

FORM ADV PART 2A BROCHURE

BROOKFIELD ASSET MANAGEMENT PRIVATE INSTITUTIONAL CAPITAL ADVISER (CREDIT), LLC

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Brookfield Asset Management Private Institutional Capital Adviser (Credit), LLC (“BAM PIC Credit”). If you have any questions about the contents of this Brochure, please contact us at 212-417-7000 or [ronald.fisher-dayn@brookfield.com](mailto:ronald.fisher-dayn@brookfield.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about BAM PIC Credit also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

BAM PIC Credit is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training.

**ITEM 2 – MATERIAL CHANGES**

This Brochure, dated March 2024, serves as an annual update to BAM PIC Credit’s last brochure, dated March 2023. This Brochure reflects the following material changes:

- Item 4 has been updated to reflect BAM PIC Credit’s regulatory assets under management as of December 31, 2023.

Other changes to this Brochure dated March 2024, which are not material, include additional updates to and clarifications of certain risk and conflicts disclosures.

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## ITEM 4 – ADVISORY BUSINESS

Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies, and strategies. Brookfield’s activities include, among others: (a) investment and asset management; (b) sponsoring, offering and managing private and public investment vehicles, including vehicles with proprietary and/or third-party capital, that invest in the global fixed income, currency, commodity, equities, private equity and other markets; (c) managing and investing insurance and reinsurance capital; (d) developing, constructing, owning, managing, operating and servicing a diverse portfolio of real estate, renewable power, infrastructure, private equity, and other companies and assets held by investment vehicles, including among others residential, commercial, logistics, hospitality, storage and mixed-use real estate, data, transport, utilities, midstream, and other infrastructure assets, hydro, wind, solar, distributed energy, sustainable solutions and other renewable power and climate transition assets, and other businesses and assets that provide essential products and services; (e) providing capital and financing solutions, including value-driven, opportunistic and bespoke credit and financing structures, as well as financial advisory, business development and other financial services to its investment vehicles and third-parties; and (f) other activities (collectively, “Brookfield Activities”).

Brookfield provides investment advisory services through affiliates that are registered with the SEC as investment advisers under the Advisers Act (collectively, the “Brookfield Advisers”). Each Brookfield Adviser generally serves as investment adviser or sub adviser to Brookfield-sponsored public and private investment vehicles managed on behalf of third-party investors and Brookfield proprietary accounts, including private funds, publicly listed issuers, joint ventures, partnerships, consortiums, separate accounts, co-investment vehicles, sidecar vehicles, region-, strategy- and sector-specific vehicles, and insurance companies (collectively with the Related-Party Investor (as defined herein), “Brookfield Accounts”).

BAM PIC Credit, a Delaware limited liability company, provides investment advisory services to Brookfield Accounts that primarily focus on investments in the real-estate sector. BAM PIC Credit is a subsidiary of Brookfield Asset Management ULC (“BAM”), which is the primary vehicle through which Brookfield provides investment advisory and related services to Brookfield Accounts. BAM is owned 75% by Brookfield Corporation and 25% by Brookfield Asset Management Ltd., both publicly traded corporations. BAM and its affiliates are collectively referred to herein as “Brookfield.”

Among other things, the Brookfield Advisers identify investment opportunities for Brookfield Accounts and participate in the acquisition, management, monitoring and disposition of such investments using an operations-oriented approach, as described in more detail under “*Methods of Analysis, Investment Strategies and Risk of Loss*” in Item 8 below. Investment advice is provided directly to Brookfield Accounts and not individually to the investors in Brookfield Accounts (the “Investors”).

BAM PIC Credit tailors the investment advisory services provided to each Brookfield Account based on the Brookfield Account’s investment mandate, which differs from Brookfield Account to Brookfield Account, as set out in the investment management agreement, limited partnership agreement, private

placement memorandum and/or other governing documents for each such Brookfield Account (collectively, the “Governing Documents”). The terms of the Governing Documents of each Brookfield Account could differ based on the investment objectives, strategy and other features relating to the Brookfield Account.

A key element of BAM PIC Credit’s strategy for each Brookfield Account is to seek to benefit from Brookfield’s broader investment, operational and financial platform by leveraging Brookfield’s broader business platform’s experience, expertise, reach, relationships, connectivity and positioning to enhance and optimize investments, operations and other business activities across industries, sectors, geographies and strategies, including in connection with the sourcing of investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Brookfield believes that this is in the overall best interests of the Brookfield Accounts – i.e., the access to and leveraging of Brookfield’s broader business platform is expected to enhance BAM PIC Credit’s capabilities and increase the value of the Brookfield Accounts – and forms an integral part of Brookfield’s operations.

For example, BAM PIC Credit relies on Brookfield’s broader business platform to provide: (a) investment advisory and portfolio management services to Brookfield Accounts, and their direct and indirect investments, (b) operational services to assets and portfolio companies in which Brookfield Accounts invest, and (c) additional investment, operational and financial support. This results in, among other things, Brookfield Accounts: (a) investing in or alongside other Brookfield Accounts, (b) investing in securities, loans, structured financings, and/or other financial instruments issued by other Brookfield Accounts and/or portfolio companies thereof and/or syndicated by Brookfield-related parties, (c) investing in different parts of an issuer’s or portfolio company’s capital structure (relative to investments made by other Brookfield Accounts), (d) transacting with other Brookfield Accounts, including in respect of investments, other assets and/or services, (e) providing financing, refinancing and/or other loans to other Brookfield Accounts and/or portfolio companies / investments thereof for acquisition, investment, financing, working capital, and/or other purposes, (f) providing acquisition financing and other capital solutions to purchasers of assets sold by other Brookfield Accounts, (g) warehousing investments on behalf of other Brookfield Accounts, and (h) retaining Brookfield-related parties for operational, management and/or other services relating to assets and portfolio companies in which Brookfield Accounts invest, including indirectly through other Brookfield Accounts.

This business strategy and overall relationship with Brookfield will give rise, in the ordinary course, to various potential and/or actual conflicts of interest considerations, particularly where a Brookfield Account’s interests could conflict with those of other Brookfield Accounts and their third-party investors. For example, Brookfield expects Brookfield Accounts to: (a) compete with other Brookfield Accounts for investment opportunities, (b) from time to time, invest in (or exit from) investments on terms and/or at times that are different from those applicable to other Brookfield Accounts, (c) invest in different parts of an issuer’s / portfolio company’s capital structure (e.g., debt investments) relative to investments made by other Brookfield Accounts (e.g., equity investments), potentially leading to divergent interests upon certain events, such as defaults by the issuer on debt payments, (d) limit (and, under certain circumstances, reduce) the size of investments made in different parts of an issuer’s / portfolio company’s capital structure relative to investments made by other Brookfield Accounts and manage such investments pursuant to a passive investment strategy – i.e., Brookfield Accounts generally will not vote

matters presented to investors in the relevant tranche / class to vote on or otherwise participate in, or seek to influence the outcome of, negotiations and/or decisions relating to the relevant tranche / class, but rather defer to the third-party investors controlling the tranche / class (or an independent third-party agent acting on behalf of all investors in the relevant tranche / class) to act on behalf of all investors in that tranche / class as a whole – so as to mitigate the potential and/or actual conflicts of interest considerations relative to Brookfield’s other client accounts and their investors, (e) provide capital solutions – including financings and/or refinancings – to other Brookfield Accounts and/or portfolio companies thereof, which require a negotiation of the terms of such arrangements, (f) facilitate activities of other Brookfield Accounts, including through warehousing arrangements for and/or joint transactions with other Brookfield Accounts, (g) from time to time be subject to investment / trading restrictions (including prohibitions on trading activities and/or limitations on position sizes) as a result of information obtained and/or other activities engaged in by Brookfield on behalf of other Brookfield Accounts, and/or (f) execute other transactions between certain Brookfield Accounts, on the one hand, and other Brookfield Accounts, on the other hand.

A more detailed description of the potential and/or actual conflicts of interest considerations that will arise in connection with the management of Brookfield Accounts as well as the manner in which they are expected to be resolved, is set out under “*Other Financial Industry Activities and Affiliations*” in Item 10 below.

The descriptions of these potential and/or actual conflicts considerations do not purport to provide a complete list or explanation of such considerations that could arise over time. While Brookfield will manage all such situations in a manner that it deems to be fair and reasonable in accordance with regulatory requirements taking into account the relevant circumstances, there can be no assurance that Brookfield’s determinations will be the most beneficial or favorable to the Brookfield Accounts.

Brookfield does not participate in any wrap fee programs.

As of December 31, 2023, BAM PIC Credit had \$798,654,349 in regulatory assets under management.

## ITEM 5 – FEES AND COMPENSATION

As compensation for the services it provides to Brookfield Accounts, Brookfield is generally entitled to an annual management fee that is typically calculated and paid quarterly in advance, subject to the terms of the applicable Governing Documents. In addition, Brookfield is generally entitled to performance-based compensation, which typically is equal to a portion of the distributions of investment proceeds attributable to each Investor in a Brookfield Account (other than affiliates of BAM PIC Credit), subject to the terms of the applicable Governing Documents. Overall fees may vary by Brookfield Account and are determined in accordance with the applicable Governing Documents. Brookfield reserves the right to apply different fee and expense arrangements to Investors on an individual basis.

Brookfield charges additional fees in connection with an investment for a Brookfield Account and earns break-up fees in connection with investments that are not consummated as outlined in the applicable Governing Documents. In addition, representatives of Brookfield from time to time serve on the board

of directors of one or more portfolio investments that a Brookfield Account is invested in and receive directors' fees in connection with such appointment. As set out in the Governing Documents for each Brookfield Account, up to 100% of the Investors' portion of the Brookfield Account's allocable share of any transaction, monitoring, consulting, advisory, directors', break-up or similar fees received by Brookfield and its employees (or, in the case of directors' fees, representatives of Brookfield) are generally applied, net of the Investor's allocable share of applicable expenses, to reduce the annual management fee (provided that any of these fees that would reduce the annual management fee in excess of the management fee for the applicable period may be applied to the management fee for subsequent periods).

In addition, as set out in more detail in *"Affiliated Services and Transactions"* in Item 10 below:

- Brookfield may make available certain discount programs to its employees as a result of Brookfield's relationship with an investment, which discounts are not available to the Investors;
- Brookfield has and will be retained to perform services for a Brookfield Account or a portfolio investment of a Brookfield Account that would otherwise be provided by third parties, and will charge the relevant Brookfield Account or portfolio investment for such services;
- Certain portfolio investments of Brookfield Accounts will provide services to, receive services from, or participate in transactions or other arrangements with, Brookfield and its affiliates (including other portfolio investments owned by Brookfield, Brookfield Accounts or non-controlled affiliates);
- Brookfield (or other Brookfield Accounts or businesses) will from time to time make equity or other investments in companies or businesses that provide services to or otherwise contract with a Brookfield Account and/or its portfolio investments; and

Furthermore, in certain circumstances Brookfield employees are hired by, seconded to, or retained by one or more portfolio investments of a Brookfield Account or by Brookfield on behalf of a portfolio investment, as set out in more detail in *"Transfers and Secondment of Employees"* in Item 10 below.

Brookfield Accounts also incur brokerage and other transaction costs, as set out in more detail in *"Brokerage Practices"* in Item 12 below.

In addition to the fees above, each Brookfield Account generally bears all of its operating expenses, including legal, organizational, offering expenses and other expenses, and each Investor bears its pro rata portion of these expenses, as set out in more detail in *"Allocation of Costs and Expenses"* in Item 10 below.

Brookfield will from time to time determine that it is advisable to invest additional capital in or with respect to an investment and (a) this additional investment must be made within a timeframe that would preclude the issuance of a funding notice in respect thereof or (b) unfunded capital commitments are unavailable for this purpose, then Brookfield may loan additional capital to such investment in accordance with a Brookfield Account's Governing Documents. Any such loan is expected to be repaid

by such investment in priority to any distributions to a Brookfield Account by such investment, or be converted into an equity interest in such investment on a dollar-for-dollar basis using an appraisal or arm's length valuation, in Brookfield's sole discretion.

As noted above, the asset-based management fee in respect of a Brookfield Account is typically paid quarterly in advance. An Investor in a Brookfield Account that is a closed-end private investment fund is generally only permitted to withdraw from the account under limited circumstances and will generally not be entitled to a refund of fees paid in advance in such circumstances. Certain redemption rights are generally afforded to investors in Brookfield Accounts that are open-ended.

Certain Brookfield subsidiaries, including Brookfield Private Advisors LLC, a limited purpose broker-dealer that is registered with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"); Brookfield Oaktree Wealth Solutions LLC, a limited purpose broker-dealer that is registered with the SEC and is a member of FINRA; Brookfield Private Capital (UK) Limited, which is authorized and regulated by the United Kingdom's Financial Conduct Authority; Brookfield Singapore Pte. Ltd., which is an exempt Financial Advisor authorized and regulated by the Monetary Authority of Singapore; Brookfield Advisors (Hong Kong) Limited, which is authorized and regulated by the Hong Kong Securities and Futures Commission; and Brookfield Investment Management (Canada) Inc., which is authorized as a dealer under applicable Canadian regulations, solicit prospective investors for the Brookfield Accounts and as a result, their representatives generally receive compensation in connection with the sale of interests in a Brookfield Account.

The compensation paid to such representatives will be from Brookfield and not from Brookfield Accounts or any Investors. The amount of such compensation will vary based on a number of different factors, including the amount of interests in a Brookfield Account that have been sold by such representative. As a result of such arrangements, such representatives have a financial interest in promoting interests in Brookfield Accounts. In addition, the compensation that such representatives receive in respect of the sale of the interests in a Brookfield Account may be higher than the compensation that they would receive in respect of the sale of other (including similar) products or services, which may give such representatives an incentive to promote the interests in a Brookfield Account over other (including similar) products or services. Potential investors should therefore be aware that there are financial and other interests that incentivize such representatives to promote certain Brookfield Accounts and related interests. The considerations set forth above are similar (and in certain instances may be heightened) in the event Brookfield retains a third-party placement agent to market interests in the Brookfield Account.

Brookfield pays its affiliates that solicit prospective investors for the Brookfield Accounts out of its profits, and such payments do not increase the fees paid by the Brookfield Accounts' Investors. BAM PIC Credit is not a broker-dealer and does not charge commissions or markups in addition to its investment advisory fees.

## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

As described in Item 5 above, Brookfield is generally entitled to performance-based compensation from Brookfield Accounts in accordance with their Governing Documents, which such compensation is structured to comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the



“Advisers Act”), to the extent applicable. Performance-based compensation arrangements may create an incentive for Brookfield to recommend investments which may be riskier or more speculative than those which would be recommended under a different compensation arrangement. Such compensation arrangements may also create an incentive for Brookfield to favor higher fee-paying Brookfield Accounts over lower fee-paying Brookfield Accounts in the allocation of investment opportunities.

Brookfield has adopted allocation policies and procedures (as described below) to help mitigate conflicts of interest relating to the management of multiple Brookfield Accounts with varying fee arrangements.

At all times, Brookfield will act and make decisions on behalf of Brookfield Accounts that it believes are in their best interests, taking into account all facts and circumstances that it deems relevant, including potential participation by Brookfield Client Relationships (as defined herein) in the pursuit or the consummation of certain investments.

See Items 5, 10 and 11 for a description of certain other conflicts (and potential conflicts) of interests relating to the advisory services provided by Brookfield. A more detailed description of applicable conflicts of interest is set forth in the Governing Documents of each Brookfield Account.

**Allocation of Investment Opportunities.** Brookfield provides investment advice and performs related services for itself and other Brookfield Accounts (including, among others, for its own account and/or accounts that are being seeded and/or incubated), which are similar to the advice provided and services performed for other Brookfield Accounts. Certain Brookfield Accounts have (and additional future Brookfield Accounts will in the future have) investment mandates that overlap with those of other Brookfield Accounts and compete with and/or or have priority over other Brookfield Accounts for particular investment opportunities. As a result, certain opportunities sourced by Brookfield that would otherwise be suitable for Brookfield Accounts are not expected to be available to them, Brookfield Accounts will receive a smaller allocation of such opportunities than would otherwise have been the case, or Brookfield Accounts will receive an allocation of such opportunities on different terms than Brookfield or other Brookfield Accounts, which may be less favorable to Brookfield Accounts than otherwise would have been the case. The factors considered by Brookfield in allocating investments among the Brookfield Accounts may change over time (including to consider new, additional factors) and different factors may be emphasized or be considered less relevant to different investments.

Further to the foregoing, Brookfield manages and participates in, and will in the future manage and participate in, Brookfield Accounts that have or will have overlapping investment mandates with other Brookfield Accounts.

By way of example only, these include Brookfield Accounts that focus on (i) equity and debt investments in companies and assets; (ii) secondary investments, which include, among other things, third-party general partner-led recapitalizations of assets and/or investment vehicles (including closed-end funds, joint ventures and other vehicles) where the third-party general partner maintains day-to-day asset management responsibilities, investments in pooled investment vehicles managed by third parties and co-investments alongside such investment vehicles, structured solutions and/or preferred equity investments in assets managed by third-party general partners, recapitalization of third-party managed investment vehicles (in whole or in part), and related separately managed accounts; (iii) startup

investments in early stage technology businesses and growth investments in later-stage technology-enabled service companies; (iv) investments that contribute to the transition to a net -zero emissions global economy; and (v) private equity and private equity-related investments (including among others provision of capital solutions to third-parties).

Investment opportunities generally will be allocated pursuant to (and in accordance with) Brookfield Accounts' investment priorities (if any). Under certain circumstances, where the investment mandate of a Brookfield Account overlaps with the investment mandate of one or more other Brookfield Accounts, any investment opportunity that is suitable for such Brookfield Accounts may be allocated among them on a basis that Brookfield determines in good faith is fair and equitable taking into account one or more factors (the "Allocation Factors"), as it deems relevant in its discretion including (among others): (i) the size, nature and type of the investment opportunity (including the risk and return profiles of the opportunity, expected holding period and other attributes) as well as its fit within each Brookfield Account's investment focus; (ii) the nature of the investment focus, objectives, strategies and target rates of return of the Brookfield Accounts (including the investment guidelines and limitations governing the Brookfield Accounts), as adjusted from time to time over the lives of the Brookfield Accounts; (iii) the geographic location of the investment opportunity, and Brookfield's determination of the appropriateness of the risks of investing in such location for the Brookfield Accounts; (iv) the relative amounts of capital available for investment; (v) principles of diversification of assets and portfolios (e.g., sector, geographic, risk and/or asset concentration considerations); (vi) the expected future capacity of the accounts; (vii) cash and liquidity needs, including for active pursuit of pipeline, follow-on, staged draw investments (including funding obligations with respect to such investments that are contingent upon achievement of certain milestones) and other opportunities pursued by the Brookfield Accounts; (viii) the availability of other appropriate or similar investment opportunities; (ix) the extent to which the investment professionals involved in managing the Brookfield Accounts participated in the sourcing and/or diligencing of the investment opportunity and as a result their knowledge and understanding of the investment opportunity; (x) the management of any actual or potential conflict of interest; and/or (xi) other considerations deemed relevant by Brookfield (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations). To the extent that Brookfield determines that an overlap situation is likely to be recurring for particular types of investment opportunities, Brookfield could (but will not be required to) determine to apply the Allocation Factors in accordance with a formulaic or other systematic approach for any period of time, as it deems appropriate in its sole discretion.

The determination of whether an investment is within the scope of the investment mandate of a Brookfield Account will be made in the discretion of Brookfield. Further, if Brookfield determines that investment opportunities in respect of a particular sector (which can be comprised of multiple industries) or region are expected (in the fullness of time) to exceed the investment limitations (or appropriate portfolio concentration) of one or more Brookfield Account(s), Brookfield may sponsor, act as general partner and/or manager to, and otherwise participate in, sidecar vehicles that participate in such opportunities, and such opportunities and any investment opportunity related thereto (e.g., follow-on investment opportunities) will be allocated between Brookfield Accounts and the applicable sidecar vehicle on a basis that Brookfield believes is fair and equitable taking into account various factors that it deems relevant in its discretion, including the Allocation Factors (which may include allocating

investment opportunities in accordance with a formula or other systematic approach that Brookfield determines to be fair and equitable at the time such sector- or region-specific sidecar fund is formed).

From time to time, in applying the principles described above, Brookfield could determine that an investment opportunity will be shared among two or more Brookfield Accounts by causing one Brookfield Account to acquire certain portions of the investment opportunity while one or more other Brookfield Accounts acquire other portions. In such cases, given its varying economic interests in different Brookfield Accounts, Brookfield will face conflicts of interests in valuing portions of an investment opportunity that is allocated among different Brookfield Accounts, in particular where a portion of the opportunity is to be allocated to a Brookfield Account in which Brookfield has a larger economic interest relative to the other Brookfield Account that is participating in the opportunity. Brookfield will value the portion of the opportunity allocated to each Brookfield Account (which will impact the purchase price paid by such Brookfield Account) and allocate transaction expenses among such Brookfield Accounts in accordance with its fiduciary duties to the Brookfield Accounts, consistent with each Brookfield Account's Governing Documents and Brookfield's internal policies and procedures, in particular those relating to the underwriting and valuation of investment opportunities and allocation of fees and expenses. Notwithstanding the foregoing, Brookfield generally will not, unless otherwise required to pursuant to applicable law and/or regulation, seek independent review, opinion, support and/or appraisal for such allocation and/or valuation determinations, including in situations where Brookfield has different economic interests in the participating Brookfield Account(s). See also "*Determinations of Value*" below. Among other things, if one Brookfield Account is unable to make an additional investment in a particular asset in which it has previously invested, such investment opportunity could be allocated to another Brookfield Account. In such circumstances, the liabilities (including certain expenses related to the investment) will be allocated across such Brookfield Accounts, though there may not be a clear delineation between the expenses and liabilities attributable to each Brookfield Account's portion, and as a result, one of the Brookfield Accounts could be responsible for more than its share of any shared expenses.

The process for making allocation determinations is inherently subjective and the factors considered by Brookfield in allocating investments among Brookfield Accounts are expected to change over time (including to consider new, additional factors) and one or more different factors are likely to be emphasized or be considered less relevant with respect to different investments depending on the then-existing facts-and-circumstances deemed relevant by Brookfield and taking into account the broader facts and circumstances and portfolio construction considerations applicable to each Brookfield Account. In some cases, this will result in certain transactions being shared among two or more Brookfield Accounts (including, for example, on a rotational, *pro rata* or other basis), while in other cases it will result in one or more Brookfield Accounts being excluded from an investment entirely. In some instances, Brookfield may receive new, different or additional information regarding an investment opportunity during the course of performing continued due diligence on such investment opportunity. To the extent such investment opportunity had already been allocated to one or more Brookfield Accounts pursuant to the allocation methodology described above, Brookfield is not obligated to reconsider its allocation decision, and could elect not to do so, including in cases where structuring work has already been undertaken with respect to the initial allocation or changing the allocation would otherwise be costly or burdensome.

Since certain Brookfield Accounts represent Brookfield's proprietary investments activities, the fact that investment opportunities deemed unsuitable for Brookfield Accounts could be pursued by Brookfield itself presents a conflict of interest when making such suitability determination. Brookfield will make such suitability determination in a manner consistent with its fiduciary duties to Brookfield Accounts, but will not be required to disclose to the LPAC or the Investors the specific instances in which Brookfield has pursued an investment on a proprietary basis after having deemed it unsuitable for Brookfield Accounts. Additionally, from time to time, Brookfield may identify an investment opportunity that could otherwise be suitable for a Brookfield Account, but which, as a result of the particular facts and circumstances surrounding such investment opportunity at such time, Brookfield determines is not appropriate for the Brookfield Account and instead invests on its own behalf (for example, if such investment opportunity falls within a sector, industry or geography that is relatively new to Brookfield and therefore Brookfield determines it does not have sufficient expertise, knowledge or scale to invest prudently on behalf of the Brookfield Account. In such cases, subsequent similar investment opportunities could be allocated to the Brookfield Account, even when the original similar investment opportunities were pursued by Brookfield on a proprietary basis.

In addition, it is possible that there will be a period of time when both a successor Brookfield Account and a predecessor fund of such Brookfield Account have capital available to make new investments, particularly because the predecessor Brookfield Account will have recycled capital available to invest. In such instances, Brookfield will determine the extent to which the predecessor account will invest such available capital (including by reinvesting its recycled capital) in new investments, which could result in investments being allocated to the predecessor account, rather than the successor account, using its available capital in order to make such investments. Brookfield will make such determinations and allocate investments among successor and predecessor accounts taking into account the factors described above (including, in particular, the pipeline of investment opportunities, recycled capital and portfolio construction considerations). In making such allocation decisions, Brookfield may allocate an investment opportunity to a predecessor account even if such opportunity could have been allocated entirely to the successor account, or may, in its discretion, allocate an investment opportunity to both accounts on a shared basis. Decisions to allocate an investment opportunity among predecessor and successor accounts (or both) will be made at the time the investment opportunity arises, and, in Brookfield's discretion, may or may not be revisited in the event of further developments in investment diligence, pipeline attrition, changes in available capital and other factors.

Moreover, it is possible that prospective investment opportunities may be re-allocated (in whole or in part) among Brookfield Accounts in circumstances that, due to timing (e.g., a delay of certain regulatory approvals or other third-party consents) or other considerations, such prospective investment opportunity becomes more suitable for a different Brookfield Account than the one it was originally allocated (or expected to be allocated) to, as determined by Brookfield in its discretion. In such circumstances, if a Brookfield Account is ultimately allocated the full investment opportunity, and such investment is completed, then such Brookfield Account will reimburse the Brookfield Account that was originally allocated (or expected to be allocated) the opportunity for deposits or other costs or expenses incurred. However, in the instance that such prospective investment opportunity is not completed, both Brookfield Accounts will bear the costs actually borne by them in connection with such prospective

investment opportunity.

Further, Brookfield may be offered a future investment opportunity related to, or arising from, an existing investment (including opportunities that align with and/or are otherwise synergistic with existing investments), and such future investment opportunity may be allocated to a different Brookfield Account than the one that holds the original investment because of timing (e.g., too late in the term of the Brookfield Account or it is otherwise capped on follow-on investments), portfolio construction, priority or other considerations, such as lack of required available capital. These subsequent investments may dilute or otherwise adversely affect the interests of the Brookfield Account that holds the existing investment.

As a result of the foregoing, opportunities sourced by Brookfield that would otherwise be suitable for a Brookfield Account may not be available to the Brookfield Account in their entirety and/or the Brookfield Account may receive a smaller allocation of such opportunities than would otherwise have been the case. See *“Allocation of Co-Investments”* below. Approval from the Investors or of the independent directors will not be required in connection with such allocation determinations. However, as noted throughout this Brochure, it is a key element of Brookfield’s strategy to leverage its experience, expertise, broad reach, relationships and position in the market for investment opportunities, deal flow, financial resources, access to capital markets and operating needs, which it believes is in the best interests of Brookfield Accounts overall.

For the avoidance of doubt, any investment opportunity allocated to a Brookfield Account may not ultimately be made by the Brookfield Account, or may be made in an amount that was less than initially allocated to the Brookfield Account, due to portfolio construction or other similar considerations (including the time remaining under the Brookfield Account’s term, the availability of capital (or lack thereof), any applicable investment limitations or other concentration considerations), as determined by Brookfield in its discretion. As a result, the Brookfield Account may not invest the full amount of any investment opportunity that was allocated to it.

From time to time, a Brookfield Account may fund deposits or incur other costs and expenses in respect of an investment opportunity that is ultimately shared with or made entirely by another Brookfield Account. In such cases, such other Brookfield Account would be expected to reimburse the original Brookfield Account for such deposits or other costs or expenses. Any such reimbursements are expected, but not guaranteed, to include interest and other expenses related to borrowings, regardless of whether the Brookfield Account that is being reimbursed actually borrowed to fund such deposit or other costs or expenses, which interest will generally be set at a rate aligned with such Brookfield Account’s loan facility, the preferred return of such Brookfield Account or another rate determined by Brookfield to be reasonably applicable (which rate may be higher or lower than the rate applicable to the reimbursing Brookfield Account’s loan facility). Neither Investor approval nor LPAC approval will be required in connection with such transactions.

**Incentive to Allocate Investment Opportunities to Co-Investment Vehicles and Other Brookfield Accounts.** Brookfield will generally have different economic interests in different Brookfield Accounts, including, among other things, because certain Brookfield Accounts are wholly-owned by Brookfield;

Brookfield makes different capital commitments to different Brookfield Accounts; certain Brookfield Accounts pay carried interest at different rates, and/or are more (or less) likely to generate any carried interest at all (or to generate carried interest earlier (or later) in time); and/or because certain Brookfield Accounts charge management fees that are calculated based on their amount of capital deployed. As a result, there could be circumstances in which the aggregate economic benefit to Brookfield from allocating an investment opportunity in whole or in part to one Brookfield Account (including, for example, a co-investment vehicle) is (or is expected to be) greater than if the particular investments were allocated to another Brookfield Account. For example, Brookfield is not required to offset certain transaction fees, break-up fees and other fees against management fees charged to certain co-investment vehicles. Similarly, given its varying economic interests in different Brookfield Accounts, Brookfield will face conflicts of interests in valuing portions of an investment opportunity that is allocated among different Brookfield Accounts, in particular where a portion of the opportunity is to be allocated to a Brookfield Account in which Brookfield has a significantly larger economic interest relative to the other Brookfield Account that is participating in the opportunity. Notwithstanding the foregoing, Brookfield will make allocation and valuation decisions in accordance with its fiduciary duties to Brookfield Accounts, consistent with each Brookfield Account's Governing Documents and Brookfield's internal policies and procedures.

In addition, Brookfield anticipates entering into formal or informal arrangements (including one or more Program Accounts (as defined below) or other multi-investment co-investment vehicles) pursuant to which Brookfield benefits economically, directly or indirectly, from offering co-investment opportunities to such investors. Such arrangements will grant certain rights not offered to other Investors, including, (a) reducing fees and/or incentive compensation (or providing a rebate thereof) in respect of their investment in a Brookfield Account and (b) offering priority co-investment opportunities alongside a Brookfield Account with a minimum target allocation and reducing fees and/or incentive compensation (or providing a rebate thereof) where such minimum targets are not met. In connection with such arrangements, Brookfield could agree to provide reduced fees and/or incentive compensation (or a rebate thereof), including in respect of such investors' investments in Brookfield Accounts, in the instance that such investor is not allocated its full allocation of co-investment opportunities. As a result of any such circumstances, in certain circumstances Brookfield will be incentivized to allocate a greater portion of an investment opportunity to a co-investor than it would otherwise allocate in the absence of such economic circumstances. In addition, Brookfield's allocation of any co-investment opportunities could benefit Brookfield in other ways, including increased investments by such investors in one or more Brookfield Accounts.

**Linked Transactions/Arrangements.** Brookfield from time to time contracts with third parties for various linked business transactions and/or arrangements (e.g., agreements to supply power to a third party while at the same time agreeing to procure technology services from such third party) as a part of broader business or other similar relationships with such third parties. Such transactions and/or arrangements (and related benefits) generally will be for the benefit of Brookfield's broader business platform and will be allocated in accordance with Brookfield's allocation policies and procedures in a fair and reasonable manner. In connection with these transactions and/or arrangements, Brookfield will allocate certain transactions (e.g., power supply agreements) among various Brookfield Accounts, and may in connection therewith commit such Brookfield Accounts to purchase and/or backstop certain



services or products provided by such third parties. In addition, Brookfield expects to receive discounts and other special economic benefits in respect of the services and/or products provided by the third parties, which will be allocated among Brookfield and various Brookfield Accounts in a fair and reasonable manner, including Brookfield Accounts that do not participate in providing goods and/or services to the third parties.

**Allocation of Co-Investments.** Investing in a Brookfield Account does not entitle any Investor to allocations of co-investment opportunities and Investors generally will not have any right to receive co-investments. To the extent Brookfield determines, in its discretion, that an investment opportunity that is to be offered to and executed by a Brookfield Account in accordance with “*Allocation of Investment Opportunities*” above, exceeds the amount appropriate for that Brookfield Account which will, in some cases, as determined by Brookfield in its discretion, be less than the maximum concentration permitted under the relevant Brookfield Account’s governing agreement, Brookfield may, in its sole and absolute discretion, offer to one or more Investors and/or one or more third parties, including, in each case, Brookfield Accounts or Brookfield employees, the ability to participate in such opportunity as a co-investor on such terms and conditions as Brookfield determines. In addition, Brookfield could offer and in the past has offered potential co-investment opportunities to investors that are potentially of strategic benefit to the applicable investment opportunity, including Brookfield and/or other Brookfield Accounts (collectively, “Strategic Co-Investors”). Co-investment opportunities may be offered to Strategic Co-Investors irrespective of whether the available investment opportunity exceeds the amount that would otherwise be appropriate for Brookfield or the relevant Brookfield Account, and therefore, participation of a Strategic Co-Investor will reduce the amount of the investment opportunity available to Brookfield or the relevant Brookfield Account.

Where Brookfield determines to offer a co-investment opportunity to one or more Investors and/or one or more third parties (including, in each case, Brookfield Accounts or Brookfield employees), Brookfield has broad discretion in determining to whom and in what relative amounts to allocate co-investment opportunities. Co-investment opportunities may, and typically will, be offered to some but not other Investors or to third parties who are not Investors (including, in each case, Brookfield Accounts or Brookfield employees). To the extent Brookfield determines to allocate co-investment opportunities to Investors, decisions regarding whether and to which Investors to offer co-investment opportunities are made at the discretion of Brookfield and will be based on a number of factors, including an Investor’s expressed interest in co-investments, the size of an Investor’s capital commitment to Brookfield Accounts, an Investor’s willingness to pay fees, carry or broken deal expenses, whether an Investor has a history of participating in co-investment opportunities with Brookfield, whether an Investor has demonstrated, or has the potential to demonstrate, a long-term and/or continuing commitment to the potential success of Brookfield and/or the Brookfield Accounts, an Investor’s contractual rights (if any) to co-investment opportunities that are made available, the jurisdiction of the Investor, the Investor’s impact on tax, regulatory, legal and similar considerations, the overall strategic value to Brookfield of offering a co-investment opportunity to such Investor, and Brookfield’s assessment of an Investor’s ability to timely execute and fund the co-investment opportunity. A decision regarding the allocation of a co-investment opportunity will be made based on the then-existing facts -and -circumstances and then-existing factors deemed relevant by Brookfield in its sole discretion (including factors that require subjective decision- making by Brookfield), and could be different from those used in determining the allocation of any other co-investment opportunity,

including based on tax, regulatory, legal and similar considerations. For the avoidance of doubt, Brookfield will be offered co-investment opportunities alongside Brookfield Accounts in its capacity as a limited partner of the Brookfield Accounts, and Brookfield's portion of any co-investment opportunity may be made through any affiliate, Brookfield Insurance Account or Oaktree Account (as defined below).

To the extent potential co-investors determine not to participate in a co-investment opportunity offered to them, there may be excess opportunity available. In such circumstances, Brookfield will allocate such excess in its sole discretion and Brookfield Accounts and/or other co-investors, including investors who are not investors in the relevant Brookfield Account, may assume such excess in lieu of offering it to other Investors. Conversely, Brookfield and/or other potential co-investors may determine that they will not, or cannot, participate (either at all or up to their full proportionate amount) in a co-investment opportunity offered to them. As a result, Brookfield's aggregate percentage interest in certain investments may be different than its proportionate share of the applicable Brookfield Account had it only satisfied the Brookfield Commitment with respect to such investments. In addition, Brookfield may assign its right to participate in a co-investment opportunity to any other individual or entity, including other Brookfield Accounts.

In addition, but subject to the foregoing, Brookfield may also, without notice to the investors, determine to provide priority rights with respect to all or a select geographic, industry or other subset of co-investment opportunities generally to certain investors (but not to another Brookfield Account and/or other similarly situated investors) pursuant to contracts or other arrangements with such investors. Brookfield may form and manage one or more investment vehicles or accounts through which investors participate in co-investment opportunities. Inclusion in, and the terms of, such a program will be determined by Brookfield in its discretion, which may include some or all of the factors described above. Except to the extent an investor has entered into an agreement with Brookfield pursuant to which Brookfield has granted such Investor a right with respect to co-investment opportunities, investors should be aware that they have no such right, and should not expect that they will be offered any co-investment opportunities.

The allocation of a co-investment opportunity may give rise to certain additional potential conflicts of interest, including that Brookfield may allocate such co-investment opportunity in a manner that benefits Brookfield other than as a result of receiving fees and/or incentive compensation from a co-investor (including by allocating such co-investment opportunity to a person in order to encourage such person to enter into a relationship with, or expand its relationship with, Brookfield) and that, if the co-investment opportunity is granted with respect to an existing investment, the amount paid directly or indirectly by investors participating in such co-investment opportunity to Brookfield in respect of such investment will be determined by Brookfield.

Historical allocation decisions are not necessarily indicative of future allocation decisions and the actual number of co-investment opportunities made available to an Investor may be significantly higher or lower than those made available to it historically. In addition, in certain circumstances Brookfield Accounts will bear costs related to unconsummated co-investments. See "*Co-Investment Expenses*" and "*Facilitation of Investments and Co-Investments*" below. Notwithstanding the foregoing incentives,



Brookfield endeavors at all times to allocate co-investment opportunities in a fair and equitable manner consistent with its fiduciary duties and disclosures set out in the relevant Brookfield Account's Governing Documents.

Investors' returns with respect to co-investment opportunities may exceed their returns with respect to the Brookfield Account they are invested in or specific investments made by such Brookfield Account, particularly for Investors in co-investment opportunities whose investment are not subject to any (or are subject to reduced) management fees, carry distributions or similar compensation payable to Brookfield. Additionally, the form of consideration paid by co-investors may be different from the form of consideration paid by the relevant Brookfield Account in connection with a co-investment opportunity (for example, the co-investors and/or the Brookfield Account may participate in the investment using securities), which would also be expected to create conflicts of interest.

In addition, there is no requirement that any co-investment be made or disposed of at the same time or on the same terms for each co-investor or as those of the relevant Brookfield Account. For example, investors may participate in co-investment opportunities at different times than a Brookfield Account (e.g., where the Brookfield Account provides interim debt or equity financing or otherwise facilitates a co-investment in advance of co-investors' participation in such co-investment opportunity), which will also impact returns realized by co-investors. When a Brookfield Account holds an investment alongside co-investors, the Brookfield Account may also provide certain guarantees under financing or refinancing arrangements (including non-recourse carve-out, environmental, and interest and expenses guarantees) on behalf of the entire investment, while co-investors may bear their *pro rata* shares of any amounts to be paid via such guarantees through a backstop indemnity to the Brookfield Account. If such a guarantee is required to be funded, the Brookfield Account will be responsible for the entire amount and will separately be required to seek to collect the co-investor's portion from the co-investment vehicle. In some cases, the Brookfield Account may make a follow-on investment with respect to an investment (or an investment may otherwise seek to raise additional capital) and co-investors or other Brookfield Accounts that have also participated in the investment may elect not to participate in such follow-on investment or capital raise or may not be offered the opportunity to participate in such follow-on investment or capital raise. Furthermore, in connection with a co-investment, co-investors may receive certain governance rights, minority protections and/or additional liquidity rights that would not otherwise be afforded to the Investors in respect of their investment in such co-investment opportunity through a Brookfield Account.

In the event a Brookfield Account participates in co-investment opportunities, Brookfield may determine that it and/or other Brookfield Accounts (as applicable) fund all or a portion of their capital contributions in respect thereof using securities without the consent of any other co-investors. Brookfield will make such determination with respect to the form of its and/or the Brookfield Accounts' funding in its sole discretion, taking into account factors it deems relevant under the circumstances and with a view to facilitating the consummation of the applicable transaction, including, but not limited to: (a) whether the relevant Brookfield Account and its co-investors are capable of funding the applicable investment in cash, (b) whether the applicable contribution of securities is expected to be attractive to the seller of the applicable asset, and/or (c) whether the applicable contribution of securities is expected to be accretive to the applicable co-investor(s). Such determination to fund using securities may be in Brookfield's

interest alone, as opposed to the interests of the Investors and other co-investors, and it is possible that such determination could lead to adverse consequences, including a lower likelihood of transaction execution and/or a higher purchase price for the asset. Brookfield, in its sole discretion, will determine the value of its contributed securities, which could be based on the volume weighted average price of the shares over a certain period of time, the closing price of the shares as of the applicable transaction closing date, or such other valuation it deems fair and reasonable under the circumstances. See also “*Allocation of Investment Opportunities*” above and “*Determinations of Value*” below. Furthermore, in the event that a Brookfield Account participates in co-investment opportunities, Brookfield may determine to not dispose of such Brookfield Account’s portion of such co-investment at the same time or on the same terms as other investors (including other Brookfield Accounts), which may create conflicts of interests. For example, if Brookfield determines to sell one Brookfield Account’s interests later than another Brookfield Account’s, when selecting a potential purchaser of the applicable investment for the Brookfield Account, Brookfield may be incentivized (as a result of its interest as a co-investor) to take into consideration any such purchaser’s strategic value to the applicable portfolio company and the impact on the future value of the portfolio company rather than solely obtaining the highest purchase price in respect of the Brookfield Account’s interests. Further, Brookfield determining to hold one Brookfield Account’s interest in a portfolio company for longer than another Brookfield Account may result in a smaller pool of potential buyers or a decreased purchase price as a result of potential buyers being required to buy less than all of the applicable portfolio company and to have a large minority owner post-acquisition. While Brookfield believes that such conflicts are mitigated by its significant commitment to the Brookfield Accounts and its potential entitlement to an incentive allocation/carried interest that is tied to the performance of the Brookfield Accounts, such conflicts of interest are nonetheless present.

**Co-Investment Expenses.** Co-investors (including (a) third-party co-investors that invest in a co-investment opportunity, and (b) Brookfield Accounts) typically bear their *pro rata* share of fees, costs and expenses related to their co-investments, including those incurred in connection with the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging, financing and disposition of their co-investments.

Brookfield will endeavor to allocate such fees, costs and expenses on a *pro rata* basis. Notwithstanding the foregoing, third-party co-investors (including co-investors that contractually committed to participate in the co-investment opportunity through a co-investment vehicle or program managed by Brookfield) are generally not expected to pay or otherwise bear fees, costs and expenses related to unconsummated co-investment opportunities (collectively referred to as “broken deal fees, costs and expenses”), and, in such cases, Brookfield Accounts are likely to bear fees, costs and expenses attributable to potential co-investors even if such Brookfield Accounts could not (for investment concentration limits or otherwise) complete the full investment on their own. This will be the case for a number of reasons, including because, at the time that the co-investment opportunity ceases to be pursued, third-party co-investors (a) were not yet identified (or their anticipated allocation was not yet identified), (b) were not yet committed to the potential investment or (c) did not contractually agree to bear such fees, costs and expenses. Notwithstanding the foregoing, in all instances, Brookfield, in its capacity as a co-investor or a prospective co-investor alongside a Brookfield Account, intends to bear its pro rata share of broken deal fees, costs and expenses based on the amount it has committed to co-

invest as of the time a binding offer is made with respect to the potential investment. For the avoidance of doubt, Brookfield (in its capacity as a co-investor or prospective co-investor) will not bear the broken-deal fees, costs and expenses relating to (a) any portion of an excess opportunity that it agrees to support (via a backstop or similar arrangement) with a view to syndication of such portion of the excess opportunity to third-party co-investors, and (b) its prorata share of an investment opportunity in its capacity as co-investor or prospective co-investor to the extent the opportunity ceases to be pursued prior to a binding offer in respect of the opportunity having been made.

