

# Brookfield

Brookfield Real Estate Income Trust Inc.

7.33%

TOTAL RETURN SINCE  
INCEPTION FOR CLASS I<sup>1</sup>

95%

PORTFOLIO  
OCCUPANCY

6.53%

ANNUALIZED DISTRIBUTION  
RATE FOR CLASS I<sup>2</sup>

## Q4 2024 Performance

As we enter 2025, we reflect on 2024 as a year of meaningful progress, underpinned by an improving macroeconomic environment. Inflation eased, central banks began lowering rates, and borrowing costs decreased, creating a more favorable backdrop for real estate investing. These tailwinds should position us well in 2025.

Our operating performance remained solid throughout the year, supported by disciplined asset management and several new investments during the year. In Q4, we delivered a net quarterly return of 0.86% for Class I shareholders, driven by occupancy levels exceeding 95%, solid cash flows, and an average lease term of eight years across our commercial portfolio.

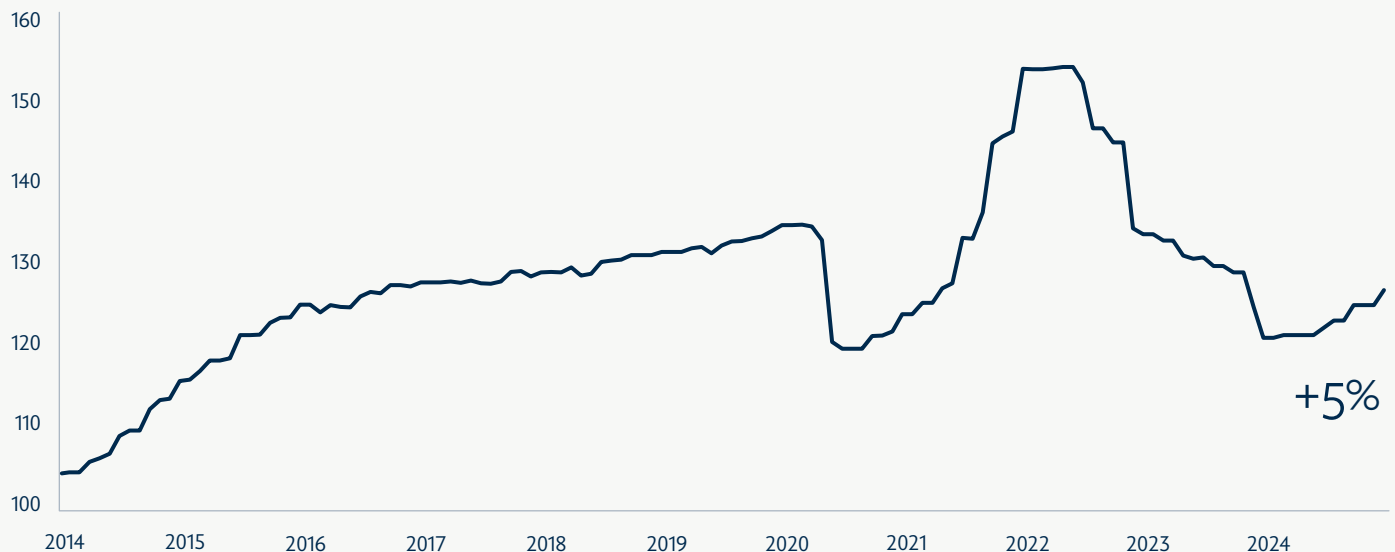
These results reflect the stability of our assets and our ability to navigate a dynamic market environment. With an attractive annualized distribution yield of 6.53%, we remain focused on generating consistent, long-term returns for our investors. 2024 was also a strong year for capital inflows, with over \$250 million in new subscriptions as investor confidence returned to the sector.

## Signals of Recovery Across Real Estate Markets

The broader real estate market continues to show signs of recovery, supported by improving fundamentals and renewed investor optimism. Over the past several months, we have seen real estate values begin to rise as interest rates have stabilized (see **Figure 1**).

**Figure 1: Real Estate Valuations are Already Bottomed and Improved 5% in 2024**

Commercial Property Price Index



Source: Green Street as of December 1, 2024.

