses on micro-market-level attributes that we believe make our properties desirable to tenants. Specifically, we focus on properties in desirable locations with favorable demographics; strong transportation links to robust employment markets, where tenant demand is buoyed by excellent amenities and competitive positioning; and where property supply is restrained. In addition, Brookfield's 30,000 real estate operating employees globally help us identify real-time trends and opportunities in markets that might be underappreciated by others.

This deliberate process has produced a curated portfolio of attractive rental housing, now more than 60% of the portfolio. As a result of prioritizing high-quality buildings in favorable locations, our apartments are rented to affluent tenants, making our buildings less

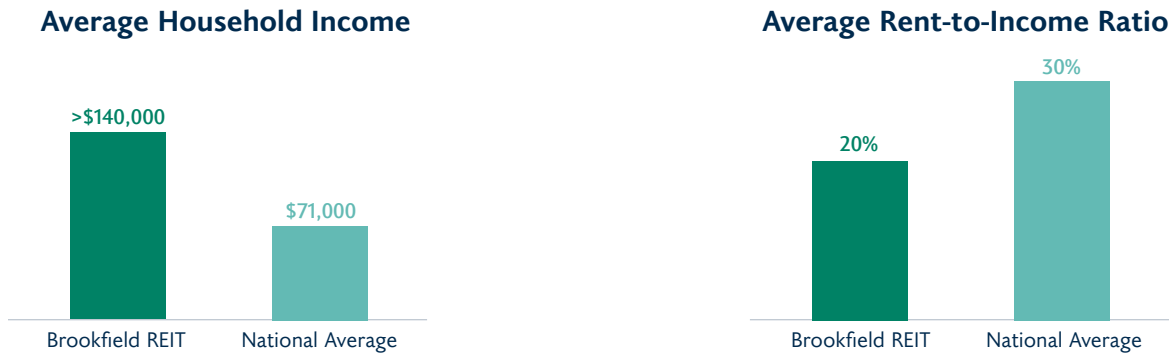
Figure 1: Operating Income Growth Far Outpaced Inflation
Average Inflation vs. Brookfield REIT Net Operating Income



Note: Left bar represents January to March 2023 average inflation vs. same period in 2022; right bar represents Brookfield REIT Same Property NOI Growth for the same comparison periods. Net Operating Income ("NOI") is a supplemental non-generally accepted accounting principles ("GAAP") measure of our property operating results. For a reconciliation of estimated GAAP net loss to same property NOI for the three months ended March 31 2023 and 2022, please refer to page 3 and 4.

Source: Brookfield REIT, U.S. Bureau of Labor Statistics, data as of March 31, 2023.

Figure 2: Affluent Tenants Position Brookfield REIT Well, Should Economy Slow



Source: Brookfield REIT, data as of March 31, 2023. Moody's Analytics, as of April 28, 2023.

vulnerable to a potential economic slowdown. As shown in **Figure 2**, the typical tenant in our market-rate apartments has household income of \$140,000, about double the national median of \$71,000, and our average rent-to-income ratio is 20% vs. 30% nationally.

We believe that our focus on identifying favorable localized factors and attracting creditworthy tenants has helped Brookfield REIT uncover attractive investments and produce strong results. For example, net operating income for our same-property apartment portfolio rose 18% in Q1 compared with the same period in 2022, far outpacing inflation.

Opportunities in Real Estate Credit

Given the current market landscape, we believe this could be the best-sustained environment for real estate credit in more than a decade. As banks continue to retreat from asset-backed lending and capital market volatility remains high, there is an opportunity for lenders with access to capital to participate in loans secured by high-quality sponsors of real estate (**Figure 3**). Brookfield REIT can draw on the expertise of Oaktree, a leading alternative manager with deep credit knowledge and significant scale, to provide a real-time window into real estate credit market conditions and determine when we should lean in or pull back from credit opportunities. Underscoring just how attractive conditions are today in credit, real estate-related loans and securities now account for 13% of our portfolio compared with just 3% a year ago.