**Facilitation of Investments and Co-Investments.** From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield and/or Brookfield Accounts fund obligations and/or incur other costs and expenses (including, among other things, by equity investments, use of loan facilities and/or issuance of guarantees or letters of credit) in respect of an investment that ultimately is shared with or made entirely by another Brookfield Account and/or co-investors; and/or Brookfield and/or the Brookfield Accounts could fund obligations and/or incur other costs and expenses in order to facilitate an investment that is ultimately shared with co-investors. These arrangements are intended to facilitate investments that Brookfield has determined to be in Brookfield Accounts' best interests. But for these forms of support, a Brookfield Account could lose access to investment opportunities (if, for example, it has not yet completed its fundraising and has insufficient capital to consummate the opportunity, or if co-investors have not yet been identified for an excess investment opportunity). Brookfield believes that facilitating investments in this manner provides benefits overall to Brookfield Accounts through the ability to participate in and benefit from these synergistic arrangements and to make investments that otherwise would not be completed. These arrangements, however, give rise to conflicts of interest considerations.

Under these arrangements, the relevant ultimate investor (whether Brookfield, a Brookfield Account, or a co-investor) will be expected to reimburse the relevant entity that facilitates the investment (whether Brookfield or another Brookfield Account) for its facilitation of the investment and/or related fees, costs and expenses, as well as carrying charges applicable to such funding activity, pursuant to the terms agreed to with such entity and consistent with disclosures set out herein. The entity that facilitates the investment is expected to repay any amounts that come due and payable under loan facilities and/or letters of credit issued for its benefit, although there can be no assurance that it will bear such fees, costs and expenses or not default on its obligations to repay such amounts, in which case, such amounts would be borne disproportionately by it. In certain situations, such as short-term funding durations, these arrangements may not include any interest or other compensation payable to the party funding the investment, as deemed appropriate by Brookfield, in its discretion, under the circumstances.

From time to time, Brookfield will agree to support an investment via a backstop (or similar arrangement) in respect of all or a portion of an excess investment opportunity that relates to an investment that has been allocated to a Brookfield Account in order to facilitate the closing of such investment, with the intent of syndicating such backstopped portion to co-investors (including Brookfield) prior to or following closing on such investment. Brookfield's backstopped portion of the investment opportunity will be reduced in whole or in part to the extent that (a) all or any portion of such excess investment opportunity is successfully syndicated to co-investors (whether by Brookfield, a Brookfield Account or

a third party such as an investment bank) and/or (b) additional proceeds from the investment become available through, among other things, financing or refinancing of all or a portion of the investment or proceeds from the sale of all or a portion of the investment, as determined by Brookfield in its sole discretion. In the event that both Brookfield and a Brookfield Account have backstopped portions of an investment that exceed the amount the Brookfield Account intends to hold as its long-term investment, Brookfield's backstop reduction will be in priority to the reduction of any other portion of the excess investment opportunity that is to be syndicated by the Brookfield Account to co-investors (including Brookfield), or any repayment of borrowings or other obligations of the Brookfield Account. Therefore, Brookfield's backstop will be reduced using the first available syndication opportunities (or other proceeds available) and the Brookfield Account's portion of the backstop will only be reduced once Brookfield's backstop has been fully extinguished. Using proceeds from an investment to reduce and/or extinguish Brookfield's backstopped portion of an excess investment opportunity could have an adverse impact on the investment and the Brookfield Account's investment therein, and such Brookfield Account's investment could receive a lower return than that received by Brookfield. Furthermore, to the extent a Brookfield Account is unable to fully syndicate (or otherwise be repaid for) its backstop amount, the Brookfield Account's investment will be larger than Brookfield originally intended, and larger than it would have been had the Brookfield Account syndicated its backstop amount before Brookfield.

In certain situations, a Brookfield Account will close the investment transaction (in whole or in part) using funding from its loan facilities (or similar credit arrangements) prior to syndicating an excess investment opportunity to co-investors, and, in order to facilitate a Brookfield backstop arrangement, Brookfield will take nominal ownership of its backstopped portion of the investment at such time (notwithstanding that the backstopped portion is funded using such loan facilities (or similar credit arrangement) of such Brookfield Account - i.e., Brookfield will utilize the Brookfield Account's loan facilities to fund its backstop amount). In such cases, in the event the excess investment opportunity is not fully syndicated, Brookfield will repay its pro rata portion of the amounts that come due and payable under such loan facilities in connection with the unsyndicated backstopped portion of the investment. Alternatively, in situations where the Brookfield Account is not able to use funding from its loan facilities (or similar credit arrangements) to fund Brookfield's backstopped portion of the investment, Brookfield could choose to directly fund the backstopped portion (in whole or in part) at closing of such investment. To the extent the Brookfield Account later becomes able to use funding from its loan facilities after closing on the investment, the Brookfield Account could reimburse Brookfield (via a loan or a similar financing arrangement) for all or a portion of the backstopped portion of the investment that Brookfield has already funded, on equivalent terms as if such backstopped portion had been funded using the loan facilities (or similar credit arrangements) at closing of such investment. Any incremental interest or other costs, fees and expenses that the Brookfield Account incurs on its loan facilities (or similar credit arrangements) will be borne by the Brookfield Account and its Investors.

In addition, Brookfield Accounts are permitted to provide interim debt or equity financing (including among others emergency funding or as part of a follow-on investment) for the purpose of bridging a potential co-investment or a follow-on investment related to an existing co-investment (including prior to allocating and/or syndicating the co-investment or follow-on investment, as applicable, to co-investors) but only to the extent that a Brookfield Account would have been permitted to make such

investment. See “Follow-on Investments” in Item 8 below. In order to potentially make available or otherwise facilitate its investments, at any time during the course of an investment, the Brookfield Accounts may also use their loan facilities to consummate, support, guarantee or issue letters of credit to support the portion of the investment made (or to be made) by co-investors. In those circumstances, such co-investors would be expected to bear their pro rata share of fees, costs and expenses (including hedging expenses) associated therewith and repay any amounts that come due and payable under such loan facility, guarantee or letter of credit issued for their benefit.

In connection with any such financing, a Brookfield Account could incur fees, costs and expenses, including among others in connection with borrowing and/or hedging activities (e.g., hedging of currency, interest rate or other exposures). To the extent the potential investment is not consummated, these fees, costs and expenses will be treated as broken deal fees, costs and expenses (see “*Co-Investment Expenses*” above). Where a Brookfield Account acquires or otherwise facilitates an investment on behalf of or with a view to syndicating it (or a portion thereof) to co-investors, the terms of the sale or transfer of such investment to co-investors may not be favorable to that Brookfield Account and may result in better terms for such co-investors than the relevant Brookfield Account had when it made (or facilitated) the investment. For example, to the extent the investment is consummated, there is no guarantee that any co-investor will ultimately agree to bear its pro rata portion of the fees, costs and/or expenses associated with any such hedging or borrowing activities (including those incurred in connection with an investment and/or carry costs related to an investment) or not default on its obligations to repay such amounts, in which case, such amounts would be borne disproportionately by the applicable Brookfield Account. Moreover, the Brookfield Account may be exposed to losses and/or expenses in connection with such activities as a result of currency exchange rate fluctuations, hedge gains and/or other events beyond a pro rata allocation based on the size of the Brookfield Account’s investment. Even where the Brookfield Account hedges currency or other exposure attributable to co-investors’ portion of an investment, such hedges are expected to be imperfect and the Brookfield Account could accordingly be exposed to losses and/or additional expenses. Fluctuations in exchange rates during the time an interim investment is held by a Brookfield Account prior to acquisition by co-investors may affect the portion of the investment that is acquired by co-investors or the price paid for such co-investment. The Brookfield Account will bear risks associated with facilitation and the making of the investment, including among others in connection with borrowing and hedging activities, during the term it holds the investment, which could be significant or perpetual if it is not able to successfully syndicate the co-investment. Similarly, if an investment depreciates during the period when a Brookfield Account holds it, co-investors may negotiate a lower price and that Brookfield Account may take a loss on the portion of an investment it holds on behalf of (or with a view to syndication to) co-investors (including with respect to fees, costs and expenses and/or carry costs related to an investment). Additionally, if an investment appreciates during the period when the Brookfield Account holds it, the Brookfield Account may be unable to syndicate or sell such investment above its acquisition cost and the Brookfield Account may therefore not realize gains on the appreciation of the portion of an investment it was holding on behalf of (or with a view to syndication to) co-investors. In these types of situations, Brookfield Accounts may nonetheless sell the investment to co-investors on the terms negotiated by (and agreed to with) such co-investors at the relevant time in the event that Brookfield determines it is in a Brookfield Account’s best interest, for example out of a desire to reduce its exposure to such investment or to include other

participants in the investment.

**Client and Other Relationships.** Brookfield and Oaktree (as defined below) each have long-term relationships with a significant number of developers, institutions, corporations and other market participants and their advisers (collectively, “Brookfield Client Relationships”). These Brookfield Client Relationships may hold or may have held investments similar to the investments that are held and pursued by Brookfield Accounts, including certain investments that may represent appropriate investment opportunities for such Brookfield Accounts. These Brookfield Client Relationships may compete with such Brookfield Accounts for investment opportunities. Brookfield will seek to maintain such Brookfield Client Relationships, including after the establishment of new Brookfield Accounts. In determining whether to pursue a particular opportunity on behalf of a Brookfield Account, Brookfield could consider these relationships, and there may be certain potential opportunities which are not pursued on behalf of such Brookfield Account in view of such relationships. In addition, such Brookfield Account could invest or enter into joint ventures or other similar arrangements with Brookfield Client Relationships in particular investments, and the relationship with such clients may influence the decisions made by Brookfield with respect to such investments.

**Conflicts with Secondary Funds.** Brookfield sponsors, manages and invests in certain Brookfield Accounts that focus on making secondary investments (such Brookfield Accounts, “Secondary Funds”), including investments in pooled investment vehicles managed by third parties (“Third Party Vehicles”), recapitalizations of Third Party Vehicles and related investments (collectively, “Secondary Investments”). These Secondary Investments are subject to significant governance, control and/or minority protection rights in favor of the Secondary Funds. Brookfield Accounts and their portfolio investments are expected to compete with such Third Party Vehicles for investment opportunities and are expected to manage competing assets. For example, in a competitive auction process, Third Party Vehicles, on the one hand, and Brookfield Accounts, on the other hand, could be potential bidders. Similarly, Third Party Vehicles could invest in an asset that competes with an asset held by a Brookfield Account for tenants, market share or other matters.

In order to mitigate potential conflicts of interest in these situations, Brookfield may but will not be obligated to take one or more of the following actions (as it determines in its sole discretion): (i) causing the Secondary Fund to remain passive in, or recuse itself from, a situation in which it is otherwise entitled to vote, which would mean that the Secondary Fund defers to the decision or judgment of the Third Party Vehicle or third-party investor(s) therein with respect to certain decisions; (ii) causing the Secondary Fund to hold only non-controlling interests in an investment without governance rights; (iii) referring the matter to one or more persons that is not affiliated with Brookfield; (iv) consulting with and seeking the consent of the Investors, the LPAC, the limited partners of the Secondary Fund and/or the advisory committee of such Secondary Fund (as deemed appropriate by Brookfield) on such matter; or (v) establishing ethical screens or information barriers (which can be temporary and of limited purpose) designed to separate Brookfield investment professionals to act independently on behalf of the Secondary Fund, on the one hand, and Brookfield Accounts, on the other hand, in each case with support of separate legal counsel and other advisers.

At all times, Brookfield will endeavor to treat all Brookfield Accounts fairly, equitably and in an impartial



manner. However, there can be no assurance that any action or measure pursued by Brookfield will be feasible or effective in any particular situation, or that its own interests won't influence its conduct, and it is possible that the outcome for the Brookfield Account will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions and measures that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed.

**Pursuit of Investment Opportunities by Certain Non-Controlled Affiliates.** Certain companies affiliated with Brookfield (a) are controlled, in whole or in part, by persons other than Brookfield or entities controlled by it, including, for example, joint ventures or similar arrangements with third parties where Brookfield does not have complete control or (b) do not coordinate or consult with Brookfield with respect to investment decisions (together, "Non-Controlled Affiliates"). Such Non-Controlled Affiliates are likely to have investment objectives which overlap with Brookfield Accounts' investment objectives and conflicts are likely to arise therefrom. For example, from time to time such Non-Controlled Affiliates or investment vehicles managed by such Non- Controlled Affiliates will pursue investment opportunities which are suitable for Brookfield Accounts but which are not made available to such Brookfield Accounts since such Non-Controlled Affiliates do not consult with and/or are not controlled by Brookfield.

## ITEM 7 – TYPES OF CLIENTS

Brookfield's clients include private investment funds structured as limited partnerships (and alternative investment vehicles and parallel or co-investment vehicles formed for investments made outside or alongside the limited partnerships), publicly listed operating partnerships and joint ventures. Investors in Brookfield Accounts generally include public and corporate pensions, sovereign wealth funds, insurance companies, financial institutions, corporations and high net worth individuals.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Brookfield pursues the specific investment objectives and strategies of each Brookfield Account as set out in the Brookfield Account's Governing Documents. Brookfield's operations-oriented approach plays an important role in the investment process. This approach leverages Brookfield's business groups in the evaluation and optimization of investments. This approach is generally comprised of the following attributes:

- **Operational expertise.** Brookfield's operations-oriented approach is an essential differentiating factor in its ability to generate superior risk-adjusted returns. During its 120-year history as an owner and operator of real assets, Brookfield has built global business groups, primarily in real estate, infrastructure and sustainable resources, renewable power, private equity and timberlands/agrilands. These business groups are backed by the expertise of approximately 100,000 operating employees.
- **Industry knowledge.** Brookfield's business groups enhance its ability to develop fundamental views on the major factors that impact asset values. Brookfield will utilize this knowledge to

make acquisition and divestiture decisions, as well as to take advantage of sophisticated financing and operating practices.

- **Active management of investments.** Through Brookfield's representation on boards of directors, leadership on advisory or operating committees, as well as frequent interaction with management, Brookfield will actively manage its investments. A key aspect of this management role is a "hands on approach" to key value drivers such as growth capital investments, development projects, follow-on acquisitions and financings.

The Brookfield Accounts focus on real estate, infrastructure and private equity investment strategies. As noted in Item 4 above, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. The discussion of Brookfield Accounts that appears in this Brochure is not intended to constitute an offer of interests in such Accounts.

**Real Estate** – This strategy focuses on acquiring control positions in real estate assets and real estate companies located around the globe through a variety of structures, including direct property acquisitions, equity positions in real estate companies, distressed debt, recapitalizations, toe-hold positions in debt and equity securities, control-oriented loan originations, and development or redevelopment projects. This strategy involves investing in various real estate platforms, including office, retail, residential, multifamily and development.

**Infrastructure** – Brookfield defines infrastructure assets as long-life, real assets that serve as the backbone for the provision of essential products or services to the global economy. Due to their nature, infrastructure assets are typically critical to support sustainable economic development and are characterized by some or all of the following attributes: (i) sustainable, long-term cash flows; (ii) inflation-correlated revenues; (iii) strong competitive position and high barriers to entry; and (iv) high operating margins. A Brookfield Account will target investments across the infrastructure sector with particular emphasis on opportunities in the utility, energy, renewable power, data and transportation sectors, including oil and gas pipelines, regulated electricity and gas transmission and distribution systems, hydroelectric power generation, water and waste water distribution and treatment systems, storage facilities, toll roads, bridges, tunnels, airports, ports and railroads. Certain Brookfield Accounts may also invest in other infrastructure opportunities such as communication infrastructure, industrial infrastructure and parking garages.

**Renewables and Transition** – This strategy focuses on accelerating the transition to net zero by investing primarily in the transformation of carbon-intensive businesses and developing and increasing the accessibility of renewable energy sources and emerging, viable low-carbon solutions and services, while seeking to deliver attractive risk-adjusted returns for investors. The strategy targets investments which (through Brookfield's operational expertise, influence or financial commitment) contribute to an incremental impact in the path to net zero. Brookfield intends to do this by investing in opportunities with identifiable, long term, and stable revenue streams that scale the development of clean energy and



other decarbonization solutions, as well as through partnerships or investment into carbon-intensive businesses where Brookfield can achieve emission reductions in the near term.

**Private Equity** – This strategy focuses on opportunities in industries in which Brookfield has expertise, and in businesses in need of strategic redirection and operational repositioning, employing an operations-oriented approach for value creation. The strategy is to seek control investments in mid-market companies that require a restructuring of their operations and/or capital structure. Brookfield seeks to take a leadership role through the restructuring process of each portfolio investment and add value through ongoing, active participation in management and governance.

Investing in securities involves risk of loss that clients should be prepared to bear, **INCLUDING THE RISK OF LOSS OF THE ENTIRE INVESTMENT**. The following risks do not purport to be a complete list or explanation of all risks involved in an investment in a Brookfield Account and prospective investors should consult the Brookfield Account's Governing Documents, including the Brookfield Account's private placement memorandum together with any supplements.

***Material Risks of Key Investment Strategies:***

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realizing attractive real estate, infrastructure and private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that Brookfield will be able to locate and complete investments which satisfy the Brookfield Accounts' investment objectives, realize the value of these investments, or fully invest the Investors' committed capital, nor can there be any assurance that Brookfield will be able to make investments on favorable terms and conditions. Competition for such investment opportunities could come from other consortia, financial investors, and other asset managers and owners. These competitors may have financial, geographic, or strategic advantages that may reduce Brookfield's competitiveness and potentially materially and adversely affect its ability to successfully conclude transactions. Further, failures in identifying or consummating investments on satisfactory or favorable terms could reduce the number of investments that are completed, reduce returns, and slow growth.

**General Economic Conditions.** Changes in general global, regional and/or U.S. economic and geopolitical conditions may affect Brookfield Accounts' activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the market for debt and credit-related instruments in which Brookfield Accounts make investments or the value and number of investments made by Brookfield Accounts or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced in the years following 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, and the market changes that have resulted and may continue to result from the spread of the novel coronavirus ("COVID-19") also may affect the market for such debt and credit-related instruments (including the ability of issuers of such instruments to repay principal and pay interest thereon, increasing the incidence of default for such instruments) or Brookfield Accounts' ability to make investments and the value of investments held by Brookfield Accounts or Brookfield Accounts' ability to dispose of investments. The short-term and the longer-term impact of these events are uncertain, but they could continue to have a material effect on general economic conditions, consumer and business

confidence and market liquidity. Any economic downturn resulting from a recurrence of such marketplace events and/or continued volatility in the financial markets could adversely affect the financial resources of the entities (i.e., borrowers or asset holding companies) in which a Brookfield Account will make investments. Investments can be expected to be sensitive to the performance of the overall economy. Moreover, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks and the impact of military or other action could severely disrupt global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may negatively impact market value, increase market volatility and reduce liquidity, all of which could have an adverse effect on the performance of investments, Brookfield Accounts' returns and Brookfield Accounts' ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on investments or Brookfield Accounts' investment objectives. See also "*Public Health Risk*" below.

**Operational Risk.** The Brookfield Accounts are subject to operational risk, including the possibility that errors may be made by Brookfield, the Brookfield Accounts' service providers (including third-party fund administrators) or any of their respective affiliates in certain transactions, calculations or valuations on behalf of, or otherwise relating to, the Brookfield Accounts. Investors may not be notified of the occurrence of an error or the resolution of any error. Generally, Brookfield, the Brookfield Accounts' service providers and any of their respective affiliates will not be held accountable for such errors, and the Brookfield Accounts may bear losses resulting from such errors.

**New and Disruptive Technologies.** A Brookfield Account may invest in assets that rely on older, sustaining or little to no technology, in which case, the value of any such assets could be adversely impacted by competitors developing and/or utilizing new, disruptive technologies. Further, competitors may implement such disruptive technologies over a period of time during which the market, including Brookfield, is not aware of, or has access to, such developments. As a result, any investment that does not utilize such technologies may be at a competitive disadvantage and, as a result, the implementation of such technologies may have a material adverse effect on such investment or may even lead to an entire asset class becoming obsolete. A Brookfield Account may also invest in assets that use newly developed, less proven technologies. There is no guarantee that such new technologies will perform as anticipated, especially in a field of rapidly changing technologies. The failure of a technology to perform as anticipated or its obsolescence, due to the development and utilization of new and disruptive technologies or otherwise, may materially and adversely affect the performance of certain portfolio companies that invest in or use such technologies and certain portfolio companies that do not benefit from such technologies.

**Investments in New Jurisdictions.** The Brookfield Accounts may make investments in countries, territories and other jurisdictions in which Brookfield may not have significant experience or expertise. While Brookfield intends to mitigate this risk by engaging personnel and service providers with the requisite experience and expertise, there is no guarantee that such persons will adequately protect a Brookfield Account and its investments from the risks that may be prevalent in such jurisdictions.

**Risk of Unsuccessful Exit Strategies.** A Brookfield Account may opportunistically sell, publicly list, distribute or otherwise dispose of portfolio investments at any time. It is not possible to predict whether

any particular exit strategy will be advantageous or available at the appropriate time. If a Brookfield Account fails to execute an exit strategy successfully prior to the liquidation of such Brookfield Account, such Brookfield Account may be forced to liquidate its assets on terms less favorable than anticipated, and the proceeds from these portfolio investments and the remaining portfolio investments may be materially and adversely affected, and may be less than if such exit strategy had been executed successfully.

**Governmental Intervention.** Since 2008, the global financial markets have undergone disruptions which have led to certain governmental intervention, including recently, further disruptions as a consequence of the spread of COVID-19, that led to certain governmental intervention. Such intervention in certain cases was 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. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. It is impossible to predict what additional interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on a Brookfield Account’s strategies.

**Currency Exchange Risk.** A Brookfield Account may make a significant number of investments outside of the United States. As such, the returns realized by investors from such investments will be subject to currency exchange rate volatility, including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which certain of the Brookfield Account’s investments may be denominated and costs associated with conversion of investment principal and income from one currency into another. It may not be possible to hedge fully, perfectly or at all against currency fluctuations affecting the value of investments denominated in non-U.S. currencies and it may not be economically feasible to do so. A Brookfield Account may not be obligated to engage in any currency hedging operations and there can be no assurance as to the success of any hedging operations the Brookfield Account may implement. Changes in non-U.S. currency exchange rates may also affect the value of dividends and interest earned, and the level of gains and losses realized, on the sale of certain investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. It is likely that a Brookfield Account will leave unhedged certain investments denominated in or generating cash flow in non-U.S. currencies and in any such case, such Brookfield Account will be exposed to risk that such currency will decline in value against the U.S. dollar during the term of the investments such that the results of such investments will be worse in U.S. dollar terms than the results based upon the local currency.

**Illiquid and Long-Term Investments.** Although investments may generate current income, investments will generally be held for an indefinite period of time and the return of capital and the realization of gains, if any, from an investment generally will most likely occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected

that the sale of a substantial portion of the investments will not occur for a number of years after such investments are made. There will not be a public market for certain of the securities or debt instruments held by the Brookfield Accounts and such securities or debt instruments may require a substantial length of time to liquidate. A Brookfield Account generally will not be able to sell these securities or debt instruments publicly unless their sale is registered under applicable securities laws or unless an exemption from such registration requirements is available. In addition, in some cases, a Brookfield Account may be prohibited or limited by contract from selling certain securities or debt instruments for a period of time and as a result, may not be permitted to sell an investment at the time it might otherwise desire to do so. Furthermore, investments may be subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers and are therefore often difficult or time consuming to liquidate.

**Hedging Transactions.** A Brookfield Account or its portfolio investment may utilize financial instruments such as forward contracts, options, warrants, swaps (including credit default swaps and total return swaps), caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in currency exchange rates, market interest rates and public security prices. While these transactions may reduce certain risks, the transactions themselves entail certain other risks. Hedging against a decline in the value of an investment does not eliminate fluctuations in the value of such investment or prevent losses if the value of such investment declines, but instead establishes other positions designed to gain from those same developments, thus offsetting the decline in such investment's value. These types of hedge transactions also limit the opportunity for gain if the value of such investment should increase. The success of hedging transactions will be subject to the ability to correctly predict movements in, and the direction of, currency exchange rates, interest rates and public security prices. Therefore, while a Brookfield Account or a portfolio investment may enter into hedging transactions to seek to reduce these risks, unanticipated changes in currency exchange rates, interest rates or public security prices may result in a poorer overall performance for the Brookfield Account than if it had not engaged in any hedging transaction. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the investments being hedged may vary. Moreover, for a variety of reasons, a Brookfield Account may not have established a perfect correlation between hedging instruments and the investments being hedged. This imperfect correlation may prevent the Brookfield Account or a portfolio investment, as applicable, from achieving the intended hedge or expose it to risk of loss.

In addition, there is no limit on the exposure that may be incurred to any single counterparty with over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such instruments or transactions, the financial losses to a Brookfield Account would be greater than if such limits were imposed. Furthermore, the creditworthiness of a counterparty to any hedging transaction entered into by a Brookfield Account may change over time and, while such counterparty may have been creditworthy at the time such transaction was entered into, there is no guarantee such counterparty will remain creditworthy throughout the duration of the Brookfield Account, or that such counterparty will be able to perform its obligations under, or pay amounts due on, such hedging transactions. This risk is also subject to, and heightened by, commodity price fluctuations.

Moreover, the U.S. Commodity Futures Trading Commission (the “CFTC”) and other federal and global financial regulators have adopted margin requirements for uncleared derivatives which may present significant challenges and additional risks for Brookfield Accounts, including increased costs, reduced access to dealer counterparties, potential decreases in market liquidity and other unforeseen consequences. These requirements also may result in a Brookfield Account being unable to adequately hedge its investments, which may have an adverse impact on the performance of such Brookfield Account. It is likely that the Brookfield Accounts will leave unhedged certain currency exchange rates, interest rates and public security prices and in any such case, the Brookfield Accounts will be exposed to risk that such fluctuation of prices thereof will decline during the term of the investments such that the results of such investments will be worse in U.S. dollar terms than the results based upon the local currency.

In addition, if a Brookfield Account relies on the de minimis exemption under the CFTC Rule 4.13(a)(3) or any other exemption from registration under the Commodity Exchange Act applicable to the Brookfield Account at any time, the preceding paragraphs are subject to any limitations imposed thereunder.

As a result of a Brookfield Account claiming the exemption under CFTC Rule 4.13(a)(3), Brookfield would not be required to comply with the disclosure, reporting and recordkeeping requirements generally applicable to registered commodity pool operators, including delivery to participants in the pool of a disclosure document and a certified annual report designed to meet CFTC requirements. No document or agreement related to such Brookfield Account will be, and none is required to be, filed with the CFTC, and the CFTC will not review or approve any such document or agreement or the offering of interests of a Brookfield Account. The trading limits of CFTC Rule 4.13(a)(3) could potentially adversely impact the performance of a Brookfield Account.

Furthermore, the EU Regulation No 648/2012 on over the counter (“OTC”) derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or “EMIR”), which came into force on 16 August 2012, introduced uniform requirements in respect of OTC derivative transactions by requiring certain “eligible” OTC derivative transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivative transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. The UK has on-shored EMIR (“UK EMIR”) and a similar but not identical set of rules therefore now apply in the UK notwithstanding its withdrawal from the EU. Brookfield Accounts that qualify as alternative investment funds under AIFMD will be financial counterparties for the purposes of EMIR and subject to the most onerous requirements (such as certain clearing and collateral obligations) when entering into OTC derivative transactions. They will also need to comply with the UK EMIR obligations when entering into OTC transactions with UK counterparties. Other non-financial counterparties such as special purpose vehicles set up by the Brookfield Accounts for certain deals may also be subject to the EMIR and/or the UK EMIR obligations, primarily having to comply with the reporting obligations and the risk mitigation techniques. It is not yet fully clear how the OTC derivatives market will adapt to the new regulatory regime. Accordingly, it is difficult to predict the full impact of EMIR on the Brookfield Accounts, which

may include an increase in the overall costs of entering into and maintaining OTC derivative contracts. Prospective investors should be aware that the regulatory changes arising from EMIR and other similar regulations may in due course adversely affect a Brookfield Account's ability to adhere to its hedging policy and achieve its objectives.

**Inflation and Interest Rate Risk.** Inflation could directly, materially and adversely affect the Brookfield Accounts and their portfolio companies. If an investment is unable to increase its revenue in times of higher inflation, its profitability and ability to distribute dividends may be materially and adversely affected. Portfolio companies may have long-term rights to income linked to some extent to inflation, whether by government regulations, contractual arrangement or other factors. Typically, as inflation rises, the company will earn more revenue, but will incur higher expenses; if inflation declines, the company may not be able to reduce expenses in line with any resulting reduction in revenue. Certain businesses rely on concessions to mitigate the inflation risk to cash flows through escalation provisions linked to the inflation rate. While these provisions may protect against certain risks, they do not protect against the risk of a rise in real interest rates, which is likely to create higher financing costs for businesses and a reduction in the amount of cash available for distribution to investors. In addition, the market value of investments may decline in times of higher inflation rates given that the most commonly used methodologies for valuing portfolio companies (e.g., discounted cash flow analysis) are sensitive to rising inflation and real interest rates. Finally, wage and price controls have been imposed at times in certain countries in an attempt to control inflation, which could significantly affect the operation of businesses. Accordingly, changes in the rate of inflation may affect the forecasted or actual profitability of a portfolio company.

Certain developed economies are experiencing higher than normal inflation rates. It remains uncertain whether the substantial inflation in such developed economies will be sustained over an extended period of time or have a significant effect on the U.S. or other economies. There can be no assurance that continued and more wide-spread inflation will not become a serious problem in the future and have an adverse impact on a Brookfield Account's returns.

**Non-U.S. Investments.** A Brookfield Account may invest globally. Non-U.S. securities involve certain risks not typically associated with investing in the U.S., including risks relating to: (a) currency exchange matters including fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which a Brookfield Account's non-U.S. investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another; (b) differences between the U.S. and non-U.S. securities markets, including potential price volatility in and relative illiquidity of some non-U.S. securities markets; (c) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation; (d) certain economic and political risks, including potential exchange control regulations and restrictions on non-U.S. investment and repatriation of capital and the risks of political, economic or social instability; (e) obtaining non-U.S. governmental approvals and complying with non-U.S. laws, (f) differing tax structures and (g) non-U.S. tax laws that (i) could adversely impact the cash flow and potential investment returns from such non-U.S. investments and (ii) are subject to change, sometimes with retroactive effect. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. Anti-dilution protection also may be very limited. In these countries, the concept of



fiduciary duty on the part of the management or directors of companies to shareholders may be limited. The legal systems in these countries may offer no effective means for a Brookfield Account to seek to enforce its rights or otherwise seek legal redress or to seek to enforce non-U.S. legal judgments. In addition, each investment is subject to business economic, political and social developments in the countries in which the investment is located. Brookfield has no control over, and cannot predict, these developments or the policies or actions a national or local government may take in the future in response to these developments.

**FATCA.** Under the Foreign Account Tax Compliance Act (“FATCA”) provisions of the U.S. Hiring Incentives to Restore Employment Act of 2010, payments of most types of income from sources within the United States (as determined under applicable U.S. federal income tax principles), such as interest and dividends from sources within the United States (collectively, “Withholdable Payments”), in each case, to a foreign financial institution or other foreign entity generally are subject to a 30% U.S. federal withholding tax, unless certain reporting and other applicable requirements are satisfied. Additionally, the 30% withholding tax applies to certain “foreign passthrough payments” made beginning on the date that is two years after the date that relevant regulations are published in the Federal Register.

Non-U.S. Brookfield Accounts and certain non-U.S. entities in which Brookfield Accounts invest (each, including the relevant Brookfield Accounts, an “Offshore Entity”) are generally each treated as a “foreign financial institution” for this purpose. As a foreign financial institution, in order to be permitted to receive Withholdable Payments without deduction of this 30% withholding tax, each Offshore Entity generally needs to be a party to an agreement (a “Withholding Agreement”) with the U.S. Internal Revenue Service (the “IRS”) requiring such Offshore Entity to provide certain information on its account holders to the IRS and to meet other requirements. Alternatively, each Offshore Entity is permitted to receive Withholdable Payments without a 30% withholding tax deduction if it complies with the terms of an intergovernmental agreement, if any, between the United States government and the government of the country in which the Offshore Entity is a resident.

To avoid being subject to this U.S. federal withholding tax, non-U.S. Brookfield Accounts require their investors to provide information regarding themselves and controlling persons (as applicable). If such Brookfield Accounts were unable to satisfy their reporting obligations (including, if they cannot collect the requisite information from some or all of their investors), payments received by such Brookfield Accounts could be subject to this withholding tax.

Each Offshore Entity is required to disclose to foreign fiscal authorities certain information in relation to its investors and certain information relating to the investor's investment. Such foreign fiscal authorities are required to automatically exchange information as outlined above with the IRS and other foreign fiscal authorities.

Some countries have implemented regimes similar to that of FATCA and other countries are participating in a multi-jurisdictional tax information regime known as CRS, or the Common Reporting Standard. Compliance with such regimes could result in increased administrative and compliance costs for

Brookfield Accounts and, in some cases, could subject Brookfield Accounts to increased withholding taxes.

**ERISA Considerations.** Operating a Brookfield Account as a “venture capital operating company” (“VCOC”) within the meaning of ERISA requires that such investment vehicle obtain rights to substantially participate in or influence the conduct of the management of many of its portfolio investments, and the exercise of such rights could result in claims against or other adverse consequences to such Brookfield Account. The designation of directors and other measures intended to influence management or operation could expose the assets of such Brookfield Account to claims by a portfolio company, its security holders, and its creditor. If a Brookfield Account vehicle qualifies as a VCOC or a “real estate operating company” (“REOC”) within the meaning of ERISA, such investment vehicle could also be restricted or precluded from making certain investments. Furthermore, it could be necessary to liquidate investments at an otherwise disadvantageous time in order to avoid holding ERISA “plan assets,” which would result in lower proceeds to such investment vehicle than it might have received without the need to qualify as either a VCOC or REOC. Under ERISA, any entity designated as a trade or business within a controlled group can be liable for certain ERISA Title IV pension obligations of any member of the controlled group. In addition, in the case of a plan termination, the U.S. Pension Benefit Guaranty Corporation (“PBGC”) can assert a lien against any member of the controlled group of up to 30% of the collective net worth of all members of the controlled group. A “controlled group” generally requires 80% or greater common ownership, applying specified constructive ownership and exclusion rules.

**Risks of Investing in Emerging and Developing Markets.** A Brookfield Account may make investments in emerging or developing markets. The risks associated with global investing are magnified in such markets. The depth, liquidity, sales volume and stability of other markets are significantly lower in emerging and developing markets as compared to the U.S., Canada or Western Europe. Furthermore, political and economic structures in countries with emerging or developing economies or stock markets generally lack the social, political and economic stability characteristic of more developed countries. This instability may result from, among other things, the following: (a) authoritarian governments or military involvement in political and economic decision-making, including changes in government through extra-constitutional means and the imposition or strengthening of controls on non-U.S. investment and/or repatriation of capital and income; (b) popular unrest associated with demands for improved political, economic and social conditions; (c) internal insurgencies; (d) hostile relations with neighboring countries; (e) ethnic, religious and racial disaffection; (f) higher levels of corruption of government officials and corporate officers; and (g) interference into political and government affairs by powerful economic groups. This social, political and economic instability significantly increases the risk of, and could significantly and adversely affect the value of, investments in emerging or developing markets. For example, a Brookfield Account may consider investments in India, which involve legal, political, regulatory, economic and geographic risks that are specific to India and the region. Political and legal uncertainty, greater government control over the economy, currency fluctuations and the risk of nationalization or expropriation of assets may result in higher potential for losses. Additionally, India has experienced ongoing tension and security concerns, such as border disputes, domestic and cross-border terrorism and strained international relations. Incidents involving India’s or the region’s security



may cause uncertainty in the Indian market and may adversely affect the Indian economy and such Brookfield Account's investments. India is also located in an area historically prone to natural disasters such as earthquakes, volcanic eruptions or tsunamis. Given India's economic sensitivity to environmental events, any such environmental event may adversely impact the Indian economy causing an adverse impact on the value of such Brookfield Account.

Fraud and other deceptive practices can be widespread in emerging market countries that do not have established laws and regulations that are as stringent as in more developed nations, or where there exists insufficient coordination of anti-corruption initiatives and/or other existing laws and regulations are not consistently enforced. For example, Brookfield Accounts invest throughout jurisdictions that have material perceptions of corruption according to international rating standards (such as Transparency International and Corruption Perceptions Index) in Asia, South America and the Middle East. Due diligence on investment opportunities in these jurisdictions is frequently more complicated because consistent and uniform commercial practices in such locations have not developed. Bribery, fraud, accounting irregularities and corrupt practices can be especially difficult to detect in such locations. Accordingly, Brookfield cannot be certain that the due diligence investigation that it will carry out with respect to any investment opportunity will reveal or highlight all relevant facts (including fraud, bribery and other illegal activities and contingent liabilities) that are necessary or helpful in evaluating such investment opportunity, including the existence of contingent liabilities. Brookfield also cannot be certain that its due diligence investigations will result in investments being successful or that the actual financial performance of an investment will not fall short of the financial projections Brookfield used when evaluating that investment.

In addition, governments in certain countries participate to a significant degree in their economies through ownership interests and/or regulation. With respect to certain countries, there may also be the possibility of expropriation, confiscatory taxation or other protectionist measures or diplomatic developments that could affect investments in those countries. Repatriation of investment income, capital and the proceeds of sale by non-U.S. investors may require governmental registration and approval in some emerging or developing market countries.

Furthermore, some emerging and developing market countries have laws and regulations that require government approval for foreign investments under certain circumstances, including under corporate, securities, currency control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in more developed countries. The process of obtaining these approvals may require a significant expenditure of time and resources. In certain countries, such laws and regulations have been subject to unpredicted and frequent changes, potentially exposing the Brookfield Accounts to taxes, restrictions and other obligations that were not anticipated at the time of initial investment.

**Portfolio Investment Management Risks.** With respect to management at the portfolio investment level, many portfolio investments rely on the services of a limited number of key individuals, the loss of any one of whom could materially and adversely affect the portfolio investment's performance. Although Brookfield expects to monitor the management of each portfolio investment, management of each portfolio investment will have day-to-day responsibility with respect to the business of such

portfolio investment. In addition, certain portfolio investments may operate in highly regulated environments, and the Brookfield Account will likely rely on the management teams to manage their activities in a manner consistent with applicable laws and regulations (including, without limitation, the U.S. Foreign Corrupt Practices Act and other anti-corruption, anti-bribery and anti-boycott laws, regulations and orders) and in a manner which will permit such portfolio investment to maintain a quality reputation. If a portfolio investment acts inconsistently with applicable laws and regulations or takes actions that cause such portfolio investment disrepute, such actions may adversely affect the Brookfield Account, as an investor in the portfolio investment, and may damage the Brookfield Account's reputation, which may adversely impact the Brookfield Account's ability to complete investments in other portfolio investments and the Brookfield Account's ability to realize its investment objective.

**Investment Performance.** Brookfield Accounts will make investments based upon analyses of current returns and estimates and projections of internal rates of return developed by Brookfield that may be available with respect to potential investments. Because projections are inherently subject to uncertainty and factors beyond the control of Brookfield, investors have no assurance that the investments will yield the returns expected by the Brookfield Account's management. It is possible that a Brookfield Account will not be able to acquire assets at favorable prices or on favorable terms and conditions, thereby reducing expected returns. Acquisitions and debt investments entail risks that investments may not perform in accordance with expectations and that anticipated costs of improvements to bring an acquired asset up to standards established for the market position intended for that asset may exceed budgeted amounts, as well as general investment risks associated with any new investment. A Brookfield Account may not be successful in identifying suitable assets that meet its investment criteria or in consummating acquisitions or other investments on satisfactory terms. Failures in identifying or consummating investments on satisfactory terms could reduce the number of investments that are completed and slow a Brookfield Account's growth. In addition, subsequent to a Brookfield Account's acquisition of a particular investment, Brookfield may adjust targeted returns to reflect changes in market conditions. There can be no assurance that a Brookfield Account will make a profit on its investments or recover any part of its invested capital during any anticipated period of time.

**Control Position.** Certain Brookfield Accounts will generally seek investment opportunities that allow the Brookfield Account, alone or in combination with Brookfield, to have significant influence on the management, operations and strategic direction of the portfolio investments in which it invests. The exercise of control and/or significant influence over a company imposes additional risks of liability for environmental damage, underfunded pension plans, product defects, failure to supervise management and other types of liability in which the limited liability characteristic of business operations may generally be ignored. The exercise of control and/or significant influence over a portfolio investment could expose the assets of a Brookfield Account to claims by such portfolio investment, its security holders and its creditors. While Brookfield intends to manage each Brookfield Account in a way that will minimize exposure to these risks, the possibility of successful claims cannot be precluded.

**Minority Position and Toehold Investments.** Certain Brookfield Accounts may also make minority equity or debt investments in companies where it may have limited influence. Such companies may have economic or business interests or goals that are inconsistent with those of the Brookfield Account and the Brookfield Account may not be in a position to limit or otherwise protect the value of its investment

in such companies. A Brookfield Account's control over the investment policies of such companies may also be limited. This could result in the Brookfield Account's investments being frozen in minority positions that incur substantial losses. This could also prevent the Brookfield Account from realizing the value of its investments and distributing proceeds in a timely manner. In addition, although a Brookfield Account may seek board representation in connection with its minority investments, there is no assurance that such representation, if sought, will be obtained.

If the Brookfield Account takes a minority position in publicly-traded securities as a "toe-hold" investment, such publicly-traded-securities may fluctuate in value over the limited duration of the Brookfield Account's investment in such publicly-traded-securities, which could potentially reduce returns to Investors. While Brookfield may seek to accumulate larger positions through open market purchases, registered tender offers, negotiated transactions or private placements, the Brookfield Account may be unable to accumulate a sufficiently large position in a company to execute its strategy. In such circumstances, the Brookfield Account may dispose of its position in the company within a short time of acquiring it; there can be no assurance that the price at which the Brookfield Account can sell such securities will not have declined since the time of acquisition. Moreover, this may be exacerbated by the fact that securities of the companies that the Brookfield Account may target may be thinly traded and that the Brookfield Account's position may nevertheless have been substantial, although not controlling, and its disposal may depress the market price for such securities.

Additionally, from time to time a Brookfield Account may make a toe-hold Investment in publicly traded securities as part of a potential broader, longer-term investment strategy, and as a result, the Brookfield Account may keep certain information related to such investments confidential due to certain disclosure and regulatory related considerations.

**Public Company Securities.** Certain Brookfield Accounts may hold securities traded on public markets as part of its investment strategy. Investments in such securities may involve different risks than those associated with investments in securities that are not traded on public markets. Among those risks are (a) increased disclosure requirements, (b) greater volatility, (c) increased likelihood of shareholder litigation, (d) restrictions on timing of disposition and (e) increased compliance costs.

In the event that a Brookfield Account invests in distressed public securities, among the problems involved in such investments is the fact that it frequently may be difficult to obtain information as to the conditions of such troubled issuers. The market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value.

**Borrowing.** Subject to certain limitations set forth in the Governing Documents, the Brookfield Accounts will, from time to time, borrow at the Brookfield Account-level or at a subsidiary of the Brookfield Account on a secured or unsecured basis. It is expected that this indebtedness, if incurred, will be secured primarily by the commitments of the Investors and other assets of the Brookfield Account. In addition, Brookfield intends to evaluate whether it is prudent and appropriate to incur this leverage and there can be no assurance that leverage will be incurred given that adverse economic factors, such as a significant rise in interest rates, may cause Brookfield, in its discretion, to elect not to incur such leverage.

