

# Flexing Into Credit

## Brookfield REIC

Brookfield Real Estate Income Corp.

The investment objective of Brookfield Real Estate Income Corp. (“Brookfield REIC” or the “Fund”) is to invest substantially all its assets into the Brookfield Real Estate Income Trust Inc. (“Brookfield REIT” or the “Master Fund”). The Brookfield REIT seeks to invest in a diversified portfolio of income-producing properties and real estate-related debt that aims to offer stable cash flow, long-term capital appreciation, as well as a hedge against inflation. The information in this document outlines the portfolio details of the Brookfield REIT.

All the information contained herein regarding Brookfield REIT or Brookfield REIT Adviser LLC (“REIT Adviser”) has been provided by REIT Adviser and/or Oaktree Fund Advisors, LLC (“REIT Sub-Adviser”). This document is confidential and is not an offer to sell nor a solicitation of an offer to buy securities of the Brookfield REIC or Brookfield REIT. Any offering of securities of the Fund will only occur in accordance with the terms and conditions of the Fund’s confidential offering memorandum, which describes more fully the implications, terms and risks of the Fund. Notwithstanding the foregoing, an investment in the Fund is not an investment in the Master Fund and a Shareholder will have no contractual relationship with or direct recourse against the Master Fund or Brookfield REIT Adviser LLC. The discussion below relates to the portfolio and investment strategy of Brookfield REIT. Unless, otherwise noted or the context indicates otherwise, “we”, “us”, or “our” refers to Brookfield REIT or the REIT Adviser. For additional information about the Brookfield REIC, please review the Brookfield REIC’s offering memorandum.

# Brookfield REIT: Flexing into Credit Backed by a Powerful Partnership

Brookfield REIT offers wealth investors a tailored approach to real estate investing. Leveraging Brookfield’s extensive real estate expertise and Oaktree’s credit expertise, Brookfield REIT aims to deliver a first-class private real estate solution (Figure 1).

**Figure 1: Delivering Real Estate and Credit Expertise to Wealth Investors**



## Brookfield

With an owner-operator mindset, Brookfield seeks to acquire high-quality, income-producing properties, diversified by type and location. Brookfield’s on-the-ground experts identify trends and source opportunities across sectors and geographies, applying a disciplined approach to acquisitions, focused on value. Direct property management (leasing, maintenance, capital projects, etc.) enables Brookfield to manage costs and add value by leveraging decades of real asset management.

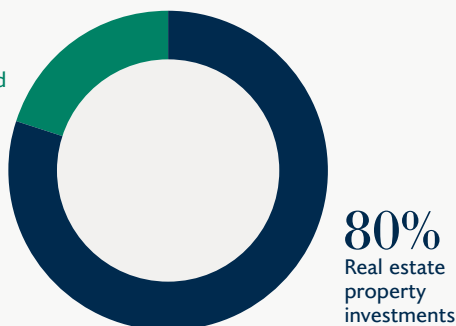
## Oaktree

Oaktree’s real estate debt team lends to borrowers, producing a visible stream of cash flows as lenders make payments. Oaktree uses its proprietary network to source and close on a variety of potential investment types, including publicly traded debt, as well as private real estate loans. Oaktree’s rigorous approach to analyzing and structuring its investments is aimed at generating attractive risk-adjusted returns coupled with mitigation of downside risk.

This unique combination helps investors gain exposure to a diversified property portfolio with a flexible approach that can lean into debt to minimize downside risk (Figure 2).

**Figure 2: Brookfield REIT Targeted Exposure**

**20%**  
Real estate-related debt and real estate-related securities



“This combination of credit market expertise and on-the-ground real estate capabilities is a very powerful combination for Brookfield REIT.”

— BRIAN KINGSTON,  
CHIEF EXECUTIVE OFFICER, BROOKFIELD REIT

These are indicative targets and may change over time. Illustrations for discussion purposes only.

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. A copy of the Brookfield Real Estate Income Trust Inc. prospectus is available at [www.BrookfieldREIT.com](http://www.BrookfieldREIT.com).

## Oaktree's Real Estate Debt Platform

Oaktree's real estate debt team invests in performing loans and traded debt securities across real estate with the goal to produce superior performance with less than commensurate risk.

### Deep Experience

- 27-year track record in real estate credit
- Supported by more than 60 real estate investment professionals
- ~\$70B total transaction volume since 2008<sup>1</sup>

### Aiming to Deliver for Investors

- Primary focus on consistency and managing downside risk<sup>2</sup>
- Average historical income distribution greater than 10%<sup>3</sup>
- Zero realized losses<sup>4</sup>

## Oaktree's Investment Process for Real Estate Debt

The investment process focuses on consistent results and minimizing losses.