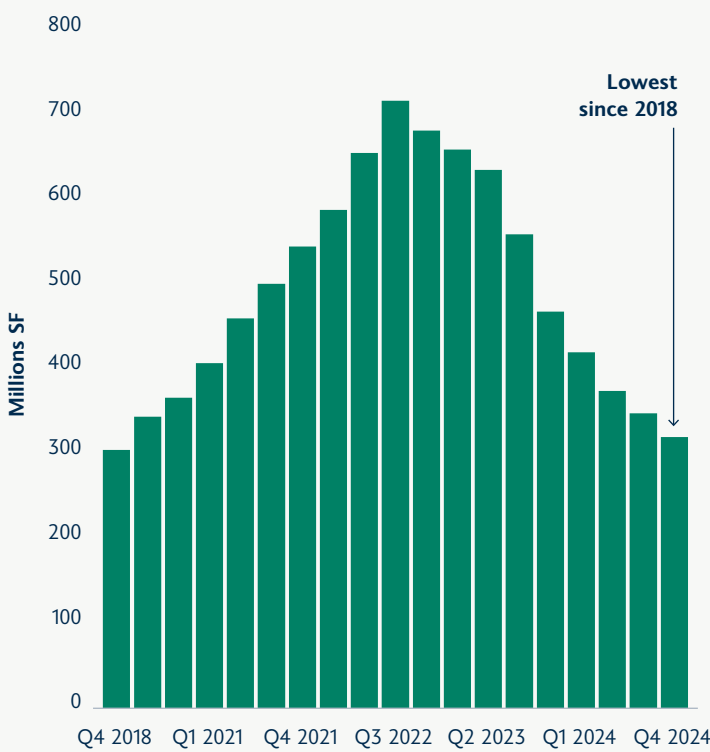
Transaction volume also picked up, supported by lower interest rates and an active debt capital market that saw CMBS issuance increase nearly threefold year-over-year.<sup>3</sup> We expect this renewed transaction activity could create compelling opportunities to deploy our capital, and we will seek to leverage our strong liquidity position to achieve attractive risk-adjusted returns.

We continue to see very attractive opportunities to invest in key sectors such as logistics and rental housing, where demand remains robust and constrained supply supports strong market fundamentals.

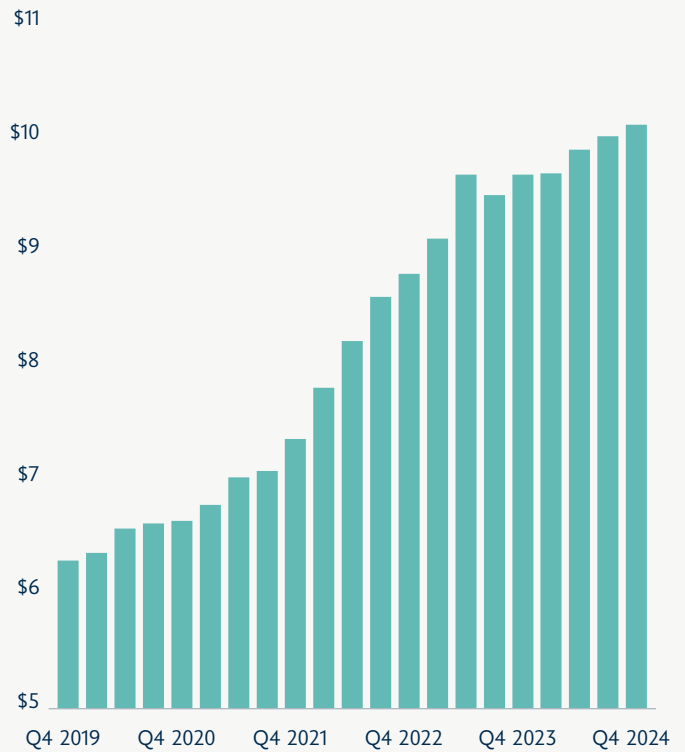
In the logistics sector, new development activity has slowed significantly, with under-construction levels at their lowest since 2018. This supply shortage has left tenants facing growing rents, positioning the sector for sustained growth in 2025 (see **Figure 2**).

**Figure 2: Constrained New Warehouse Supply Provides Support for Rental Growth**

Warehouse space under construction (msf)



Average U.S. warehouse asking rent/s.f.



Source: CoStar as of Q4 2024 & Wall Street Journal, Cushman & Wakefield, January 2025.