The extent to which the Brookfield Account or its subsidiary (including an investment entity) uses leverage may have important consequences to the Investors, including, but not limited to, the following: (a) greater fluctuations in the net assets of the Brookfield Account; (b) use of cash flow (including capital contributions) for debt service and related costs and expenses, rather than for additional investments, distributions or other purposes; (c) increased interest expense, if interest rate levels were to increase; (d) in certain circumstances, prematurely disposing of investments to service a Brookfield Account's debt obligations; and (e) limitation on the flexibility of the Brookfield Account to make distributions to its Partners or sell assets that are pledged to secure the indebtedness. There can be no assurance that a Brookfield Account will have sufficient cash flow to meet its debt service obligations. As a result, a Brookfield Account's exposure to losses may be increased due to the illiquidity of its investments generally. Finally, in the case of borrowings which are secured by unfunded commitments, investors whose unfunded commitments have been pledged may be called upon to fund their entire unfunded commitments to repay indebtedness and the failure of other Investors to honor their unfunded commitments may result in an Investor's payment exceeding its *pro rata* share of the indebtedness that has been obtained by the Brookfield Account.

Brookfield may fund certain capital needs of a Brookfield Account with the proceeds of borrowings in lieu of drawing down commitments, which will result in the net internal rate of return of a Brookfield Account being higher than it otherwise would have been without Brookfield Account-level borrowing, particularly during the early years of a Brookfield Account's life. Subject to a Brookfield Account's Governing Documents, in the event a Brookfield Account incurs such indebtedness, the preferred return in respect of investors will generally be less than otherwise would have been the case in the absence of such indebtedness. As a result, Brookfield may be entitled to receive carried interest distributions earlier than it otherwise would have and/or to receive more carried interest distributions than it otherwise would have, in each case had the Brookfield Account not incurred such indebtedness and, instead, had required investors to make capital contributions.

In connection with any credit facility entered into by a Brookfield Account, the borrowers thereon (and the investors) may be required to (i) make certain representations and warranties to one or more lenders and (ii) indemnify the lenders pursuant to any credit facility in case any such representations and warranties are inaccurate. These arrangements may create contingent liabilities of the Brookfield Account and/or its subsidiaries, for which Brookfield may establish reserves or escrow accounts in which the investors would be required to fund a *pro rata* share. In the case of subscription-secured credit facility borrowings, the investors whose unfunded commitments have been pledged may be called upon to fund their entire unfunded commitments to repay indebtedness and the failure of other investors to honor their commitments may result in an investor's payment obligation exceeding its *pro rata* share of the indebtedness that has been obtained by the Brookfield Account. An investor may also be required to fund amounts to repay subscription-based credit facility borrowings incurred in connection with an investment even if such investor did not participate in the relevant investment in connection with which such borrowings were incurred. In addition, to the extent the subscription-secured credit facility borrowings of a fund entity are cross-collateralized by the commitments to one or more other fund

entity, such other vehicle (or the limited partners of such other vehicles) may be required to satisfy the borrowing vehicle's obligations.

Moreover, in certain circumstances a borrowing may be incurred at the Brookfield Account level for the benefit of one or more specific portfolio companies, which may expose all of the assets of the Brookfield Account to claims of creditors, even though one or more investors may have been excused from the investment in such portfolio company.

**Investments in Highly Leveraged Companies.** Brookfield Accounts' investments may include investments in portfolio companies whose capital structures have significant leverage (including substantial leverage senior to the Brookfield Account's investment, a considerable portion of which may be secured by first liens and/or may be at floating interest rates). Such investments are inherently more sensitive to declines in revenues, competitive pressures and increases in expenses and interest rates. The leveraged capital structure of such portfolio companies will increase their exposure to adverse economic factors such as downturns in the economy or deterioration in the condition of the assets or their industry, and such portfolio companies may be subject to restrictive financial and operating covenants. This leverage may result in more serious adverse consequences to such portfolio companies (including their overall profitability or solvency) in the event these factors or events occur than would be the case for less leveraged companies. If a portfolio company cannot generate adequate cash flow to meet debt obligations, such portfolio company may default on its loan agreements or be forced into bankruptcy resulting in a restructuring of the portfolio company's capital structure or liquidation. The debt securities acquired by the Brookfield Accounts will generally not be the most senior in what could be a complex capital structure, and thus subject to greater risk of loss. Furthermore, to the extent the portfolio companies in which a Brookfield Account has invested become insolvent, the Brookfield Account may determine, in cooperation with other debt holders or on its own, to engage, at the Brookfield Account's expense in whole or in part, counsel and other advisors in connection therewith.

**Loans.** Loans and interests in loans have significant liquidity and market value risks since they are not generally traded in organized exchange markets but are traded by banks and other institutional investors engaged in loan syndications. Because loans are privately syndicated and loan agreements are privately negotiated and customized, loans are not purchased or sold as easily as publicly traded securities. In addition, historically the trading volume in the loan market has been small relative to the high-yield debt securities market. A non-investment grade loan obligation or an interest in a non-investment grade loan is generally considered speculative in nature and may become a defaulted obligation for a variety of reasons. A defaulted obligation may become subject to either substantial workout negotiations or restructuring, which may entail, among other things, a substantial reduction in the interest rate, a substantial write-down of principal, and a substantial change in the terms, conditions and covenants with respect to such defaulted obligation. In addition, such negotiations or restructuring may be quite extensive and protracted over time, and therefore may result in substantial uncertainty with respect to the ultimate recovery on such defaulted obligation. The liquidity for defaulted obligations may be limited, and to the extent that defaulted obligations are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon.

**Mezzanine Investments.** Certain Brookfield Accounts' investments will likely consist of mezzanine debt interests in portfolio companies whose capital structures have significant leverage ranking ahead of such Brookfield Accounts. While Brookfield anticipates that the investments will usually benefit from the same or similar financial and other covenants as those enjoyed by the leverage ranking ahead of the Investments and will usually benefit from cross-default provisions, some or all of such terms may not apply to particular investments. Brookfield anticipates that Brookfield Accounts' usual security for investments will be pledges of ownership interests, directly and/or indirectly, in a portfolio investments, and in many cases a Brookfield Account may not have a direct security interest in the underlying assets. Moreover, it is likely that a Brookfield Account will be restricted in the exercise of its rights in respect of its investments by the terms of subordination agreements between a Brookfield Account and the debt ranking ahead of the mezzanine capital. As a result, mezzanine investments generally involve greater credit and liquidity risks than those associated with senior secured loans. Accordingly, Brookfield Accounts may not be able to take the steps necessary to protect their investments in a timely manner or at all and there can be no assurance that the rate of return objectives of such Brookfield Account or any particular investment will be achieved. To protect its original investment and to gain greater control over the underlying assets, a Brookfield Account may need to elect to purchase the interest of a senior creditor or take an equity interest in the underlying assets, which may require additional investment by such Brookfield Account.

**Subordinated Loans.** Brookfield Accounts are expected to invest in loans, including unsecured loans, that are subordinate to other debt of the borrower. Such loans generally are subject to similar risks as those described above with respect to investments in loans. Because such loans are subordinated or unsecured and thus lower in priority of payment to senior loans, they are subject to the additional risk that the cash flow of the borrower and property securing the loan or debt, if any, may be insufficient to meet scheduled payments after giving effect to the senior secured obligations of the borrower. If a borrower defaults on a Brookfield Account's loan or on debt senior to such Brookfield Account's loan, or in the event of a borrower bankruptcy, the Brookfield Account's loan will be satisfied only after the senior debt is paid in full. Where debt senior to a Brookfield Account's loan exists, the presence of intercreditor arrangements may limit such Brookfield Account's ability to amend its loan documents, assign its loans, accept prepayments, exercise its remedies (through "standstill periods") and control decisions made in bankruptcy proceedings relating to borrowers. Subordinated loans are also expected to be more illiquid than senior secured first lien loans.

**Risk of Borrower Default.** Brookfield intends to monitor on an ongoing basis the creditworthiness of portfolio companies. A portfolio company's failure to satisfy financial or operating covenants imposed by Brookfield or other lenders could lead to defaults and, potentially, acceleration of the time when the loans are due. Foreclosure on any portfolio company's assets representing collateral for its obligations could trigger cross defaults under other agreements and result in prepayment of the loans or jeopardize such portfolio company's ability to meet its obligations under the debt that a Brookfield Account holds and the value of any equity securities it owns. A Brookfield Account may also incur substantial litigation and other expenses to the extent necessary to seek recovery upon default or to negotiate new terms. Additionally, if there is a default by a portfolio company under any of a Brookfield Account's loans, the Brookfield Account exercising contractual rights pursuant to the loan agreement may involve delays or costs and any available collateral may prove to be unsalable or saleable only at a price less than the loan



amount, which could result in a loss to such Brookfield Account. Furthermore, a default by a portfolio company under any of a Brookfield Account's loans may result in such Brookfield Account being unable to liquidate such loans prior to the termination of such Brookfield Account; such loans may end up being restructured on terms that might result in the Brookfield Account being unable to liquidate such loans prior to the termination of the Brookfield Account. As a result, upon the termination of the Brookfield Account, Investors may receive in-kind distributions in respect of such loans. Additionally, a Brookfield Account may not have control of a potential restructuring, which may result in negative tax consequences to investors.

**Guarantees of Investments and/or Affiliates.** A Brookfield Account may guarantee the obligations or other liabilities of investments co-investment vehicles, joint venture partners and/or affiliates of the Brookfield Account and there can be no assurance that such guarantees will not have adverse consequences for the Brookfield Account. As a result, if any such investment or other party defaults on its obligations, the Brookfield Account will be required to satisfy such obligation. In order to do so, a Brookfield Account may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. In addition, a Brookfield Account, a subsidiary of a Brookfield Account, Brookfield or its affiliates, may guarantee obligations or provide letters of credit or other credit support to facilitate investments; such letters of credit or other credit support will not have any explicit limitations, and there can be no assurance that such guarantees or letters of credit will not have adverse consequences for the Brookfield Account. As a result, if any such investment or other party defaults on its obligations, the Brookfield Account will be required to satisfy such obligation, in which case the Brookfield Account may make a larger investment in such investment than initially expected. In order to do so, the Brookfield Account may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. For example, in connection with certain investments, a Brookfield Account may provide a completion or performance guarantee. In such cases, the Brookfield Account may be required to indemnify Brookfield and its employees and affiliates for any losses incurred in connection with such guarantee. Further, the party executing a completion or performance guarantee may be motivated to make decisions (e.g., decisions regarding the extension, modification and/or refinancing of the loan, etc.) that may be advantageous to the guarantor, but detrimental to the Brookfield Account or its investors.

The tax treatment of guarantees is complex and could result in a recharacterization of certain guarantee transactions for tax purposes. There can be no assurances that the U.S. Internal Revenue Service (the "IRS") would not challenge the positions that may be taken by a Brookfield Account with respect to the tax treatment of guarantees. Any such recharacterization could have an adverse impact on the U.S. federal income tax treatment of certain investors, including tax-exempt investors who may incur UBTI or non-U.S. investors who may incur income effectively connected with a U.S. trade or business ("ECI") or income from commercial activity as defined in Section 892(a)(2) of the Code ("CAI") as a result of such recharacterization.

**Cross-Collateralization.** Indebtedness incurred by a Brookfield Account and its respective fund entities is expected to be structured in a way that certain fund entities, such as parallel investment vehicles or any alternative investment vehicles, are jointly responsible on a cross-collateralized basis for the repayment of indebtedness, and the commitments of Investors of one of such fund entity are pledged

to secure indebtedness obtained for the benefit of the other fund entities. A Brookfield Account may also be responsible for the indebtedness incurred by co-investment vehicles or other subsidiaries of the Brookfield Account. If the indebtedness is structured in this manner, the failure of Investors in one fund entity to fund a capital call in order to repay indebtedness may result in other Investors being required to fund more than their pro rata share of the indebtedness and, in certain circumstances, the Investors may be called upon to fund their entire commitment to repay indebtedness. Investors in one or more such fund entities may benefit from the incurrence of indebtedness even though their commitments may not be pledged to secure such indebtedness. In addition, certain guarantees or hedging arrangements may be cross-collateralized among fund entities and any such guarantees or hedging arrangements would be subject to the same risks as cross-collateralized indebtedness. In certain cases, for regulatory or other reasons, Brookfield may structure indebtedness, guarantees or hedging arrangements in a manner that Brookfield believes generally benefits a Brookfield Account as a whole, which may affect one or more of the Brookfield Account's entities differently from others. For example, Brookfield may cause certain fund entities to provide a guarantee for a hedging arrangement while allowing other fund entities to benefit from such hedging arrangement without providing such a guarantee, following Brookfield's determination that the basis for such arrangement is fair and reasonable to each fund entity (which may include Brookfield requiring a fund entity not providing such a guarantee to provide other means of credit support in respect of such arrangement).

In addition, a Brookfield Account may provide for the repayment of indebtedness and/or the satisfaction of guarantees on behalf of co-investment vehicles in connection with investments made by such vehicles alongside such Brookfield Account. In such circumstances, the failure of any such co-investment vehicle to repay any such indebtedness or satisfy any such guarantee may result in the investors being required to fund more than their pro rata share of the indebtedness and/or guarantee in respect of such investment than they otherwise would have been obligated but for the Brookfield Account's agreement to repay the indebtedness and/or satisfy any such guarantee of such co-investment vehicle.

**Fraud.** Of paramount concern in originating debt investments is the possibility of material misrepresentation or omission on the part of a borrower. Such inaccuracy or incompleteness may adversely affect the valuation of the collateral underlying the investments, or may adversely affect the likelihood that a lien on the collateral securing the investments has been properly created and perfected. Brookfield will rely upon the accuracy and completeness of representations made by borrowers, but cannot guarantee such accuracy or completeness. Under certain circumstances, payments to a Brookfield Account may be reclaimed if any such payment or distribution is later determined to have been made with intent to defraud or prefer creditors.

**Bankruptcy Claims.** The Brookfield Accounts may invest in bankruptcy claims, which are amounts owed to creditors of companies in financial difficulty. Bankruptcy claims typically are illiquid and generally do not pay interest, and there can be no guarantee that the debtor will ever be able to satisfy the obligation on the bankruptcy claim. The markets in bankruptcy claims are not generally regulated by federal securities laws or the U.S. Securities and Exchange Commission (the "SEC"). Because bankruptcy claims are frequently unsecured, holders of such claims may have a lower priority in terms of payment than certain other creditors in a bankruptcy proceeding. In addition, under certain circumstances, payments



and distributions may be reclaimed if any such payment is later determined to have been a fraudulent conveyance or a preferential treatment.

**Leverage.** Certain of the investments of a Brookfield Account utilize a leveraged capital structure in which case a third party would be entitled to cash flow generated by such investments prior to the Brookfield Account receiving a return. While such leverage may increase returns or the funds available for investment by the Brookfield Account, it will also increase the risk of loss on such leveraged investments due to adverse economic factors such as rising interest rates, bank distress, including the receivership of Silicon Valley Bank and Signature Bank in early 2023, downturns in the economy or deteriorations in the conditions of such investments. Accordingly, any event that adversely affects the value of an investment by a Brookfield Account would be magnified to the extent leverage is used. If a Brookfield Account defaults on secured indebtedness, the lender providing such indebtedness may foreclose and the Brookfield Account could lose its entire investment in the security for such loan. Because a Brookfield Account may engage in portfolio financings where several investments are cross collateralized, multiple investments may be subject to the risk of loss. As a result, a Brookfield Account could lose its interests in performing investments in the event such investments are cross collateralized with poorly performing or non-performing investments. There are also financing costs associated with leverage, and each leveraged investment will involve interest rate risk to the extent that financing charges for such leveraged investment are based on a predetermined interest rate. In addition, recourse debt, which certain Brookfield Accounts reserve the right to obtain, may subject other assets of the Brookfield Account and the Investor's capital commitments to risk of loss. Furthermore, to the extent that a third party bank acts as a lender to a Brookfield Account and such Brookfield Account is required to maintain capital accounts on behalf of investors at such bank, if such bank becomes distressed and/or fails, there is a substantial risk of complete loss of all or a portion of the capital of the investors held in such accounts and other assets of the Brookfield Account and there is no guarantee that the Brookfield Account will ever be able to recoup all or any portion of such amounts. Additionally, there may be significant delays in recouping all or any portion of such amounts, to the extent the Brookfield Account is able to do so. The full extent of the consequences associated with such bank distress or failure are not completely known to Brookfield and cannot be predicted.

**"Widening" Risk.** For reasons not necessarily attributable to any of the risks set forth herein (for example, supply/demand imbalances or other market forces), the prices of the equity-linked investments, including debt instruments and other securities in which the Brookfield Accounts invest, may decline substantially. In particular, purchasing debt instruments or other assets at what may appear to be "undervalued" or "discounted" levels is no guarantee that these assets will not be trading at even lower levels at a time of valuation or at the time of sale. It may not be possible to predict, or to hedge against, such "spread widening" risk. Additionally, the perceived discount in pricing from previous environments described herein may still not reflect the true value of the assets underlying debt instruments in which the Brookfield Accounts invest.

**High Yield Bonds.** The Brookfield Accounts may invest in non-investment grade or "high yield" fixed income or convertible bonds. High yield bonds are unsecured loans or securities of an issuer whose credit rating (based on rating agencies' evaluation of the likelihood of repayment) necessitates offering a higher coupon and yield on its issues when selling them to investors who may otherwise be hesitant in

purchasing the debt of such an issuer. While generally providing greater income and opportunity for gain, non-investment grade debt may be subject to greater risks than debt which has higher credit ratings, including a high risk of default and the risk of yield fluctuation over time. High yield bonds generally will be in the lower rating categories of recognized rating agencies (rated “Ba” or lower by Moody’s or “BB” or lower by S&P) or will be non-rated. The credit rating of a high yield security does not necessarily address its market value risk, and ratings may from time to time change, positively or negatively, to reflect developments regarding the issuer’s financial condition. High yield bonds are considered to be speculative with respect to the capacity of the issuer to timely repay principal and pay interest or dividends in accordance with the terms of the obligation and may have more credit risk than higher rated securities.

**Debtor-In-Possession Financing.** The Brookfield Accounts may provide debtor-in-possession financing (“DIP Financing”) to companies who have filed for protection under Chapter 11 of the U.S. Bankruptcy Code (such companies, a “DIP”). The security and seniority of any DIP Financing will be determined by a bankruptcy court. There is no assurance that the DIP Financing provided by a Brookfield Account will be secured by a senior lien on the property of the DIP (a so-called “priming lien”). If a Brookfield Account receives no liens to secure its DIP Financing, such Brookfield Account will be an unsecured post-petition creditor with respect to a DIP Financing ranking ahead of the pre-petition and (if the DIP Financing is accorded “super priority” status by the bankruptcy court) post-petition unsecured creditors of the DIP, but not ahead of pre-petition and post-petition secured creditors of the DIP (to the extent of the value of the assets collateralizing such creditors’ claims), and the unencumbered assets of the DIP may be insufficient to make the scheduled payments to the Brookfield Account. In addition, the Brookfield Accounts may experience a substantial or complete loss on an unsecured DIP Financing in the event a DIP converts its Chapter 11 filing to Chapter 7 liquidation. In such event, the administrative expenses of liquidating the DIP after such conversion will rank above the DIP Financing and the Brookfield Account’s status as a “super priority” lender may apply only with respect to the DIP’s pre-petition and pre-conversion post-petition unsecured creditors. If the DIP Financing is granted liens (even on a non-priming basis), such liens (to the extent of any collateral covered thereby) will rank ahead of any administrative expense claims arising following the conversion to a Chapter 7 case.

**Equity Securities.** The Brookfield Accounts may invest in common and preferred stock and other equity and equity-linked securities, including both public and private equity securities. Equity securities generally involve a high degree of risk and will be subordinate to the debt securities and other indebtedness of the issuers of such equity securities. Prices of equity securities generally fluctuate more than prices of debt securities and are more likely to be affected by poor economic or market conditions. In some cases, the issuers of such equity securities may be highly leveraged or subject to other risks such as limited product lines, markets or financial resources. In addition, actual and perceived accounting irregularities may cause dramatic price declines in the equity securities of companies reporting such irregularities or that are rumored to be subject to accounting irregularities. A Brookfield Account may experience a substantial or complete loss on individual equity securities.

**Corporate Bonds.** The Brookfield Accounts may have direct or indirect exposure to corporate bonds. Corporate bonds are subject to, among other risks, the risk of the related issuer’s inability to meet principal and interest payments on the obligation and may also be subject to price volatility due to such

factors as interest rate sensitivity, market perception of the credit worthiness of the issuer and general market liquidity. When interest rates decline, the value of a Brookfield Account's corporate bonds can be expected to rise, and when interest rates rise, the value of those securities can be expected to decline. Corporate bonds with longer maturities tend to be more sensitive to interest rate movements than those with shorter maturities. A Brookfield Account's investments in corporate bonds may be subject to early redemption features, refinancing options, pre-payment options or similar provisions which, in each case, could result in the related issuer repaying the principal on an obligation held by such Brookfield Account earlier than expected. This may happen when there is a decline in interest rates or when the issuer's performance allows the refinancing of debt with lower cost debt. Early repayments of investments may have a material adverse effect on a Brookfield Account's investment objective and the profits on invested capital. In addition, the potential impact of prepayment features on the price of a corporate bond can be difficult to predict and result in greater volatility.

**Sovereign Debt.** Investments in sovereign debt securities involve special risks. The governmental authority that controls the repayment of the debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves, the availability of sufficient foreign exchange on the date a payment is due, the relative size of the debt service burden to the economy as a whole, or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. If an issuer of sovereign debt defaults on payments of principal and/or interest, the Brookfield Accounts may have limited legal recourse against the issuer and/or guarantor. In certain cases, remedies must be pursued in the courts of the defaulting party itself, and the Brookfield Accounts' ability to obtain recourse may be limited.

**Second Lien Loans.** Certain Brookfield Accounts may invest in second lien loans. Second lien loans are subject to the same risks associated with loans in general described above. However, a second lien loan is subordinate in right of collateral and/or payment to one or more senior secured first lien loans of the related portfolio company and therefore is subject to additional risk that the cash flow of the related portfolio company and the property securing the second lien loan may be insufficient to make the scheduled payments to a Brookfield Account after giving effect to any senior secured first lien loans of the related obligor. The subordination of second lien loans is also expected to cause second lien loans to be more illiquid investments than senior secured first lien loans.

**Syndication Risk.** It is possible that a portion of the loans made by a Brookfield Account will be sold to third parties at some point in time after the loan is originated. Furthermore, in order to be selected to provide certain lending facilities to a portfolio company, the relevant Brookfield Account may be required to commit and/or fund amounts in excess of amounts it would otherwise desire for the longer-term, even where it expects to sell a portion of the loans. Brookfield will endeavor to sell the loans (which may also be structured in other ways, including participation arrangements) at fair market value, as determined in good faith by Brookfield, under normal market conditions. Until a portion of the loan is sold, the relevant Brookfield Account may have more capital at risk in such loan than Brookfield desires the Brookfield Account to have for the longer term and the fair market value of such loan could decrease significantly. Furthermore, there is no assurance that there will be purchasers willing to buy a portion of such loan on commercially reasonable terms, if at all.

**Investments in Bank Loans and Participations.** Certain Brookfield Accounts may acquire secondary investments in bank loans and participations. The special risks associated with these obligations include: (a) the possible invalidation of an investment transaction as a fraudulent conveyance under relevant creditors' rights laws; (b) adverse consequences resulting from participating in such instruments with other institutions with lower credit quality; and (c) limitations on the ability of the Brookfield Accounts to directly enforce their rights with respect to participations. In general, the secondary trading market for loans is not well developed. No active trading market may exist for certain bank loans, which may make it difficult to value them. Illiquidity and adverse market conditions may mean that the Brookfield Accounts may not be able to sell interests in bank loans quickly or at a fair price. To the extent that a secondary market does exist for certain bank loans, the market for them may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Bank loans generally are transferable among financial institutions and other entities. However, they do not presently have the liquidity of conventional debt securities and are often subject to restrictions on resale. For example, third party approval is often required for the assignment of interests in bank loans. Due to the illiquidity of bank loans, the Brookfield Accounts may not be able to dispose of their investments in bank loans in a timely fashion and at a fair price, which could adversely affect their performance. With respect to bank loans acquired as participations by a Brookfield Account, because the holder of a participation generally has no contractual relationship with a borrower, the Brookfield Account will have to rely upon a third party to pursue appropriate remedies against a borrower in the event of a default. As a result, the Brookfield Account may be subject to delays, expenses and risks that are greater than those that would be involved if the Brookfield Account could enforce their rights directly against a borrower or through the agent. Bank loans acquired as participations also involve the risk that a Brookfield Account may be regarded as a creditor of a third party rather than a creditor of the borrower. In such a case, the Brookfield Account would be subject to the risk that a selling participant may become insolvent.

**Prepayment of Loans.** Loans may be prepayable in whole or in part at pre-agreed times at par plus accrued unpaid interest thereon. Prepayments on loans may be caused by a variety of factors which are often difficult to predict. Consequently, there exists a risk that loans purchased at a price greater than par may experience a capital loss as a result of such a prepayment. In addition, proceeds received upon such a prepayment may be subject to reinvestment risk. In the event that loans are prepaid in whole or in part, investment returns may be adversely affected.

**Lender Liability and Equitable Subordination.** In recent years, there have been a number of judicial decisions in the U.S. that have upheld the right of borrowers to sue lending institutions on the basis of various evolving legal theories (collectively, termed "Lender Liability"). Lender Liability is founded upon the premise that an institutional lender or bondholder has violated a duty (whether implied or contractual) of good faith and fair dealing owed to the borrower or issuer or has assumed a degree of control over the borrower or issuer resulting in the creation of a fiduciary duty owed to the borrower or issuer or its other creditors or shareholders. A Brookfield Account, as a creditor, may be subject to allegations of Lender Liability. Furthermore, a Brookfield Account may be unable to control the conduct of the lenders under a loan syndication agreement requiring less than a unanimous vote, yet a Brookfield Account may be subject to Lender Liability for such conduct.

In addition, under common law principles that in some cases form the basis for Lender Liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “Equitable Subordination.” The Brookfield Accounts do not intend to engage in conduct that it expects would form the basis for a successful cause of action based upon the Equitable Subordination doctrine. However, because of the nature of certain Brookfield Accounts’ Investments, a Brookfield Account may be subject to claims from creditors of an obligor that the debt obligations of which are held by such Brookfield Account should be Equitably Subordinated and bankruptcy laws may delay the ability of such Brookfield Account to realize on its collateral or may adversely affect the priority thereof through Equitable Subordination. In addition, such laws may result in a restructuring of the debt through principles such as the “cramdown” provisions of applicable bankruptcy laws. As a lender, the Brookfield Accounts may also be subject to penalties for violation of usury limitations, which penalties may be triggered by contracting for, charging or receiving usurious interest.

The preceding discussion regarding Lender Liability and Equitable Subordination is based upon principles of U.S. federal and state laws. With respect to any of the Brookfield Account investments outside of the U.S., the laws of certain non-U.S. jurisdictions may also impose liability upon lenders or bondholders under factual circumstances similar to those described above, with consequences that may or may not be analogous to those described above under U.S. federal and state laws.

**Social Media Risks.** The use of social networks such as Facebook, Twitter and Instagram, message boards such as Reddit and other internet channels has become widespread within the U.S. and globally. As a result, individuals now have the ability to rapidly and broadly disseminate information or misinformation without relying on traditional media intermediaries. Information often spreads rapidly across large segments of the U.S. and global population, frequently without any independent verification as to its accuracy, which has led to the spread of misinformation in many cases. The spread of information or misinformation regarding Brookfield, Brookfield Accounts and their portfolio companies could result in material and adverse effects on any of the foregoing. Furthermore, certain administrators of or other service providers to social networks, message boards, app stores, websites and other internet outlets have taken actions to ban, block, verify or censor the content disseminated on their networks. Such actions, or similar actions taken by government regulators or courts, could negatively affect Brookfield, Brookfield Accounts and their portfolio companies (e.g., if a portfolio company were to face public backlash or regulatory penalties for taking such actions, or if a portfolio company were itself the subject of such a ban).

**Market Abuse.** Any fraud, price manipulation, market abuse, or improper influence in markets in which the Brookfield Accounts directly or indirectly invests may have a material adverse effect on the Brookfield Accounts. There can be no assurance that any form of regulation or any market constraints would prevent fraud, price manipulation, market abuse, or improper influence in the future. Moreover,

there can be no assurance that any redress would be available to, or would be practical for, the Brookfield Account to pursue with respect to any particular fraud, price manipulation, market abuse, or improper influence.

**Board Participation.** The Brookfield Accounts, either alone or in combination with Brookfield, may seek to be the sole or largest investor in portfolio investments and will generally be represented on boards of directors as well as on advisory, operating or similar committees. Although such positions in certain circumstances may be important to a Brookfield Account's investment strategy and may enhance Brookfield's ability to manage such Brookfield Account's investments, they may also have the effect of impairing Brookfield's ability to sell such investments when, and upon the terms, it may otherwise desire, and may subject Brookfield and the Brookfield Account to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director related claims. In general, the Brookfield Accounts will indemnify Brookfield and its representatives from such claims.

**Portfolio Concentration.** While diversification is an objective of many of the Brookfield Accounts and the Governing Documents generally contain certain diversification limitations, there is no assurance as to the degree of diversification that will actually be achieved, and it is likely that the asset mix of a Brookfield Account will differ from that which would result if diversification was such Brookfield Account's primary investment focus. To the extent that a Brookfield Account concentrates its investments in a particular geographic region, security, investment sector or stage of development, such investments may become more susceptible to fluctuations in value resulting from adverse economic or business conditions applicable to such region, type of security, investment sector or stage of development. The Brookfield Accounts generally may make only a limited number of investments and since the investments generally will involve a high degree of risk, poor performance by a few of the investments could severely affect the total returns to the investors. In the event an investment fails to meet projections, the relevant Brookfield Account may suffer a partial or total loss of capital invested in such investment.

**Litigation.** Litigation can and does occur in the ordinary course of the management of an investment portfolio. A Brookfield Account may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where a Brookfield Account exercises control or significant influence over a portfolio company's direction, including as a result of board participation. Such litigation can arise as a result of issuer default, issuer bankruptcies, board participation and/or other reasons. In certain cases, issuers may bring claims and/or counterclaims against Brookfield or the Brookfield Account and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against a Brookfield Account, Brookfield and/or their respective principals and affiliates by third parties and paying any amounts pursuant to settlements or judgments would be borne by the relevant Brookfield Account to the extent that (a) the Brookfield Account has not been able to protect itself through indemnification or other rights against the investment entity, (b) the Brookfield Account is not entitled to such protections or (c) the investment entity is not solvent. Brookfield and others may be indemnified by a Brookfield Account in connection with such litigation, subject to certain conditions.



Litigation may also be commenced with respect to a property acquired by a Brookfield Account or its subsidiaries in relation to activities that took place prior to the Brookfield Account's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of the Brookfield Account's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Brookfield Account under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence. The Brookfield Account may also be exposed to litigation resulting from the activities of tenants or their customers.

The outcome of any proceedings involving a Brookfield Account or its investments may materially adversely affect such Brookfield Account and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of Brookfield's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation. Under the Governing Documents, the Brookfield Accounts will generally be responsible for indemnifying Brookfield and related parties for costs they may incur with respect to such litigation not covered by insurance.

**Adverse Publicity.** Brookfield and Brookfield Accounts face the risk of negative publicity, including in matters such as labor disputes and adverse environmental attention, as well as matters arising out of municipal and federal government scrutiny both in the United States and globally. Additionally, employees of Brookfield or Brookfield Accounts could pursue claims against Brookfield or Brookfield Accounts, which may draw negative publicity, as well as negative news media attention. Such adverse publicity may have a material effect on Brookfield and/or the Brookfield Accounts.

**Liability and Standard of Care; Reliance on Service Providers.** Brookfield and the Brookfield Accounts utilize the services of attorneys, accountants, custodians, fund administrators and other consultants in their operations. Brookfield and the Brookfield Accounts generally rely upon such service providers for their professional judgment with respect to legal, tax, accounting, operational, regulatory and other matters. Nevertheless, there exists a risk that such service providers may provide incorrect advice from time to time or may otherwise make errors when providing services. None of the Brookfield Accounts or Brookfield will generally have any liability to investors for any reliance upon such advice or services. Service providers will be selected by Brookfield on behalf of the Brookfield Accounts with due care and consistent with its obligations under applicable law. Notwithstanding the foregoing, the Brookfield Accounts may bear the risk of any errors or omissions by such service providers. Additionally, subject to certain limitations, the Brookfield Accounts may be required to exculpate and indemnify such service providers for any losses incurred. Whenever Brookfield makes a determination or uses its discretion, unless otherwise indicated, it shall do so in its sole and absolute discretion.

**Regulatory Risks.** As affiliates of Brookfield, which has regulated activities, the Brookfield Accounts and their activities may be subject to certain limitations that may not be applicable to an investor unaffiliated with a regulated entity. The Brookfield Accounts may also be subject to certain restrictions when considering investments or other business activities in regulated industries because of the impact of

these investments on Brookfield. As a result, Brookfield may restrict or limit transactions or exercise of rights for a Brookfield Account or limit the amount of voting securities purchased by the Brookfield Account or restrict the type of governance rights it acquires or exercises in connection with its investments in regulated industries. There can be no assurance that a portfolio investment targeted by a Brookfield Account will be able to obtain all required regulatory approvals that it does not yet have or that it may require in the future; obtain any necessary modifications to existing regulatory approvals; or maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain any regulatory approvals or amendments or to satisfy any regulatory conditions or other applicable requirements could result in additional costs to a portfolio investment and adversely affect the financial performance of a Brookfield Account. In addition, regulatory changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could occur during the term of the applicable Brookfield Account that may materially and adversely affect the Brookfield Account, for example, by resulting in increased compliance costs or the need for additional capital expenditures. Failure to comply with these requirements could subject a portfolio investment to civil or criminal liability and the imposition of fines. In addition, new sustainability requirements imposed by jurisdictions in which Brookfield does business, such as the Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector, may result in additional compliance costs, disclosure obligations or other implications or restrictions on Brookfield or a Brookfield Account. These changes could result in increased costs to Brookfield's or a Brookfield Account's operations.

**Prevention of Money Laundering.** As part of Brookfield's responsibility for the prevention of money laundering under the Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act of 2001 (the "PATRIOT Act") and similar laws, regulations, rules and orders in effect in the U.S. and non-U.S. countries, a Brookfield Account requires a detailed verification of a prospective investor's and its beneficial owners' identity and the source of such prospective investor's capital contributions. In the event of delay or failure by a prospective investor to produce any such information required for verification purposes, the Brookfield Account will generally refuse to accept the subscription and any monies relating thereto. In addition, each prospective investor will be required to make certain representations and warranties to the Brookfield Account including, among other things, that (a) the proposed investment by such prospective investor will not directly or indirectly contravene U.S. federal, state, international or other laws or regulations, including the PATRIOT Act and other applicable anti-money laundering laws and regulations; (b) no capital contribution to the Brookfield Accounts by such prospective investor will be derived, directly or indirectly, from any illegal or illegitimate activities; (c) such prospective investor is not a country, territory, person or entity named on a list promulgated by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), the EU and/or UK regulations prohibiting, among other things, the engagement in transactions with, and the provision of services to, certain non-U.S. countries, territories, entities and individuals, nor is such prospective investor or any of its affiliates a natural person or entity with whom dealings are prohibited under any OFAC, EU and/or UK regulations; (d) such prospective investor is not owned, directly or indirectly, by any person or entity named on such an OFAC list or otherwise subject to such prohibitions under OFAC, EU and/or UK regulations; and (e) such prospective investor is not otherwise prohibited from investing in the Brookfield Account pursuant to other applicable U.S. anti-money laundering, anti-terrorist and non-U.S. asset control laws, regulations, rules or orders and similar rules in other jurisdictions. Each Investor will be required to promptly notify

Brookfield if any of the representations or warranties it makes to the applicable Brookfield Account will cease to be true with respect to such investor.

As a result of the above-described anti-money laundering regulations or as a result of changes in law, Brookfield may from time to time request (outside of the subscription process), and the investors may be obligated to provide to Brookfield upon such request, additional information as from time to time may be required for it and the Brookfield Account to satisfy their respective obligations under these and other laws and regulations that may be adopted in the future. Such information may be provided to governmental and regulatory agencies without notification to the investor. Also, Brookfield may from time to time be obligated to file reports with various jurisdictions with regard to, among other things, the identity of the Brookfield Account's investors and suspicious activities involving the interests in the Brookfield Account.

In the event it is determined, or Brookfield believes, that any investor or any direct or indirect owner of any investor, is a person identified in any of these laws or regulations as a prohibited person, or is otherwise engaged in activities of the type prohibited under these laws or regulations, or the investment by the investor is or has become a prohibited investment, Brookfield may be obligated, among other actions to be taken, to "freeze the account" of such investor and withhold distributions of any funds otherwise owing to such investor or to cause such investor's interests in the Brookfield Account to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those interests in the Brookfield Account).

**Disclosure of Information.** As a result of increased regulations in the private funds and related industries, including with respect to the sources of funds used in investments and in connection with other Brookfield Account activities, Brookfield may request additional documentation or information from investors in order to verify, among other things, such investor's and its beneficial owners' identity and the source of funds used to purchase the interests in the Brookfield Account. Brookfield may decline to accept a subscription on the basis of the information that is provided or if this information is not provided, and may be required in certain circumstances to withhold distributions. In order to comply with applicable laws, rules, regulations and policies, Brookfield may request (during or outside of the subscription process) additional information from the investors at any time. Such information may be provided to governmental and regulatory agencies without notification to the investors. Brookfield may also, from time to time, without notice, be obligated to file reports with various jurisdictions with regard to, among other things, the identity of the Brookfield Accounts' investors and suspicious activities involving the interests of the Brookfield Accounts. The failure of an investor to comply with such request for information may result in adverse consequences applying to such investor pursuant to the Brookfield Account's Governing Documents, including its required withdrawal from the Brookfield Account. Further, Brookfield will take such steps as it determines in its discretion are necessary or appropriate to comply with applicable law, regulations, orders, directives or special measures.

In addition, the Brookfield Accounts, Brookfield or their affiliates, service providers or agents may from time to time be required or may, in their discretion, determine that it is advisable to disclose certain information about a Brookfield Account and its investors, including, but not limited to investments held directly or indirectly by a Brookfield Account and the names and percentage interest of beneficial

ownership of a Brookfield Account and/or its investments (and any underlying beneficial owners of such beneficial owners), to third parties, including local governmental authorities, regulatory organizations, taxing authorities, markets, exchanges, clearing facilities, custodians, brokers and trading counterparties of, or service providers to, Brookfield or the Brookfield Accounts. Brookfield generally expect to comply with requests to disclose such information as they may determine, including through electronic delivery platforms; however, Brookfield may determine not to make an investment or to cause the sale of certain assets for a Brookfield Account rather than make certain disclosures, including as a result of limitations contained in the side letters with investors, and such sale may be at a time that is inopportune from a pricing or other standpoint. In certain circumstances, the Brookfield Accounts, Brookfield or any of their respective affiliates, service providers or agents, may be prohibited from disclosing, or may determine not to disclose, that the request has been made.

**FOIA.** To the extent that Brookfield determines in good faith that, as a result of the U.S. Freedom of Information Act (“FOIA”), any governmental public records access law, any state or other jurisdiction’s laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement, an investor or any of its affiliates may be required to disclose information relating to the relevant Brookfield Account(s) in which it is invested, its affiliates, and/or any entity in which an investment is made, Brookfield may, in order to prevent any such potential disclosure, withhold all or any part of the information otherwise to be provided to such investor. Further, disclosure of any such information by an investor pursuant to FOIA or any similar statute or regulation could have a material adverse effect on the Brookfield Accounts or their portfolio companies.

**Cybersecurity Risk.** Brookfield and the Brookfield Accounts’ service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. For example, Brookfield Accounts may provide investors with statements, reports, notices, updates, requests and any other communications required under a Brookfield Account’s Governing Documents in electronic form, such as e-mail or posting on Brookfield’s web-based reporting site or other Internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail or in person. These systems are subject to a number of different threats or risks that could adversely affect a Brookfield Account and its investors, despite the efforts of Brookfield, the Brookfield Account’s portfolio investments, and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Brookfield Account and its investors. Cyber incidents refer to both intentional attacks and unintentional events, including processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through “hacking” or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of or prevent access to the systems of Brookfield, the Brookfield Account’s portfolio investments, or any of their respective service providers or counterparties or data within those systems without the knowledge of system users. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of Brookfield, the

Brookfield Account's portfolio investments, and any of their respective service providers' systems to disclose sensitive information in order to gain access to their data or that of the Brookfield Account's investors.

The risk of a security compromise or disruption, particularly through accidental actions or omissions by trusted insiders, cyber-attacks or cyber intrusions, including by computer hackers, viruses, foreign governments, and cyber terrorists, has increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. The techniques used by cyber criminals change frequently, might not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations, hostile foreign governments or agencies, or cybersecurity researchers.

A successful penetration or circumvention of the security of Brookfield, the Brookfield Account's portfolio investments, or any of their respective service providers' systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause Brookfield, a Brookfield Account, portfolio investments or any of their respective service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, liability to Brookfield Accounts or third parties, regulatory intervention or financial loss. In addition, if a significant number of Brookfield's personnel were to be unavailable in the event of a disaster or other event, Brookfield's ability to effectively conduct the business of the Brookfield Accounts would likely be compromised.

Brookfield makes no assurances, representations or warranties in relation to these matters, and have not obtained representations or warranties in relation to these matters from all of their respective service providers. In addition, Brookfield, a Brookfield Account's subsidiaries and each of their respective affiliates reserve the right to intercept, monitor and retain e-mail messages to and from its systems as permitted by applicable law. Substantial costs may be incurred in order to prevent any cyber incidents in the future. While a Brookfield Account's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, a Brookfield Account cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect a Brookfield Account, and Brookfield could have insufficient recourse against such service providers or other third parties and could have to expend significant resources to mitigate the impact of a cybersecurity event caused by a failure or such third party's plans or systems. In addition, jurisdictions in which Brookfield operates have recently adopted or are considering adopting laws that include stringent operational requirements for entities processing personal information and significant penalties for non-compliance, such as the EU GDPR, California Privacy Act and the New York SHIELD Act, and a range of proposed additional laws at the U.S. federal and state level.

Similar types of operational and technology risks are also present for portfolio investments, which could have material adverse consequences for such portfolio investments and may cause a Brookfield

Account's portfolio investments to lose value. Certain portfolio investments have been and may be subject to such cyber incidents.

**Privacy, Data Protection and Information Security Laws.** Compliance with current and future privacy, data protection and information security laws, regulations, and industry standards ("Privacy Laws") in the EU, the UK, the United States and elsewhere could significantly impact the ongoing and planned privacy and information security-related practices of Brookfield and the Brookfield Accounts. This includes the receipt, collection, compilation, use, sharing, disclosure, transfer (including cross-border), disposal, destruction, processing, storage, retention, security (technical, physical or administrative), and safeguarding (collectively, "Processing") of personal data and some of the current and planned activities of Brookfield and the Brookfield Accounts. Moreover, compliance with such Privacy Laws may result in increased costs to the Brookfield Accounts, particularly in the context of ensuring that adequate data protection and data transfer mechanisms, as well as processes to comply with Privacy Laws including with respect to receiving and responding to requests from data subjects, are in place. Such compliance may also create additional costs and expenses for the Brookfield Accounts and, indirectly, the investors. While Brookfield intends to comply with its obligations arising out of all applicable Privacy Laws, it may not be able to accurately anticipate the ways in which regulators and courts will apply or interpret such laws (including the applicability of such laws to each of them). A failure to comply with such Privacy Laws could result in regulatory investigations, enforcement actions, lawsuits and other claims potentially leading to fines, sanctions or other penalties, which could materially and adversely affect the operating results and overall business of, as well as have an impact on the reputation of, Brookfield and the Brookfield Accounts.