### Deep Experience

Oaktree's relationships, size and reputation support deal flow and potential investment opportunities:

- 130+ relationships that provide preferred access to deal flow.
- Network often makes Oaktree a first point of contact and trusted lender.
- Pursue less competitive opportunities such as off-market transactions and those that fall out of a sales process.

### Analyze

Risk mitigation through a detailed analysis and due diligence of:

- Asset collateral
- Borrower
- Deal structure

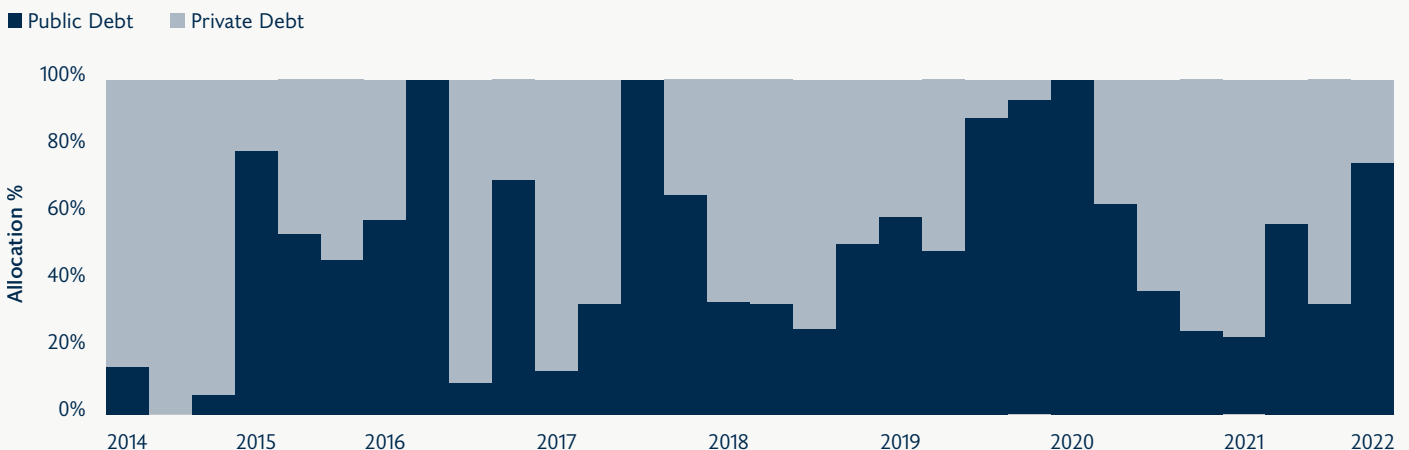
### Risk Control

Downside mitigation measures focus on:

- Structural protections including strict covenants or minimum liquidity requirements.
- Diversification of defensive and offensive exposures across asset types and markets.

The relative attractiveness of real estate private debt and publicly traded securities shifts in reaction to market sentiment changes at different points in the business cycle. In an effort to capture the most attractive risk-adjusted return potential, Oaktree's real estate debt strategy pivots between these two opportunities (**Figure 3**).

**Figure 3: Oaktree Allocates to Private and Public Debt Based on Relative Value**



Source: Oaktree. Data as of December 31, 2022.

Includes all Oaktree Real Estate Debt transaction debt. The prior performance of our sponsor or its affiliates is not indicative of our future results. There is no assurance that we will achieve our investment objectives.

## ENDNOTES

1 Source: Oaktree. Represents the gross purchase price (or total loan commitments for performing debt deals) of Real Estate-led investments across all Oaktree-managed strategies since 2008, including the pro-rata purchase price of real estate investments led by other strategies (represents only \$373 million across 10 transactions). As of December 31, 2022.

2 Oaktree's unifying business principles.

3 Source: Oaktree Capital Management. Refers to the 12% average historical income yield for three commingled Real Estate Debt strategies. As of December 31, 2022.

4 Source: Oaktree Capital Management. Represents the losses attributable to any defaults or foreclosures in Real Estate Debt strategies since inception. Excludes any purchased non-performing loan portfolios.

As of December 31, 2022.

## 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.

### Brookfield Real Estate Income Corp. Risk Factors:

Because the Brookfield REIC, or Fund, has been established to invest substantially all of its assets in the Brookfield REIT, an investment in the Fund involves all of the risks of investing in Brookfield REIT in addition to those risks particular to the Fund and its operation as a feeder fund. Brookfield REIT may purchase certain instruments or utilize certain investment techniques that carry specific risks. Accordingly, investment in the Fund involves considerations and risk factors that prospective investors should consider before subscribing. The risks associated with Brookfield REIT are not summarized fully below but rather are summarized in the Brookfield REIT prospectus. The following are key risks of an investment in the Fund itself.