Figure 3: Brookfield REIT Is Leveraging Oaktree's Expertise in Credit

Key Credit Metrics of Portfolio



Source: Brookfield REIT, data as of March 31, 2023.

A Value Approach Leveraging Brookfield and Oaktree

Despite uncertainty regarding the long-term inflation outlook, real estate today is a tale of two types of property. Like most cycles Brookfield has seen, the highest-quality properties continue to perform well, while commodity properties struggle. Despite some recent negative headlines, the fundamental case for high-quality real estate remains strong.

Indeed, historic data suggest that real estate has proven to provide attractive capital appreciation while also potentially hedging against inflation. To weather the ups and downs of the economic cycle, Brookfield REIT will continue to focus on high-quality apartment buildings in the sought-after neighborhoods, high-end net lease properties that are occupied by premier companies, and logistics properties in critical locations. Additionally, we believe Brookfield REIT has ample liquidity on hand – about 25% of our net asset value was available at the end of March to take advantage of any new, attractive opportunities.

The reputations of Brookfield and Oaktree have been built by applying a contrarian approach to investing, seeking overlooked opportunities during times of dislocation and making profitable investments during times of great uncertainty. During the uncertain period ahead, we will seek to leverage the expertise of Brookfield and Oaktree to yield long-term benefits for our investors.

This communication is for stockholder use only and is not an offer to sell or a solicitation of an offer to buy any securities.

Performance Summary

Total Returns as of March 31, 2023¹

	YTD	1-Year	3-Year	Since Inception	Distribution Rate ²
Class S No Sales Load	-1.97%	2.87%	12.48%	12.20%	4.70%
Class S With Sales Load	-5.28%	-0.61%	11.16%	11.05%	
Class D No Sales Load	-0.73%	—	—	-1.32%	5.18%
Class D With Sales Load	-2.20%	—	—	-2.77%	
Class I	-1.77%	3.87%	13.60%	13.33%	5.43%

Past performance is historical and not a guarantee of future results.

¹ Total Return is calculated as the percent change in the NAV per share from the beginning of the applicable period, plus the amount of any net distribution per share declared in the period. Total return is not a measure used under generally accepted accounting principles (“GAAP”) in the United States. Returns greater than one year are annualized. All returns shown assume reinvestment of distributions pursuant to Brookfield REIT’s distribution reinvestment plan, are derived from unaudited financial information, and are net of all Brookfield REIT expenses, including general and administrative expenses, transaction-related expenses, management fees, performance fees and share-class-specific fees but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year. Past performance is historical and not a guarantee of future results. Class D and Class S shares listed as “With Sales Load” reflect the returns after the maximum up-front selling commission and dealer manager fees. Class D and Class S shares listed as “No Sales Load” exclude up-front selling commissions and dealer manager fees. The returns have been prepared using unaudited data and valuations of the underlying investments in the Brookfield REIT portfolio, which are estimates of fair value and form the basis for Brookfield REIT’s NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value and may not accurately reflect the price at which assets could be liquidated. Please refer to Brookfield REIT’s annual and quarterly reports filed with the SEC, which are available at BrookfieldREIT.com, for a full reconciliation of NAV to GAAP measures. For information on how Brookfield REIT calculates NAV, see the “Net Asset Value Calculation and Valuation Guidelines” section of Brookfield REIT’s prospectus.

² Same Property NOI Growth: Brookfield Real Estate Income Trust Inc. (the “Company”), announced unaudited same property net operating income (“NOI”) for the three months ended March 31, 2023. Same property NOI for the three months ended March 31, 2023 increased 9.4% from the same period in the prior year. Please see page 4 for a for adjustments to reconcile to same property NOI.