For example, in the EU, the EU GDPR, which became effective on May 25, 2018, provides rights to individuals with respect to the privacy of their personal data and applies not only to organizations with a physical presence in the EU that use or hold data relating to individuals, but also to those organizations that offer services to individual EU investors. The EU GDPR imposes significant penalties for serious breaches, up to the greater of €20 million or 4% of worldwide revenue, the impact of which could be significant. Following Brexit, data protection in the UK is governed primarily by the UK General Data Protection Regulation and the UK Data Protection Act 2018 ("UK GDPR"), which, like the GDPR, imposes stringent operational requirements for entities processing personal data, and imposes significant penalties for non-compliance up to the greater of £17.5 million or up to 4% of worldwide revenue.

Such legal developments in the EU and UK have created complexity and regulatory compliance uncertainty regarding certain transfers of personal data from the EU or the UK to the U.S. and certain other countries. As such, any transfers by Brookfield, the Brookfield Accounts, or any vendors Processing personal data originating from the EU or the UK on their behalf may not comply with EU or UK data protection laws, and may increase exposure to the GDPR's heightened sanctions for violations of their cross-border data transfer restrictions. In addition, a failure to comply with such existing or new Privacy Laws may result in significant penalties or orders to stop the alleged noncompliant activity.

In the U.S., the legal and regulatory landscape governing privacy, data protection and information security is in considerable flux. For example, the CCPA, which came into force in 2020 and was further expanded as of January 1, 2023 by the CPRA, broadly defines personal information, imposes additional



obligations on covered businesses and gives California residents expanded data privacy rights and protections to access, correct and delete their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used (including in relation to automated decision-making, and sales and sharing of such data). The CCPA provides for civil penalties for violations and a private right of action for certain data breaches. The CCPA has marked the beginning of a trend toward more stringent state data privacy legislation in the U.S. For example, the Virginia Consumer Data Protection Act (VCDPA) became effective January 1, 2023, and similar state laws will become effective in Colorado and Connecticut starting July 1, 2023. Additionally, the Utah Consumer Privacy Act (UCPA) became effective on December 31, 2023 and the Iowa Consumer Data Privacy Act (ICDPA) is expected to become effective on January 1, 2025.

It is expected that new Privacy Laws will continue to be proposed in the U.S. and other jurisdictions. Existing Privacy Laws, which in some cases can be enforced by private parties in addition to government entities, are constantly evolving, and are subject to increased enforcement action by regulators. Furthermore, the interpretation and application of Privacy Laws around the world are uncertain and evolving. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with the data practices of Brookfield and the Brookfield Accounts. Complying with each of these various laws is challenging and could lead to substantial costs or changes to the practices of Brookfield. Any inability, or perceived inability, to adequately address privacy concerns or comply with applicable Privacy Laws or other legal obligations concerning privacy, data protection and information security, even if unfounded, could result in exposure to significant regulatory and third party liability. Such regulatory and third party liability could include monetary liability, fines, penalties, class action lawsuits, investigations or claims by regulators, industry groups and other third parties, reputational damage or public criticism, increased costs, or disruption to the business, financial condition and operations of Brookfield. Similar types of risks are also present for the Brookfield Account's portfolio companies, which could have material adverse consequences for such portfolio companies and may cause the Brookfield Accounts' investments to lose value.

**Public Health Risk.** Brookfield Accounts may be adversely affected by the effects of widespread outbreaks of contagious diseases, including COVID-19. Public health crises can develop rapidly and unpredictably, which may prevent governments, asset managers, property managers, developers, companies or others (including Brookfield and Brookfield Accounts) from taking timely or effective steps to mitigate or reduce any adverse impacts to Brookfield accounts and/or their Investments. The extent and duration of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge concerning the severity of COVID-19 (and any variant thereof) and containment efforts. In addition, although vaccines for COVID-19 have become widely available in certain jurisdictions, it cannot be determined at this time whether such measures or vaccine developments and disbursements will be successful in such jurisdictions or elsewhere and/or have a stabilizing economic effect.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel, social distancing policies and/or quarantines imposed or recommended by the governments of the jurisdictions where Brookfield, Brookfield Accounts and/or their investments are based (together, the "Isolation Measures"), could have a material and adverse

effect on Brookfield Accounts and their Investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of Brookfield, the Brookfield Accounts, or Brookfield Accounts' administrators or other service providers (which could, in turn, adversely impact the ability of such service providers to fully support the administration and operation of Brookfield Accounts). Such disruptions and adverse effects are particularly acute with respect to the travel, retail and hospitality industries.

In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed (including the Isolation Measures), may result in a widespread health crisis that could severely disrupt global, national and/or regional economies and financial markets (including significant disruptions in supply chains) and cause an economic downturn that could adversely affect the performance of Brookfield Accounts and their Investments. For example, the risks associated with the spread of COVID-19 (and any variant thereof) has led to significant uncertainty and extreme volatility in the financial markets, including those leading to the automatic suspension of trading on U.S. stock exchanges.

Disrupted global, national and/or regional economies and financial markets may also result in increased competition. Increased competition may inflate the acquisition cost of such assets and/or lead to increased competition for such assets, which may result in the delay or inability of the Brookfield Accounts to deploy capital in a timely manner. In addition, a wide-spread health crisis may result in a greater number of people facing economic uncertainty through job losses. More widely, a widespread health crisis may result in a reduction for the demand of certain properties, including commercial properties, may result in closures of a property or related businesses, including office buildings, retail stores and other commercial properties and may lead to governments being required to take unprecedented steps to ensure public health and/or economic stability which may make it more likely that there could be government regulation and/or intervention in respect of real estate assets, for example: (a) by permitting relief and/or deviation from existing contracts (on the basis of force majeure provisions or principles already comprised in the relevant laws or government orders or regulations specifically issued in connection for such purpose), either in general or for specific types of agreements such as rental agreements; (b) requirement to reconfigure buildings to address health concerns; and/or (c) requirements for buildings to be subject to more rigorous and frequent cleaning routines.

Isolation Measures may also have an adverse impact on the businesses of the tenants of a Brookfield Account's properties (especially where it concerns retail or leisure businesses such as shops, bars, restaurants and gyms, and/or office-based businesses in circumstances where the Isolation Measures include quarantine/working from home measures) and accordingly result in a reduction of the Brookfield Account's rental income due to tenants terminating their tenancies or negotiating rent relief or reductions. Tenants may also cease to pay all or part of their rent entirely due to general liquidity issues caused by the crisis or, where the rent is calculated based on such tenant's turnover, by a decrease of such turnover caused by the crisis. In such circumstances, the Brookfield Account may not be able to recover any lost or reduced rental income and/or identify new tenants for the relevant properties. Moreover, governments in the jurisdictions where the Investments are located may take unprecedented steps in this respect by, for example, expressly permitting rent relief, disallowing

property owners to take measures against defaulting tenants and/or allowing other relief and/or deviations from, and/or defaults under, existing agreements in light of any such widespread crisis.

Isolation Measures, even if temporary or short-dated, may negatively impact the execution and progression of the Brookfield Account's investment strategy, the ongoing management and operation of any Initial Investment and/or impede the ability for any Investments to satisfy their contractual obligations owed to third parties. Any failure by an Investment to satisfy its contractual obligations may result in contractual counterparties pursuing claims for damages. Isolation Measures may also result in delays to construction, development and/or upgrade work relating to the Investments, which could lead to contractual penalties and/or a failure to develop, progress and/or reposition an Investment in the manner which was initially intended, which may, in turn, result in reductions of the Brookfield Account's income and/or realization proceeds in respect of such Investments, or in fact in the Brookfield Account not being able to realize any proceeds in respect of such Investments at all for as long as such construction, development and/or upgrade work is not completed.

The performance of a Brookfield Account may also be affected by particular issues affecting companies, regions or sectors and sub-sectors of its investments and while the impact of this on the proposed investment strategy for a Brookfield Account is uncertain, it will continue to be monitored by Brookfield as the situation in relation to COVID-19 develops.

In addition, the risks associated with a widespread outbreak of a contagious disease, such as COVID-19, may make it more likely that an investor fails to fund its subscription obligation or make required capital contributions or other payments when due, in which case a Brookfield Account's ability to complete its investment strategy, satisfy credit facility borrowing covenants or obligations or otherwise continue operations may be impaired. A default by an Investor could leave a Brookfield Account with insufficient capital to meet its funding obligations, and would limit opportunities for investment diversification and likely reduce returns to such Brookfield Account.

Given the significant levels of uncertainty and the economic and financial market disruptions and volatility currently occurring and anticipated in connection with the outbreak, it is expected that valuations of potential investments, especially distressed assets or assets impacted by dislocation, will continue to be materially adversely impacted and meaningfully uncertain for current and future periods (at least in the short term). See the risks associated with valuations described elsewhere in this Brochure, including "*Determinations of Value*" below, which highlights the risks associated with valuations, which risks are magnified during this period of uncertainty, disruption and volatility.

**Russian Invasion of Ukraine.** On February 24, 2022, Russian troops began a full-scale invasion of Ukraine and, as of the date of this material, the countries remain in active armed conflict. Around the same time, the United States, the United Kingdom, the European Union, and several other nations announced a broad array of new or expanded sanctions, export controls, and other measures against Russia, Russia-backed separatist regions in Ukraine, and certain banks, companies, government officials, and other individuals in Russia and Belarus. The ongoing conflict and the rapidly evolving measures in response could be expected to have a negative impact on the economy and business activity globally (including in the countries in which Brookfield Accounts invest), and therefore could adversely affect the performance

of the investments of the Brookfield Accounts. The severity and duration of the conflict and its impact on global economic and market conditions are impossible to predict, and as a result, could present material uncertainty and risk with respect to the Brookfield Accounts and the performance of their investments and operations, and the ability of the Brookfield Accounts to achieve their investment objectives. Similar risks will exist to the extent that any portfolio companies, service providers, vendors or certain other parties have material operations or assets in Russia, Ukraine, Belarus, or the immediate surrounding areas or rely on inputs and/or outputs of such areas.

**U.S. Tax Reform.** As a result of the recent presidential and congressional elections in the U.S., there could be significant changes in tax law and regulations. For example, the U.S. Federal government signed into law the Inflation Reduction Act of 2022 which among other things, imposes a corporate minimum “book” tax on certain large corporations, creates a new non-deductible 1% excise tax on net stock repurchases made by publicly traded corporations after December 31, 2022, modifies certain clean energy investment tax credits and allocates additional funds to enhance the frequency and breadth of audits and other enforcement actions. While the likelihood and nature of further legislation or regulations is uncertain, the current administration could pursue tax policies seeking to increase corporate and capital gains tax rates, limit the deductibility of interest and overhaul international tax rules, among other things. Such changes could materially increase the amount of taxes the Brookfield Accounts and their portfolio companies are required to pay.

It is unclear whether any legislation will be enacted into law or, if enacted, what form it would take, and it is also unclear whether there could be regulatory or administrative action that could affect U.S. tax rules. The impact of U.S. tax reform on the Brookfield Accounts and their investments and investors is uncertain but could be significant. Investors should consult their own tax advisors regarding these developments and potential future changes in tax laws.

**Recent Developments in the Banking Industry.** On March 10, 2023, Silicon Valley Bank (“SVB”) was closed by the California Department of Financial Protection and Innovation, which appointed the Federal Deposit Insurance Corporation (the “FDIC”) as receiver and, on March 12, 2023, Signature Bank (“Signature”) was swept into receivership. These recent bank closures and other recent events across the banking sector have caused uncertainty in the financial services sector and fear of instability in the global financial system generally. They have and are continuing to adversely impact other financial institutions, including smaller and/or regional banks, which have experienced volatile stock prices and significant losses in their equity value, including in light of concerns over the significant withdrawals of funds by depositors of these institutions and unrealized balance sheet losses. Notwithstanding intervention by U.S. governmental agencies to protect the uninsured depositors of SVB and Signature, there is no guarantee that the U.S. Department of Treasury, the FDIC or the Federal Reserve will provide similar protections of uninsured funds in the future in the event of the closure of other banks or financial institutions in a timely fashion or at all. Similarly, while certain private market participants in the banking sector have acted to stabilize other financial institutions, the efficacy of such actions cannot be predicted and the continuance of such actions cannot be guaranteed including in the event of continued or increased instability. These recent bank closures and the risk that other banks, or other financial

institutions, could be similarly impacted in the future (including without a corresponding intervention by regulators in those circumstances), could materially adversely impact the Brookfield Accounts and their investments.

Additionally, Brookfield relies upon third-party banks or other custodians to hold and safeguard client assets and provide credit facilities that may be used to pay expenses of, and purchase investments on behalf of, the Brookfield Accounts. While Brookfield carefully selects and monitors its custodians, there is no guarantee that such custodians will not experience financial difficulties or otherwise fail, which could prevent Brookfield from accessing client funds, securities, or credit facilities. In addition, we would expect the operations of a Brookfield Account to be adversely impacted in the event that its subscription facility lender (or an affiliate thereof) closed or experienced distress. In those circumstances, the bank or financial institution might not be in a position to honor its obligations, and the Brookfield Account might not be able to secure replacement financing or capabilities at all or on similar terms. Brookfield could be required to call investor capital to pay expenses or purchase investments that otherwise would have been financed through a credit facility, or Brookfield could be prevented from making timely distributions of investor capital in the event a banking counterparty is shut down by regulators. Similarly, it is possible these events could impact the ability of investors of the Brookfield Accounts to honor their obligations to make capital contributions when due; notwithstanding remedies contained in the Governing Documents, investor defaults in significant size or scope could impair the ability of the Brookfield Accounts to pursue their investment objectives. These events could negatively impact the performance of the Brookfield Accounts or result in substantial delays in the return of capital to investors.

In addition, Brookfield, the Brookfield Accounts and their respective portfolio companies regularly maintain cash balances at banks or other custodians in excess of the FDIC insurance limit. Each of these parties' access to cash in amounts adequate to pay expenses, purchase new investments and otherwise operate its business could be significantly impaired by the financial institutions with which it maintains cash balances to the extent such financial institutions face liquidity constraints or failures. In addition, investor concerns regarding the U.S. or international financial systems may increase the risk of default of particular investments, negatively impact market value, increase market volatility and cause credit spreads to widen and reduce liquidity, all of which could have a material adverse effect on the performance of the Brookfield Accounts' investments, returns and the ability of the Brookfield Accounts to make and/or dispose of investments. No assurance can be given as to the effect of these events on the value of, or markets for, investments, or the Brookfield Accounts' or a portfolio company's ability to recover therefrom. In addition, while it is not possible at this time to predict the extent of the impact that the failure of SVB or any other financial institution or the high market volatility and instability of the banking sector could have on economic activity and Brookfield in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact Brookfield, the Brookfield Accounts and their investments.

**Climate Change.** Ongoing changes to the climatic conditions in which the Brookfield Accounts operate and invest may have an adverse impact on Brookfield Accounts and their investments. While the precise future effects of climate change are unknown, it is possible that changes in weather patterns or extreme weather (such as fires, floods, hurricanes and other storms) would, among other adverse impacts, damage Brookfield Account investments or their assets. These changes, in addition to changes affecting precipitation levels, hydrology, annual sunshine and/or wind levels could also influence power generation levels. Reductions in precipitation levels, wind or sunlight could cause material and adverse impacts on Brookfield Accounts' investments. If such reductions are significant, certain investments could be rendered inoperable. Significant increases in precipitation levels or wind could cause damage to Brookfield Account investments or also create periods in which Brookfield Account investments are inoperable. Further, rising sea levels could, in the future, adversely affect the value and operations of any low-lying coastal real assets, result in the imposition of new taxes or increase applicable insurance rates. Climate change may also give rise to changes in regulations and consumer sentiment that could have a negative impact on the operations of the Brookfield Accounts and their investments by increasing their operating costs or restricting or decreasing demand for their activities, among other effects. The adverse effects of climate change and related regulation at provincial or state, federal and international levels could have a material adverse effect on the business, financial position, results of operations or cash flows of Brookfield Accounts and their investments. Any of the foregoing could adversely affect the value of investments and the performance of the Brookfield Accounts.

**Risks of Terrorism or Acts of War; Terrorism Insurance.** It is possible that a major event (such as a terrorist attack) or other circumstance could provoke immediate dramatic changes in general market psychology and could motivate widespread variation in the absolute and relative pricing of financial assets, real estate assets, and the availability of financing for such assets. Such an attack could have a variety of adverse consequences for a Brookfield Account its investments, including risks and costs related to the destruction of assets, inability to use one or more assets for their intended uses for an extended period, decline in income achievable or asset value, and injury or loss of life, as well as litigation related thereto, any of which could reduce the value of an asset. Availability and the terms of insurance for terrorism vary across countries. Many countries have government programs that make terrorism insurance available, however how such programs operate and the coverage such programs provide can differ. For U.S. assets, with the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2019 ("TRIPRA"), through the end of 2027, insurers must make terrorism insurance available under their property and casualty insurance policies, but this legislation does not regulate the pricing of such insurance. Furthermore, insurers providing terrorism insurance must meet certain standards to be eligible for relief under TRIPRA, which may result in such insurers charging higher rates for terrorism insurance than is customary for other types of insurance. In other countries (Canada, for example), terrorism insurance is available for purchase only at market rates. While the Brookfield Accounts intend to maintain terrorism insurance where appropriate, including, in some cases, terrorism insurance provided by Brookfield, such risks may or may not be insurable at rates that Brookfield deems economical or customary at all times. Additionally, if TRIPRA is discontinued after 2027, terrorism insurance may no longer be available, or may be offered by fewer providers at increased cost. So long as the Brookfield Account's service providers have followed typical industry practices in protecting a Brookfield Account's investments, recourse to them in the event of losses may be limited and such losses may be borne by the Brookfield Account.



**Expedited Transactions.** Investment analyses and decisions by Brookfield may frequently be required to be undertaken on an expedited basis to take advantage of investment opportunities. In such cases, the information available to Brookfield at the time of an investment decision may be limited and Brookfield may not have access to detailed information regarding the investment. Therefore, no assurance can be made that Brookfield will have knowledge of all circumstances that may materially and adversely affect an investment.

**Claims against Brookfield; Regulatory Investigations.** Brookfield is a global asset manager with many investment strategies and offices and employees around the world. Given the broad spectrum of operations of Brookfield and its affiliates, claims (or threats of claims) and governmental investigations, examinations, requests for information, audits, inquiries, subpoenas and other regulatory or civil proceedings can and do occur in the ordinary course of its and its affiliates' business. Such investigations, actions and proceedings may impact a Brookfield Account, including by virtue of reputational damage to Brookfield, or otherwise. The unfavorable resolution of such items could result in criminal or civil liability, fines, settlements, charges, penalties or other monetary or non-monetary remedies or sanctions that could negatively impact Brookfield. In addition, such actions and proceedings may involve claims of strict liability or similar risks against a Brookfield Account in certain jurisdictions or in connection with certain types of activities. While Brookfield has implemented policies and procedures designed to protect against non-compliance with applicable rules and regulations, there is no guarantee that such policies and procedures will be adequate or will protect Brookfield in all instances.

**Interpretation of Governing Documents.** The governing documents of the Brookfield Accounts establish complex arrangements among such Brookfield Accounts, the investors, Brookfield and other relevant parties. From time to time, questions may arise regarding certain parties' rights and obligations in certain situations, some of which may not have been contemplated upon the negotiation and execution of such documents. In some instances, the operative provisions of the governing documents may be broad, unclear, general, conflicting, ambiguous or vague and may allow for multiple reasonable interpretations. In other instances, there may not be a directly applicable provision. While Brookfield will construe the relevant provisions in good faith and in a manner consistent with its legal obligations, the interpretations used may not always be the most favorable to a Brookfield Account or investors.

**Use of Artificial Intelligence, Data Analytics and Similar Tools.** From time to time, Brookfield may utilize artificial intelligence, machine learning, data analytics and similar tools that collect, aggregate and analyze data (collectively, "Data Tools") in connection with the management of the Brookfield Accounts and/or their investments. There are significant risks involved in utilizing Data Tools and no assurance can be provided that the usage of such Data Tools will enhance the Brookfield Accounts' portfolios or assist the Brookfield Accounts or their investments in being more efficient or profitable. For example, certain Data Tools may utilize historical market or sector data in their analytics. To the extent that such historical data is not indicative of the current or future conditions in the applicable market or sector, or the Data Tools fail to filter biases in the underlying data or collection methods, the usage of Data Tools may lead Brookfield to make determinations on behalf of the Brookfield Accounts, including potentially purchase and sale decisions, that have an adverse effect on the Brookfield Accounts' investments. While Data Tools may improve the efficiency of data analytics and reduce investment costs, there is no assurance that returns from investments utilizing Data Tools will be higher than they would be if investment

decisions were made solely using human analytics or that the expenses related to Data Tools directly or indirectly borne by the Brookfield Accounts will outweigh such reduced investment costs or outweigh such risks. Data Tools may also be subject to data herding and interconnectedness (i.e., multiple market participants utilizing the same data), which may adversely impact the markets in which the Brookfield Accounts invest, and in turn, the Brookfield Accounts' investments. In addition, the use of Data Tools may enhance cybersecurity risks and operational and technological risks. The technologies underlying Data Tools and their use cases are rapidly developing, and remain subject to existing laws, including consumer and federal equal opportunity laws. As a result, it is not possible to predict all of the legal, operational or technological risks related to the use of Data Tools. Moreover, Data Tools are the subject of evolving review by various regulatory agencies, including the SEC and the U.S. Federal Trade Commission, and changes in the regulation of the use of Data Tools may adversely affect the ability of Brookfield and the Brookfield Accounts to use Data Tools to manage the Brookfield Accounts and their investments.

**Clawback of Carried Interest May be Insufficient.** Carried interest may be distributed to Brookfield prior to the final liquidation of a Brookfield Account and its investments. If a Brookfield Account experiences significant losses after having paid carried interest to Brookfield, then it is possible that the aggregate cumulative amount distributed to all of the investors upon final liquidation of the Brookfield Account would be less than the investor's aggregate capital contributions plus the cumulative unpaid amount of the preferred return. In such event, Brookfield generally would be required to contribute to the Brookfield Account (for distribution to the applicable investors) all or a portion of such carried interest previously received by it to restore the deficiency in the returns to the investors; provided, however, the cap on Brookfield's clawback obligation will be computed on an "after-tax" basis (calculated using an assumed tax rate). Such amounts may not be sufficient to ensure that an investor receives a return of its capital contributions or amounts necessary to achieve the preferred return.

**Investment in Non-Performing or Troubled Assets.** Certain Brookfield Accounts may originate performing debt investments and may acquire not only performing, but sub-performing or non-performing debt interests as well, including sub-prime and non-performing loans, which are secured directly or indirectly by real estate or other assets. These assets involve a high degree of financial risk and there can be no assurance that the Brookfield Accounts' IRR objectives will be realized or that there will be any return of capital. Such assets generally carry below-investment grade credit ratings, or lack credit ratings altogether. These assets and/or the loans underlying these types of assets may be in default or may have a greater than normal risk of future defaults, delinquencies, bankruptcies or fraud losses. In addition to the risks of borrower default, the collateral may be mismanaged or otherwise decline in value during periods in which a Brookfield Account is seeking to obtain control of the underlying real estate. It is possible that a Brookfield Account may find it necessary or desirable to foreclose on collateral securing one or more real estate loans purchased or originated by such Brookfield Account. The foreclosure process can be lengthy and expensive. Borrowers often resist foreclosure actions by asserting numerous claims, counterclaims and defenses against the holder of a real estate loan including Lender Liability claims and defenses, even when such assertions may have no basis in fact, in an effort to prolong the foreclosure action. In some states, foreclosure actions can take up to several years to conclude. At any time during the foreclosure proceedings, the borrower may file for bankruptcy, staying the foreclosure action and further delaying the foreclosure process. Investments in assets

operating in workout modes under Chapter 11 of the U.S. Bankruptcy Code, or the equivalent in non-U.S. jurisdictions, are, in certain circumstances, subject to certain additional potential liabilities which may exceed the value of a Brookfield Account's original investment, including Equitable Subordination and/or disallowance of claims or Lender Liability. For example, under certain circumstances, lenders who have inappropriately exercised control of the management and policies of a debtor may have their claims subordinated or disallowed or counterclaims may be filed and lenders may be found liable for damages suffered by various parties as a result of such actions. In addition, under certain circumstances, payments to the Brookfield Accounts and distributions by the Brookfield Accounts to their investors may be reclaimed to the extent that any such payment or distribution originated with a troubled asset and is later determined to have been a fraudulent conveyance or preferential payment under applicable law.

**Liability for Return of Distributions.** Under applicable law, if a Brookfield Account is otherwise unable to meet its obligations, the investors may be obligated to return cash distributions with interest previously received by them if such distributions are deemed to be wrongfully paid to them and such investors knew at the time of such distributions that they were wrongfully paid. In addition, an investor may be liable under applicable law, including Luxembourg or U.S. federal or state bankruptcy laws to return a distribution made during a Brookfield Account's insolvency. The investors also may be required to return amounts distributed to them to fund a Brookfield Account's expenses, including indemnity obligations.

**Follow-On Investments.** Following the initial investment in a portfolio investment, a Brookfield Account may be called upon to provide additional funds or have the opportunity to increase its investment in such company or to fund additional investments through such company. These follow-on investments may be required for a portfolio investment to satisfy working capital requirements or acquisition strategies, or to take advantage of opportunities to increase its market share or reach other corporate milestones. There is no assurance that the Brookfield Account will make follow-on investments or that the Brookfield Account will have sufficient funds to make all such investments. Any decision not to make follow-on investments or a Brookfield Account's inability to make them may have a substantial negative impact on the portfolio investment in need of such investment and may result in missed opportunities for the Brookfield Account or may result in the dilution of portfolio investments (in the event alternative capital is used to satisfy such additional funding needs, for example from additional third-party co-investors or from other Brookfield Accounts including proprietary accounts of Brookfield). In certain circumstances, a follow-on investment could arise because of an adverse development at an investment and the funding of such follow-on investment could not necessarily address such development, and could potentially result in an increased loss by the relevant Brookfield Account in respect of such investment. Subject to any applicable limitations noted in the Governing Documents, another Brookfield Account could invest in any follow-on investment in lieu of, or alongside, the Brookfield Account which owns the underlying investment. Additionally, if the Brookfield Account makes a follow-on investment, there is no assurance that such follow-on investment will be successful. Finally, the tax consequences to investors of a follow-on investment will likely be determined, at least in part, by the investment structure of the investment previously made by the Brookfield Account. Such tax consequences may adversely impact investors due to changes to U.S. or non-U.S. tax laws that are made after the Brookfield Account's original investment but before a follow-on investment is made.

In the event that an initial investment was shared between multiple Brookfield Accounts and/or other third parties (including co-investors), and a follow-on investment opportunity arises with respect to such initial investment, the follow-on investment will not necessarily be made in the same proportions as the initial investment including, among other reasons, if (i) the relevant entities have different views as to the desirability of the follow-on investment or different amounts of available capital, (ii) the follow-on investment opportunity has a different investment profile or attributes less suited to the relevant entities, (iii) a Brookfield Account had participated in the applicable initial investment in support of another Brookfield Account and determines that similar support is not needed or appropriate in respect of the applicable follow-on investment or (iv) in situations where Brookfield had earlier provided interim financing in lieu of the Brookfield Account providing a bridge financing. In such cases, one or more such entities' interest in such initial investment will be diluted at a valuation that will be determined by Brookfield. There could be differing views as between the entities being diluted, on the one hand, and the entities being accreted, on the other hand, regarding such valuation. It is also possible that such a follow-on investment could be made in a part of an investment's capital structure that is different from the part of such investment's capital structure in which the initial investment was made.

Generally, the Brookfield Accounts will make follow-on investment opportunities available *pro rata* in accordance with initial investments; however, because of timing or other considerations, a Brookfield Account could make that portion of a follow-on investment that is attributable to co-investors or other Brookfield Accounts as a bridge financing and thereafter sell down a portion of such follow-on investment to such co-investors or other Brookfield Accounts. In this situation, there is no guarantee that the co-investors or other Brookfield Accounts will acquire their portion of the follow-on investment from the relevant Brookfield Account and in certain cases, co-investors and other Brookfield Accounts could be given the opportunity to evaluate such follow-on investment over an extended period before determining whether to invest. Additionally, to the extent Brookfield determines it is appropriate and where a Brookfield Account has sufficient available capital for such purpose (taking into account any applicable funding obligations or other applicable considerations), the Brookfield Account could provide other interim financing to a portfolio company for purposes of efficiency, administrative or operational convenience or other similar considerations, in respect of the portion of a follow-on investment attributable to co-investors or other Brookfield Accounts which have not participated in such follow-on investment. It is possible that such additional portion of a follow-on investment which will not be subsequently syndicated but instead is repaid by the Brookfield Account. The Brookfield Account may or may not receive compensation or interest for making the follow-on investment or providing such other financing on behalf of co-investors or other Brookfield Accounts and, to the extent such amounts are held on the Brookfield Account's credit facility, the Brookfield Account could be responsible for any interest payments payable in respect thereof. In the event that co-investors or other Brookfield Accounts fail to acquire, or determine not to acquire, their portion of a follow-on investment from the Brookfield Account, the Brookfield Account will have an allocation (and related expenses) that will be larger than originally anticipated if Brookfield is unable to syndicate such portion.

**Projections.** A Brookfield Account may rely upon projections developed by Brookfield or a portfolio company concerning a portfolio company's future performance, outcome and cash flow. Because projections are inherently subject to uncertainty and factors beyond the control of Brookfield and the portfolio company, investors have no assurance that the investments will yield the returns expected by

Brookfield. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of a portfolio company to realize projected values, outcomes and cash flow. In addition, subsequent to a Brookfield Account's acquisition of a particular investment, Brookfield may adjust projected returns to reflect changes in market conditions or based upon other relevant facts and circumstances.

**Potential Restrictive Covenants.** Some Brookfield Accounts may enter into a subscription credit facility with one or more lenders in order to finance the acquisition of portfolio investments. It is anticipated that any such subscription credit facility will contain a number of covenants that, among other things, restrict the ability of a Brookfield Account and a subsidiary, if applicable, to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; (viii) make capital calls to the Investors; (ix) amend certain documents, such as the Governing Documents and a subsidiary's organizational documents, if applicable; or (x) engage in certain transactions with affiliates, and otherwise restrict activities of the Brookfield Account (including its ability to acquire additional investments, businesses or assets, or effect certain changes of control or asset sale transactions) without the consent of the lenders. In addition, such a subscription credit facility is expected to require the Brookfield Account to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. The Brookfield Account may incur indebtedness under such subscription credit facility that bears interest at a variable rate. Economic conditions could result in higher interest rates, which could increase debt service requirements on variable rate debt and could reduce the amount of financing available to Brookfield Accounts and make it more expensive to finance investments by Brookfield Accounts and more difficult to compete for new investments with other potential buyers that have a lower cost of capital.

**Risks of Multi-Step Acquisitions.** In the event a transaction is to be effected by means of a multi-step acquisition, there can be no assurance that the remainder can be successfully acquired. This is expected to result in a Brookfield Account having only partial control over the investment or partial access to its cash flow to service debt incurred in connection with the acquisition.

**Risk of Bridge Financings.** A Brookfield Account may make an investment (including follow-on investments) with the intent of selling, refinancing or otherwise reducing such investment, including through co-investment by one or more investors or third parties, after the closing of such investment. Any such investment may include assets that Brookfield may not have caused such Brookfield Account to acquire on a stand-alone basis (including because the risk/return profile or other characteristics of such assets may not be desirable or appropriate for a Brookfield Account), and Brookfield may seek to reduce such Brookfield Account's exposure to such assets through disposition, refinancing, co-investment, or another transaction. In these situations, the Brookfield Account's strategy may depend, in part, upon its ability to sell, refinance or otherwise reduce its exposure to such investments after initially agreeing to make those investments. There can be no assurance in such instances that the Brookfield Account will be successful in doing so or that the terms of any such transaction will be attractive, including because there may not be sufficient interest in or for the assets and/or investors and/or third parties may not accept all or a portion of the amount offered for co-investment. If the

Brookfield Account is unable to complete such an anticipated transaction, its investments will be less diversified than they otherwise may have been and the Brookfield Account may have greater exposure to certain investments, regions and sectors than intended or desired, including to assets that Brookfield would not have acquired on a stand-alone basis or to an investment that exceeds the amount that is permitted to be invested in a single investment that does not involve bridge financing. In addition, to the extent that the Brookfield Account is unable to complete an anticipated transaction, it may incur broken deal and related costs associated with the pursuit of such transaction.

Depending on the applicable facts and circumstances, it is possible that bridge financings that are structured as debt for U.S. federal income tax purposes, could cause a non-U.S. investor to recognize CAI and ECI. Although Brookfield expects to take the position that bridge financed debt investments by the Brookfield Accounts should not cause non-U.S. investors to recognize CAI and ECI, no assurances can be provided that the IRS will not challenge such position and, if so, that the IRS will not be successful in asserting that such non-U.S. investors are engaged in a U.S. trade or business or commercial activities.

Generally, in the case of a Brookfield Account reducing an investment involving bridge financing (including through disposition or co-investment), such transaction will be completed at a price negotiated by Brookfield and the purchaser taking into account the then-relevant facts and circumstances, which may include a Brookfield Account's cost of such investment (and an allocable portion of costs and expenses) and other market events and forces. There can be no assurance that such transaction price will be equal to or more than the Brookfield Account's cost of such investment or that it necessarily or accurately reflects the then-market value of such investment, all costs and expenses associated therewith, or any interest or other carrying cost that would typically be associated with a loan. In addition, a Brookfield Account may face increased risk of inability to complete the transaction under certain market conditions, including when the investment has decreased in value while held by the Brookfield Account and the Brookfield Account will be required to bear the losses of such investment if such transaction is not consummated or if the Brookfield Account is required to sell the co-investment at a reduced price in order to reduce the Brookfield Account's exposure to such investment.

In circumstances in which a Brookfield Account otherwise could have made a bridge financing, Brookfield may elect to provide such interim financing in lieu of the Brookfield Account doing so (any such interim financing, the "Syndicate Amount"). While Brookfield expects to syndicate any such interest to one or more other parties in such circumstances, there can be no guarantee that such syndication will be successful. If such syndication is not successful, Brookfield will own more of the applicable investment than it originally intended. Further, in any such circumstances, in the event follow-in investments are made in such initial investment, the Brookfield Account will be required to fund its *pro rata* share of such follow-on investments and the amounts that relate to the Syndicate Amount as though the Brookfield Account had made the original bridge financing in lieu of Brookfield providing interim financing. As a result, both Brookfield and the Brookfield Account may have differing ownership interests in such follow-in investments than in the original investment related thereto.

**Investments with Third Parties.** A Brookfield Account may co-invest with third parties through joint ventures or other entities in so called "club deals". Such portfolio investments may involve risks not present in investments where a third party is not involved, including the possibility that such third-party



co-venturer or partner may have investment strategies and objectives (with respect to the particular investment or their fund as a whole) which are inconsistent with those of the Brookfield Account, may have or encounter financial difficulties after the investment is made leading to a change in investment strategies and objectives, or may be in a position to take action in a manner contrary to the Brookfield Account's investment objectives. In the event a third-party co-venturer defaults on its funding obligations to a portfolio investment, the Brookfield Account may be required to make additional capital contributions to such company to replace the shortfall caused by such third-party co-venturer. In addition, a Brookfield Account may in certain circumstances be liable for the actions of its third-party co-venturers or partners. It may also be more difficult for the Brookfield Account to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. Co-venturers or partners may possess joint approval rights with the Brookfield Account with respect to major decisions concerning the management and disposition of a portfolio investment, which would increase the risk of deadlocks. A deadlock could delay the execution of the business plan for the investment or require the Brookfield Account to engage in a buy-sell of the portfolio investment with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, a Brookfield Account may be unable to fully realize its expected return on any such investment.

### **Material Risks of Specific Types of Investments:**

#### ***Real Estate Specific Risks***

**General Real Estate Risks.** 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's ability to vary a Brookfield Account's portfolio promptly in response to changes in economic or other conditions. Because real estate, like many other types of long-term investments, historically has experienced significant fluctuation and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of investments. In addition, the ability of a Brookfield Account to realize anticipated rental and interest income on its equity and debt investments will depend on many factors which may be beyond the control of Brookfield, including on the financial reliability of an investments' 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 (affected, for instance, by over-building) and general economic conditions. There is no assurance that any investment will be profitable or that cash flow will be available for distribution to Investors. Other risks include (a) changes in general economic or local conditions; (b) changes in supply of or demand for competing properties in an area (as a result, for instance, of over-building); (c) changes in or promulgation and enforcement of zoning, land use, building, environmental protection, occupational safety and other governmental laws and regulations; (d) changes in operating expenses; (e) changes in real estate tax rates; (f) changes in interest rates; (g) changes in costs and terms of mortgage loans; (h) unavailability of mortgage funds which may render the construction, leasing, sale or refinancing of a property difficult; (i) fluctuations in energy prices and energy and supply shortages; (j) changes in the relative popularity of properties; (k) changes in the number of buyers and sellers of properties; (l) the financial condition of borrowers and of tenants, buyers and sellers of property; (m) the imposition of rent controls; (n) the ongoing need for capital improvements; (o) cash-flow risks; (p) construction risks; (q) natural catastrophes; (r) acts of war, terrorism or civil unrest; (s) various uninsured

or uninsurable risks and uninsurable losses; and (t) other factors beyond the control of Brookfield or the Brookfield Accounts. As investments in real estate generally are not liquid, there is no assurance that there will be a ready market for any investments.

Additionally, a Brookfield Account 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 any Brookfield Account will reduce the cash available for distribution and may require the Brookfield Account to fund deficits resulting from the operation of a property. No assurance can be given that the Brookfield Account will have funds available to make such repairs or improvements. These factors and any others that would impede the Brookfield Account's ability to respond to adverse changes in the performance of its assets could significantly affect a Brookfield Account's financial condition and performance.

**Risks Associated with Certain Types of Real Estate.** Brookfield Accounts invest in various types of real estate assets, each of which is subject to the general risks associated with owning and operating real estate described herein. In addition, other factors that may adversely affect the value and successful operation of, and income generated from, real estate investments include: the physical attributes of a building used to generate income, such as its age, condition, design, appearance, access to transportation and construction quality; location of the property, for example, a change in neighborhoods over time or desirability of the area to the target tenant population; ability of management to provide adequate maintenance and insurance; the types of services or amenities that the property provides; the property's reputation; competition from other real estate investors, which may affect the number of similar properties available; the level of mortgage interest rates, which may encourage tenants to purchase rather than lease property; presence or construction of competing properties; the quality of tenants and tenant mix, such as the tenant population being heavily dependent on specific industries or businesses or, particularly with respect to residential real estate properties, being predominantly students; adverse local, regional or national economic conditions, which may limit the amount of rent that may be charged and may result in a reduction of timely rent payments or a reduction in occupancy levels; and federal, state, and local regulations, which may affect the building owner's ability to increase rent to market rent for an equivalent property. Any of the foregoing could have a material adverse effect on the performance of an Investment.

In addition, Investments in these sectors may also be adversely affected by the following particular risks:

- **Multifamily Residential Real Estate.** Certain jurisdictions regulate the relationship of an owner and its tenants. Commonly, these laws require a written lease, good cause for eviction, disclosure of fees and notification to residents of changed land use, while prohibiting unreasonable rules, retaliatory evictions and restrictions on a resident's choice of unit vendors. Apartment building owners have been the subject of lawsuits under various "Landlord and Tenant Acts" and other general consumer protection statutes for coercive, abusive or unconscionable leasing and sales practices. There may be provisions that limit the bases on which a landlord may terminate a tenancy or increase its rent or prohibit a landlord from terminating a tenancy solely by reason of the sale of the owner's building. In addition to state regulation of the landlord-tenant relationship, numerous towns and municipalities impose rent control on apartment buildings.

These ordinances may limit rent increases to certain set percentages, to increases set or approved by a governmental agency, or to increases determined through mediation or binding arbitration. Similarly, governmental assistance programs that provide rent subsidies to tenants pursuant to tenant voucher programs may influence tenant mobility and the amount of rent a tenant can pay.

- Commercial Properties. Commercial properties may be especially affected by: an economic decline in the business operated by the tenants; the physical attributes of the property and the adaptability of the property with respect to the technological needs of the tenants; the strength and nature of the local economy, including labor costs and quality, tax environment and quality of life for employees; and patterns of telecommuting or sharing of office space, and employment growth (which creates demand for office space). In addition, the movement toward home office alternatives or flexible work arrangements may result in a long-term decline in demand for commercial space and a shift towards shared office space, which could also adversely impact revenues. The risks of such an adverse effect are increased if the property revenue is dependent on a single tenant or anchor tenant or if there is a significant concentration of tenants in a particular business or industry. With respect to office properties in particular, such properties generally require their owners to expend significant amounts for general capital improvements, tenant improvements and costs of re-letting space. In addition, office properties that are not equipped to accommodate the needs of modern businesses may become functionally obsolete and thus non-competitive, or may require substantial capital investment to upgrade facilities in order to be competitive.
- Retail Properties. In many cases, the tenants of retail properties may negotiate leases containing certain exclusive rights to sell particular types of merchandise or services within a particular retail center. When leasing other space after vacancy by another tenant, these provisions may limit the number and types of prospective tenants for the vacant space. In addition, certain retail properties may be anchored by department stores and other large nationally recognized tenants. The value of Investments could be materially and adversely affected if these “anchor” tenants fail to comply with their contractual obligations or cease their operations. In particular, certain department stores and other national retailers have experienced, and may continue to experience for the foreseeable future, considerable decreases in customer traffic in their retail stores due to, among other factors, increased competition from alternative retail options such as those accessible via the Internet. As pressure on these department stores and national retailers increases, their ability to meet their obligations as a tenant may be impaired and result in closures of their stores or their seeking of lease modifications. Any lease modification could be unfavorable and could decrease rents or expense recovery charges. Other tenants in turn may be entitled to modify the economic or other terms of, or terminate, their existing leases in the event of closures by such “anchor” tenants. Furthermore, an Investment may be required to decline entering into a lease with a potential tenant if such lease would result in adverse consequences to a REIT directly or indirectly holding such Investment, including because of related-party rent issues arising from Brookfield or another Brookfield Account owning, in whole or in part, an equity interest in such potential tenant.