**Investment Risks in General.** All investments in securities risk the loss, including the complete loss, of capital. No guarantee or representation is made that the Fund's investment strategy will be successful, and investment results may vary substantially over time. Adverse changes in regulation and provincial, national or international economic conditions—including, for examples, financial market fluctuations, local market conditions, governmental rules and fiscal policies, availability of terms of debt financing, and interest rates—can substantially and adversely affect the prospects of the investments of Brookfield REIT and, consequently, the performance of the Fund.

**Investment of Substantially All Assets in Brookfield REIT.** Because the Fund will invest substantially all of its assets in, and conduct its investment program through, Brookfield REIT, prospective investors should also carefully consider the risks that accompany an investment in Brookfield REIT. The returns of the Fund will depend almost entirely on the performance of its investment in Brookfield REIT, and there is no assurance that Brookfield REIT will be able to implement its investment objective and strategy. Certain ongoing operating expenses of the Fund, which will be in addition to those expenses indirectly borne by the Fund as an investor in Brookfield REIT, generally will be borne by the Fund and the Shareholders, with a corresponding impact on the returns to the Shareholders. Such additional expenses of the Fund will reduce the Fund's performance relative to Brookfield REIT. Although the Fund will be an investor in Brookfield REIT, investors in the Fund will not themselves be investors of Brookfield REIT and will not be entitled to enforce any rights directly against Brookfield REIT or assert claims directly against Brookfield REIT or its affiliates. Brookfield Public Securities Group LLC (the "Manager") is not the general partner or manager of Brookfield REIT and does not have any control whatsoever over its trading strategies or policies. None of the Fund or the Manager will take part in the management of Brookfield REIT or have control over its management strategies and policies. The Fund is subject to the risk of bad judgment, negligence or misconduct of the REIT Adviser and Oaktree Fund Advisers, LLC (the "REIT Sub-Adviser"). The terms of Brookfield REIT are subject to change.

**General Real Estate Risks.** The Fund expects to have significant exposure to real estate through Brookfield REIT. All real estate investments, ranging from equity investments to debt investments, are subject to some degree of risk. For example, real estate investments are relatively illiquid and, therefore, will tend to limit Brookfield REIT's ability to vary its portfolio promptly in response to changes in economic or other conditions. No assurances can be given that the fair market value of any real estate investments held directly or indirectly by Brookfield REIT will not decrease in the future or that Brookfield REIT will recognize full value for any investment that Brookfield REIT is required to sell for liquidity reasons. In addition, the ability of Brookfield REIT to realize anticipated rental and interest income on its equity and debt investments will depend on, among other factors, the financial reliability of its tenants and borrowers, the location and attractiveness of the properties in which it invests, the supply of comparable space in the areas in which its properties are located, and general economic conditions. Other risks include changes in zoning, building, environmental and other governmental laws, changes in operating expenses, changes in real estate tax rates, changes in interest rates, changes in the availability of property relative to demand, changes in costs and terms of mortgage loans, energy prices, changes in the relative popularity of properties, changes in the number of buyers and sellers of properties, the ongoing need for capital improvements, cash flow risks, and construction risks, as well as natural catastrophes, acts of war, terrorism, civil unrest, uninsurable losses and other factors beyond the control of Brookfield REIT's and REIT Adviser's management.

**Additionally, Brookfield REIT may, in certain instances, be responsible for structural repairs, improvements and general maintenance of real property. The expenditure of any sums in connection therewith beyond those budgeted for by Brookfield REIT will reduce the cash available for distribution and may require Brookfield REIT to fund deficits resulting from the operation of a property.**

**No assurance can be given that Brookfield REIT will have funds available to make such repairs or improvements. These factors and any others that would impede Brookfield REIT's ability to respond to adverse changes in the performance of its assets could significantly affect Brookfield REIT's and, accordingly, the Fund's financial condition and operating results. For a detailed discussion with regard to risks generally applicable to investment in real estate, please see "Risk Factors" in the Brookfield REIT prospectus.**

**No Due Diligence of Brookfield REIT.** The Fund has been formed specifically to invest in Brookfield REIT, and the Manager has not conducted due diligence to evaluate alternative potential investments for the Fund. The Manager does not intend to conduct investment or operational due diligence with respect to Brookfield REIT and its target investments. Similarly, the Manager will not perform any due diligence on or otherwise gauge the effectiveness of Brookfield REIT's investment program or process. Accordingly, there is a risk that the Manager may not detect potential conflicts of interest, fraudulent behavior or investment, administrative or operational weaknesses with respect to Brookfield REIT, any of which may give rise to substantial losses.