NOI is a supplemental non-GAAP measure of the Company’s property operating results that the Company believes is meaningful because it enables management to evaluate the impact of occupancy, rents, leasing activity and other controllable property operating results at the Company’s real estate. The Company defines NOI as operating revenues less operating expenses, which excludes (i) impairment of investments in real estate, (ii) depreciation and amortization, (iii) straight-line rental income and expense, (iv) amortization of above- and below-market lease intangibles, and (v) other non-property related revenue and expense items such as (a) general and administrative expenses, (b) management fee, (c) performance fee, (d) income from real estate-related loans and securities, (e) interest expense, (f) realized loss (gain) on real estate investments, net, (g) realized gain on financial instruments, and (h) unrealized loss (gain) on investments, net.

The Company evaluates its consolidated results of operations on a same property basis, which allows the Company to analyze its property operating results excluding acquisitions and dispositions during the periods under comparison. Properties in the Company’s portfolio are considered same property if they were owned for the full periods presented, otherwise they are considered non-same property. Recently developed properties are not included in same property results until the properties have achieved stabilization for both full periods presented. Properties held for sale, properties that are being redeveloped, and interests in unconsolidated entities are excluded from same property results. The Company does not consider its investments in real estate-related loans and securities to be same property.

As such, same property NOI assists in eliminating disparities in net income due to the acquisition, disposition, development or redevelopment of properties during the periods presented, and therefore the Company believes it provides a more consistent performance measure for the comparison of the operating performance of the Company’s properties, which it believes is useful to investors. The Company’s same property NOI may not be comparable to that of other REITs and should not be considered to be more relevant or accurate in evaluating the Company’s operating performance than the current GAAP methodology used to calculate the Company’s net income (loss).

The Company’s independent registered public accounting firm, Deloitte & Touche LLP, has not audited, reviewed, compiled or performed any procedures with respect to this preliminary financial data, and, accordingly, Deloitte & Touche LLP does not express an opinion or any other form of assurance with respect thereto.

³ Annualized Distribution Rate reflects the current month’s distribution annualized and divided by the prior month’s NAV. NAV-based calculations involve significant professional judgment. The calculated value of Brookfield REIT’s assets and liabilities may differ from actual realizable value or future value, which would affect the NAV as well as any returns derived from that NAV, and ultimately the value of your investment. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be different. There is no assurance Brookfield REIT will pay distributions in any particular amount, if at all. Any distributions Brookfield REIT makes will be at the discretion of the Brookfield REIT board of directors. Brookfield REIT may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and Brookfield REIT has no limits on the amounts Brookfield REIT may pay from such sources. Brookfield REIT cannot guarantee that it will make distributions. 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.

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022
	Actual (\$'000)	Actual (\$'000)
Net Loss	-9,740	-2,457
Adjustments to reconcile to same property NOI		
Management fee	3,679	1,196
Performance fee	—	3,513
Depreciation and amortization	12,804	13,195
Income from real estate-related loans and securities	-6,363	-1,071
Interest expense	13,932	6,723
Realized loss (gain) on real estate investments, net	135	-669
Realized gain on financial instruments	-102	—
Unrealized loss (gain) on investments, net	4,643	-6,791
General and administrative	2,316	1,990
Other*	-686	-979
NOI	20,617	14,650
Less: Non-same property NOI	4,856	241
Same property NOI	15,761	14,409

* Includes straight-line rental income/expense and amortization of above- and below-market leases.


FORWARD-LOOKING STATEMENTS

Statements contained in this letter 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. Stockholders should not rely on these statements as if they were fact. Certain information contained in this letter 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 our annual and quarterly reports filed with the SEC, 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 we consider to be reasonable, will be achieved. Stockholders should carefully review the “Risk Factors” section of our annual and quarterly reports filed with the SEC for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

Contact Us

 brookfieldREIT.com

 info@brookfieldoaktree.com

 +1 855-777-8001

This communication is for stockholder use only and is not an offer to sell or a solicitation of an offer to buy any securities.