- Hospitality Properties. Because hotel rooms generally are rented for very short periods of time, hospitality properties tend to be affected more quickly by adverse economic conditions and competition than other commercial properties. Hospitality properties are sensitive to business and personal discretionary spending levels. Declines in corporate travel budgets and consumer demand due to adverse general economic conditions, such as declines in GDP, risks affecting or reducing travel patterns, such as airlift decisions by airlines, lower consumer confidence, changes in consumer travel destination preferences and adverse political conditions can result in lower revenues for hospitality properties. Hospitality properties are also affected by other particularized factors, including: franchise affiliation (or lack thereof); continuing expenditures for modernizing, refurbishing and maintaining existing facilities prior to the expiration of their anticipated useful lives; a deterioration in the financial strength or managerial capabilities of the owner and operator of a hotel or motel; and changes in travel patterns caused by changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors. The performance of a hotel property affiliated with a franchise or hotel management company depends in part on: the continued existence and financial strength of the franchisor or hotel management company; the public perception of the franchise or hotel chain service mark; and the duration of the franchise licensing or management agreements. Furthermore, the ability of a hotel to attract customers, and some of such hotel's revenues, may depend in large part on its having a liquor license. Liquor licenses may not be transferable (for example, in connection with a foreclosure). Moreover, the hotel and lodging industry is generally seasonal in nature; different seasons affect different hotels depending on type and location. This seasonality can be expected to cause periodic fluctuations in a hospitality property's room and restaurant revenues, occupancy levels, room rates and operating expenses. In addition, acts of war, terrorist activities, natural disasters and environmental disasters and pandemics can have a material adverse impact on the tourism and convention industries, which directly affects the revenues generated by hospitality properties. In addition, hotels may be exposed to more liability than other investments for claims relating to property loss, labor difficulties, supplier problems and personal injuries. Finally, hospitality properties are facing new and increased competition from non-traditional market players, including those focused on the sharing economy, which may disrupt the hospitality industry and reduce demand for traditional hotels.
- Industrial, Distribution or Logistics Properties. Significant factors determining the value of logistics properties are: (i) the location of the property (including proximity to supply sources and customers and accessibility to rail lines, major roadways and other distribution channels and transportation routes); (ii) changes in proximity of supply sources; (iii) the quality of tenants; (iv) a reduced demand for industrial space because of a decline in a particular industry segment, property becoming functionally obsolete, building design and adaptability, scarcity of labor sources, changes in access, energy prices, strikes, relocation of highways, the construction of additional highways or other factors; and (v) the expenses of converting a previously adapted space to general use. Concerns about the quality of tenants, particularly major tenants, are similar in both office properties and logistics properties, although logistics properties may more frequently be dependent on a single or a few tenants. If the property is a single tenant building, risks associated with that tenant's financial means and potential default will be more pronounced than in a multi-tenant building. Moreover, because of unique construction requirements of many

logistics properties, a particular industrial or warehouse property that suited the needs of its original tenant may be difficult to re-let to another tenant or may become functionally obsolete relative to newer properties. Thus, if the operation of an industrial property becomes unprofitable due to competition, age of the improvements or other factors, the liquidation value of that industrial property may be substantially less than would be the case if the property were readily adaptable to other uses, and a Brookfield Account's investments in such property may accordingly incur losses. In addition, properties used for many industrial purposes are more prone to environmental concerns than other property types. Properties historically used for industrial, manufacturing and commercial purposes are more likely to contain, or may have contained, underground storage tanks for the storage of petroleum products and other hazardous or toxic substances. Investing in logistics properties that conduct industrial, manufacturing and commercial activities will cause a Brookfield Account to be subject to increased risk of liabilities under environmental laws and regulations. The presence of hazardous or toxic substances, or the failure to properly remediate these substances, may adversely affect a Brookfield Account's ability to sell or rent an industrial property.

**Volatility of Property Income.** The volatility of net operating income for a property may be influenced by matters such as the length of tenant leases, the creditworthiness of tenants, the level of tenant defaults, the ability to convert an unsuccessful property to an alternative use, new construction in the same market as the mortgaged property, rent control laws or other laws impacting operating costs, the number and diversity of tenants, the availability of trained labor necessary for tenant operations, the rate at which new rentals occur, the property's operating leverage (which is the percentage of total property expenses in relation to revenue), the ratio of fixed operating expenses to those that vary with revenues, and the level of capital expenditures required to maintain the property and to retain or replace tenants. A decline in the real estate market or in the financial condition of a major tenant will tend to have a more immediate effect on the net operating income of properties with short-term revenue sources (such as short-term or month-to-month leases) and may lead to higher rates of delinquency or defaults under mortgage loans secured by such properties. Properties with single-tenant leases may be particularly volatile because a default by such tenant would likely cause a significant or complete reduction in the operating cash flow generated by the property and might decrease the value of the property.

**Due Diligence and Analytic Risks.** There is generally limited publicly available information about real properties, and Brookfield Accounts must therefore rely on due diligence conducted by Brookfield and/or its affiliates. If Brookfield's and/or its affiliates' pre-acquisition evaluation of an investment fail to detect certain defects, required repairs or other similar deficiencies, the total investment costs could be significantly higher than expected. Furthermore, should Brookfield's estimates of costs of improving, repositioning or redeveloping an acquired property, or its estimates of time required to correct such deficiencies, prove too low, investment returns may be adversely affected.

**Fixed and Variable Costs.** Many costs associated with a real estate investment, such as debt service and real estate taxes, are not reduced even when a property is not fully occupied, or other circumstances cause a reduction in income from the investment. These fixed costs intensify the risk to a Brookfield Account of a tenant default or an unanticipated delay in achieving occupancy of a new or redeveloped

property or reletting a property upon lease expiration. Some costs associated with a real estate investment, such as maintenance and repairs, may be subject to cost increases beyond the control of a Brookfield Account. Variable rate debt in a time of rising interest rates could also result in unanticipated cost increases.

**Ground Lease Investments.** Brookfield Accounts may invest from time to time in real estate properties that are subject to ground leases. In certain situations where a Brookfield Account enters into a ground lease, the Brookfield Account may guarantee the payment of such lease through the Brookfield Account's collection of rent payments generated by the Brookfield Account's leasing of the building. For the avoidance of doubt, these types of guarantees will not be considered leverage or recourse indebtedness incurred by the Brookfield Accounts. As a lessee under a ground lease, a Brookfield Account may be exposed to the possibility of losing the property upon termination or an earlier breach by that Brookfield Account of the ground lease, which may adversely impact the Brookfield Account's investment performance. Furthermore, ground leases generally provide for certain provisions that limit the ability to sell certain properties subject to the lease. In order to assign or transfer rights and obligations under certain ground leases, the Brookfield Account will generally need to obtain consent of the landlord of such property, which, in turn, could adversely impact the price realized from any such sale.

**Real Estate Environmental Risks and Potential Environmental Liability on Real Estate.** Real estate assets are subject to numerous statutes, rules and regulations relating to environmental protection. Under various federal, state and local environmental laws, ordinances and regulations, a current or previous owner or operator of real estate (which may include a lender in some instances) may be liable for non-compliance with applicable environmental and health and safety requirements and may be required to investigate and clean up any hazardous or toxic substances or petroleum product releases at such property. An owner or operator may also be liable to a governmental entity or to third parties for non-compliance with applicable environmental and health and safety requirements and for property damage and for investigation, monitoring, removal, remediation and clean-up costs incurred by such parties in connection with contamination. These laws typically impose clean up responsibility and liability without regard to whether the owner or operator knew of, was responsible for or caused the presence of the contaminants, and the liability under such laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of responsibility. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances or the failure to properly remedy the contamination on such property may adversely affect the owner's ability to sell or rent such property or to borrow using such property as collateral. The presence of hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties. Persons who arrange for the disposal or treatment of hazardous or toxic substances or petroleum products at a disposal or treatment facility may also be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at such disposal or treatment facility, whether or not the facility is owned or operated by such person. In certain circumstances, third-party lenders which have directed or had an active involvement in the environmental compliance activities or the day-to-day management of a borrower's facilities or which have taken possession of or title to such borrower's collateral may be liable for the costs of removal or remediation of a release of hazardous or toxic substances or petroleum products at the facility. In



addition, some environmental laws create a lien on the contaminated site in favor of the government for damages and costs it incurs in connection with contamination. The owner of a site may also be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from a site. Certain federal, state and local laws, regulations and ordinances govern the removal, encapsulation or disturbance of asbestos-containing materials (“ACMs”) when such materials are in poor condition or in the event of construction, remodeling, renovation or demolition of a building. These laws may impose liability for release of ACMs and may provide for third parties to seek recovery from owners or operators of real property for personal injury associated with ACMs.

The ongoing presence of environmental contamination, pollutants or other hazardous materials on a property (whether known at the time of acquisition or not) could also result in personal injury (and associated liability) to persons on the property and persons removing such materials, future or continuing property damage (which may adversely affect property value) or claims by third parties, including as a result of exposure to such materials through the spread of contaminants. In addition, a Brookfield Account’s operating costs and performance may be adversely affected by compliance obligations under environmental protection statutes, rules and regulations relating to Investments of a Brookfield Account, including additional compliance obligations arising from any change to such statutes, rules and regulations. Statutes, rules and regulations may also restrict development of, and use of, property. Certain clean-up actions brought by governmental agencies and private parties may also impose obligations in relation to Investments and result in additional costs to a Brookfield Account. Further, even in cases where a Brookfield Account is indemnified by the seller with respect to an investment against liabilities arising out of violations of environmental laws and regulations, there can be no assurance as to the financial viability of the seller to satisfy such indemnities or the ability of a Brookfield Account to achieve enforcement of such indemnities.

There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants. The presence of hazardous or toxic substances, or the failure to properly remediate contamination, may adversely affect a Brookfield Account’s ability to sell real estate it acquires, either as an equity investment or through foreclosure on a loan investment, or to borrow using such property as collateral. In connection with its direct or indirect ownership and operation of real estate, a Brookfield Account may incur liability for such environmental costs, and in connection with a Brookfield Account’s debt Investments, a Brookfield Account, to the extent it has an active involvement in the environmental compliance activities of a borrower’s facilities or takes possession of a borrower’s collateral, may incur liability for environmental costs. Also in connection with a Brookfield Account’s debt Investments, the ability of the owner to make payments to a Brookfield Account may be reduced, which in turn may also adversely affect the value of the relevant asset held by the Brookfield Account. Additionally, changes in environmental laws or in the environmental condition of an asset may create liabilities that did not exist at the time of acquisition and that could not have been foreseen.

Environmental statutes, rules and regulations can also change or a condition of a real estate asset can change and lead to liabilities or obligations that did not exist or were not foreseen at the time of the Investment. The cost of any required remediation and a Brookfield Account’s liability therefor as to any

such real estate asset is generally not limited under such enactments and could exceed the value of the property and/or the aggregate assets of the Brookfield Account.

Certain of the countries in which a Brookfield Account may invest have not imposed effective environmental controls, which has led to perceived widespread pollution of the air, the ground and water resources. The environmental standards and their enforcement are not as stringent as those of certain more developed countries which may lead to substantial environmental liabilities that may not be measurable or known at the time of an investment by a Brookfield Account. Contaminations which were unknown or undetected at the time of purchase may subject a Brookfield Account to material delays or raise the price of construction and renovation and may have an adverse effect on a Brookfield Account's results, operations and financial condition.

**Development and Construction Risk.** To the extent that a Brookfield Account invests in projects that involve significant construction and/or development, such as greenfield development, there is a risk that such projects will not be completed within budget, within the agreed timeframe or to the agreed specification (e.g., due to an inability to obtain required permits or project financing or as a result of delays following engagement with local stakeholders), which may result in significant delays, increased costs or delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet the higher interest and principal repayments arising from the additional debt requirement. In addition, there could be insufficient funds to complete construction. Delays in project completion may also affect the scheduled cash flow necessary to cover the debt service costs and operation and maintenance expenses. These risks may be mitigated by provisions in construction contracts for payment of liquidated damages by the construction contractors. However, a Brookfield Account may not benefit from such provisions and may be exposed to any losses not covered by such provisions or to the financial failure of the contractors. In the event a development project is unsuccessful, expenses incurred in connection with such development project, including those related to development services provided by Brookfield or an affiliate thereof, may be borne by a Brookfield Account despite that such development project did not proceed. As a result, with respect to investments by Brookfield Accounts in projects involving significant construction or development, any one of the foregoing may undermine an investment's operations and, consequently, the Brookfield Accounts' ability to achieve their objectives which would have contemplated successful execution of such construction and/or development.

**Eminent Domain, Expropriation, Resumption and other Land Acquisition Risks.** Local, regional or national governments may, in certain circumstances, seek to acquire certain assets of a Brookfield Account through eminent domain, expropriation, resumption or other land acquisition proceedings. While a Brookfield Account may seek to contest these proceedings which may be costly and may divert the attention of management from the operation of a Brookfield Account, there can be no assurance that governmental entity will not succeed in acquiring assets of such Brookfield Account. In such event, there is a risk that the Brookfield Account will not receive adequate compensation for the assets acquired, or that the Brookfield Account will not be able to recover all charges associated with divesting these assets.

**Real Estate Litigation.** As noted above, in the ordinary course of its business, a Brookfield Account may be subject to litigation from time to time both as a plaintiff and as a defendant. Litigation may also be commenced with respect to a property acquired by a Brookfield Account or its subsidiaries in relation to activities that took place prior to the Brookfield Account's acquisition of such property. In addition, at the time of disposition of an individual property, a potential buyer may claim that it should have been afforded the opportunity to purchase the asset or alternatively that such buyer should be awarded due diligence expenses incurred or statutory damages for misrepresentation relating to disclosures made, if such buyer is passed over in favor of another as part of the Brookfield Account's efforts to maximize sale proceeds. Similarly, successful buyers may later sue the Brookfield Account under various damage theories, including those sounding in tort, for losses associated with latent defects or other problems not uncovered in due diligence. The Brookfield Account may also be exposed to litigation resulting from the activities of tenants or their customers.

The outcome of any proceedings involving a Brookfield Account or its investments may materially adversely affect the Brookfield Account and may continue without resolution for long periods of time. Any litigation may consume substantial amounts of the Brookfield's time and attention, and that time and the devotion of these resources to litigation may, at times, be disproportionate to the amounts at stake in the litigation.

### ***Infrastructure Specific Risks***

**Risks Associated with Investments in Infrastructure Assets.** Brookfield Account investments will be subject to the risks incidental to the ownership and operation of infrastructure projects, including risks associated with the general economic climate, geographic or market concentration, the ability of the Brookfield Accounts to manage the investment, government regulations and fluctuations in interest rates. Since investments in infrastructure and similar assets, like many other types of long-term investments, have historically experienced significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in the value of the portfolio investments.

**Investments in Nonperforming or Troubled Assets.** A Brookfield Account may make portfolio investments in nonperforming or troubled assets or businesses that involve a degree of financial risk and there can be no assurance that the Brookfield Account's internal rate of return objectives will be realized or that there will be any return of capital. Furthermore, investments in certain infrastructure assets operating in workout modes or under Chapter 11 of the Bankruptcy Code may, in certain circumstances, be subject to additional potential liabilities that could exceed the value of the Brookfield Account's original investment, including equitable subordination and/or disallowance of claims or lender liability. In addition, under certain circumstances, payments to a Brookfield Account and distributions by the Brookfield Account to the investors may be reclaimed if any such payment or distribution is later determined to have been a fraudulent conveyance or a preferential payment under applicable law.

**Infrastructure Environmental Risks.** The operation of infrastructure assets is subject to numerous statutes, rules and regulations relating to environmental protection. There is the possibility of existing or future environmental contamination, including soil and groundwater contamination, as a result of the spillage of hazardous materials or other pollutants. Under various environmental statutes, rules and regulations of the appropriate jurisdiction, a current or previous owner or operator of real property may

be liable for non-compliance with applicable environmental and health and safety requirements and for the costs of investigation, monitoring, removal or remediation of hazardous materials. These laws often impose liability whether or not the owner or operator knew of or was responsible for, the presence of hazardous materials. Environmental statutes, rules and regulations can also change or a condition at a portfolio investment can change and lead to liabilities or obligations that did not exist or were not foreseen at the time of the investment. The presence of hazardous materials on a property could also result in personal injury, property damage or similar claims by private parties.

Persons who arrange for the disposal or treatment of hazardous materials may also be liable for the costs of removal or remediation of those materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. Any liability of portfolio investments resulting from non-compliance or other claims relating to environmental matters or any costs related to coming into compliance could have a material adverse effect on the value of a Brookfield Account's investments in such portfolio investments.

**Unforeseen Events Risk.** The use of infrastructure assets may be interrupted or otherwise affected by a variety of events outside the control of a Brookfield Account, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters (including terrorism), defective design and construction, slope failure, bridge and tunnel collapse, road subsidence, toll rates, fuel prices, environmental legislation or regulation, general economic conditions, labor disputes and other unforeseen circumstances and incidents. Certain of these events have affected toll roads, bridges, tunnels and other infrastructure assets in the past and if the use of the infrastructure assets operated by portfolio investments is interrupted in whole or in part for any period as a result of any such events, the revenues of such portfolio investments could be reduced, the costs of maintenance or restoration could be increased and the overall public confidence in such infrastructure assets could be reduced. There can be no assurance that such portfolio investments' insurance would cover liabilities resulting from claims relating to the design, construction, maintenance or operation of the toll roads, bridges, tunnels, dams or other infrastructure assets, lost toll revenues or increased expenses resulting from such damage.

**Infrastructure Regulatory and Legal Risks.** Many, if not all, portfolio investments of a Brookfield Account, will be in entities or assets that are subject to substantial regulation by governmental agencies. In addition, their operations may often rely on governmental licenses, concessions, leases or contracts that are generally very complex and may result in disputes over interpretation or enforceability. If any portfolio investments fail to comply with these regulations or contractual obligations, they could be subject to monetary penalties or they may lose their rights to operate the underlying infrastructure assets or both. Where their ability to operate an infrastructure asset is subject to a concession or lease from the government, the concession or lease may restrict their ability to operate the asset in a way that maximizes cash flows and profitability. The lease or concession may also contain clauses more favorable to the government counterparty than a typical commercial contract. For instance, the lease or concession may enable the government to terminate the lease or concession in certain circumstances (such as a default by the portfolio investment) without requiring it to pay adequate compensation. In addition, governments also may have the discretion to change (including by reducing rates or allowed rates of return) or increase regulation of the operations of the portfolio investments or to implement

laws, regulations or policies affecting their operations, separate from any contractual rights that the governments may have. Such new laws, regulations or policies may require the Brookfield Account to restructure a portfolio investment or obtain additional licenses or approvals, which such restructuring, licenses or approvals may be costly and cause delays in acquiring, disposing of or implementing change at such portfolio investment. Governments have considerable discretion in implementing regulations and policies that could impact these portfolio investments and may be influenced by political considerations and make decisions that materially and adversely affect such portfolio investments and their operations.

**Potential Risks Arising from Foreign Acquisitions of Infrastructure.** There are several U.S. and non-U.S. rules and regulations concerning foreign investment in infrastructure that could impact the business of infrastructure investments. The Committee on Foreign Investment in the U.S. (“CFIUS”) likely would consider a Brookfield Account to be a “foreign person”. Consequently, investments by the Brookfield Accounts involving the acquisition of, or investment in, a U.S. business (including a U.S. subsidiary of a company domiciled outside of the U.S.) likely will be subject to CFIUS’ jurisdiction. If CFIUS approval is required or warranted for an investment, the CFIUS approval process may have significant impacts on transaction certainty, timing, feasibility, and cost, among other things.

Expansive CFIUS reform legislation was enacted in 2018. This legislation, together with the implementing regulations thereof, expanded the scope of CFIUS’ jurisdiction to cover more types of transactions and empowers CFIUS to scrutinize more closely investments in U.S. companies that have a nexus to specified “critical technologies”, “critical infrastructure”, and “sensitive personal data”, including certain non-controlling investments and investments involving foreign limited partners or co-investors that may be deemed “non-passive”. Moreover, various countries outside the U.S., as well as the E.U., continue to strengthen their own national security investment clearance regimes.

In the event that CFIUS, or another foreign investment regulator, reviews a particular investment, there can be no assurance that the relevant Brookfield Account will be able to maintain or proceed with such investment on acceptable terms. Additionally, CFIUS, or another foreign investment regulator, may seek to impose limitations on the investments of a Brookfield Account that may prevent such Brookfield Account from maintaining or pursuing investment opportunities that it otherwise would have maintained or pursued, which could adversely affect the performance of the Brookfield Account’s investments (and thus the performance of the Brookfield Account itself). There can be no assurance that a portfolio company will be able to (a) obtain all required CFIUS or other regulatory approvals that it does not yet have or that it may require in the future, (b) obtain any necessary modifications to existing regulatory approvals, or (c) maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain in full force and effect CFIUS, or any other regulatory approvals, or amendments thereto, or delay or failure to satisfy any regulatory conditions or other applicable requirements could prevent operation of a facility or sales to third parties or could result in additional costs to a portfolio company or the relevant Brookfield Account. In addition, heightened scrutiny of foreign investment in the U.S. and other countries may also make it more difficult for the Brookfield Accounts to identify suitable buyers for investments upon exit and may constrain the exit opportunities for an investment in a portfolio company.

**Transport Risk.** The success of transportation companies are subject to a number of factors such as exposure to contracted assets, risks in connection with re-contracting, and merchant exposure where a portion of revenues are not contracted and may otherwise be subject to fluctuation. Moreover, transportation companies are subject to a number of additional risks, including increased competition in the transport sector, increased costs, and changes to existing concessions agreements.

**Toll Rates Risk.** The Brookfield Accounts may invest in portfolio investments that derive substantially all of their revenues from collecting tolls from users of roads, tunnels, bridges, rail networks, airports, ferries or seaports. Users of the toll roads, tunnels, bridges, rail networks, airports, ferries or seaports operated by portfolio investments may react negatively to any adjustments to the applicable toll rates or public pressure may cause relevant government authorities to challenge the toll rates. Users may react adversely to toll rates, for example, by avoiding tolls or refusing to pay tolls, resulting in lower traffic volumes and reduced toll revenues. In addition, adverse public opinion or lobbying efforts by specific interest groups, could result in governmental pressure on portfolio investments to reduce their toll rates or to forego planned rate increases. Brookfield cannot guarantee that government bodies with which portfolio investments have concession agreements will not try to exempt certain vehicle types from tolls or negotiate lower toll rates. If public pressure or government action forces portfolio investments to restrict their toll rate increases or reduce their toll rates and they are not able to secure adequate compensation to restore the economic balance of the relevant concession agreement, a Brookfield Account's business, financial condition and results of operations could be materially and adversely affected.

**Renewable Power Risk.** Renewable power companies are dependent upon factors such as available water flows, wind conditions, weather conditions and technological primacy generally that may significantly impact the performance of such companies and assets. Hydrology, wind and weather conditions generally have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. A natural disaster could impact water flows and water rights are generally owned or controlled by governments that reserve the right to control water levels or may impose water-use requirements as a condition of license renewal. Wind energy is highly dependent on weather conditions and, in particular, on wind conditions. Moreover, technology use generally by renewable power companies is accompanied by the attendant costs of maintaining such technology while in use and subject to increased risks of obsolescence associated with emerging and disruptive new technologies. Furthermore, these risks may be exacerbated where assets are not winterized or otherwise built with technologies that enable the asset to withstand extreme weather conditions.

**Utility and Midstream Risk.** Risks that are intrinsic to the utility and midstream infrastructure sectors include difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs, restrictions on operations and increased cost and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, exposure to health, safety and security risks, increased costs and reduced availability of certain types of fuel, occasionally reduced availability and high costs of natural gas for resale, the effects



of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of utility and power generation facilities. There are substantial differences among the regulatory practices and policies of various jurisdictions and any given regulatory agency may make major shifts in policy from time to time. There is no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by a utility or midstream infrastructure company. Additionally, existing and possible future regulatory legislation may make it even more difficult for utilities or midstream infrastructure enterprises to obtain adequate relief.

Governmental authorities may from time to time review existing policies and impose additional requirements governing the licensing, construction and operation of power plants. Prolonged changes in climatic conditions can also have a significant impact on both the revenues of an electric and gas utility as well as the expenses of a utility, particularly a hydro-based electric utility. Changes in environmental conditions, such as hydrology and wind, could materially adversely affect the volume of electricity generated at electric generating stations, which could materially impact revenue and cash flow. Environmental conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors outside of Brookfield's control.

The ownership, construction, operation and transition of new or existing utility and midstream infrastructure companies carry an inherent risk of liability related to health, safety, security and the environment, including the risk of potential civil liability or of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. Investments could also be exposed to potential penalties for contravention of health, safety, security and environmental laws. In the ordinary course of business, owners of utility and midstream infrastructure companies incur capital and operating expenditures to comply with health, safety, security and environmental laws to obtain licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. Investments may become subject to government orders, investigations, inquiries and other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which such portfolio investment's operations may be limited or suspended. The occurrence of any of these events and any changes, additions to or more rigorous enforcement of health, safety, security and environmental laws could have a material and adverse impact on an investment's operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be material and adverse to the Brookfield Account's portfolio investments. Furthermore, in the ordinary course of business utility and midstream infrastructure companies are involved in various legal actions that could expose such companies to liability for damages. The outcome with respect to outstanding, pending or future actions cannot be predicted with certainty and may be adverse to the Brookfield Account's portfolio investments and, as a result, could have a material adverse effect on such investment's assets, liabilities, business, financial condition, results of operations and cash flow. Such investments are subject to governmental or regulatory investigations from time to time. Governmental and regulatory investigations, regardless of

their outcome, are generally costly, divert management attention and have the potential to damage the Brookfield Account and Brookfield's reputation. There has been increasing global focus on the implementation and enforcement of anti-bribery and anti-corruption legislation by various governmental agencies, including the SEC and the Department of Justice in the U.S. The unfavorable resolution of any governmental or regulatory investigation could result in criminal liability, fines, penalties and other monetary or non-monetary remedies and could materially affect the Investments or such investment's operations.

The following are examples of risks associated with certain industries within the utilities and midstream sectors.

**Electric.** The electric utility industry consists of companies that are engaged principally in the generation, transmission and sale of electric energy, although many also provide other energy-related services. In the past, electric utility companies, in general, have been favorably affected by lower fuel and financing costs and the full or near completion of major construction programs. In addition, many of these companies have generated cash flows in excess of current operating expenses and construction expenditures, permitting some degree of diversification into unregulated businesses. Some electric utilities have also taken advantage of the right to sell power outside of their traditional geographic areas. Electric utility companies have historically been subject to the risks associated with increases in fuel and other operating costs, high interest costs on borrowings needed for capital construction programs, costs associated with compliance with environmental and safety regulations and changes in the regulatory climate. As interest rates declined, many utilities refinanced highcost debt and in doing so improved their fixed charges coverage. Regulators, however, lowered allowed rates of return as interest rates declined and thereby caused the benefits of the rate declines to be shared wholly or in part with customers. In a period of rising interest rates, the allowed rates of return may not keep pace with the utilities' increased costs.

The introduction of competition into the industry as a result of deregulation has at times resulted in lower revenue, lower credit ratings, increased default risk and lower electric utility security prices. Such increased competition may also cause long-term contracts, which electric utilities previously entered into to buy power, to become "stranded assets" which have no economic value. Any loss associated with such contracts must be absorbed by ratepayers and investors. In addition, some electric utilities have acquired electric utilities overseas to diversify, enhance earnings and gain experience in operating in a deregulated environment. In some instances, such acquisitions have involved significant borrowings, which have burdened the acquirer's balance sheet. There is no assurance that current deregulation proposals will be adopted. However, deregulation in any form could significantly impact the electric utilities industry.

**Gas.** Gas transmission companies and gas distribution companies are undergoing significant changes. Many companies have diversified into oil and gas exploration and development, making returns more sensitive to energy prices. Gas utility companies have been adversely affected by disruptions in the oil industry and have also been affected by increased concentration and competition. In certain jurisdictions, acquisitions and dispositions in this industry might require regulatory approvals and be subject to significant regulatory requirements. Obtaining any such approvals and complying with any

such regulatory requirements may be costly and/or time-consuming to obtain. For example, in the U.S., interstate transmission companies are regulated by the Federal Energy Regulatory Commission ("FERC"), so certain of the Brookfield Account's acquisitions and dispositions may be subject to FERC approval under the U.S. Federal Power Act, as amended.

**Water.** Water supply utilities are companies that collect, purify, distribute and sell water. In the U.S. and around the world the industry is highly fragmented because most of the supplies are owned by local authorities. Companies in this industry are generally mature and are experiencing little or no per capita volume growth. Water supply utilities are subject to the risk of existing or future environmental contamination, including, among others, soil and groundwater contamination as well as the delivery of contaminated water, as a result of the spillage of hazardous materials or other pollutants. Water supply utilities are also subject to the risk of increased costs, which may result from a number of factors, including fluctuations in water availability or costs associated with desalination.

**Data Risk.** There are a number of risks that are intrinsic to the data sector. For example, as there is a limited number of potential customers in this sector, the loss of one customer could materially decrease revenues and have an adverse impact on growth opportunities. In this regard, consolidation among technology customers may result in decreased need for multiple networks or data centers or a customer may decide to no longer outsource certain types of data infrastructure or otherwise change its business model, in each case, which would have a material and adverse effect on growth and revenues of companies in the data sector. Also, the emergence of new or improved technologies could result in the demand for existing tower space, data centers and/or fibers and thus reduce demand for new tower, data center and/or fiber leasing. In addition, increased competition in the data sector may result in fewer opportunities and higher prices for acquisitions as well as put pressure on leasing rates for new and renewing customer tower, data center and/or fiber leases. There can be no assurances that leases with current customers will not be terminated or that they will be renewed or re-let on a timely basis or at favorable net effective leasing rates. The data sector is generally subject to U.S. federal, state, local and non-U.S. regulation. Local zoning authorities and community organizations are often opposed to construction in their communities and these regulations can delay, prevent or increase the cost of new tower, data center and/or system distribution construction and modifications. Existing regulatory policies may materially and adversely affect the associated timing or cost of such projects and additional regulations may be adopted which increase delays or result in additional costs, or that prevent proposed projects in certain locations. Furthermore, if radio frequency emissions from wireless handsets or equipment on towers are demonstrated to cause negative health effects, potential future claims could adversely affect operations, costs and revenues.

**Development and Construction Risk.** To the extent that a Brookfield Account invests in projects that involve significant construction or development, such as greenfield development, and therefore there is a risk that such projects will not be completed within budget, within the agreed timeframe or to the agreed specification (e.g., due to an inability to obtain required permits or project financing or as a result of delays following engagement with local stakeholders), which may result in significant delays, increased costs or delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet the higher interest and principal repayments arising from the additional debt requirement. In addition, there could

be insufficient funds to complete construction. Delays in project completion may also affect the scheduled cash flow necessary to cover the debt service costs and operation and maintenance expenses. These risks may be mitigated by provisions in construction contracts for payment of liquidated damages by the construction contractors. However, a Brookfield Account may not benefit from such provisions and may be exposed to any losses not covered by such provisions or to the financial failure of the contractors. In the event a development project is unsuccessful, expenses incurred in connection with such development project, including those related to development services provided by Brookfield or an affiliate thereof, may be borne by the Brookfield Accounts despite that such development project did not proceed. As a result, with respect to investments by the Brookfield Accounts in projects involving significant construction or development, any one of the foregoing may undermine a portfolio company's operations and, consequently, the relevant Brookfield Account's ability to achieve its objectives which would have contemplated successful execution of such construction and/or development.

**Demand and Usage Risk.** Although a Brookfield Account will target assets with low demand, usage and throughput risk, residual demand, usage and throughput risk can affect the performance of portfolio investments. To the extent that underlying assumptions regarding the demand, usage and throughput of assets prove incorrect, returns to the Brookfield Account could be materially and adversely affected.

**Commodity Price Risk.** Infrastructure assets may be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operation and cash flows of infrastructure assets may depend, in some cases to a significant extent, upon prevailing market prices for energy commodities. Historically, the markets for oil, gas, coal and power have been volatile. This volatility is likely to continue in the future. Market prices of these energy commodities may fluctuate materially depending on a variety of factors beyond the control of the Brookfield Account, including, without limitation, weather conditions and foreign and domestic supply.

### ***Renewables and Transition Specific Risks***

**Regulated Industries.** Investments in the renewable, energy, transition and sustainability industries or sectors are subject to regulatory controls at the local, national and international levels. As a result, the operations of certain portfolio companies could be subject to compliance with applicable industry regulations. Prices may be artificially controlled, and regulatory burdens may increase costs of operations. The nature and scope of industry regulations are subject to political forces and market considerations, and thus, have been historically uncertain, subject to periods of increase, during which regulators introduce new requirements, and periods of re-regulation of previously de-regulated markets. Recently, financial regulators have begun to focus on potentially regulating financial incentives related to the generation of emissions (such as in the form of a "carbon tax"). Because regulations governing the renewable, energy, transition and sustainability industries and sectors are unpredictable, Brookfield cannot predict whether new regulations will be enacted or what effect such regulations might have. New or increased regulations could adversely affect the performance of the Brookfield Accounts' investments. Additionally, such investments may be highly dependent on government contracts, which could further increase the risks of investing in certain companies.

**Legal and Regulatory Uncertainty in ESG-Related Requirements Risk.** The requirements of the European Union's Taxonomy Regulation (EU) 2020/852, and other applicable environmental, social or governance

("ESG") driven laws and regulations (including the SFDR and other applicable or potential taxonomies), continue to evolve and may change over time (for example, through amendments to law and / or regulation, statutory or regulatory interpretative guidance, questions and answers, or changes in industry approach) which may result in ongoing uncertainty and further costs or expenses. Brookfield makes this disclosure based on law, regulation, guidance and market practice (to the extent it can be discerned) as of the date of this Brochure. Any subsequent changes or clarifications to law, regulation guidance, or market practice may result in changes to the way such measures apply to the Brookfield Accounts (including their SFDR classification).

**Environmental, Social and Governance Matters - Sustainability Risks.** While ESG issues and associated risks (together "Sustainability Risks") are some of the many factors Brookfield will consider in making an investment, they are not the only factors taken into account when making an investment decision. Furthermore, there is no guarantee that Brookfield will (a) implement or make investments that create positive sustainability impact while seeking to enhance long-term investment value and achieve financial returns and/or (b) successfully identify and mitigate all material Sustainability Risks. Where Brookfield engages with underlying investments on sustainability-related practices, potential enhancements and risk mitigants, such steps may not achieve the desired financial results, or the market or society may not view any such changes as positive or sufficient. Successful engagement on the part of Brookfield in relation to Sustainability Risks will depend on its skill in properly identifying and analyzing material Sustainability Risks (which may involve qualitative and subjective judgements) and their related value, and there can be no assurance that the strategy or techniques employed will be successful.

Considering Sustainability Risks when evaluating an investment may result in the selection or exclusion of certain investments based on Brookfield's view of certain sustainability-related and other factors and carries the risk that Brookfield may underperform compared to other funds that do not take sustainability-related factors into account. In assessing a particular investment, Brookfield may be dependent upon information and data obtained through third parties (including portfolio companies and their management teams) that may be incomplete, inaccurate or unavailable. References to such third parties hereafter include the Brookfield Accounts' portfolio companies and their management teams. Such data gaps could result in the incorrect assessment of a sustainability practice and/or related Sustainability Risks and opportunities. Sustainability-related practices differ by region, industry and issue and are evolving accordingly, and an investment's sustainability-related practices or Brookfield's assessment of such practices may change over time.

Similarly, new sustainability requirements imposed by jurisdictions in which Brookfield does business and/or in which the Brookfield Accounts are marketed may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Brookfield Accounts. Under such requirements, Brookfield may be required to classify itself or the Brookfield Accounts against certain criteria, some of which can be open to subjective interpretation. Brookfield's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification. A change to the relevant classification may require further actions to be taken, for example it may require further disclosures (or in certain cases less disclosure and reporting using different templates) by Brookfield or the Brookfield Accounts or it may require new

processes to be set up to capture data about the Brookfield Accounts or their investments, which may lead to additional cost.

Brookfield may not always be able to (a) successfully engage with portfolio investments or their management on ESG or impact related practices and potential enhancements, or (b) obtain key ESG or impact performance metrics or other data, for a variety of reasons, including where a Brookfield Account holds a minority or non-control position in a portfolio company, or where the portfolio company is a venture investment or is in its growth stage, or is located in a geography where engagement on such issues or the availability of such data is not yet established practice. To the extent that Brookfield does engage with portfolio companies or their management on ESG or impact related practices and potential enhancements, there is no guarantee that such engagements will achieve the desired financial and social results or that such efforts will be perceived positively. The success of such efforts will largely be dependent on the ability of Brookfield and portfolio company management to properly identify and analyze material ESG and impact risks, opportunities and other factors. The impact following the occurrence of an ESG or sustainability event may vary depending on the nature of the event, the asset class, the region and the regulatory regime(s) concerned. Where such events occur, there could be a negative impact on an underlying asset, Brookfield or the Brookfield Accounts, with such consequences potentially arising directly or indirectly (e.g., as a result of adverse reputational impact). Notwithstanding anything in the foregoing or in the below ESG related risk factors, the Brookfield Accounts not managed with the exclusive goal of maximizing their ESG or impact objectives (to the exclusion of financial return) and investors should have no expectation in that regard.

**SFDR Sustainable Investment Risk.** For the purposes of determining, and monitoring, an investment's eligibility to meet the impact objectives of the Brookfield Accounts, all investments, except those entered into for the purposes of hedging and liquidity management, are expected to meet the relevant Brookfield Account's impact criteria (which will be leveraged to determine to do no significant harm for the purposes of the assessment of "sustainable investment" under SFDR) and adopt Paris-aligned plans. For the purposes of implementing the concept of "sustainable investment" in SFDR, Brookfield will make this determination in its discretion within the binding parameters of investment process set out in the Governing Documents, but taking into account the following: (a) for the purposes of assessing contribution to an environmental objective and the do no significant harm criteria (for the purposes of the assessment of "sustainable investment" under SFDR), Brookfield will leverage the relevant Brookfield Account's impact criteria and (b) for the purposes of assessing and addressing issues relating to good governance, Brookfield will carry out appropriate and proportionate due diligence covering (among other things) legal, compliance, anti-financial crime and ESG issues. In undertaking step (a), Brookfield will consider the overall context of the investment and its business objectives and may treat an investment as a "sustainable investment" even if such investment presents certain harms at the time of the initial investment (e.g., ownership of high-emitting assets) provided Brookfield expects to reduce those harms through the Brookfield Account's commitment period through, among other potential means, the adoption of a Paris-aligned plan. Brookfield notes that the concept of "sustainable investment" under the SFDR is the subject of ongoing uncertainty and may develop in the light of additional E.U. regulatory or statutory guidance or questions and answers from the European Commission or European Supervisory Authorities. Brookfield makes no assurances that its approach to



determining whether an investment is a "sustainable investment" will satisfy regulatory expectations as such expectations continue to develop.

**Sustainability Requirements Risks.** There are no universally accepted ESG or impact standards and not all investors may agree on the appropriate ESG or impact standards to apply in a particular situation. Brookfield will apply (or not apply) ESG or impact standards and considerations in their sole discretion. The regulatory environment for ESG and impact related investments is evolving and changes to it may adversely affect the Brookfield Accounts and their respective.

New sustainability requirements imposed by jurisdictions in which Brookfield does business and/or in which the Brookfield Accounts are marketed, including the SFDR, may result in additional compliance costs, disclosure obligations or other implications or restrictions on the Brookfield Accounts or on Brookfield. Under such requirements, Brookfield may be required to classify itself or the Brookfield Accounts against certain criteria, some of which can be open to subjective interpretation. Brookfield's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance (including regulatory questions and answers which may have the effect of altering the interpretation of legal or regulatory requirements) or changes in industry approach to classification. These sustainability requirements, and any changes that Brookfield may make to the classifications of the Brookfield Accounts thereunder from time to time, may require further disclosures by Brookfield or the Brookfield accounts and may require that Brookfield implement new processes to capture data about the Brookfield Accounts or their investments. Costs incurred as a result of such data gathering and reporting processes will be borne by the Brookfield Accounts.

**Increasing Scrutiny and Changing Expectations of ESG Policies.** Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Brookfield's ESG policies may impose additional costs or expose Brookfield and/or the Brookfield Accounts to additional risks. Companies across all industries are facing increasing scrutiny relating to their ESG policies. Investor advocacy groups, certain lenders and other market participants are increasingly focused on ESG practices and in recent years have placed increasing importance on the implications and social cost of their investments. The increased focus and activism related to ESG and similar matters may hinder access to capital, as lenders may decide to reallocate capital or to not commit capital as a result of their assessment of ESG practices. While the investment focus of the Brookfield Accounts may mitigate such risks, these limitations in both the debt and equity capital markets may affect the ability of the Brookfield Accounts to grow as their plans for growth may include accessing the equity and debt capital markets. If those markets are unavailable, or if the Brookfield Accounts are unable to access alternative means of financing on acceptable terms, or at all, the Brookfield Accounts may be unable to implement their investment strategy, which would have a material adverse effect on its financial condition and returns and impair the ability of the Brookfield Accounts to service their indebtedness. Further, the Brookfield Accounts may incur additional, material costs and require additional resources to monitor, report and comply with wide-ranging ESG or impact requirements. The occurrence of any of the foregoing could have a material adverse effect on the business and overall returns of the Brookfield Accounts.

**Sustainable Solutions Risks.** Certain Brookfield Accounts, as a part of their investment objectives, seek to make investments that promote sustainable solutions (i.e., scale proven low-carbon solutions and

services that support or accelerate decarbonization across sectors or for a broad range of customers). There can be no assurance that such investments that further such investment objective and align with such Brookfield Accounts' financial targets will be successfully identified or made, including as a result of an increase in demand for such investments that seek to grow or achieve a circular economy, due to an increased stakeholder focus on sustainability or otherwise. Further, in light of the investment objectives of certain Brookfield Accounts to promote sustainable solutions, such Brookfield Account may abstain from investments that are otherwise consistent with their other investment objectives, and thereby deprive themselves of attractive investment opportunities that may have otherwise performed favorably under the their key impact performance indicators or generated attractive financial returns. In general, Brookfield's evaluation of environmental and social factors and the application of sustainable investing criteria will affect the Brookfield Accounts' exposure to certain companies, industries, sectors, regions, and countries and may impact the financial performance of the Brookfield Accounts. The Brookfield Accounts' sustainable solutions investment objective limits the types and number of investment opportunities available to the Brookfield Accounts and, as a result, the Brookfield Accounts may underperform other investment funds that do not have a sustainable solutions focus or do not require companies to meet certain environmental, social and/or governance standards. In addition, because the Brookfield Accounts seeks to invest in sustainable investments, the performance of the Brookfield Account may be affected by events that adversely affect such investments, such as climate change, a decrease in governmental or other support for environmental initiatives, and other often unpredictable events.

**Renewable Power Risk.** Renewable power companies are dependent upon factors such as available water flows, wind conditions, weather conditions and technological primacy generally that may significantly impact the performance of such companies and assets. Hydrology, wind and weather conditions generally have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. A natural disaster could impact water flows and water rights are generally owned or controlled by governments that reserve the right to control water levels or may impose water-use requirements as a condition of license renewal. Wind energy is highly dependent on weather conditions and, in particular, on wind conditions. Moreover, technology use generally by renewable power companies is accompanied by the attendant costs of maintaining such technology while in use and subject to increased risks of obsolescence associated with emerging and disruptive new technologies. Furthermore, these risks may be exacerbated where assets are not winterized or otherwise built with technologies that enable the asset to withstand extreme weather conditions.

**Clean Energy Industry Risk.** The clean energy industry can be significantly affected by obsolescence of existing technology, short product cycles, falling prices and profits, competition from new market entrants, changes in resource availability, supply chain disruptions, and general economic conditions. Further, the clean energy industry can be significantly affected by intense competition and legislation resulting in more strict government regulations and enforcement policies and specific expenditures for cleanup efforts and can be subject to risks associated with hazardous materials. The clean energy industry can be significantly affected by fluctuations in energy prices and supply and demand of alternative energy fuels, energy conservation, the success of exploration projects and tax and other government regulations. The industry also can be significantly affected by the supply of and demand for

specific products or services, the supply of and demand for oil and gas, the price of oil and gas, production spending, government regulation, world events and economic conditions. This industry sector is relatively nascent and under-researched in comparison to more established and mature sectors and should therefore be regarded as having greater investment risk. Moreover, many of the Brookfield Accounts' clean energy industry investments will be subject to re-contracting, and as contracts expire, the Brookfield Accounts may not be able to replace them with agreements on similar terms.

Changes to resource availability, as a result of climate change or otherwise, could adversely affect the clean energy industry and the Brookfield Accounts' investments. For example, revenues generated by renewable power facilities are correlated to the amount of electricity produced, which is in turn dependent upon available water flows and upon wind, irradiance and weather conditions generally. These conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. Moreover, certain equipment needed by portfolio companies, including spare parts and components required for project development, may become unavailable or difficult to procure. The effects of any supply chain disruptions globally may be particularly acute given the nature of the Brookfield Accounts' investments. Any such disruptions may inhibit a portfolio company's operations, and consequently, the Brookfield Accounts' ability to achieve their objectives.