**Reliance on the REIT Adviser and the REIT Sub-Adviser.** Brookfield REIT's success, and in turn the Fund's success, is dependent on the relationship with and the performance of the REIT Adviser and the REIT Sub-Adviser in the acquisition and management of Brookfield REIT's real estate portfolio, and Brookfield REIT's corporate operations. The REIT Adviser or the REIT Sub-Adviser may suffer or become distracted by adverse financial or operational problems in connection with its business and activities unrelated to Brookfield REIT and over which Brookfield REIT, the Fund and the Manager have no control. Should the REIT Adviser or the REIT Sub-Adviser fail to allocate sufficient resources to perform its responsibilities to Brookfield REIT for any reason, the Fund may be unable to achieve its investment objectives or to pay distributions to investors.

**Tracking Error.** Although the Fund will invest substantially all of its assets in Brookfield REIT, its performance will not be identical to the returns achieved by Brookfield REIT. The costs and expenses applicable to an investment in the Fund itself (including the Management Fee) will necessarily result in the Fund underperforming the Brookfield REIT shares. In addition, a variety of other factors may contribute to deviations between the performance of the Fund and Brookfield REIT, including but not limited to tax consequences, the Fund's loan facility, the fact that a portion of the Fund's assets may be invested in securities other than securities of Brookfield REIT, and fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar. From time to time and over time, there will be a tracking error between the performance of the Fund and the performance of Brookfield REIT that could, under certain circumstances, be material.

**Reliance on Information Received from Brookfield REIT and the REIT Adviser and/or Sub-Adviser.** The Fund has no means of independently verifying the information supplied to it by Brookfield REIT or the REIT Adviser and/or REIT Sub-Adviser, including valuations and estimates of valuations (and subsequent potentially material revisions to such valuations or estimates) of the Fund's investment in Brookfield REIT. All information prepared by the Fund and the Administrator and provided to Shareholders generally will be based on information received from the REIT Adviser and/or Sub-Adviser. There is no assurance that such information will be accurate. The Manager is entitled to rely conclusively on valuations provided to it by the REIT Adviser and/or Sub-Adviser (including but not limited to the calculation of all asset-based fees and allocations), and shall not be liable to existing or former Shareholders for its reliance on any erroneous valuations or calculations provided by the REIT Adviser and/or Sub-Adviser or Brookfield REIT or any other service provider thereto.

**Reliance on Past Performance.** Prospective investors should not rely on the prior performance of Brookfield REIT or any other accounts or funds managed by the REIT Adviser or the REIT Sub-Adviser or their affiliates as an indication of the future performance of Brookfield REIT or the Fund. There is no assurance that any trading or investment strategy will produce profitable results. The past performance of Brookfield REIT and/or the REIT Adviser and/or Sub-Adviser or its affiliates is not indicative of how the Fund or Brookfield REIT will perform in the future. There is no assurance that the performance of Brookfield REIT will be comparable in the future to what it has been in the past, or that Brookfield REIT will achieve its investment objective or avoid substantial or total losses.

**Government Intervention.** In recent years the global financial markets have undergone disruptions that have led to certain governmental intervention. Such intervention has in certain cases been implemented on an "emergency" basis, suddenly and substantially eliminating market participants' ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. It is impossible to predict what additional interim or permanent governmental restrictions may be imposed on the market, or the effects of such restrictions on the objective and strategies of the Fund and Brookfield REIT.

**Deployment of Capital by Brookfield REIT.** In light of the nature of Brookfield REIT's continuous offering and its investment strategy and the need to be able to deploy capital quickly to capitalize on potential investment opportunities, Brookfield REIT may from time to time hold cash pending deployment into investments, which may at times be significant, particularly at times when Brookfield REIT is receiving high amounts of offering proceeds and/or times when there are few attractive investment opportunities. Such cash may be held in an account for the benefit of Brookfield REIT's stockholders that may be invested in money market accounts or other similar temporary investments, each of which are subject to Brookfield REIT's management fees. In the event Brookfield REIT is unable to find suitable investments, such cash may be maintained for longer periods, which would be dilutive to overall investment returns. It is not anticipated that the temporary investment of such cash into money market accounts or other similar temporary investments (pending deployment into investments) will generate significant interest, and investors should understand that such low interest payments on the temporarily invested cash may adversely affect overall returns.

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 or other applicable laws, neither Brookfield REIT nor the Brookfield REIC undertakes to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.