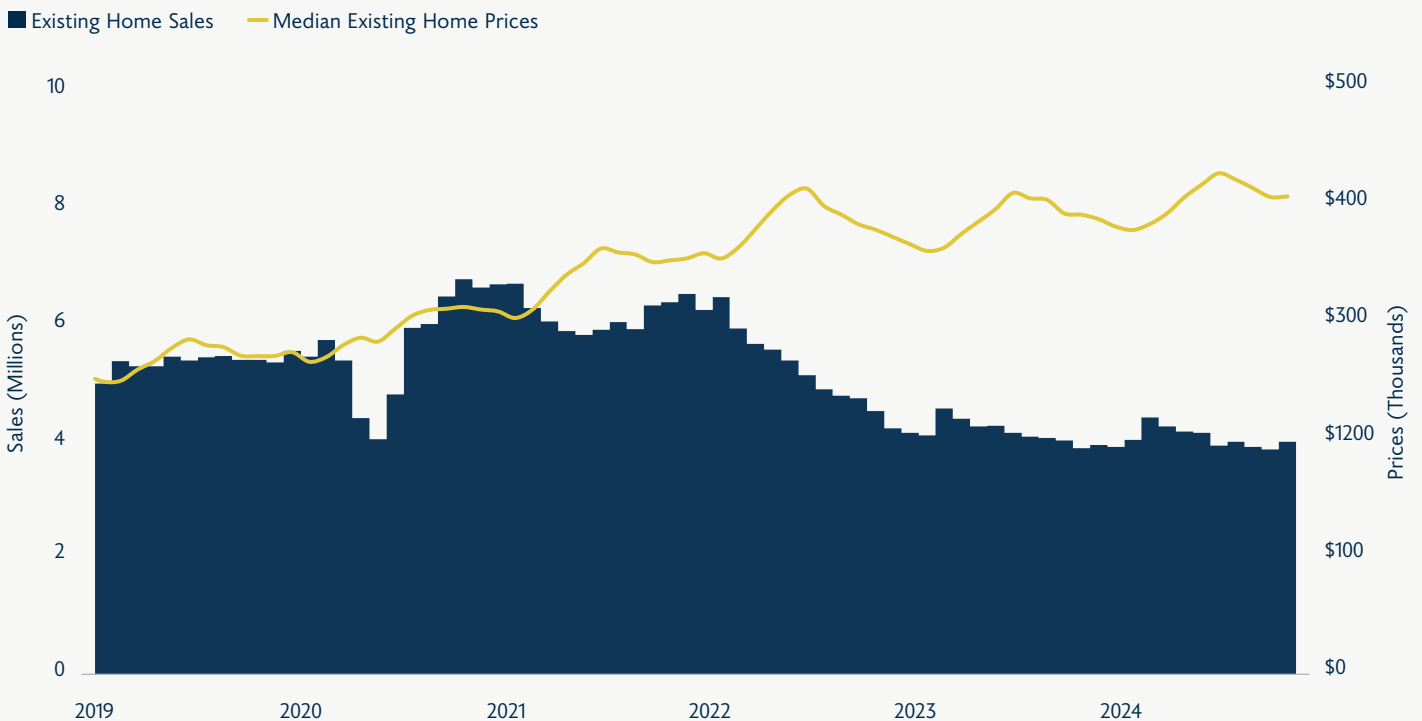
In the rental housing market, rising homeownership costs have made renting a more viable option for many households (see **Figure 3**). With supply remaining in check, we believe this sector is well-positioned to capture strong demand, and may offer the potential to deliver consistent growth and present attractive investment opportunities.

Looking beyond logistics and housing, we are actively exploring expansion opportunities in self-storage, manufactured housing, and needs-based retail—sectors that demonstrate strong fundamentals and align with our strategic vision.

As always, we remain committed to a disciplined, patient, and value-oriented approach to investing. By focusing on bottom-up underwriting and thoughtful capital deployment, paired with the resilience of our portfolio and our ability to adapt to evolving market conditions, will continue to drive strong outcomes.

**Figure 3: Rental Market Benefits from Increased Difficulty to Buy a Home**

Affordability Challenges



Source: Green Street, December 2024.

**2025 Outlook**

As we enter 2025, we are excited about the opportunities ahead and remain committed to creating value for our investors through our disciplined, long-term approach to real estate ownership and management.

Thank you for your continued support and investment in our business.

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

## Total Returns as of December 31, 2024<sup>1</sup>

	YTD	1-Year	3-Year	5-Year	Since Inception	Distribution Rate <sup>2</sup>
Class D No Sales Load	-0.49%	-0.49%	N/A	N/A	-2.53%	6.20%
Class D With Sales Load	-1.96%	-1.96%	N/A	N/A	-3.09%	
Class S No Sales Load	-1.41%	-1.41%	0.50%	6.37%	6.28%	5.74%
Class S With Sales Load	-4.75%	-4.75%	-0.65%	4.92%	5.56%	
Class I	-0.45%	-0.45%	1.52%	7.24%	7.33%	6.53%

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

<sup>1</sup> Total Return is calculated as the percent change in the net asset value (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 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.

<sup>2</sup> 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.

<sup>3</sup> Source: Green Sreet, Market Monitor, January 2025.


### 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 or entity 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.

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