Changes in U.S., European and other governments' policies towards alternative power and power technology also may have an adverse effect on the Brookfield Accounts' performance. The price of crude oil, natural gas, electricity produced from traditional hydro power and that generated from nuclear power and possibly other as yet undiscovered energy sources could potentially have a negative impact on the competitiveness of renewable energies.

**Waste Management Risks.** The waste management industry is subject to extensive and evolving federal, state or provincial and local environmental, health, safety and transportation laws and regulations, and in some instances international treaties, protocols and other agreements. In the U.S., these laws and regulations are administered by the U.S. Environmental Protection Agency and various other federal, state, provincial and local environmental, zoning, transportation, land use, health and safety agencies. Many of these agencies may regularly examine a portfolio company's operations to monitor compliance with these laws and regulations and have the power to enforce compliance, obtain injunctions or impose civil or criminal penalties in case of violations. There has been an increase in both the amount of government regulation and the number of enforcement actions being brought by regulatory entities against operations in the waste services industry. There are significant capital expenditures in connection with environmental protection measures, including compliance with federal, state or provincial and local rules. There are costs associated with siting, design, permitting, operations, monitoring, site maintenance, corrective actions, financial assurance and facility closure and post-closure obligations. The acquisition, development or expansion of a waste management or disposal facility or transfer station involves considerable time, effort and cost to obtain or maintain required permits and approvals. There are no assurances that a portfolio company will be able to obtain or maintain required governmental approvals. Once obtained, operating permits are subject to renewal, modification, suspension or revocation by the issuing agency. Compliance with current regulations and future requirements may require significant capital and operating expenditures. Advancements in disposal alternatives may

adversely affect a portfolio company engaged in waste management, and therefore, the Brookfield Accounts.

**Utility and Energy Risk.** Given that certain Brookfield Accounts, as part of their investment objectives, seeks to make investments that seek to transition utility and energy businesses toward carbon reduction, those Brookfield Accounts will indirectly be subject to the risks associated with the utility and energy sectors. Risks that are intrinsic to the utility and energy sectors include difficulty in obtaining an adequate return on invested capital, difficulty in financing large construction programs, restrictions on operations and increased cost and delays attributable to environmental considerations and regulation, difficulty in raising capital in adequate amounts on reasonable terms in periods of high inflation and unsettled capital markets, technological innovations that may render existing plants, equipment or products obsolete, the potential impact of natural or man-made disasters, exposure to health, safety and security risks, increased costs and reduced availability of certain types of fuel, occasionally reduced availability and high costs of natural gas for resale, the effects of energy conservation, the effects of a national energy policy and lengthy delays and greatly increased costs and other problems associated with the design, construction, licensing, regulation and operation of utility and power generation facilities. There are substantial differences among the regulatory practices and policies of various jurisdictions and any given regulatory agency may make major shifts in policy from time to time. There is no assurance that regulatory authorities will, in the future, grant rate increases or that such increases will be adequate to permit the payment of dividends on common stocks issued by a utility or energy company. Additionally, existing and possible future regulatory legislation may make it even more difficult for utilities or energy enterprises to obtain adequate relief. Governmental authorities may from time to time review existing policies and impose additional requirements governing the licensing, construction and operation of power plants. Prolonged changes in climatic conditions can also have a significant impact on both the revenues of an electric and gas utility as well as the expenses of a utility, particularly a hydro-based electric utility. Changes in environmental conditions, such as hydrology and wind, could materially adversely affect the volume of electricity generated at electric generating stations, which could materially impact revenue and cash flow. Environmental conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors outside of Brookfield's control.

The ownership, construction, operation and transition of new or existing utility and energy companies carry an inherent risk of liability related to health, safety, security and the environment, including the risk of potential civil liability or of government imposed orders to remedy unsafe conditions and/or to remediate or otherwise address environmental contamination or damage. Portfolio companies could also be exposed to potential penalties for contravention of health, safety, security and environmental laws. In the ordinary course of business, owners of utility and energy companies incur capital and operating expenditures to comply with health, safety, security and environmental laws to obtain licenses, permits and other approvals and to assess and manage related risks. The cost of compliance with these laws (and any future laws or amendments enacted) may increase over time and result in additional material expenditures. Portfolio companies may become subject to government orders, investigations, inquires and other proceedings (including civil claims) relating to health, safety, security and environmental matters as a result of which such portfolio companies operations may be limited or suspended. The occurrence of any of these events and any changes, additions to or more rigorous

enforcement of health, safety, security and environmental laws could have a material and adverse impact on an investment's operations and result in additional material expenditures. Additional environmental, health and safety issues relating to presently known or unknown matters may require unanticipated expenditures, or result in fines, penalties or other consequences (including changes to operations) that may be material and adverse to the portfolio companies. Furthermore, in the ordinary course of business utility and energy companies are involved in various legal actions that could expose such companies to liability for damages. The outcome with respect to outstanding, pending or future actions cannot be predicted with certainty and may be adverse to the portfolio companies and as a result could have a material adverse effect on such portfolio companies' assets, liabilities, business, financial condition, results of operations and cash flow. Such portfolio companies are subject to governmental or regulatory investigations from time to time. Governmental and regulatory investigations, regardless of their outcome, are generally costly, divert management attention and have the potential to damage the Brookfield Accounts' and Brookfield's reputation. There has been increasing global focus on the implementation and enforcement of anti-bribery and anti-corruption legislation by various governmental agencies, including the SEC and the Department of Justice in the U.S. The unfavorable resolution of any governmental or regulatory investigation could result in criminal liability, fines, penalties and other monetary or non-monetary remedies and could materially affect the portfolio companies or their operations.

**Development and Construction Risk.** The Brookfield Accounts intend to invest in projects that involve significant construction or development, such as greenfield development, and therefore there is a risk that such projects will not be completed within budget (or at all), within the agreed timeframe or to the agreed specification (e.g., due to an inability to obtain required permits or project financing or as a result of delays following engagement with local stakeholders), which may result in significant delays, increased costs or delays in the commencement of cash flow generation. Such unexpected delays or costs may result in increased debt service costs and the inability of project owners to meet the higher interest and principal repayments arising from the additional debt requirement. In addition, there could be insufficient funds to complete construction. Delays in project completion may also affect the scheduled cash flow necessary to cover the debt service costs and operation and maintenance expenses. These risks may be mitigated by provisions in construction contracts for payment of liquidated damages by the construction contractors. However, the Brookfield Accounts may not benefit from such provisions and may be exposed to any losses not covered by such provisions or to the financial failure of the contractors. In the event a development project is unsuccessful, expenses incurred in connection with such development project, including those related to development services provided by Brookfield, may be borne by a Brookfield Account despite that such development project did not proceed. As a result, with respect to investments by the Brookfield Accounts in projects involving significant construction or development, any one of the foregoing may undermine a portfolio company's operations and, consequently, the ability of the Brookfield Accounts to achieve their objectives, including certain impact targets, which would have contemplated successful execution of such construction and/or development.

**Demand and Usage Risk.** Although Brookfield expects the Brookfield Accounts to target assets with low demand, usage and throughput risk, residual demand, usage and throughput risk can affect the performance of the Brookfield Accounts' respective portfolio companies. To the extent that Brookfield's

assumptions regarding the demand, usage and throughput of assets prove incorrect, returns to the Brookfield Accounts could be materially and adversely affected.

### ***Private Equity Specific Risks***

**Nature of Distressed Investments.** A Brookfield Account may to invest in securities of portfolio investments that are in weak financial condition, experiencing poor operating results, having substantial financial needs or negative net worth, facing special competitive or product obsolescence problems, or that are involved in bankruptcy or reorganization proceedings, as applicable. Investments of this type involve substantial financial business risks that can result in substantial or total losses.

Portfolio companies or prospective portfolio companies may be or may become involved in bankruptcy proceedings as may parent organizations of portfolio companies or prospective portfolio companies that are within distressed industries or subject to distressed situations. Bankruptcy or other insolvency proceedings are highly complex and may result in unpredictable outcomes. The bankruptcy courts have extensive power and, under some circumstances, may alter contractual obligations of a bankrupt company. Shareholders, creditors and other interested parties are all entitled to participate in bankruptcy proceedings to attempt to influence the outcome for their own benefit. A variety of factors may affect the bargaining position of holders of distressed investments and may accordingly affect the outcome. The time required to conclude a bankruptcy case is unpredictable, and may have a material impact on the value of a distressed investment. It also frequently is a critical variable in determining the rate of return on a distressed investment.

Distressed investments require active monitoring and may, at times, require participation in business strategy or reorganization proceedings by Brookfield. To the extent that the Brookfield Account becomes involved in such proceedings, the Brookfield Account may have a more active participation in the affairs of the issuer than that assumed generally by an investor. In addition, involvement by the Brookfield Account in an issuer's reorganization proceedings (or by having representatives on a creditor's committee or on its board of directors) could result in the imposition of restrictions limiting the Brookfield Account's ability to liquidate its position in the issuer.

The level of analytical sophistication, both financial and legal, necessary for successful investment in companies experiencing significant business and financial difficulties is unusually high. There is no assurance that Brookfield will correctly evaluate the value of a portfolio company's assets or the prospects for a successful reorganization or similar action. In any reorganization or liquidation proceeding relating to a portfolio company in which the Brookfield Account invests, the Brookfield Account may lose its entire investment, may be required to accept cash or securities with a value less than the Brookfield Account's original investment, and/or may be required to accept payment over an extended period of time.

**Junior, Unsecured Securities.** Any debt securities in which a Brookfield Account will invest may be unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In the event of the bankruptcy or liquidation of an issuer of such securities, there may not be enough proceeds to repay the holders of such securities following repayment to the holders of senior indebtedness. In addition, such securities may not be protected by financial covenants



or limitations upon additional indebtedness, thereby providing less control over the investment, and may have limited liquidity.

**Distributions in Kind.** From time to time, Brookfield may declare a distribution-in-kind of a Brookfield Account's investment or a portion thereof. Pursuant to any such distribution-in-kind, the investors (including third party investors, other Brookfield Accounts and Brookfield personnel that are invested in the relevant Brookfield Account) will receive their pro rata portions of the distribution, and Brookfield will receive a portion of the distribution as carried interest (if applicable). Upon receipt of such interests, each recipient (including other Brookfield Accounts and Brookfield personnel) generally will be free to sell its interests in its sole discretion, which may have an adverse impact on the value and/or liquidity of other recipients' interests. For the avoidance of doubt, the value of the investment upon a distribution in-kind to investors (and the value used for determining Brookfield's entitlement to carried interest) may exceed the value ultimately received by investors if they seek to dispose of such interests for cash. In addition, each recipient will likely sell its interests at a different value, and it is possible that other Brookfield Accounts and Brookfield personnel are able to sell their interests at higher prices than third party investors are able to. It is likely that many investors will elect to have Brookfield dispose of such interests for cash on their behalf while Brookfield will retain the securities, which may exacerbate the risks and conflicts identified herein. In the event of a partial distribution-in-kind, other Brookfield Accounts and Brookfield personnel will be free to sell the interests that they received in advance of any sales by the relevant Brookfield Account of the remaining portion of the investment, which may adversely impact the value and/or liquidity of the relevant Brookfield Account's remaining position and may be at higher prices than the Brookfield Account ultimately sells the remaining portion of the investment.

Additionally, in connection with any restructuring of a Brookfield Account or any investments (such as the formation of a continuation vehicle or participation in other similar transactions), Brookfield may charge management fees and receive carried interest distributions in connection with any continuation vehicle or similar structure established to hold the investments for a longer term. As a result, such transactions will result in conflicts of interest in determining whether to utilize a continuation vehicle when structuring the relevant Brookfield Account's exit from any investment, and there can be no assurance that such conflicts of interest will be resolved in a manner favorable to the relevant Brookfield Account or the investors who do not elect to participate.

**Bundling.** From time to time, multiple Brookfield Accounts pool certain investments (an "Asset Pool"), including for the purposes of seeking a full or partial exit from one or more investments. In such circumstances an Asset Pool could be managed or controlled by Brookfield, and securities or other interests in the Asset Pool will be owned by another Brookfield Account. The consummation of any such transaction will not require consent from the applicable Brookfield Account's LPAC or any Investors. This will create conflicts of interest. For example, in determining the proportionate interest of each Brookfield Account in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), Brookfield will be required to determine the relative value of assets contributed to the Asset Pool, and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool. In making this determination, Brookfield could, but is not required to, engage or seek the advice of any

third-party independent expert. However, even if such advice was sought, valuing such assets and interests and, therefore, the value of any one Brookfield Account's interest in, or proceeds received from, any Asset Pool, will be subjective.

All material risks known to Brookfield and associated with investing in a Brookfield Account are described in the Governing Documents of such Brookfield Account, and Investors are urged to consult those documents.

## **ITEM 9 – DISCIPLINARY INFORMATION**

An administrative proceeding filed against (i) PenBrook Capital Advisors Private Limited ("PenBrook"), the investment manager of Peninsula Brookfield India Real Estate Fund (the "Fund"), (ii) PenBrook's current and former directors, and (iii) Peninsula Brookfield Trustee Private Limited, the trustee of the Fund ((i), (ii), and (iii) collectively, the "Noticees"), was settled on January 28, 2022. The proceeding involved allegations brought by the Securities and Exchange Board of India ("SEBI") that the Noticees accepted impermissibly small investments from certain investors in the Fund, failed to maintain sufficiently large investments themselves in the Fund, and extended the tenure of the Fund beyond the permissible period, in violation of the Securities and Exchange Board of India Act of 1922. SEBI further alleged that the annual compliance test report for the Fund did not reflect the non-compliance matters associated with the alleged violations.

## **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

BAM PIC Credit is an indirect subsidiary of BAM and Brookfield Corporation, both publicly traded corporations. BAM PIC Credit is an affiliate of the Brookfield Advisers, which consist of Brookfield Asset Management Private Institutional Capital Adviser US, LLC (together with its relying advisers, "BAM PIC US"), Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P. (together with its participating affiliates, "BAM PIC PE"), Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P. (together with its participating affiliates, "BAM PIC Canada"), Brookfield Renewable Energy Group LLC (together with its participating affiliates, "BREG LLC"), Brookfield Asset Management Private Institutional Capital BMG, LLC ("BAM PIC BMG"), and Brookfield Asset Management Insurance Advisor LLC. The Brookfield Advisers (other than the participating affiliates) are registered with the SEC as investment advisers under the Advisers Act, and each serves as investment adviser or sub-adviser to Brookfield Accounts. Any references to Brookfield in this section will be deemed to include its respective affiliates (including the general partners of Brookfield Accounts), partners, members, shareholders, officers, directors and employees.

As noted in Item 4 above, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. As noted throughout this Brochure, a key element of Brookfield's investment strategy on behalf of Brookfield Accounts is to leverage its experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Brookfield believes that this is in the best interests of Brookfield Accounts. However, being part of this broader platform, as well as activities of and other considerations relating to Brookfield Accounts, gives

rise to actual and potential conflicts of interest between certain Brookfield Accounts, on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, that may not be resolved in the most favorable manner to the interests of any particular Brookfield Account.

Brookfield's activities include, among others: investment and asset management; managing and investing reinsurance capital; sponsoring, offering and managing private and public investment vehicles that invest in the global fixed income, currency, commodity, equities, private and other markets; developing, constructing, owning, managing, operating and servicing real estate, renewable power, infrastructure and other companies and assets, including among others residential, commercial, storage and mixed-use real estate, data centers, transportation facilities, electric utilities, industrial and manufacturing facilities, energy companies, metals and mining companies, timberlands and agrilands, natural gas pipelines, and other assets; providing capital and financing solutions, as well as financial advisory, business development and other financial services; and other activities (collectively, "Brookfield Activities"). It is expected that Brookfield Accounts will benefit from Brookfield's expertise, market positioning and connectivity that arise from Brookfield Activities. At the same time, in the ordinary course of its business, Brookfield's and certain Brookfield Accounts' interests are expected to conflict with the interests of other Brookfield's Accounts, notwithstanding Brookfield's direct or indirect participation in the Brookfield Advisers' investment activities and Brookfield Accounts' investments. While Brookfield expects that its expertise as a global real asset operator will directly impact the ability of Brookfield Accounts to identify, access and assess investment opportunities, and that Brookfield Accounts' investments will benefit from the greater Brookfield ecosystem, there can be no assurance of any such successful collaboration or synergies. A lack of successful collaboration or synergies, whether as a result of concerns related to conflicts or otherwise, could impact Brookfield Accounts' ability to successfully implement their strategies or achieve their investment objectives.

Investors should note that the Governing Documents contain provisions that, subject to applicable law, (i) reduce or modify the duties (including fiduciary or other duties owed to Brookfield Accounts and Investors) to which Brookfield would otherwise be subject, (ii) waive duties or consent to conduct of Brookfield that might not otherwise be permitted pursuant to such duties and (iii) limit the remedies of Investors with respect to breaches of such duties. Additionally, the Governing Documents contain exculpation and indemnification provisions that, subject to the specific exceptions therein, provide that Brookfield and its affiliates and its directors will be held harmless and indemnified for matters relating to the operation of its business, including matters that may involve one or more potential or actual conflicts of interest.

The discussion below describes certain of the actual and potential conflicts of interest that are expected to arise between Brookfield Activities, on the one hand, and Brookfield's management of Brookfield Accounts, on the other hand. These conflicts of interest are not a complete list or explanation of all actual and potential conflicts of interest that could arise, and additional conflicts of interest are expected to arise as a result of new activities, transactions or relationships commenced in the future. In addition, certain terms described herein may only be applicable to certain Brookfield Accounts, but not others. Potential investors should review this section and the relevant Brookfield Account's Governing Documents carefully for additional risks and conflicts disclosure before making an investment decision.

While Brookfield acts in good faith to resolve potential conflicts in a manner that is fair and equitable taking into account the facts and circumstances known to it at the time, there can be no assurance that any recommendation or determination made by Brookfield will be most beneficial or favorable to any particular Brookfield Account or Investor, or would not have been different if additional information were available to it. Potential conflicts of interest generally will be resolved in accordance with the principles summarized herein, Brookfield's policies for adequately addressing potential conflicts considerations that arise in managing its business activities, Governing Documents of Brookfield Accounts, and conflicts protocols.

## **CONFLICTS RELATING TO INVESTMENTS BY OTHER BROOKFIELD ACCOUNTS**

As noted throughout this Brochure, Brookfield Accounts are expected to benefit from Brookfield's expertise and resources. Brookfield believes that operating within its integrated investment platform is in the best interests of all of its clients. However, being part of the broader Brookfield platform gives rise to actual and potential conflicts.

**Advice to Certain Brookfield Accounts May Conflict with Other Brookfield Accounts' Interests.** In light of the extensive scope of Brookfield's investment and related business activities: (i) Brookfield and its personnel will give advice, and take actions, with respect to current or future Brookfield Accounts (including proprietary accounts of Brookfield) that could compete or conflict with the advice Brookfield gives to other Brookfield Accounts, or will involve a different timing or nature of action than that taken with respect to other Brookfield Accounts, and (ii) investments by certain Brookfield Accounts and/or Brookfield could have the effect of diluting or otherwise disadvantaging the values, prices and/or investment strategies of other Brookfield Accounts. For example, when a Brookfield Account either manages or implements a portfolio decision ahead of, or contemporaneously with, portfolio decisions for other Brookfield Accounts, market impact, liquidity constraints and/or other factors could result in the applicable Brookfield Account receiving less favorable results, paying higher transaction costs, or being otherwise disadvantaged.

In making certain decisions with regard to portfolio investments that compete with or differ from the interests of one or more Brookfield Accounts Brookfield could face certain conflicts of interest between the interests of a Brookfield Account and the interests of such other Brookfield Accounts. These potential conflicts will be exacerbated in situations where Brookfield is entitled to higher fees from some Brookfield Accounts than from others, where portfolio managers making an allocation decision are entitled to higher performance-based compensation from some Brookfield Accounts than from others, where Brookfield (and/or the Related-Party Investor) has larger proprietary investments in some Brookfield Accounts than in others, or where there are capacity constraints with respect to a particular strategy or opportunity as a result of, for example, position limits and/or regulatory reporting obligations applicable to Brookfield. In addition, as an investment changes over time, additional conflicts of interest are expected to arise, including as a result of earlier investment allocation decisions. Brookfield will determine the appropriate investment decision for each Brookfield Account and Brookfield taking into account the mandate and interests of such accounts (where applicable) and, when applicable, in accordance with Brookfield's investment allocation protocols and such Brookfield Account's governing documents. The investment and divestment decisions made with respect to other Brookfield Accounts

may be made without regard to the interests of a Brookfield Account, even where such decisions are informed by that Brookfield Account's investment activities and/or adversely affect that Brookfield Account.

In addition, certain Brookfield Accounts (and/or portfolio companies of such Brookfield Accounts) may provide investment banking and other advisory services to third parties with respect to assets in which another Brookfield Account may be invested or seeking to invest. The interests of such Brookfield Accounts (and/or portfolio companies of such Brookfield Accounts) in such circumstances could conflict with those of other Brookfield Accounts, and a Brookfield Account could compete with other Brookfield Accounts (and/or portfolio companies of such Brookfield Accounts) in pursuing certain investments.

Different business units and teams within the LPACs of the Brookfield Accounts and Brookfield may take views, and make decisions or recommendations, that are different than other areas of the LPACs of the Brookfield Accounts and Brookfield. Different portfolio management teams within the LPACs of the Brookfield Accounts and Brookfield may make decisions or take (or refrain from taking) actions with respect to Brookfield Accounts they advise in a manner that may be different than or adverse to other Brookfield Accounts. Such teams might not share information with the portfolio management team of other Brookfield Accounts, including as a result of certain information barriers. See *"Data Management"* below.

In particular, Brookfield Accounts that focus on making secondary investments are expected to invest in Third Party Vehicles. While such Brookfield Accounts are expected to negotiate for certain control rights over (and to offer strategic advice to) such Third Party Vehicles, such Third Party Vehicles will not be "Brookfield Accounts" and will not be considered "affiliates" of Brookfield for purposes of the provisions of the Governing Documents that limit the ability of Brookfield Accounts to transact with Brookfield affiliates. As a result, Brookfield Accounts will not be restricted from purchasing investments from, selling investments to, or otherwise transacting with or alongside such Third Party Vehicles. The interests of such Brookfield Accounts and the Third Party Vehicles in which they invest may conflict with those of Brookfield Accounts, including in circumstances in which such other Brookfield Accounts exercise (or decline to exercise) control rights over, or otherwise offer strategic advice to, such Third Party Vehicles in a manner that differs from Brookfield's advice to Brookfield Accounts.

**Allocation of Personnel.** Brookfield will devote such time as it deems necessary to conduct the business affairs of each Brookfield Account in an appropriate manner. However, the various teams and personnel working on one Brookfield Account will also work on matters related to other Brookfield Accounts. Accordingly, conflicts could arise in the allocation of personnel among Brookfield Accounts and such other strategies. For example, certain of the investment professionals who are expected to devote their business time to certain Brookfield Accounts are also contractually required to, and will, devote substantial portions of their business time to the management and operation of other Brookfield Accounts, and such circumstances may result in conflicts of interest for such portfolio managers and/or other personnel who are in a similar position.

**Integrated Investment Platform, Information Sharing and related Trading Restrictions.** As noted elsewhere herein, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment

vehicles across various industries, sectors, geographies and strategies. Except as otherwise noted, Brookfield generally manages its investment and business lines in an integrated fashion with no information barriers that other firms may implement to separate certain investment teams so that one team's activities won't restrict or otherwise influence the other's. Brookfield believes that managing its investment and asset management platforms in an integrated fashion is in the best interests of Brookfield Accounts by enabling them to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and management and operating needs. Among other things, Brookfield will have access to information across its platform relating to business operations, trends, budgets, customers or users, assets, funding and other metrics that Brookfield has or acquires through its management of Brookfield Accounts and/or its own business and investment activities that is used by Brookfield to identify and/or evaluate potential investments for Brookfield Accounts and to facilitate the management of investments, including through operational improvements. Conversely, Brookfield uses data and information that it has or acquires in connection with activities on behalf of a Brookfield Account for the benefit of other Brookfield Accounts' (including Brookfield proprietary accounts') business and investment activities. From time to time, Brookfield expects to commission third-party research, at the expense of a Brookfield Account, in connection with its diligence of an investment opportunity for such Brookfield Account or in connection with its investment, and such research is expected to subsequently be available to other Brookfield Accounts and Oaktree Accounts (who will generally not be required to compensate the applicable Brookfield Account for the benefit they receive from such research). Such benefits could be material and Brookfield will have no duty, contractual, fiduciary or otherwise, to keep such information confidential from, or not use such information in connection with the business and investment activities of itself, other Brookfield Accounts and/or their portfolio companies.

Brookfield believes that managing its broader investment and asset management platform in an integrated fashion, which includes sharing of information and data obtained through the platform, provides Brookfield Accounts with greater transaction sourcing, investment and asset management capabilities, and related synergies, including the ability to better anticipate macroeconomic and other trends, and make more informed decisions for Brookfield Accounts. At the same time, this level of integration results in certain regulatory, legal, contractual and other considerations that, under certain circumstances, restrict certain activities that would not otherwise arise if Brookfield managed its platform in a different fashion (e.g., in a walled environment) and that Brookfield is required to manage in the ordinary course. For example, from time to time, Brookfield's ability to buy or sell certain securities on behalf of Brookfield Accounts will be restricted by applicable securities laws, regulatory requirements, information held by Brookfield, contractual obligations applicable to Brookfield, and potential reputational risks relating to Brookfield and Brookfield Accounts, as well as Brookfield's internal policies designed to comply with these and similar requirements. As a result, from time to time, Brookfield will not engage in transactions or other activities for, or enforce certain rights in favor of, Brookfield Accounts due to Brookfield's activities, regulatory requirements, policies, and reputational risk assessments.

Brookfield will possess material, non-public information about companies that will limit Brookfield Accounts' ability to buy and sell securities related to those companies (or, potentially, other companies) during certain times. For example, Brookfield makes control investments in various companies and



assets across its platform and its personnel take seats on boards of directors of, or have board of directors observer rights with respect to, portfolio investments in which Brookfield invests (including on behalf of Brookfield Accounts). In addition, Brookfield often obtains confidential information relating to investment opportunities that it considers across its platform. As a result, Brookfield will be limited and/or restricted in its ability to trade in securities of companies about which it has material non-public information, even if the information was not obtained for the benefit of the Brookfield Account that is restricted from making the investment. This will adversely affect Brookfield Accounts' ability to make and/or dispose of certain investments during certain times.

Furthermore, Brookfield, Brookfield businesses that are separated by information barriers (e.g., PSG and Oaktree (each as defined below)) and their accounts, and Brookfield Accounts are deemed to be affiliates for purposes of certain laws and regulations. As such, it is anticipated that, from time to time, Brookfield, Brookfield businesses that are separated by information barriers and their accounts, and Brookfield Accounts will have positions (which in some cases will be significant) in one or more of the same issuers. As such, Brookfield needs to aggregate such investment holdings for certain securities laws purposes (including trading restrictions under Rule 144 under the Securities Act, complying with reporting obligations under Section 13 of the Exchange Act and the reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including: (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, activities by Brookfield, Brookfield businesses that are separated by information barriers, and/or certain Brookfield Accounts could result in earlier public disclosure of investments by other Brookfield Accounts, restrictions on transactions by other Brookfield Accounts (including the ability to make or dispose of certain investments at certain times), adverse effects on the prices of investments made by other Brookfield Accounts, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for other Brookfield Accounts.

As a result of the foregoing, Brookfield could restrict, limit or reduce the amount of a Brookfield Account's investments under certain circumstances. In addition, certain of the investments made by Brookfield Accounts could become subject to legal and/or other restrictions on transfer following their acquisition. When faced with the foregoing limitations, Brookfield will generally avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of Brookfield to efficiently conduct its business activities. Brookfield could also reduce Brookfield Accounts' interest in, or restrict them from participating in, an investment opportunity that has limited availability or where Brookfield has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Brookfield Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. Brookfield could determine not to engage in certain transactions or activities which could be beneficial to Brookfield Accounts because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, Brookfield or create the potential risk of trade or other errors.

In addition, certain potential conflicts considerations will arise for Brookfield in managing its investment

and asset management platform in an integrated fashion. For example, in seeking to manage business activities efficiently across all Brookfield Accounts, Brookfield could determine, in its discretion, to apply certain restrictions during certain times to certain Brookfield Accounts, but not to others, taking into account the relevant facts and circumstances it deems appropriate. Moreover, while Brookfield will have or obtain information from across the platform (including all Brookfield Accounts and/or their portfolio investments, strategies, businesses and operations), Brookfield also will use such information for the benefit of its own business and investment activities as well as those of Brookfield Accounts.

Brookfield believes that it will be better able to anticipate macroeconomic and other trends, and otherwise make more informed investment and other decisions for the Brookfield Accounts as a result of its access to (and rights regarding) the data and information that it has or obtains through the business and investment activities of all Brookfield Accounts and their portfolio companies. Brookfield will also make investment and other decisions for itself, Brookfield Accounts and their portfolio companies on the basis of information Brookfield has or obtains through all Brookfield Accounts' investment activities. Brookfield believes that using this data and information from across Brookfield Accounts and their portfolio companies will provide overall benefits to, and improve Brookfield's management of, the Brookfield Accounts, including their investment activities. For example, data analytics based on inputs from a portfolio company of one Brookfield Account could inform business decisions for another Brookfield Account. In addition, aggregating data provides Brookfield with opportunities to obtain bulk discounts for itself, Brookfield Accounts and their portfolio companies on products and services if that data shows significant demand across multiple Brookfield Accounts and/or portfolio companies. Any such discounts would be allocated among Brookfield, the Brookfield Accounts and their portfolio companies on a fair and equitable basis as determined by Brookfield in its sole discretion, with Brookfield able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable.

This practice gives rise to conflicts of interest, however, because in some cases, this will result in certain Brookfield Accounts and/or portfolio companies taking positions that are different from, and potentially adverse to, positions taken for other Brookfield Accounts or their portfolio companies, or result in certain Brookfield Accounts and/or portfolio companies benefiting from the business and investment activities of other Brookfield Accounts. For example, Brookfield's ability to invest on behalf of a Brookfield Account in a particular company could be enhanced by information obtained from a portfolio company of another Brookfield Account in the same or a related industry. Such investments can be expected to provide a material benefit to certain Brookfield Accounts and portfolio companies (including proprietary Brookfield accounts) without compensation or other benefits to, or participation by the Brookfield Accounts whose information is being used, because Brookfield shares information regarding Brookfield Accounts and their investors, and the benefits received by certain Brookfield Accounts (and/or Brookfield) will not offset management fees or otherwise be shared with the applicable Brookfield Account and its Investors. In certain cases, portfolio companies of one Brookfield Account will compete with, or provide services to competitors of, portfolio companies of another Brookfield Account.

As a result, Brookfield has an incentive to pursue and manage investments for a Brookfield Account that have data and information that can be utilized in a manner that benefits Brookfield's broader business platform, including investments that Brookfield would not otherwise have invested in or investments on

terms less favorable than Brookfield otherwise would have sought in the ordinary course. Brookfield has implemented policies and procedures designed to mitigate conflicts of interest and address certain regulatory requirements and contractual restrictions with respect to its use and sharing of data and information. Brookfield is also subject to contractual obligations and legal limitations on its use and sharing of data and information. Such policies and procedures, obligations and limitations generally reduce synergies across Brookfield's various activities and negatively affect Brookfield's and the Brookfield Accounts' ability to pursue and manage investment opportunities that would otherwise be available to Brookfield or the Brookfield Accounts if such policies and procedures were not implemented. From time to time, these policies and procedures also will result in the Brookfield Accounts having reduced investment opportunities or investment flexibility, or otherwise restrict the Brookfield Accounts or Brookfield in its management and investment activities with respect to such information, such as the ability of the Brookfield Accounts or a portfolio company to make certain investments.

While Brookfield will manage its investment and asset management platform in an integrated basis, there is no assurance that the investment professionals managing the investment activities of Brookfield Accounts will have access to and/or knowledge of all information that Brookfield is privy to at any given point in time. Conversely, operating in an integrated environment could provide Brookfield with access to and knowledge of information that Brookfield may have obtained in connection with an investment for another Brookfield Account, which could provide benefits to such other Brookfield Accounts that would not exist but for its position within Brookfield's platform. Brookfield will not be under any obligation or other duty to make all such information available for the benefit of Brookfield Accounts and/or any portfolio investments.

Regardless of the existence of information barriers, Brookfield will not have any obligation or other duty to make available for the benefit of any Brookfield Account or its investments any information regarding Brookfield's broader investment activities, strategies or views, or the activities, strategies or views used for other Brookfield Accounts. Brookfield may share any information relating to a Brookfield Account or its investments with its affiliates, including those that are managed independently (in accordance with information barriers and related protocols). Furthermore, to the extent that Brookfield has access to analyses, models and/or information developed by other parts of Brookfield and/or its personnel, Brookfield will not be under any obligation or other duty to effect transactions on behalf of a Brookfield Account or its investments in accordance with such analysis and models and in some cases (such as research) may be prohibited from disseminating information between areas within Brookfield. In the event Brookfield does not share certain information with a Brookfield Account's investment team, such Brookfield Account may make investments or other decisions that differ from those it would have made if its investment team had such information, which may be disadvantageous to the Brookfield Account.

**Trade Errors.** Brookfield will not be responsible for any losses resulting from any trade errors made by Brookfield in respect of the Brookfield Accounts' investments, except to the extent such parties are liable pursuant to the applicable governing documents of such Brookfield Accounts. Trade errors might include, for example, keystroke errors that occur when entering trades into an electronic system or typographical or drafting errors related to derivatives contracts or similar agreements. Investors should assume that trade errors (and similar errors or deviations from accuracy or correctness in the trade process) will occur and that Brookfield will not be responsible for any resulting losses, even if such loss

results from negligence (but not gross negligence), unless it has breached its standard of care as set out in applicable laws or regulations as well as the applicable limited partnership agreement, investment management agreement, prospectus or other offering document of the Brookfield Accounts.

**Data Management.** To the extent it deems necessary or appropriate, in its sole discretion, Brookfield may provide data management services to Brookfield Accounts and their portfolio companies (collectively, “Data Holders”). Such services could include, among other things, assistance with obtaining, analyzing, curating, processing, packaging, organizing, mapping, holding, transforming, enhancing, marketing and selling data for monetization through licensing and/or sale arrangements with third parties and/or directly with Data Holders. To the extent provided, these services would be subject to the limitations discussed below and applicable contractual and/or legal obligations or limitations, including on the use of material non-public information. Moreover, where an arrangement is with a Brookfield Account or one of its portfolio investments, such Brookfield Account would directly or indirectly bear its appropriate share of related compensation. In addition, in Brookfield’s sole discretion, data from one Data Holder may be pooled with data from other Data Holders, subject to applicable laws and regulations (including privacy laws and regulations), and any revenues arising from such pooled data sets would be allocated among Brookfield and the applicable Data Holders on a fair and equitable basis as determined by Brookfield in its sole discretion, with Brookfield able to make corrective allocations should it determine subsequently that such corrections were necessary or advisable.

Brookfield’s compensation for any data management services could include a percentage of the revenues generated through any licensing and/or sale arrangements, fees, royalties and cost and expense reimbursement (including start-up costs and allocable overhead associated with personnel working on relevant matters (including salaries, benefits and other similar expenses)). This compensation will not offset management or other fees or otherwise be shared with the Data Holders, Brookfield Accounts, their portfolio companies or Investors. Brookfield may share the products from its data management services within Brookfield (including other Brookfield Accounts and/or their portfolio companies) at no charge and, in such cases, the Data Holders are not expected to receive any financial or other benefit from having provided their data to Brookfield. The provision of data management services will create incentives for Brookfield to pursue and make investments that generate a significant amount of data, including on behalf of Brookfield Accounts. While all investments will be within the relevant Brookfield Account’s investment mandate and consistent with its Governing Documents, they could include investments that Brookfield might not otherwise have made or investments on terms less favorable than Brookfield otherwise would have sought to obtain had it not been providing data management services.

**Terms of an Investment by a Brookfield Account May Benefit or Disadvantage Another Brookfield Account.** From time to time, in making investment decisions for Brookfield Accounts, Brookfield will face certain conflicts of interest between the interests of a Brookfield Account, on the one hand, and the interests of other Brookfield Accounts. For example, subject to applicable law and any limitations contained in the Governing Documents, Brookfield from time to time could cause a Brookfield Account to invest in securities, bank loans or other obligations of companies or properties affiliated with or advised by Brookfield or in which other Brookfield Accounts have an equity, debt or other interest, or to engage in investment transactions that result in other Brookfield Accounts getting an economic

benefit, being relieved of obligations or divested of investments. For example, from time to time, a Brookfield Account could make debt or equity investments in entities which are expected to use the proceeds of such investment to repay loans from another Brookfield Account. Depending on the circumstance, such other Brookfield Account would benefit if the Brookfield Account invested more money, thus providing sufficient funds to repay such other Brookfield Account, or it would benefit if the loans remained outstanding and such Brookfield Account continued to receive payment under the existing loans, if the loans were on attractive terms (including an attractive interest rate) from the perspective of such Brookfield Account. Alternatively, from time to time another Brookfield Account is in the position of making an investment that could be used to repay loans from the Brookfield Account (which could occur earlier than otherwise expected), which would present the opposite conflict. Similarly, such conflicts are also present in other situations. For example, in certain circumstances, a Brookfield Account will pursue a take-private, asset purchase or other material transaction with an issuer in which another Brookfield Account is invested, which will result in a benefit to the other Brookfield Account. In situations where the activities of a Brookfield Account enhances the profitability of other Brookfield Accounts with respect to their investment in and activities relating to companies, Brookfield could take the interests of such other Brookfield Accounts into consideration in connection with actions it takes on behalf of the Brookfield Account. See *“Investments with Related Parties”* below.

Additionally, there may be instances where the Brookfield Account or another Brookfield Account or one of their investments may enter into agreements with third parties (or invest in assets or portfolio companies that have pre-existing agreements with third parties) that restrict the ability of other Brookfield Accounts to engage in potentially competitive actions, such as developing competing assets within a defined geographical area, which could adversely impact the Brookfield Account’s investment opportunities. In cases where the Brookfield Account or one of its investments has entered into such a restriction, the Brookfield Account may from time to time seek to induce its counterparty to waive such restriction for the benefit of another Brookfield Account. No consent or notification will be provided to the Investors or the LPAC in these situations.

**Conflicts among Portfolio Companies and Brookfield Accounts.** There will be conflicts between Brookfield Accounts and/or their portfolio companies, on the one hand, and other Brookfield Accounts and/or one or more of their portfolio companies, on the other hand. For example, a portfolio company of a Brookfield Account may be a competitor, customer, service provider or supplier of one or more portfolio investments of another Brookfield Account. There may also be circumstances where a tenant or a prospective tenant in connection with an investment may also be interested in or eligible to be a tenant or prospective tenant at a property owned by another Brookfield Account. In such circumstances, the other Brookfield Account and/or portfolio company thereof are likely to take actions that have adverse consequences for such Brookfield Account and/or one of its portfolio companies, such as seeking to increase their market share to its detriment, withdrawing business from a portfolio company in favor of a competitor that offers the same product or service at a more competitive price, increasing prices of their products in their capacity as a supplier to a portfolio company, or commencing litigation against a portfolio company. In addition, in such circumstances, Brookfield may not pursue certain actions on behalf of a Brookfield Account or a portfolio company, which could result in a benefit to another Brookfield Account (or vice versa). Brookfield has implemented policies and procedures designed to mitigate such potential conflicts of interest. Such policies and procedures could reduce the

business activity among the portfolio companies of Brookfield Accounts, which would negatively affect portfolio companies of a Brookfield Account and, therefore, the Brookfield Account as a whole. Another Brookfield Account or portfolio company thereof may nonetheless continue to take such actions that have adverse consequences for the Brookfield Account or its portfolio companies, and Brookfield will not have any obligation or duty in this regard.

**Investments with Related Parties.** In light of the extensive scope of Brookfield's activities, in certain circumstances a Brookfield Account invests in assets or companies in which Brookfield and/or other Brookfield Accounts (including a co-investment account) hold an equity or debt position or in which Brookfield or another Brookfield Account invests (either in equity or debt positions) subsequent to a Brookfield Account's investment. For example, from time to time, Brookfield and/or a Brookfield Account (including a co-investment account) will: (a) enter into a joint transaction with another Brookfield Account; (b) in their discretion, invest alongside another Brookfield Account in order to facilitate an investment (e.g., to the extent there is excess capacity) or to facilitate compliance with specific legal, regulatory or similar requirements; (c) be borrowers of certain portfolio investments or lenders in respect of another Brookfield Account; and/or (d) invest in different levels of an issuer's capital structure. Relatedly, a Brookfield Account could own (y) equity positions of real estate assets that have been pledged as collateral or otherwise provide security for notes owned by Brookfield or another Brookfield Account or (z) structured products (including commercial mortgage-backed securities) in which one or more Brookfield Accounts invest. The restrictions in the Governing Documents that relate to buying investments from and selling investments to Brookfield Accounts do not apply with respect to investments in portfolio companies or properties in which Brookfield Accounts have invested or will invest. As a result of the various conflicts and related issues described herein, a Brookfield Account could sustain losses during periods in which Brookfield or other Brookfield Accounts achieve profits generally or with respect to particular investments, or could achieve lower profits or higher losses than would have been the case had the conflicts described herein not existed.

Brookfield and other Brookfield Accounts invest in a broad range of asset classes throughout the corporate capital structure, including debt positions (either junior or senior to the positions of a Brookfield Account) and equity securities (either common or preferred). It is possible that a Brookfield Account or one or more of its portfolio companies will hold an interest in one part of a company's capital structure while another Brookfield Account or one or more of its portfolio companies holds an interest in another. In situations where such company or property is experiencing distress or bankruptcy, such conflicts of interest will be exacerbated. In such scenarios, other Brookfield Accounts or other consortiums, including Brookfield, Brookfield Insurance Accounts, Oaktree or Oaktree Accounts, could hold interests that are more senior in priority to that of the Brookfield Account and could seek to take over such company or property. In such circumstances, other Brookfield Accounts, Brookfield Insurance Accounts, Oaktree and/or Oaktree Accounts that participate in such asset could take actions that are adverse to the interests of the relevant Brookfield Account. Alternatively, a Brookfield Account may make an investment in a company in which Brookfield or another Brookfield Account invests and such company may already be experiencing (or may in the future experience) distress or bankruptcy. The Brookfield Account may, or may not, be successful in managing it out of such distress. The conflicts between such parties and the Brookfield Account will be more pronounced where the asset is near default on existing loans and the Brookfield Account may not have the ability to call additional capital



or use reserves or other sources of capital in order to sustain its position in the asset (either because the Brookfield Account is out of available Commitments or other limitations). In this case, Brookfield, Brookfield Accounts, Brookfield Insurance Accounts, Oaktree and/or Oaktree Accounts could, for a relatively small investment, obtain a stake in such company or take over the management of (and risk relating to) such company to the detriment of the Brookfield Account.

The interests of Brookfield Accounts and other consortium members in certain investments could differ from those of the Brookfield Account and could be acquired at different times, at different prices, with a different view (including different investment objectives and other considerations) and be subject to different terms and conditions. Furthermore, to the extent that the Brookfield Account acquires an interest in assets or companies subsequent to another Brookfield Account, it is possible that participation by the Brookfield Account could result in a direct or indirect financial benefit to such other Brookfield Account which would not have otherwise obtained. In addition, Brookfield Accounts and other consortium members could dispose of their interests in applicable investments at different times and on different terms than other Brookfield Accounts, including in situations where Brookfield and/or a Brookfield Account facilitated an investment with a view to reselling their portion of such investment to third parties following the closing of the transaction (which could, in certain situations, result in the Brookfield Account receiving compensation for (or related to) such sale) or where Brookfield Accounts and/or such consortium members seek to reallocate capital to other opportunities, de-risk of exposures, or otherwise manage their investments differently than other Brookfield Accounts, which could have an adverse effect on the value and/or liquidity of a Brookfield Account's position. In any such circumstances, such Brookfield Accounts or other consortium members will likely sell interests at different values, and possibly higher values, than other Brookfield Accounts will be able to when disposing of the applicable investment. Where a Brookfield Account invests alongside another Brookfield Account, Brookfield may desire to manage one Brookfield Account's investment differently than Brookfield manages that of the other Brookfield Account, but may be restrained from doing so because of circumstances relating to Brookfield and/or the other Brookfield Account.

Moreover, from time to time, Brookfield Accounts could jointly acquire a portfolio of assets with a view to dividing up the assets between them in accordance with their investment mandates. In this circumstance, Brookfield will determine the terms and conditions relating to the investment, including the purchase price associated with each asset, which price may not represent the price another Brookfield Account would have paid if it had acquired only those assets that such Brookfield Account ultimately retains. In certain circumstances, a Brookfield Account could have residual liability for assets that were allocated to Brookfield or another Brookfield Account, including potential tax liabilities. Additionally, from time to time, Brookfield will seek to sell assets on behalf of one or more other Brookfield Accounts together, including because Brookfield deems it to be in the best interests of Brookfield Accounts and each participating Brookfield Account to do so and/or because it believes each applicable Brookfield Account would generate excess value as part of a joint portfolio or platform sale. In this circumstance, Brookfield will determine the terms and conditions relating to such disposition, including the manner of sale, the ultimate sale price associated with each property and/or other asset and the allocation of the sale price among the participating Brookfield Accounts, which will be based on one or more factors, as deemed appropriate by Brookfield in its discretion, including among others internal carrying values of the relevant assets, appraisals and/or valuations of the relevant assets, the

advice of external consultants and/or advisers, and/or the values attributed to the various assets by one or more of the bidders for the portfolio. Notwithstanding the foregoing, Brookfield's ultimate allocation of the sale price among the participating Brookfield Accounts could be different than any one particular factor utilized in its determination, including the values attributed to the various assets by the ultimate purchaser of the assets. These types of transactions will not require consent from the applicable Brookfield Account's LPAC. Furthermore, from time to time, Brookfield and/or Brookfield Accounts will jointly enter into a binding agreement to acquire an investment. If Brookfield or one Brookfield Account is unable to consummate the investment, another Brookfield Account could be subject to additional liabilities, including the potential loss of any deposit or the obligation to fund the entire investment. Similarly, to the extent that indebtedness in connection with an investment is structured such that both Brookfield and/or a Brookfield Account are jointly responsible on a cross-collateralized, joint borrower, joint guarantor or similar basis for the repayment of the indebtedness, the failure of Brookfield and/or a Brookfield Account to repay such indebtedness or meet other obligations could result in such Brookfield Account and/or its Investors being required to fund more than its pro rata share of the indebtedness.

If Brookfield or a Brookfield Account participates as a lender in borrowings by another Brookfield Account, Brookfield's (or the other Brookfield Account's) interests may conflict with the interests of such Brookfield Account and/or the applicable portfolio investment. In this situation, such Brookfield Account's assets may be pledged to such Brookfield Account as security for the loan. In its capacity as a lender, Brookfield or the relevant Brookfield Account may act in its own interest, without regard for the interests of such Brookfield Account, its portfolio investments or Investors, which may materially and adversely affect such Brookfield Account, any subsidiary or investment entity and, in certain circumstances such as an event of default, ultimately may result in realization of such Brookfield Account's or portfolio investment's assets and a loss of an Investor's entire investment.

In situations in which Brookfield and/or a Brookfield Account holds an interest in an investment that differs from an interest in the same investment held by another Brookfield Account, conflicts of interest will arise in connection with, among other things, the following: (i) the nature, timing and terms of each Brookfield Account's investment, (ii) the allocation of control and other governance rights among the Brookfield Accounts, (iii) the strategic objectives and/or timing underlying each Brookfield Account's investments, (iv) differing disposition rights, views and/or needs for all or part of an investment, (v) resolution of liabilities in connection with an investment among the Brookfield Accounts, (vi) allocation of jointly held resources (e.g., intellectual property, pooled funds, etc.), and/or (vii) other considerations related to the investment. In certain situations, Brookfield Accounts will invest in follow-on investments of other Brookfield Accounts. Where multiple Brookfield Accounts hold different interests in an investment, there will be conflicts from various factors, including, among other things, investments in different levels of the capital structure, different measurements of control, different risk profiles, different rights with respect to disposition alternatives, different investment objectives, strategies and horizons, different target rates of return, rights in connection with co-investors and/or other factors. Brookfield will resolve these matters in a fair and reasonable manner consistent with its fiduciary duty to each account. However, there can be no assurance that Brookfield will resolve these matters in any particular manner or that it would resolve these matters in the same manner that it would have resolved them had these conflicts considerations not arisen.

As noted above, from time to time Brookfield Accounts (including Brookfield proprietary accounts and/or co-investment accounts) will invest in different classes or types of securities of the same company (or other assets, instruments or obligations issued by such company) or otherwise on different terms thereby creating divergent interests. If the company or asset experiences financial distress, bankruptcy or a similar situation, a Brookfield Account's interest may be subordinated or otherwise adversely affected by virtue of Brookfield's or another Brookfield Account's involvement and actions relating to their investment to the extent their interest is more senior to, or has different contractual rights than, the interest of Brookfield and/or the Brookfield Account. In these situations, Brookfield will face conflicts in managing each side's investment with a view to maximizing its value and, in connection therewith, pursuing or enforcing rights or activities. At all times, Brookfield will seek to treat each Brookfield Account fairly, equitably and consistent with its investment mandate in pursuing and managing these investments. However, these factors could result in the (direct and indirect) interests of Brookfield Accounts being managed differently under certain circumstances and investments realizing different returns (including, possibly lower returns) on their investment than Brookfield and/or other Brookfield Accounts on theirs.

In addition, Brookfield is expected to advise Brookfield Accounts with respect to different parts of the capital structure of an investment. As a result, Brookfield could pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, with respect to a particular investment in which multiple Brookfield Accounts have a position. Such Brookfield Accounts could be negatively affected by these activities, and transactions on behalf of such Brookfield Accounts could be executed at prices or terms that are less favorable than would otherwise have been the case. In addition, in the event that Brookfield and/or a Brookfield Account hold voting securities of an issuer in which another Brookfield Account (directly or indirectly) hold loans, bonds, or other credit-related securities, Brookfield or such Brookfield Account could have the right to vote on certain matters that could have an adverse effect on the positions held by such other Brookfield Account.

As a result of the various conflicts and related issues described above, a Brookfield Account could sustain (direct or indirect) losses during periods in which Brookfield or other Brookfield Accounts achieve profits generally or with respect to particular holdings, or could achieve lower profits or higher losses than would have been the case had the conflicts described above not existed.

In order to mitigate potential conflicts of interest in these situations, Brookfield could but will not be obligated to take one or more actions on behalf of itself, and Brookfield Accounts, including one or more of the following (as it determines in its sole discretion): (i) forbearance of rights, such as causing Brookfield, and/or Brookfield Accounts to remain passive in a situation in which it is otherwise entitled to vote, which could mean that Brookfield, and/or Brookfield Accounts, as applicable, defer to the decision or judgment of an independent, third-party investor in the same class of securities with respect to decisions regarding defaults, foreclosures, workouts, restructurings, and/or similar matters, including actions taken by a trustee or administrative or other agent of the investment, such as a release, waiver, forgiveness or reduction of any claim for principal or interest, extension of maturity date or due date of any payment of any principal or interest, release or substitution of any material collateral, release, waiver, termination or modification of any material provision of any guaranty or indemnity, subordination of any lien, and release, waiver or permission with respect to any covenants; (ii) causing

Brookfield, and/or a Brookfield Account to hold only non-controlling interests in any such investment; (iii) referring the matter to one or more persons that is not affiliated with Brookfield, such as a third-party loan servicer, administrative agent or other agent to review and/or approve of an intended course of action; (iv) consulting with Investors and/or seeking consent from the applicable Brookfield Account's LPAC (or a similar body); (v) establishing ethical screens or information barriers (which can be temporary and of limited purpose) designed to separate Brookfield investment professionals to act independently on behalf of a Brookfield Account, on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, in each case with support of separate legal counsel and other advisers; (vi) seeking to ensure that Brookfield and/or Brookfield Accounts own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interests; and/or (vii) causing Brookfield, and/or Brookfield Accounts to divest of an investment that it otherwise could have held on to, including without limitation causing a Brookfield Account to sell its position to Brookfield or another Brookfield Account (or vice versa).

At all times, Brookfield will endeavor to treat each Brookfield Account fairly, equitably and in an impartial manner and consistent with its investment mandate in pursuing and managing these investments. However, there can be no assurance that any action or measure pursued by Brookfield will be feasible or effective in any particular situation, or that its own interests won't influence its conduct, and it is possible that the outcome for any particular Brookfield Account will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions and measures that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed. Furthermore, from time to time Brookfield intends to enter into a voting agreement with one or more other Brookfield Accounts alongside which a Brookfield Account is invested, which, among other things, would allocate (upon such Brookfield Account's election), directly or indirectly, certain voting rights of Brookfield with respect to the Brookfield Account or with respect to one or more properties or portfolio companies to such affiliates. However, for the avoidance of doubt, Brookfield will in all circumstances control the Brookfield Account.

From time to time, Brookfield may declare a distribution-in-kind of a Brookfield Account's investment or a portion thereof. Pursuant to any such distribution-in-kind, the Investors (including third-party investors, other Brookfield Accounts and Brookfield personnel that are invested in the relevant Brookfield Account) will receive their *pro rata* portions of the distribution, and Brookfield will receive a portion of the distribution in respect of its incentive distributions (if applicable). Upon receipt of such interests, certain recipients (including other Brookfield Accounts and Brookfield personnel) generally will be free to sell their interests in their sole discretion, which may have an adverse impact on the value and/or liquidity of other recipients' interests. For the avoidance of doubt, the value of the investment upon a distribution in-kind to Investors (and the value used for determining Brookfield's entitlement to incentive distributions) may exceed the value ultimately received by Investors when they dispose of such interests for cash. In addition, each recipient will likely sell its interests at a different value, and it is possible that other Brookfield Accounts and Brookfield personnel are able to sell their interests at higher prices than other investors are able to. It is likely that certain Investors will elect to have Brookfield dispose of such interests for cash on their behalf while Brookfield will retain the securities for certain

Brookfield Accounts (or vice versa), which may exacerbate the risks and conflicts identified herein. In the event of a partial distribution-in-kind, other Brookfield Accounts and Brookfield personnel will be free to sell the interests that they received in advance of any sales by the relevant Brookfield Account of the remaining portion of the investment, which may adversely impact the value and/or liquidity of the relevant Brookfield Account's remaining position and may be at higher prices than the relevant Brookfield Account ultimately sells the remaining portion of the investment. Additionally, in connection with any restructuring of a Brookfield Account or any of its investments (such as the formation of a continuation vehicle or participation in other similar transactions), Brookfield may charge management fees and receive incentive distributions in connection with any continuation vehicle or similar structure established to hold the investments for a longer term. As a result, such transactions will result in conflicts of interest in determining whether to utilize a continuation vehicle when structuring a Brookfield Account's exit from any investment, and there can be no assurance that such conflicts of interest will be resolved in a manner favorable to the Brookfield Account or to Investors who do not elect to participate.

**Definitions of "Investment" and "Disposition".** The Governing Documents of the Brookfield Accounts generally provide that an "investment" of such account typically includes any direct or indirect investments of the Brookfield Account, including (among others) interests in: (a) operating companies and/or businesses, (b) entities that own, operate and/or service assets, and/or (c) one or more assets and/or securities. The Governing Documents generally further note that Brookfield has discretion regarding whether to treat assets and/or securities, including those that have been acquired on a standalone basis or as part of a portfolio of assets, portfolio of companies and/or a platform, as separate investments or as a single investment. Further to the foregoing, a single investment has included and could include one or more interests or classes of securities in an operating company and/or business that owns, operates and/or services various assets, a collection of related assets and/or securities (whether acquired in a single transaction or over time), a series of investments in a portfolio company's securities (including investments made in different parts of the company's capital structure in a single transaction or over time), assets acquired as a portfolio (whether acquired in a single transaction or over time) via an asset aggregation strategy or otherwise, in each case as determined by Brookfield.

Brookfield will use its discretion in determining whether multiple assets and/or multiple securities are considered a single "investment" for purposes of the Governing Documents, taking into account all factors and circumstances it deems relevant to such determination. As a general matter, Brookfield expects to consider related assets and/or securities as a single "investment". However, while Brookfield will generally consider related assets and/or securities as a single investment for certain purposes, Brookfield may treat such assets and/or securities as multiple investments for other purposes of the Governing Documents of the Brookfield Accounts (to the extent that Brookfield believes that doing so is consistent with the intention of the relevant provisions of the Governing Documents). For example, for purposes of the definition of "development investments", Brookfield could assess related assets and/or securities on a "look-through" basis, while treating the same assets and/or securities as a single "investment" in the Brookfield Accounts' investor reporting, financial statements, performance metrics, the calculation and charging of the management fee, and/or for other purposes of the Governing Documents. For the avoidance of doubt, Brookfield will determine whether or not to apply such a "look-through" approach (with respect to "development investments" and other relevant terms) on a case-by-case basis based on the relevant facts and circumstances, and expects that it will take different

approaches to different investments.

The treatment of related assets and/or securities as a single “investment” will affect the calculation of the management fee in certain circumstances, in particular in connection with decreases in value (including write downs and write offs) and/or sales of one or more assets / securities forming part of an investment. For example, during the commitment period of the Brookfield Accounts, management fees are generally charged based on the total commitments to the Brookfield Account without adjustment for returns of capital to investors (via distributions or otherwise) with respect to assets / securities forming part of an investment, sales of one or more assets / securities forming part of an investment and/or decreases (and/or increases) in the value of assets / securities forming part of an investment, including decreases in value that result in or from a bankruptcy of or foreclosure (or similar takeover event) upon assets / securities forming part of an investment, a writing down of such assets / securities (including to zero), and/or the substitution or exchange of such assets / securities for other assets / securities, including in connection with a refinancing, reorganization, merger, or other event. Likewise, following the commitment period, management fees with respect to an investment are generally charged based on the amount of capital contributions invested in the investment without adjustment for returns of capital to investors (via distributions or otherwise) with respect to assets / securities forming part of an investment, sales of one or more assets / securities forming part of the investment (including sales of such assets / securities at a loss relative to the value ascribed to such assets / securities) and/or any decreases (and/or increases) in the value of one or more assets / securities forming part of the investment, including decreases in value that result in or from a bankruptcy of or foreclosure (or similar takeover event) upon assets / securities forming part of an investment, a writing down of such assets / securities (including to zero), and/or the substitution or exchange of such assets / securities for other assets / securities, including in connection with a refinancing, reorganization, merger, or other event.

Further to the foregoing, these events (i.e., returns of capital to investors (via distributions or otherwise) with respect to assets / securities forming part of an investment, sales of one or more assets / securities forming part of the investment (including sales of assets / securities at a loss relative to the value ascribed to such assets/ securities) and/or any decreases in the value of one or more assets / securities forming part of the investment, including decreases in value that result in or from a foreclosure (or similar takeover event) upon assets / securities forming part of an investment), a writing down of such assets (including to zero), and/or the substitution or exchange of such assets / securities for other assets / securities, including in connection with a refinancing, reorganization, merger, or other event), even if applicable with respect to a substantial portion of the assets / securities forming part of an investment, will not be deemed to be a disposition or partial disposition of the investment for purposes of calculating the management fee after the commitment period so long as Brookfield continues to manage the investment on behalf of the relevant Brookfield Account (unless Brookfield, in its discretion, determines otherwise taking into account relevant facts and circumstances relating to a particular event, asset and/or investment). For these reasons, Brookfield will be conflicted in its determination of whether assets and/or securities are treated as a single “investment” and whether or not a full or partial “disposition” has occurred, and Brookfield will have an incentive to exercise its discretion such that the fees payable to it would not be reduced. Moreover, Brookfield will not be obligated to (and, in certain circumstances, does not expect to) resolve such conflict in favor of the investors, but rather will resolve



it based on its determination, taking into account the relevant facts and circumstances of whether the assets and/or securities are part of a single investment and whether a full or partial disposition has occurred. For the avoidance of doubt, Brookfield's determinations are not subject to investor (or LPAC) consent, including any determination by Brookfield to treat assets and/or securities as a single "investment" and that a full or partial "disposition" has not occurred such that the management fees payable by the Brookfield Accounts are not reduced under the relevant facts and circumstances (as described herein).

In circumstances in which Brookfield determines to treat related assets and/or securities as multiple "investments" for purposes of the calculation of management fees, in particular where the assets / securities were acquired as a single portfolio with an aggregate purchase price, Brookfield will be required to use its discretion (based on reasonable estimates) in attributing portions of the purchase price and additional capital invested into the portfolio among the individual assets and/or securities comprising the portfolio (which will affect the amount by which management fees are reduced upon the realization or write down to zero of an individual asset within the portfolio). Brookfield will be similarly conflicted in making such attribution. See also "*Determinations of Value*" below for additional information regarding the determination of value of Investments and their impact on the calculation of management fees.

**Insurance and Reinsurance Capital.** Brookfield currently manages, and expects in the future to manage, one or more Brookfield Accounts that focus on investing insurance- and reinsurance-related capital (including, for the avoidance of doubt, Brookfield Reinsurance Partners ("BN Re", and together with any other insurance and reinsurance-related Brookfield Accounts, the "Brookfield Insurance Accounts"). Among other things, Brookfield Insurance Accounts are expected to invest in securities of issuers affiliated with Brookfield Accounts, including securities issued by portfolio companies such as investment grade, high-yield and other debt securities, and certain equity investments. For example, from time to time, Brookfield Insurance Accounts could invest in asset-backed securities, commercial mortgage backed securities, and other debt securities and instruments issued by the Brookfield Accounts or their investments (as part of a Brookfield Account's financing of an underlying investment). Brookfield Insurance Accounts could also provide financing to parties that purchase investments from the Brookfield Accounts.

Brookfield Insurance Accounts' investments generally will be made on terms determined to be arm's length market terms (based on terms negotiated with third-party investors or terms that Brookfield otherwise determines to be consistent with arm's length market terms). However, Brookfield Insurance Accounts' investments in debt securities and/or instruments will result in Brookfield Insurance Accounts and other Brookfield Accounts being invested in different levels of an issuer's capital structure. To the extent a Brookfield Insurance Account is invested in an asset held by a Brookfield Account indirectly via a structure that is not controlled by or affiliated with Brookfield, such investment will generally not be considered an affiliate transaction. For the avoidance of doubt, interest, fees and other amounts earned by Brookfield Insurance Accounts in respect of these investments will not offset or otherwise reduce the management fees payable to Brookfield by the Brookfield Accounts. These situations will give rise to conflicts of interests and potential adverse impacts on the Brookfield Accounts, which are described in more detail (including as to the manner in which Brookfield will manage these situations) in "*Investments*

*with Related Parties” above.*

Because Brookfield manages Brookfield Insurance Accounts, certain transactions (such as, for example, cross trades or other transactions involving a Brookfield Account, on the one hand, and a Brookfield Insurance Account, on the other hand) present conflicts of interest. No transaction involving a Brookfield Account (or a portfolio company), on the one hand, and a Brookfield Insurance Account, on the other hand, will require LPAC approval, unless otherwise determined by Brookfield in its sole discretion.

**Brookfield Capital Solutions.** Brookfield Capital Solutions (“BCS”) is a separate business within Brookfield that focuses on: (i) sourcing investment opportunities for Brookfield Accounts and their portfolio investments; (ii) maintaining relationships with the capital markets community in an effort to help Brookfield Accounts and their portfolio investments to, among other things, raise debt and equity capital and optimize capital structures through creative financing solutions generally on terms and conditions that are viewed as fair, reasonable and equitable from the perspective of Brookfield, Brookfield Accounts and their respective portfolio investments, as applicable; and (iii) structuring capital solutions in an effort to enhance, among other things, the ability to syndicate, place or otherwise transfer loans, securities and other financial instruments arising from financings where Brookfield Accounts and/or their respective portfolio investments are borrowers/issuers and/or lenders/creditors (the “BCS Business”).

The BCS Business is conducted via subsidiaries of BN Re, which is economically linked to Brookfield Corporation. The BCS business includes (among others): (i) a securities broker and dealer registered with the SEC and admitted to membership in FINRA, and (ii) a subsidiary that provides a variety of services with respect to non-security financial instruments, including loans, such as sourcing/originating, arranging, underwriting, structuring, and distributing/syndicating loans, debt advisory services and other similar services. Fees received by the BCS Business are not applied to reduce management fees payable by Brookfield Accounts and are not otherwise shared with Brookfield Accounts and/or their portfolio investments that are recipients of the services.

Among others, BCS performs the following services: (i) underwriting firm and best efforts offerings of securities and non-security instruments on a referral basis; (ii) the resale of securities under Rule 144A under the Securities Act on a referral basis; (iii) merger and acquisition and corporate finance advisory services; (iv) private placements of securities and non-security instruments; (v) nonexchange member arranging for transactions in listed securities by an exchange member, on a referral basis; (vi) trading securities for its own account; (vii) broker or dealer selling corporate debt securities on a referral basis; and (viii) broker or dealer selling interests in mortgages, receivables or other asset-backed securities on a referral basis. The BCS Business is expected to, from time to time, expand the services that it performs and the activities in which it engages. In addition, Brookfield could in the future develop new businesses, such as providing additional investment banking, advisory, and other services to corporations, financial sponsors, management, or other persons, which could be part of the BCS Business.

Any such services could relate to transactions that could give rise to investment opportunities that are suitable for Brookfield Accounts and/or their portfolio investments or, alternatively, that preclude

investment opportunities for Brookfield Accounts and/or their portfolio investments (including because the BCS Business's participation could change the tax characteristics of an investment opportunity for a Brookfield Account). The BCS Business will not be obligated to decline any such engagements in order to make an investment opportunity available to Brookfield Accounts and/or their portfolio investments. It is also possible that Brookfield will come into the possession of information through BCS that limits the ability of Brookfield Accounts' (and/or their portfolio investments') to engage in potential transactions.

Underwriting services are provided to existing and potential portfolio investments of Brookfield Accounts, as well as to third parties on occasion. Where the BCS Business serves as underwriter with respect to a portfolio company's securities, a Brookfield Account will generally be subject to a "lock-up" period following the offering under applicable regulations or agreements during which time its ability to sell any securities that it continues to hold is restricted. This could prejudice such Brookfield Account's ability to dispose of such securities at an opportune time.

Syndication services include, among other things, identifying potential third-party investors (including potential syndication participants and/or financing counterparties), assisting in structuring the transaction so that it will be more marketable to third-party investors and/or financing counterparties, preparing marketing materials, performing outreach, executing on a syndication and sell-down strategy, arranging financing and providing post-closing support to Brookfield Accounts and/or their portfolio investments. These services could be required (and the BCS Business will be compensated for providing them) even in situations where ultimately there is no allocation, syndication, sell-down to third-party investors or financing (e.g., when it is unclear at the outset of negotiating a transaction whether there will be sufficient capacity (or demand) to provide the full amount of the financing sought by the borrower or issuer (or its sponsor)).

Generally, the role of the BCS Business in a syndication of securities and/or non-security financial instruments (including loans) for portfolio investments is that of a co-manager and not as lead underwriter, but it could also serve in such capacity from time to time. The BCS Business can also resell corporate debt or equity securities to Brookfield Accounts or otherwise assist in structuring or facilitating the initial resales of debt or equity securities under Rule 144A of the Securities Act, or pursuant to a private placement exemption from Securities Act registration.

In addition to capital raising services, the BCS Business also provides capital markets and debt advisory services to portfolio investments of Brookfield Accounts, including in respect of restructurings and work-outs. The BCS Business will generally be engaged either by the borrower or issuer (or its sponsor) and receive its fees and expense reimbursement directly from the borrower or issuer (or its sponsor) for services rendered.

The provision of services by the BCS Business to a Brookfield Account or to existing or potential portfolio investments and the allocated compensation will not be subject to review by or consent of such Brookfield Account's LPAC or Investors. In accordance with the Brookfield Accounts' governing documents, fees that are received by the BCS Business in connection with its provision of merger and acquisition transaction advisory services to the Brookfield Account's portfolio investments are applied to

reduce management fees owed to Brookfield from the Brookfield Accounts. However, fees received by the BCS Business in connection with the provision of private placement, underwriting, arranging, structuring, syndication, origination, sourcing, collateral management, administration, debt advisory, commitment, facility, float or other services (including other broker-dealer services such as facilitating initial resales of debt or equity securities under Rule 144A under the Securities Act) are not applied to reduce management fees (or otherwise be shared with the Brookfield Account).

The relationship between Brookfield, on the one hand, and the BCS Business, on the other hand, gives rise to conflicts of interest considerations, both in connection with (i) a Brookfield Account's (or its portfolio investment's) engagement of the BCS Business for services, and/or (ii) a Brookfield Account's participation in an investment opportunity issued (or originated) by a third-party issuer (or borrower) in respect of which the BCS Business provides services. Such conflicts considerations include, but are not limited to: (i) in connection with a Brookfield Account's (or its portfolio investment's) engagement of the BCS Business for services, the terms of the engagement (including the compensation to be paid to the BCS Business, which is expected to include fees and expense reimbursement); and (ii) in connection with a Brookfield Account's participation in an investment opportunity issued (or originated) by a third-party issuer (or borrower) in respect of which the BCS Business provides services, the BCS Business' interest in the transaction, including its entitlement to remuneration in respect thereof.

Moreover, in circumstances where a third-party issuer (or borrower) becomes distressed and the participants in an offering undertaken by such issuer (or borrower), including a Brookfield Account, have a valid claim against the underwriter, Brookfield would have a conflict in determining whether to commence litigation or other proceedings against the BCS Business. In addition, because of the relationships that the BCS Business has with other non-affiliate broker-dealers, in circumstances where a non-affiliate broker-dealer has underwritten an offering, the issuer of which becomes distressed, Brookfield will also have a conflict in determining whether to bring a claim, taking into account the entirety of Brookfield's relationship with the broker-dealer.

Brookfield maintains policies and procedures designed to address and to seek to mitigate these conflicts considerations. Among other things: (i) a Brookfield Account's (or its portfolio investment's) engagement of the BCS Business for services will be in accordance with the requirements for affiliated services, including the determination of the compensation to be paid to the BCS business in that respect; and (ii) each engagement of the BCS Business for services by a Brookfield Account and/or investment by a Brookfield Account in a BCS originated/syndicated investment opportunity will be subject to review and approval by Brookfield's Investment Committee for the relevant Brookfield Account and/or the portfolio management team managing portfolio investments of such Brookfield Account, which is comprised of different personnel from those managing the BCS Business, to ensure that the engagement and/or investment is suitable and appropriate for the Brookfield Account's investment mandate, as well as the Conflicts Committee to ensure that the conflicts considerations relating to the engagement and/or investment are appropriately addressed.

However, there can be no assurance that the terms agreed to will reflect then-current arm's length terms, be as favorable to the portfolio investment as otherwise would be the case if BCS was not part of the

underwriter syndicate, be the same as those that other Brookfield Accounts or their portfolio investments receive in other transaction or be benchmarked in any manner. In some circumstances, the terms agreed to may be better than then-current arm's length terms; in other cases, these terms may be worse. In selecting counterparties for any particular transaction and negotiating the terms (including fees) with such counterparties, Brookfield will do so in accordance with its fiduciary duty to act in the best interests of the relevant Brookfield Account taking into account the totality of the circumstances, but will not be required to (and is not expected to) cause the Brookfield Account (or portfolio investment thereof) to select counterparties solely on the basis of the fees and other financial terms offered by the counterparties. In cases where Brookfield Accounts or their portfolio investments agree to pay counterparties a higher fee than may have been offered by other prospective counterparties, BCS (and other co-managers) will accordingly also receive higher compensation. While Brookfield personnel advising the Brookfield Account or its portfolio investment with respect to its engagement of an underwriting syndicate are expected to be distinct from the personnel who manage the BCS Business, they will generally be aware of BCS's interest in the transaction, and – like Brookfield personnel across the organization – will be compensated in part with incentive compensation tied to the performance of Brookfield's publicly traded affiliates, certain of which will be impacted by revenue generated by the BCS Business, and/or otherwise hold economic interests in such affiliates.

The BCS Business expects to provide services (including financing, capital markets, and advisory services) to third parties from time to time. Such third parties could include competitors of Brookfield, Brookfield Accounts and/or their portfolio investments. Services to third parties in this manner present additional conflicts of interest. For example, the BCS Business could act as placement agent or underwriter of securities for a third party that could be acquired by a Brookfield Account. The BCS Business also could come into possession of information that it (and Brookfield) is prohibited from acting on (including on behalf of a Brookfield Account) or disclosing to Brookfield as a result of applicable confidentiality requirements or applicable law, even though such action or disclosure would be in the best interest of the Brookfield Accounts and/or their portfolio investments.

**Alternative Investment Vehicles.** Brookfield Accounts make certain investments through one or more "Alternative Investment Vehicles" which Brookfield manages, serves as general partner of or advises. Where an affiliate of Brookfield serves as general partner (or similar role) of an Alternative Investment Vehicle and such general partner is controlled by a board of directors, such board may include one or more independent directors. Further, an affiliate of Brookfield generally serves as the investment manager or advisor of Alternative Investment Vehicles, and the management agreement and other governing documents of Alternative Investment Vehicles may differ from those applicable to the relevant Brookfield Account in order to reflect legal, tax, regulatory, structuring, compliance, investment specific or similar considerations applicable to such affiliate acting as investment manager.

Subject to any relevant legal, tax, regulatory, structuring, compliance, investment-specific or other considerations, the terms of an Alternative Investment Vehicle are generally substantially similar as practicable and applicable in all material respects to the terms of the applicable Brookfield Account, and certain Alternative Investment Vehicles have different legal, tax, regulatory, structuring, compliance, or investment-specific consequences for the Investors than investing in the relevant Brookfield Account.

Brookfield will determine the structure of each investment made through an Alternative Investment Vehicle, including where multiple Alternative Investment Vehicles will be used and the Investors will be divided among such Alternative Investment Vehicles. Similarly, Investors that invested in one parallel fund of a Brookfield Account could invest through the same Alternative Investment Vehicle as Investors that invested in a different parallel fund of such Brookfield Account. In certain cases, Brookfield may permit an affiliate of an Investor to participate in one or more Alternative Investment Vehicles in lieu of such Investor. Although Alternative Investment Vehicles may be structured to take advantage of particular laws, regulations or tax regimes applicable to an investment or structured to accommodate certain legal, tax or regulatory considerations with respect to a certain Investor, there is no guarantee that Brookfield will cause each investor to invest in the optimal Alternative Investment Vehicle for such Investor.

In addition, there may be circumstances where an Investor's admission to a particular Alternative Investment Vehicle is delayed for legal, tax, regulatory or similar reasons. To the extent that Brookfield has called capital into such Alternative Investment Vehicle from other Investors, Brookfield's ability to call capital from such Investor may be delayed on account of the delay in such Investor's admission to such Alternative Investment Vehicle. In such cases, Brookfield will take those measures it determines to be equitable under the circumstances, which may include applying a notional interest charge to the delayed Investor to account for its delayed funding (and any such notional interest charge would be treated in a manner similar to later-closing notional interest such that it is in addition to such Investor's commitment and would not be taken into account for purposes of the distribution "waterfall").

Further, Brookfield could structure Alternative Investment Vehicles and other Brookfield Account structures in a manner that benefits Brookfield's investment in such Brookfield Account or maximizes the tax efficiency of Brookfield's potential carried interest in such Brookfield Account, and as a result, Brookfield will receive certain benefits that other Investors do not receive from such structuring. From time to time, Brookfield will form Alternative Investment Vehicles and/or other Brookfield Account structures in certain jurisdictions so as to facilitate Brookfield Accounts' investments and, in certain circumstances, will sponsor such entities and, in connection therewith, take minority equity positions in them as required of the sponsoring entity pursuant to applicable legal and regulatory requirements. While the formation of these Alternative Investment Vehicles and/or other Brookfield Account structures are designed to facilitate investments, Brookfield's sponsoring of the vehicles will be done on the basis of potential benefits that flow to Brookfield's broader investment platform, including more efficient approval of these entities for the Brookfield Accounts in reliance on the pre-existing authorization of the sponsoring entity. In addition, pursuant to its minority equity position in these vehicles, Brookfield will generate a return on the investment (positive or negative) that would otherwise have inured to the Brookfield Accounts. In particular, Brookfield may form Alternative Investment Vehicles solely for its own participation in certain Investments, which will result in additional expenses to the Brookfield Accounts. In certain cases, Alternative Investment Vehicles may be structured as trusts or other arrangements that differ materially from the structure of the Brookfield Accounts. While Brookfield seeks to replicate the terms and protections of the Brookfield Accounts when such arrangements are used, this may not always be possible and the governing documents of such arrangements may vary materially from the Governing Documents. Where a trust arrangement is used, Brookfield may serve as a trustee and contractual arrangements may be used to create limited liability



and other Brookfield Account terms, rights, protections and obligations may not inherently exist within the legal structure of the trust. In that regard, in order to achieve the desired structure, the payment of fees, costs and expenses (including the management fee and incentive distributions) may be structured as a personal obligation of the participating Investors, though such amounts are contractually agreed to be paid by the trust on behalf of such Investors.

The aggregation of the Brookfield Accounts' and Alternative Investment Vehicles' performance could have adverse tax consequences on Investors. For example, if the IRS successfully asserted that a Brookfield Account and its Alternative Investment Vehicles should be treated as a single partnership for U.S. Federal income tax purposes, tax-exempt investors could recognize UBTI and non-U.S. investors could recognize CAI and ECI. In certain cases, Brookfield may defer incentive distributions from a Brookfield Account or an Alternative Investment Vehicle, in each case taking into account tax, regulatory or similar considerations applicable to a Brookfield Account, one or more groups of Investors, or to Brookfield, as well as internal compensation arrangements of Brookfield and other considerations, with subsequent "catch-up" distributions made by a Brookfield Account or an Alternative Investment Vehicle, and such deferral may have adverse consequences (including adverse tax consequences) for some of the Investors or tax advantages to Brookfield with respect to its incentive distributions. It is also possible that incentive distributions may be made by an Alternative Investment Vehicle (or Brookfield Account) even where the investments made by such Alternative Investment Vehicle (or Brookfield Account) suffer losses or do not achieve the preferred return, or the incentive distributions made by an Alternative Investment Vehicle (or Brookfield Account) may exceed 20% of profits realized from the Investments made by such Alternative Investment Vehicle (or Brookfield Account). For the avoidance of doubt, the aggregate distributions of incentive distributions from the Brookfield Account and any Alternative Investment Vehicles will not exceed the total amount of incentive distributions distributable to Brookfield.

If an Investor seeks to transfer its interest in a Brookfield Account, Brookfield generally requires such Investor to transfer its interest in each Alternative Investment Vehicle to the same transferee. However, each Alternative Investment Vehicle that was appropriate for such Investor may not be appropriate for the transferee and, as a result, the transferee may bear additional taxes, costs and/or filing obligations. In certain situations, it may not be possible to transfer the interest in a particular Alternative Investment Vehicle to the intended transferee or at all. The facilitation of transfers involving Alternative Investment Vehicles is expected to generate additional legal and administrative costs, which costs would be borne by the transferring parties and/or by the applicable Brookfield Account.

**Structuring of Investments and Subsidiaries.** Brookfield is typically the largest investor in Brookfield Accounts and is entitled to receive management fees and other compensation from them. As a result, Brookfield will take its interests into account structuring Brookfield Accounts' investments and other operations, while also taking into account the interests of the relevant Brookfield Accounts. In that regard, at the end of a Brookfield Account's term, Brookfield may cause all of the investors' interests to be redeemed in whole, rather than dissolving or cancelling the Brookfield Account with the relevant authority. Similarly, Brookfield may undertake transactions involving subsidiary entities of a Brookfield Account that result in such subsidiaries winding up via a series of loans and repayments that may leave such subsidiaries in existence and owned by Brookfield or its affiliate, but no longer owned by the

Brookfield Account, after the Brookfield Account's term or the realization of the relevant investment. Brookfield may also cause subsidiaries of a Brookfield Account to lend proceeds to Brookfield (without interest), with such proceeds ultimately paid back to the Brookfield Account. Brookfield may also take all or a portion of distributions to which it is entitled (in respect of the Brookfield Commitment or incentive distributions) in the form of an interest-free loan from the Brookfield Account that is later erased. Brookfield may also implement various other strategies and structures over time based on its own interests and objectives.

From time to time, Brookfield may implement bespoke structures for one or a group of investors, including Brookfield Accounts and third-party investors, to facilitate their participation in particular investments in a manner that addresses tax, regulatory or other concerns (such as forming an alternative investment vehicle for an individual investor). These structures will generally require additional expenses to be borne by the relevant Brookfield Accounts, and such expenses are generally shared among all investors in such accounts. In light of the time and expense required in connection with bespoke structures, in some cases Brookfield may make such structures available only to certain investors even when other similarly-situated investors could also benefit from them. Brookfield will decide in its discretion which investors will benefit from such bespoke structuring based on factors such as the amount of an investor's investment, contractual agreements with such Investors and the particular tax, regulatory or other circumstances applicable to an investor. Investors for whom Brookfield engages in such bespoke structuring are expected to benefit from more favorable tax or other outcomes than other similarly-situated investors who do not benefit from such structuring.

**Restrictions on Brookfield Accounts' Activities.** Brookfield is subject to certain protocols, obligations and restrictions in managing Brookfield Accounts, including conflicts-management protocols, aggregated regulatory reporting obligations and other regulatory restrictions such as real estate investment trust affiliate rules and regulations (which also apply with respect to certain Brookfield businesses that are separated by an information barrier, including PSG and Oaktree (in each case, as defined and described above)) and certain investment-related restrictions, which could in certain situations have an adverse effect on the Brookfield Accounts.

**Buying and Selling Assets.** Subject to certain exceptions, such as the transfer of an investment among Brookfield Accounts where such accounts are intended to co-invest alongside each other in the investment or are ultimately intended to invest in different assets that are acquired as part of a portfolio of assets or platform, without obtaining LPAC approval, the Brookfield Accounts will not invest (directly or indirectly) in any securities issued by, or acquire investments from or sell investments to, other Brookfield Accounts (excluding, for this purpose, any portfolio companies of Brookfield Accounts). Brookfield may offer an investment to co-investors after a Brookfield Account has closed on such investment, even if not originally acquired with the intent to offer the investment as a co-investment opportunity. Such sales to co-investors do not require LPAC approval. These purchases and sales could give rise to conflicts of interest, including with respect to the consideration offered and the obligation of such accounts. Additionally, Brookfield may, in its discretion, determine not to pursue a transaction on behalf of a Brookfield Account that would otherwise be within the investment objective of such Brookfield Account if LPAC approval would be required in connection with such transaction and, in such circumstance, other Brookfield Accounts may pursue and invest in such transaction.

**Financing to Counterparties of Brookfield Accounts.** There may be situations in which a Brookfield Account or Brookfield Insurance Account will offer and/or commit to provide financing to one or more third parties that are expected to bid for and/or purchase an investment (in whole or in part) from a Brookfield Account. This type of financing could be provided through pre-arranged financing packages arranged and offered by a Brookfield Account or Brookfield Insurance Account to potential bidders in the relevant sales process or otherwise pursuant to bilateral negotiations between one or more bidders and Brookfield and/or the Brookfield Account. For example, where a Brookfield Account seeks to sell an investment (in whole or in part) to a third party in the normal course, a Brookfield Account, or Brookfield Insurance Account may offer the third-party debt financing to facilitate its bid and potential purchase of the investment.

This type of arrangement will only be offered in situations in which Brookfield believes it is neutral to or provides benefits to Brookfield Accounts by supporting third parties in their efforts to successfully bid for and/or acquire investments. However, acquisition financing arranged and offered by Brookfield Accounts or Brookfield Insurance Accounts also creates potential conflicts of interest. In particular, such account's participation as a potential lender in the sales process could create an incentive to select a third-party bidder that uses financing arranged by a Brookfield Account or Brookfield Insurance Account to the potential detriment of another Brookfield Account.

In order to mitigate potential conflicts of interest in these situations, Brookfield generally will seek to take one or more of the following actions (as it determines in its sole discretion) in satisfaction of its duties to each Brookfield Account: (i) offer investments for sale in the normal course via competitive and blind bidding processes designed to maximize the sales value for a Brookfield Account, (ii) engage one or more independent advisers, such as sell-side bankers, on behalf of a Brookfield Account to administer and facilitate a commercially fair and equitable sales process, (iii) consult with and/or seek approval of Investors or the applicable Brookfield Account's LPAC (or similar bodies) with respect to a recommended and/or intended course of action; (iv) establish ethical screens or information barriers (which can be temporary and of limited purpose) to separate the Brookfield investment professionals that act on behalf of the applicable Brookfield Account, on the one hand, from the Brookfield investment professionals that act on behalf the other Brookfield Account or Brookfield Insurance Account arranging and offering the acquisition financing, on the other hand, and (v) such other actions that Brookfield deems necessary or appropriate taking into account the relevant facts and circumstances. However, there can be no assurance that any particular action will be feasible or effective in any particular situation, or that Brookfield's own interests won't influence its conduct, and it is possible that the outcome for a Brookfield Account will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. In addition, the actions that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potential inconsistency in the manner in which these situations are addressed.

In addition, in certain situations Brookfield may accept a bid for an investment from a bidder that received acquisition financing from a Brookfield Account or Brookfield Insurance Account that is at a lower price than an offer that it received from a party that has independent financing sources. For

example, although price is often the deciding factor in selecting whom to sell an investment to, other factors frequently influence the seller, including, among other things, closing conditions, lack of committed financing sources, regulatory or other consent requirements, and such other factors that increase the risk of the higher- priced bidder being able to complete or close the transaction under the circumstances. Brookfield could therefore cause a Brookfield Account to sell an asset to a third party that has received financing from another Brookfield Account or Brookfield Insurance Account even when such third party has not offered the most attractive price.

In exercising its discretion hereunder, Brookfield will seek to ensure that Brookfield Accounts obtain the most favorable sale package (including sales price and certainty and speed of closing) on the basis of a commercially fair and equitable sales process. However, no sale of an investment (in whole or in part) involving acquisition financing provided by a Brookfield Account will require approval by Investors or the applicable Brookfield Account's LPAC (or similar bodies).

**Investments by Brookfield Personnel.** Brookfield personnel that participate in Brookfield's advisory business activities, including partners, members, shareholders, directors, officers and other employees of Brookfield ("Brookfield Personnel"), are permitted to buy and sell securities or other investments for their own accounts (including through Brookfield Accounts) or accounts of their family members, including trusts and other controlled entities. Positions may be taken by such Brookfield Personnel that are the same, different from, or made at different times than positions taken directly or indirectly for Brookfield Accounts. To reduce the possibility of (a) potential conflicts between Brookfield's investment activities on behalf of Brookfield Accounts and those of Brookfield Personnel, and (b) Brookfield Accounts' activities being materially adversely affected by personal trading activities described above, Brookfield has established policies and procedures relating to personal securities trading. To this end, Brookfield Personnel that participate in managing Brookfield Accounts' investment activities are generally restricted from engaging in personal trading activities (unless such activities are conducted through accounts over which Brookfield Personnel have no influence or control), and other Brookfield Personnel generally must pre-clear proposed personal trades. In addition, Brookfield's policies include prohibitions on insider trading, front running, trading in securities that are on Brookfield's securities watch list, trading in securities that are subject to a black-out period and other restrictions.

Certain Brookfield Personnel are expected to be offered the opportunity to invest in Brookfield Accounts. While such investments are otherwise expected to be made on the terms available to third party investors, Brookfield Personnel will generally not pay any management fees or carried interest. Brookfield Personnel, including the persons who are primarily responsible for the management of a Brookfield Account, are not required to make investments in such Brookfield Account. Financing or other funding arrangements will be made available to certain Brookfield Personnel to assist them in funding all or a portion of their investment in such Brookfield Account. Such arrangements may include debt financing that is recourse to Brookfield and/or Brookfield Personnel. It is expected that some of the Brookfield Personnel utilizing these arrangements will be individuals who are involved in managing Brookfield Accounts and their Investments. The use of such financing arrangements may influence Brookfield Personnel responsible for the provision of investment advice to recommend investments with different risk profiles than they otherwise would have. In addition, if a Brookfield Account experiences losses, the use of such financing would be expected to magnify the losses realized by Brookfield

Personnel who utilized such financing for their investment in such Brookfield Account.

**Investments by the Related-Party Investor.** Certain Brookfield executives and former executives own a substantial majority of an investment vehicle (the “Related-Party Investor”) whose investment mandate is managed by Brookfield, Oaktree and PSG. The Related-Party Investor’s investments include, among other things, interests in companies that Brookfield Accounts have invested in, are investing in, and/or will in the future invest in, including in certain cases investments made alongside Brookfield Accounts.

There is no information barrier between the personnel managing the Related-Party Investor’s activities and the rest of Brookfield (with the exception of Oaktree and PSG, which are walled off). Brookfield has adopted protocols designed to ensure that the Related-Party Investor’s activities do not materially conflict with or adversely affect Brookfield’s activities on behalf of Brookfield Accounts and to ensure that the interests of Brookfield Accounts are, to the extent feasible, prioritized relative to the Related-Party Investor’s interests, including among others in connection with the allocation of investment opportunities and the timing of execution of investments.

**Brookfield’s Public Securities Group.** Brookfield is an active participant, as agent and principal, in the global fixed income, currency, commodity, equities and other markets. Certain of Brookfield’s investment activities are managed independently of, and carried out without any reference to, the management of Brookfield Accounts. For example, Brookfield invests, trades or makes a market in the equity, debt or other interests of certain investments without regard to the impact of such activities on Brookfield Accounts and their portfolio investments. In particular, Brookfield’s Public Securities Group (together with its business lines, “PSG”) manages investment funds and accounts that invest in public debt and equity markets. There is currently an information barrier in place pursuant to which Brookfield and PSG manage their investment operations independently of each other and do not generally share information relating to such activities. Consequently, Brookfield and PSG generally do not consult each other about, or have awareness of, investment decisions made by the other, and neither is subject to any internal approvals over its investment decisions by any person who would have knowledge of the investment decisions of the other. As a result, PSG will not share with Brookfield investment opportunities that would otherwise be suitable for Brookfield Accounts, and Brookfield Accounts will have no rights with respect to such opportunities. In addition, in certain circumstances, funds and/or accounts managed by PSG will hold an interest in Brookfield Accounts’ investments (or potential investments). In such situations, PSG funds and/or accounts may benefit from the activities of Brookfield Accounts. In addition, as a result of different investment objectives and views, PSG is likely to manage its interests in a way that is different from Brookfield Accounts (including, for example, by investing in different portions of an issuer’s capital structure, short selling securities, voting securities in a different manner, and/or selling its interests at different times than Brookfield Accounts).

The potential conflicts of interest described herein are magnified as a result of the information sharing barrier because Brookfield’s investment teams generally will not be aware of, and will not have the ability to manage, such conflicts. Brookfield has discretion at any time, and without notice to Investors, to remove or modify such information barrier. In the event that the information barrier is removed or modified, Brookfield would be subject to certain protocols, obligations and restrictions in managing

Brookfield Accounts, including, for example, conflicts-management protocols and certain potential investment-related restrictions.

**Oaktree.** Brookfield holds a significant interest in Oaktree Capital Group, LLC (together with its affiliates, “Oaktree”). Oaktree is a global investment manager with significant assets under management, emphasizing an opportunistic, value-oriented and risk-controlled approach to investments in credit, private equity, real assets and listed equities. Brookfield and Oaktree operate their respective investment businesses largely independently pursuant to an information barrier, with each remaining under its current brand and led by separate management and investment teams.

It is expected that Brookfield, Brookfield Accounts and their portfolio companies will engage in activities and have business relationships that give rise to conflicts (and potential conflicts) of interest between them, on the one hand, and Oaktree, Oaktree-managed funds and accounts (collectively, “Oaktree Accounts”) and their portfolio companies, on the other hand. For so long as Brookfield and Oaktree manage their investment operations independently of each other pursuant to an information barrier, Oaktree, Oaktree Accounts and their respective portfolio companies generally will not be treated as affiliates of Brookfield, Brookfield Accounts and their portfolio companies, and conflicts (and potential conflicts) considerations, including in connection with allocation of investment opportunities, investment and trading activities, and agreements, transactions and other arrangements entered into with Oaktree, Oaktree Accounts and their portfolio companies, generally will be managed in accordance with disclosures set out in the Governing Documents and as summarized herein.

There is (and in the future will continue to be) some degree of overlap in investment strategies and investments pursued by Brookfield Accounts (directly and indirectly) and Oaktree Accounts. Nevertheless, Brookfield generally does not expect to coordinate or consult with Oaktree with respect to investment activities and/or decisions. This absence of coordination and consultation, and the information barrier described above, will in some respects mitigate conflicts of interests between Brookfield Accounts, on the one hand, and Oaktree Accounts, on the other hand; however, these same factors also will give rise to certain conflicts and risks in connection with Brookfield’s and Oaktree’s investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because Brookfield and Oaktree are not expected to coordinate or consult with each other about investment activities and/or decisions, and neither Brookfield nor Oaktree is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, Oaktree Accounts will be entitled to pursue investment opportunities that are suitable for Brookfield Accounts, but which are not made available to those Brookfield Accounts. Brookfield Accounts, on the one hand, and Oaktree Accounts, on the other hand, are also expected to compete, from time to time, for the same investment opportunities. Such competition could, under certain circumstances, adversely impact the purchase price of Brookfield Accounts’ (direct and/or indirect) investments. Oaktree will have no obligation to, and generally will not, share investment opportunities that may be suitable for Brookfield Accounts with Brookfield, and Brookfield Accounts will have no rights with respect to any such opportunities.

In addition, Oaktree will not be restricted from forming or establishing new Oaktree Accounts, such as



additional funds or successor funds. Moreover, Brookfield expects to provide Oaktree, from time to time, with (a) access to marketing-related support, including, for example, strategy sessions, introductions to investor relationships and other marketing facilitation activities, and (b) strategic oversight and business development support, including general market expertise and introductions to market participants such as portfolio companies, their management teams and other relationships. Certain such Oaktree Accounts could compete with or otherwise conduct their affairs without regard as to whether or not they adversely impact Brookfield Accounts.

Oaktree Accounts will be permitted to make investments of the type that are suitable for Brookfield Accounts without the consent of Brookfield. From time to time, Brookfield Accounts, on the one hand, and Oaktree Accounts, on the other hand, are expected to purchase or sell an investment from each other, as well as jointly pursue one or more investments. In addition, from time to time, Oaktree Accounts are expected to hold an interest in an investment held by (or potential investment of) Brookfield Accounts, and/or subsequently purchase (or sell) an interest in an investment held by (or potential investment of) Brookfield Accounts, including in different parts of the capital structure. For example, a Brookfield Account may hold the equity of a portfolio company of an Oaktree Account. In such situations, Oaktree Accounts could benefit from Brookfield Accounts' (direct or indirect) activities. Conversely, Brookfield Accounts could be adversely impacted by Oaktree's activities. In addition, as a result of different investment objectives, views and/or interests in investments, it is expected that Oaktree will manage certain Oaktree Accounts' interests in a way that is different from the interests of Brookfield Accounts (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities or exercising rights it holds in a different manner, and/or selling its interests at different times than Brookfield Accounts), which could adversely impact Brookfield Accounts' (direct and/or indirect) interests. Oaktree and Oaktree Accounts are also expected to take positions, give advice and provide recommendations that are different, and potentially contrary to those which are taken by, or given or provided to, Brookfield Accounts, and are expected to hold interests that potentially are adverse to those held by Brookfield Accounts (directly or indirectly). Brookfield Accounts, on the one hand, and Oaktree Accounts, on the other hand, will in certain cases have divergent interests, including the possibility that the interests of Brookfield Accounts are subordinated to Oaktree Accounts' interests or are otherwise adversely affected by Oaktree Accounts' involvement in and actions related to the investment. Oaktree will not have any obligation or other duty to make available for the benefit of Brookfield Accounts any information regarding its activities, strategies and/or views.

Oaktree may provide similar information, support and/or knowledge to Brookfield, and the conflicts (and potential conflicts) of interest described above will apply equally in those circumstances.

The potential conflicts of interest described herein are expected to be magnified as a result of the lack of information sharing and coordination between Brookfield and Oaktree. Brookfield's investment teams managing Brookfield Accounts' activities are not expected to be aware of, and will not have the ability to manage, such conflicts. This will be the case even if they are aware of Oaktree's investment activities through public information.

Brookfield and Oaktree may decide, at any time and without notice to Brookfield Accounts or Investors, to remove or modify the information barrier between Brookfield and Oaktree. In the event that the

information barrier is removed or modified, it would be expected that Brookfield and Oaktree will adopt certain protocols designed to address potential conflicts and other considerations relating to the management of their investment activities in a different or modified framework.

Breaches (including inadvertent breaches) of the information barrier and related internal controls by Brookfield and/or Oaktree could result in significant consequences to Brookfield (and Oaktree) as well as have a significant adverse impact on Brookfield Accounts, including, among other things, potential regulatory investigations and claims for securities laws violations in connection with Brookfield's direct and/or indirect investment activities on behalf of Brookfield Accounts. These events could have adverse effects on Brookfield's reputation, result in the imposition of regulatory or financial sanctions, negatively impact Brookfield's ability to provide investment management services to Brookfield Accounts, all of which could result in negative financial impact to the investment activities of Brookfield Accounts.

To the extent that the information barrier is removed or otherwise ineffective and Brookfield has the ability to access analysis, models and/or information developed by Oaktree and its personnel, Brookfield will not be under any obligation or other duty to access such information or effect transactions on behalf of Brookfield Accounts in accordance with such analysis and models, and in fact may be restricted by securities laws from doing so. Brookfield may make investment decisions that differ from those it would have made if it had pursued such information, which may be disadvantageous to a Brookfield Account.

Additionally, Brookfield may from time to time engage Oaktree, Oaktree Accounts and/or their portfolio companies to provide certain services to Brookfield Accounts and their portfolio companies, including without limitation non-investment management related services and other services that would otherwise be provided by third-party service providers or Brookfield, as the case may be. For example, an Oaktree Account may be a lender to an investment owned by a Brookfield Account, or an AIFM owned by Brookfield and Oaktree may serve as an AIFM of a Brookfield Account and provide services such as risk management. If engaged by a Brookfield Account, such AIFM may provide such services at different rates than those charged to the Brookfield Accounts or its affiliates than it will charge to the Oaktree Accounts. While Brookfield will determine in good faith what rates and expenses it believes are acceptable for the services being provided to Brookfield Accounts (including based on similar services provided, or previously provided, to other Brookfield Accounts and/or rates approved by other Brookfield Accounts), there can be no assurances that the rates and expenses charged to Brookfield Accounts will not be greater than those that would be charged in alternative circumstances. Each such engagement will be in accordance with disclosures set out in this Brochure and in the applicable Governing Documents. In addition, Brookfield could be retained by Oaktree or a portfolio company thereof to perform services that it also provides to the Brookfield Accounts. The rates charged by Brookfield for such services to Oaktree are expected to be different than (and could be less than) those charged to the Brookfield Accounts.

This does not purport to be a complete list or explanation of all actual or potential conflicts that could arise as a result of the Oaktree acquisition, and additional conflicts not yet known by Brookfield or Oaktree may arise in the future and those conflicts will not necessarily be resolved in favor of Brookfield

Accounts' interests. Because of the extensive scope of both Brookfield's and Oaktree's activities and the complexities involved in combining certain aspects of existing businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.

**Cross Trades and Principal Trades.** When permitted by applicable law and subject to and in accordance with the terms of the Governing Documents of the applicable Brookfield Account, Brookfield may (but is under no obligation to) cause a Brookfield Account to acquire or dispose of investments in cross trades between other Brookfield Accounts or effect principal transactions where Brookfield causes the Brookfield Account to purchase investments from or sell investments to Brookfield, provided that, any such transaction be approved to the extent required by the Governing Documents and applicable law. Under our Governing Documents, where a Brookfield Account engages in cross trades with other Brookfield Accounts or effects principal transactions with Brookfield, such transactions are subject to the approval of the independent directors or the LPACs (subject to certain exceptions), which approval is deemed to constitute the approval of, and be binding upon, Brookfield Accounts. The independent directors of Brookfield Accounts have generally approved cross trades between Brookfield Accounts provided they are executed in accordance with parameters described in this Brochure. Principal trades between Brookfield Accounts are generally subject to approval by our independent directors on a case-by-case basis. Similarly, the Brookfield Accounts have generally approved cross trades between such Brookfield Accounts provided they are executed in accordance with parameters described in the applicable Brookfield Accounts' Governing Documents, while principal trades between such Brookfield Accounts are subject to their Investors' consent on a case-by-case basis (which is generally obtained via their LPACs or other analogous bodies), which approvals will be deemed to constitute the approval of, and be binding upon, the Brookfield Account. Whether a transaction is a "principal trade" under the Advisers Act, and therefore requires LPAC approval, depends on the precise structure of such transaction. In certain circumstances, Brookfield will structure a transaction in a manner so that it is not considered a "principal trade".

There may be potential conflicts of interest or regulatory issues relating to these transactions which could limit Brookfield's decision to engage in these transactions for Brookfield Accounts. In connection with a cross trade or a principal transaction, Brookfield and its affiliates have a potentially conflicting division of loyalties and responsibilities regarding a Brookfield Account and the other parties to the trade and have developed policies and procedures in relation to such transactions and conflicts. However, there can be no assurance that such transactions will be effected, or that such transactions will be effected in the manner that is most favorable to a Brookfield Account as a party to any such transaction. By virtue of its investment, an Investor consents to a Brookfield Account entering into cross trades and, subject to consent by the LPAC or other analogous body, principal transactions to the fullest extent permitted under applicable law. For the avoidance of doubt, acquisitions or dispositions among certain portfolio companies owned by other Brookfield Accounts, PSG, Oaktree or Non-Controlled Affiliates will not be treated as cross trades or principal transactions and will not require the approval of the independent directors or any other consent. See *"Affiliated Services and Transactions"* below.

**Excess Funds Liquidity Arrangement with Related Parties.** Brookfield has an arrangement in place with Brookfield Accounts pursuant to which those Brookfield Accounts lend Brookfield excess funds from time to time and Brookfield lends excess funds to those Brookfield Accounts from time to time. This

arrangement is intended to enhance the use of excess funds between those Brookfield Accounts and Brookfield when the lender has excess funds and the borrower has a business need for the capital (including, without limitation, to fund operating and/or investment activities and/or to pay down higher cost capital), and provides: (i) to the lender, a higher rate of return on the funds than it otherwise would be able to achieve in the market and (ii) to the borrower, a lower cost of funds than it otherwise would be able to obtain in the market.

Brookfield, in its capacity as the service provider, determines when it is appropriate for those Brookfield Accounts to lend excess funds to, or borrow excess funds from, Brookfield. Brookfield has similar arrangements with other affiliates for whom it serves in one or more capacities, including (among others) promoter, principal investor and investment manager. It is therefore possible that, from time to time and to the extent that Brookfield determines this to be in the best interests of the parties: (i) funds that are placed on deposit with Brookfield by those Brookfield Accounts will, in the discretion of Brookfield on a case-by-case basis, be lent to other affiliates of Brookfield and (ii) funds that are placed on deposit with Brookfield by other Brookfield affiliates will, in the discretion of Brookfield on a case-by-case basis, be lent to those Brookfield Accounts. Because the interest rates charged are reflective of the credit ratings of the applicable borrowers, any loans by Brookfield to its affiliates generally will be at higher interest rates than the rates then applicable to any balances deposited with Brookfield by those Brookfield Accounts or other Brookfield affiliates (as applicable). These differentials are approved according to protocols described below. Accordingly, Brookfield also benefits from these arrangements and will earn a profit as a result of the differential in lending rates.

Amounts those Brookfield Accounts lend to or borrow from Brookfield pursuant to this arrangement generally are repayable at any time upon either side's request, and Brookfield generally ensures that the borrower has sufficient available capital from another source in order meet potential repayment demands. As noted above, Brookfield determines the interest rate to be applied to borrowed/loaned amounts taking into account each party's credit rating and the interest rate that would otherwise be available to it in similar transactions on an arms' length basis with unrelated parties.

Conflicts of interest arising for Brookfield under this arrangement will be approved in accordance with Brookfield's conflicts protocols for managing and resolving potential conflicts of interest.

**Arrangements with Brookfield.** The relationship between Brookfield Accounts and Brookfield involves a number of arrangements pursuant to which Brookfield provides various services to other Brookfield Accounts, including access to financing arrangements and investment opportunities, and Brookfield Accounts support other Brookfield Accounts and their portfolio investments in various ways. Certain of these arrangements could contain terms that are less favorable than those which otherwise might have been negotiated between unrelated parties. However, Brookfield believes that these arrangements are in the best interests of the Brookfield Accounts.

Circumstances could arise in which these arrangements will need to be amended or new arrangements will need to be entered into, and conflicts of interest between Brookfield Accounts and Brookfield will arise in negotiating such new or amended arrangements. Any such negotiations will be subject to review and approval in accordance with Brookfield's conflicts protocols for resolving potential conflicts of interest.

Brookfield is generally entitled to share in the returns generated by its operations, which creates an incentive for it to assume greater risks when making decisions for Brookfield Accounts than it otherwise would in the absence of such arrangements. In addition, Brookfield's investment in and support of Brookfield Accounts and their portfolio investments provides Brookfield with certain ancillary benefits, such as satisfying Brookfield's commitment to invest in such accounts (which Brookfield would otherwise need to satisfy from different sources), assisting Brookfield in marketing Brookfield Accounts and facilitating more efficient management of their portfolio investments' operations.

**Limited Liability of Brookfield.** The liability of Brookfield and its officers and directors is limited under Brookfield Accounts' arrangements with them, and Brookfield Accounts have agreed to indemnify Brookfield and its officers and directors against claims, liabilities, losses, damages, costs or expenses which they may face in connection with those arrangements, which may lead them to assume greater risks when making decisions than they otherwise would if such decisions were being made solely for Brookfield's own account, or may give rise to legal claims for indemnification that are adverse to the interests of Investors. U.S. federal and state securities laws may impose liability under certain circumstances on persons that act in good faith. Notwithstanding anything to the contrary in these arrangements, nothing in the these arrangements is intended to, or will, constitute a waiver of any rights or remedies that a Brookfield Account or any investors may have under such laws.

**Third-party Involvement.** Brookfield Accounts may co-invest through or invest in partnerships, joint ventures or other entities with third-parties that may have economic or business interests or objectives, including exit strategies, that are different than or conflict with those of the Brookfield Accounts or that may be in a position to take action contrary to the Brookfield Account's objectives, which may result in negative consequences, including loss of capital.

## DECISIONS MADE AND ACTIONS TAKEN THAT MAY RAISE POTENTIAL CONFLICTS OF INTEREST

**Reputational Considerations.** Given the nature of its broader platform, Brookfield has an interest in preserving its reputation, including with respect to certain of its affiliates' statuses as publicly traded vehicles, and in certain circumstances, such reputational considerations may conflict with the interests of Brookfield Accounts. Brookfield will likely make decisions on behalf of a Brookfield Account for reputational reasons that may not be directly aligned with the interests of investors or consistent with the determination Brookfield otherwise would have made absent its interest in Brookfield's broader reputation. For example, Brookfield may limit transactions and activities on behalf of a Brookfield Account for reputational or other reasons, including where Brookfield is providing (or may provide) advice or services to an entity involved in such activity or transaction, where another Brookfield Account is or may be engaged in the same or a related activity or transaction to that being considered on behalf of a Brookfield Account, where another Brookfield Account has an interest in an entity involved in such activity or transaction, or where such activity or transaction on behalf of or in respect of a Brookfield Account could affect Brookfield, other Brookfield Accounts or their activities. Additionally, by way of example, Brookfield may take into account the potential environmental and/or social impact when making decisions regarding the selection, management and disposal of investments and make take additional actions with respect to an investment motivated by environmental and social considerations

beneficial to the reputation of Brookfield's broader platform. Such decisions and actions may result in Brookfield Accounts achieving lower financial returns had Brookfield not engaged in such decisions and actions. Conversely, while ESG considerations are integrated into Brookfield investment process, Brookfield may determine in any particular situation to take actions to preserve financial returns of Brookfield Accounts, notwithstanding any adverse ESG impact on the investments of Brookfield Accounts.

**Brookfield Commitment.** Brookfield and/or its affiliates expect to satisfy Brookfield's commitment to Brookfield Accounts in whole or in part by making a commitment to or alongside a Brookfield Account and/or directly into the portfolio investments (the "Brookfield Commitment"). For the avoidance of doubt, all or a substantial portion of the Brookfield Commitment may be satisfied by, or transferred to, (a) any Brookfield affiliate, including publicly traded or privately-owned affiliates of Brookfield (potentially including Brookfield Annuity Company, a Brookfield insurance affiliate, and/or Oaktree), (b) the Commitments of employees of Brookfield and their estate planning vehicles and charitable foundations and/or (c) one or more other investment structures, instruments or transactions (including a vehicle, account, account segregation, portfolio, cell, participation, derivative or other contractual or legal arrangement) in which Brookfield (or an entity with securities convertible into Brookfield) has, directly or indirectly, economic exposure to the performance of the investments (a "Structuring Entity"). For purposes of calculating the total Brookfield Commitment and to the extent any portion of the Brookfield Commitment is made in a currency other than U.S. dollars, such portion of the Brookfield Commitment shall be converted to U.S. dollars at the then prevailing exchange rate at the time such commitment is made. The Brookfield Commitment with respect to a portfolio investment may also be satisfied by a Brookfield commitment to another Brookfield Account, Brookfield Insurance Account or Oaktree Account investing alongside a Brookfield Account in that portfolio investment. Notwithstanding the foregoing, for so long as Brookfield, BAM Re and Oaktree manage their investment operations independently of each other pursuant to an information barrier, BAM Re and Oaktree generally will not be treated as an affiliate of Brookfield, a Brookfield Account or any investments for purposes of the Governing Documents (see "*Oaktree*" above). Furthermore, if Brookfield satisfies all or a portion of the Brookfield Commitment via another Brookfield Account or Oaktree Account, such investment of such Brookfield Account or Oaktree Account in such portfolio company may be on different terms and conditions than those of another Brookfield Account.

The Brookfield Commitment may be satisfied in whole or in part at any closing or closings of the Brookfield Account in Brookfield's discretion, up to and including during the final closing of the Brookfield Account. In circumstances where all or a portion of the Brookfield Commitment is not satisfied at the initial closing, the Brookfield Account is expected to incur additional interest of its loan facilities or other costs, fees and expenses. Brookfield will not reimburse the Brookfield Account for any such interest, costs, fees and expenses that result from the portion of the Brookfield Commitment being satisfied at a time later than the initial closing.

Investments by Brookfield in or alongside a Brookfield Account will be on terms more favorable than those of other Investors and will constitute a substantial percentage of the overall commitments to Brookfield Accounts. Brookfield expects to waive the management fees and carried interest payable in respect of the Brookfield Commitment and other commitments made by certain Brookfield affiliates,



employees, former employees and other “friends and family” of Brookfield who invest in a Brookfield Account, which treatment will not be available to other investors pursuant to “most favored nations” provisions or otherwise. Brookfield may make a commitment to a Brookfield Account that exceeds the Brookfield Commitment for such Brookfield Account, in which case, Brookfield will be permitted to transfer, sell or otherwise transact with respect to such excess portion in its discretion. For example, Brookfield may directly or indirectly transfer (including through a participation interest) all or part of that portion of its capital commitment in excess of the Brookfield Commitment on a deal-by-deal basis to third-parties or investors. In addition, in connection with one or more investments alongside a Brookfield Account, on a case-by-case basis and with LPAC approval, Brookfield may seek to fund all or a portion of its commitment using publicly traded securities of Brookfield and/or one of its affiliates, which could create conflicts of interest. In particular, the fact that the seller is receiving Brookfield stock as part of the consideration for an Investment may influence the purchase price and/or other terms of the transaction. If the seller applies a discount to the net asset value or market price of the stock, the seller could seek additional cash compensation from a Brookfield Account as part of the transaction and/or Brookfield may be required to allocate more stock to the investment than expected. Alternatively, if Brookfield disagrees with the discount applied by the seller, it may have an adverse impact on the negotiations, and therefore may reduce the likelihood that the transaction is ultimately consummated. In addition, the expenses associated with negotiating cash and stock transactions are typically higher than in the case of a pure cash deal. To the extent that Brookfield funds a portion of its Commitment using publicly traded securities of Brookfield or one of its affiliates, such funding may be utilized in lieu of borrowings under any loan facility. In such an instance, other than in the event of a default under such loan facility, Brookfield may not be obligated to make capital contributions to repay any related borrowings (including interest thereon), although the other Investors will still remain responsible for such amounts, which may create a misalignment of interests and disparate returns.

In addition, because of the nature of the entity or entities expected to make the Brookfield Commitment, all or a substantial portion of the Brookfield Commitment is expected to be satisfied directly or indirectly by affiliates (and investment vehicles) and/or Structuring Entities that (a) are not responsible for the management of a Brookfield Account, (b) may be substantially beneficially owned by third parties who are not affiliated with Brookfield and (c) may have different objectives than a Brookfield Account. As a result, in certain circumstances such affiliates (and investment vehicles) and Structuring Entities may not have a complete alignment of interest with other Investors. Furthermore, in the event that any such affiliates and/or Structuring Entities that are satisfying the Brookfield Commitment have capital constraints in the future, it could influence investment decisions made by Brookfield in respect of a Brookfield Account. To the extent that the Brookfield Commitment is made by employees of Brookfield (or their estate planning vehicles and charitable foundations), there is no guarantee that such employees are involved in the management of a Brookfield Account or that such employees will remain with Brookfield through the term of such Brookfield Account.

Further, the investment of the Brookfield Commitment may give rise to additional reporting and related requirements for certain portfolio companies, including due to (a) the fact that the entity or entities satisfying the Brookfield Commitment may be publicly traded or may otherwise have third -party investors or counterparties, (b) the consolidation of such portfolio companies’ financial statements with those of a Brookfield Account for its own accounting purposes and (c) ensuring a proper financial

accounting control environment. The applicable portfolio companies will bear all costs incurred in connection with satisfying such reporting requirements. In addition, Brookfield reserves the right to have a portion of its commitment transferred to, or satisfied by an investment vehicle managed or advised by PSG (which may or may not be an affiliate of Brookfield at such time). In addition, the costs associated with the formation and structuring of any Structuring Entity or other investment vehicle utilized by Brookfield with respect to the Brookfield Commitment will be borne by the relevant Brookfield Account, even if (as expected) such costs solely benefit Brookfield. Additionally, any costs incurred for advising Brookfield with matters related to the Brookfield Commitment and implementing the structures that facilitate the Brookfield Commitment, including with respect to legal, tax and other structuring matters, will also be borne by the relevant Brookfield Account, even if (as expected) such costs solely benefit Brookfield.

Brookfield, any of its affiliates and/or any Structuring Entity may borrow funds (i) in order to fund or otherwise satisfy the Brookfield Commitment or (ii) for working capital needs or for other purposes related to Brookfield's businesses. A Structuring Entity may also be capitalized through a reinsurance arrangement. In connection therewith, Brookfield and/or any of its affiliates may pledge their interests in a Brookfield Account or their economic entitlements related thereto to a lender as collateral, or such Structuring Entity's reinsurance arrangement may provide the ceding insurer with the right to recapture its assets under certain conditions. Investors will not have the ability to participate in any such arrangements, and the rates, terms and conditions of any such borrowing or other arrangements may be more favorable than the rates, terms and conditions of any loan facility entered into by a Brookfield Account or available to any other Investor. Brookfield may, in certain circumstances, be incentivized to prematurely harvest investments to service its own debt or other obligations. In addition, in the event of a default, a lender or ceding insurer will engage in customary remedies as provided in the applicable credit or reinsurance documents, including the right to foreclose on or otherwise recapture any posted collateral, which may include Brookfield's interests in a Brookfield Account and/or their portfolio investments. Any foreclosure or recapture on such collateral would be expected to reduce the alignment of interest between Brookfield and Investors. To the extent that any borrowing, reinsurance or other transactions result in a transfer of the Brookfield Commitment, only the consent of Brookfield will be required to effect such transaction, and Brookfield would expect to grant such consent.

Brookfield is permitted to, and may, restructure the Brookfield Commitment at any point during a Brookfield Account's term, including by entering into derivative, financing, securitization or other structures, instruments or transactions. In addition, Brookfield may pledge or otherwise use as credit support all or any portion of its interests in a Brookfield Account, portfolio investments or its future distributions or proceeds from a Brookfield Account, in each case, to or in favor of any person, in the same manner that it may do so for other of its other assets. Brookfield expects to grant its consent to any such restructuring of the Brookfield Commitment. The potential transactions described in this paragraph, or similar type of transactions, if effectuated, could, depending on the manner in which such transactions are structured, alter the alignment of interest between Brookfield and Investors.

**Warehoused Investments and Initial Investments.** Brookfield (or a Brookfield Account) may purchase one or more warehoused investments on behalf of another Brookfield Account. Brookfield or the Brookfield Account, as applicable, is expected to sell each warehoused investment to the other

Brookfield Account either prior to or following the initial closing of the account for a purchase price equal to the cost to Brookfield or the Brookfield Account, as applicable, with respect to such warehoused investment, including any expenses attributable thereto and taking into account the impact of any currency fluctuations, plus an annually compounded rate of return on the capital deployed by Brookfield or the Brookfield Account, as applicable, as set out in the relevant Brookfield Account's Governing Documents, in respect of such warehoused investments, net of any cash distributions received by Brookfield or the Brookfield Account, as applicable, with respect to such warehoused investment (but the cost of carry will not in any event be reduced below zero). Brookfield Accounts may make initial investments. The purchase price (and any related deposits and expenses) of any initial investment may be funded by amounts borrowed pursuant to a loan facility. Notwithstanding the foregoing, if upon the initial closing of a Brookfield Account, there has been a significant event relating to any initial investment or warehoused investment (such as a partial realization or a material change in value), Brookfield may, in its discretion, exclude such initial investment or warehoused investment from being purchased by the Brookfield Account or adjust the interests of investors in such Brookfield Account in, or the purchase price of, such initial investment or warehoused investments. In addition, Brookfield may hold an initial closing of a Brookfield Account in respect of the Brookfield commitment (which may be satisfied by another Brookfield Account) to establish a subscription backed loan facility to facilitate the purchase of certain initial investments by the Brookfield Account; provided, however, that if upon the initial closing, there has been a significant event relating to any initial investment (such as a partial realization or a material change in value), Brookfield may, in its discretion, adjust the interests of investors in such Brookfield Account in, or the purchase price of, such initial investments. If an initial investment is funded using such a subscription backed loan facility, a Brookfield Account will be responsible for payments of any interest thereon. In the event a Brookfield Account is unable to purchase a warehoused investment from Brookfield or the Brookfield Account, or Brookfield or the Brookfield Account is unable to sell a warehoused investment to a Brookfield Account for any legal, tax, regulatory or other reason, then such investment will not be treated as a warehoused investment for purposes of the Governing Documents and Brookfield or the Brookfield Account will be permitted to own, syndicate, sell or take any other action with respect to such investment even if such actions benefit Brookfield.

Certain conflicts of interest are inherent in the foregoing transactions between Brookfield (or the Brookfield Account) and the other Brookfield Account, including in respect of the terms of the agreement between Brookfield or the Brookfield Account, as applicable, and the other Brookfield Account regarding the sale of the warehoused investment (including as to representations, warranties, indemnities and remedies therein). In addition, where Brookfield or the Brookfield Account acquires a warehoused investment for the other Brookfield Account, the other Brookfield Account will generally be obligated to purchase such warehoused investment from Brookfield or the Brookfield Account regardless of any subsequent events affecting the value of such asset or deficiencies in such warehoused investment discovered after its acquisition by Brookfield or the Brookfield Account. Although the prices at which warehoused investments are expected to be acquired by the other Brookfield Account will be determined based on the formula described above, (a) such prices may not be as favorable as those in a negotiated transaction with a third party and (b) under circumstances, such prices may be adjusted to reflect significant events relating to any warehoused investment. Moreover, the other Brookfield Account will acquire the warehoused investments through privately

negotiated transactions with Brookfield or the Brookfield Account, in which prior due diligence may be limited and the persons controlling the other Brookfield Account may be conflicted in such transactions. As a result, there is no guarantee that the terms of such transactions will be as favorable as those that could be obtained from a third party or that the properties and interests that will comprise the warehoused investments will not carry with them undisclosed liabilities, which could have a material adverse effect on the value of either of the Brookfield Accounts.

In connection with the warehoused investments, the other Brookfield Account will be indemnified by Brookfield or the Brookfield Account, as applicable, for claims made with respect to breaches of certain representations, warranties or covenants. Such indemnification is limited, however, and the other Brookfield Account is not entitled to any other indemnification in connection with the warehoused investments. The other Brookfield Account is subject to the risk that Brookfield or the Brookfield Account may experience material financial distress and be unable to satisfy one or more of these obligations. In addition, the other Brookfield Account is reliant on Brookfield and therefore the other Brookfield Account may choose to enforce less vigorously their rights under these arrangements, which could have a material adverse effect on their value. U.S. federal and state securities laws may impose liability under certain circumstances on persons that act in good faith. Notwithstanding anything to the contrary in the above, nothing in these arrangements is intended to, or will, constitute a waiver of any rights or remedies that a Brookfield Account or any investors may have under such laws.

**Material, Non-Public Information; Trading Restrictions; Information Not Made Available.** The ability of the Brookfield Accounts to buy or sell certain securities or take other actions is expected to be restricted in certain circumstances, including by applicable securities laws, regulatory requirements, contractual obligations and/or reputational risk considerations applicable to Brookfield (and/or its internal policies designed to comply with these and similar requirements). For example, Brookfield will possess material, non-public information about issuers that would limit the ability of the Brookfield Accounts to buy and sell securities related to those issuers.

Furthermore, Brookfield (including PSG, Oaktree and any other Brookfield businesses that are separated by information barriers) and the Brookfield Accounts are deemed to be affiliates for purposes of certain laws and regulations (notwithstanding that PSG, Oaktree and other such Brookfield businesses will generally not be treated as affiliates under the Brookfield Accounts' Governing Documents) and it is anticipated that, from time to time, Brookfield Accounts will each have positions (which in some cases will be significant) in one or more of the same issuers. As such, Brookfield may need to aggregate certain investment holdings, including holdings of Brookfield Accounts, for certain securities laws purposes (including trading restrictions under Rule 144 under the Securities Act, complying with reporting obligations under Section 13 of the Exchange Act and the reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including: (a) public utility companies and public utility holding companies; (b) bank holding companies; (c) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (d) casinos and gaming businesses; and (e) public service companies (such as those providing gas, electric or telephone services)). Consequently, activities by one Brookfield Account could result in earlier public disclosure of investments by other Brookfield Accounts, restrictions on transactions of other Brookfield Accounts (including the ability to make or dispose of certain investments at certain

times), adverse effects on the prices of investments made by Brookfield Accounts, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for the Brookfield Accounts.

As a result of the foregoing, Brookfield may restrict, limit or reduce the amount of investments made on behalf of a Brookfield Account. In addition, certain investments may become subject to legal or other restrictions on transfer following their acquisition. When faced with the foregoing limitations, Brookfield will generally seek to avoid exceeding the threshold because exceeding the threshold could have an adverse impact on the ability of Brookfield to conduct its business activities. Brookfield may also reduce a Brookfield Account's interest in, or restrict a Brookfield Account from participating in, an investment opportunity that has limited availability or where Brookfield has determined to cap its aggregate investment in consideration of certain regulatory or other requirements so that other Brookfield Accounts that pursue similar investment strategies are able to acquire an interest in the investment opportunity. Brookfield could determine not to engage in certain transactions or activities which may be beneficial to the Brookfield Accounts because engaging in such transactions or activities in compliance with applicable law would result in significant cost to, or administrative burden on, Brookfield and/or other Brookfield Accounts or create the potential risk of trade or other errors.

Brookfield (including PSG, Oaktree and any other Brookfield businesses that are separated by information barriers) may become subject to additional restrictions on its business activities that could have an impact on the activities of the Brookfield Accounts. In addition, Brookfield may restrict investment decisions and activities on behalf of certain, but not all, Brookfield Accounts, including Brookfield Accounts sponsored, managed or advised by Brookfield, PSG or Oaktree.

**Affiliated Services and Transactions.** Where it deems appropriate, relevant and/or necessary, in its sole discretion, Brookfield will perform or will engage its affiliates and/or related parties to provide a variety of different services and products in connection with the operation and/or management of Brookfield Accounts and/or their investments, potential investments and/or investment entities, that would otherwise be provided by the management team of an investment or independent third parties, including (among others): lending and loan special servicing, arranging, negotiating and managing financing, refinancing, hedging, derivative, managing workouts and foreclosures and other treasury and capital markets arrangements; investment banking (including participation by Brookfield-affiliated broker dealers in the underwriting and syndications of securities, loans and other financial instruments issued by Brookfield Accounts or the portfolio companies of Brookfield Accounts); investment support, including investment backstop, guarantees and similar investment support arrangements; advisory, consulting, brokerage, market research, appraisal, valuation, risk management, assurance, and audit services (including related to investment, assets, commodities, goods and services); acting as alternative investment fund manager and/or other similar type of manager in jurisdictions where such services are necessary and/or beneficial and services relating to the use of entities that maintain a permanent residence in certain jurisdictions; financial planning, cash flow modeling and forecasting, accounting, consolidation, reporting, books and records, bank account and cash management, controls and other financial operations services; transaction support, assisting with review, underwriting, analytics, due diligence and pursuit of investments and potential investments; anti-bribery and corruption, anti-money laundering and "know your customer" reviews, assessments and compliance measures; investment



onboarding (including training employees of investments on relevant policies and procedures relating to risks); legal (including, but not limited to, in connection with Rate Schedule services), compliance, regulatory, tax and corporate secretarial services; fund administration, accounting and reporting (including coordinating, supervising and administering onboarding, due diligence, reporting and other administrative services, including those associated with the third party fund administrator and placement agents of Brookfield Accounts and client onboarding (including review of subscription materials and coordination of anti-bribery and corruption, anti-money laundering or “know your customer” reviews and assessments); preparation and review of fund documents, negotiation with prospective investors and other services that would be considered organizational expenses of a Brookfield Account if performed by a third party; real estate asset management, including but not limited to performing portfolio company executive functions (CEO, CFO, CIO, COO, CAO, General Counsel, etc.), developing and overseeing execution of strategic business plans, budgets, managing tenant relationships and marketing strategy, asset onboarding and integration, and appointing and overseeing property managers and development managers; acting as owner’s representative; data generation, data analytics, data analysis, data collection and data management services; participation in and/or advice on a range of activities by strategic and/or operations of professionals with established industry expertise, including among others in connection with (or with respect to) the origination, identification, assessment, pursuit, coordination, execution and consummation of investment opportunities, including project planning, engineering and other technical analysis, securing site control, preparing and managing approvals and permits, financial analysis and managing related-stakeholder matters; real estate, leasing and/or asset/facility management; development management (including pre-development, market and site analysis, modeling, zoning, entitlements, land use, pre-construction, community and government relations, design, environmental review and approvals, securing and administering compliance with governmental agreements, government approvals and incentive programs, permitting, site safety planning and construction); marketing, branding and communications (including of power or other output by an underlying asset/portfolio company); environmental and sustainability services; the placement and provision of various insurance policies and coverage and/or reinsurance thereof, including via risk retention, insurance captives and/or alternative insurance solutions; system controls; human resources, payroll and welfare benefits services; health, life and physical safety, security, operations, maintenance and other technical specialties; supply and/or procurement of power, energy and/or other commodities/goods/products; information technology services, risk management and innovation (including cyber/digital security and related services); all services contemplated by a Rate Schedule; property operations (i.e., facilities management); other operational, back office, administrative and governance related services; oversight and supervision of the provision, whether by a Brookfield affiliate/related party or a third party, of the above- referenced services and products; and any other services that Brookfield deems appropriate, relevant and/or necessary in connection with the operations and/or management of Brookfield Accounts, and/or their investors, investments, potential investments and/or the investment entities (such services, collectively, “Affiliated Services”). The types of Affiliated Services that Brookfield provides will not remain fixed and are expected to change and/or evolve over time as determined by Brookfield in its sole discretion.

Some of these services give rise to additional conflicts of interest considerations because they are similar to the services provided by Brookfield to Brookfield Accounts. However, Brookfield deems these services to be appropriate for and value enhancing to the operations and/or management of



investments, potential investments, and Brookfield Accounts, and these services otherwise would be provided by third parties engaged to provide the services. Amounts charged to Brookfield Accounts and/or their investments for Affiliated Services will be in addition to other compensation payable to Brookfield, will not be shared with Brookfield Accounts and/or the Investors (or be offset against other compensation payable to Brookfield), will increase the overall costs and expenses borne indirectly by Investors in Brookfield Accounts, and are expected to be substantial.

The fee potential, both current and future, inherent in a particular transaction could be an incentive for Brookfield to seek to refer or recommend a transaction to Brookfield Accounts. Furthermore, providing services or products to Brookfield Accounts and its investments is expected to enhance Brookfield's relationships with various parties, facilitate additional business development and enable Brookfield to obtain additional business and generate additional revenue.

To the extent Brookfield (including any of its affiliates and/or personnel, other than portfolio companies of Brookfield Accounts) provides an Affiliated Service, the amount charged for such service will be: (a) at rates approved by the Brookfield Account that receives the services pursuant to an Affiliated Services rate schedule (the "Rate Schedule"); (b) at a rate for the relevant service that Brookfield reasonably believes is consistent with an arm's length market rate (the "Affiliate Service Rate"); (c) at cost (including an allocable share of internal costs), plus an administrative fee of 5%; or (d) at any other rates with consent from the Investors or the applicable Brookfield Account's LPAC (or similar bodies). A portion of any fees paid to Brookfield affiliates in accordance with the Rate Schedule may be paid as a pass-through of payroll costs for the Brookfield personnel providing such services (in which case the amount payable as a fee in accordance with the Rate Schedule will be reduced on a dollar-for-dollar basis). To the extent Brookfield charges an Affiliate Service Rate or cost plus an administrative fee in respect an Affiliated Service, the Affiliate Services Rate or cost (as applicable) will be determined as set out in more detail in this Brochure. For the avoidance of doubt, Brookfield has discretion to decide when to charge cost plus an administrative fee of 5% instead of using the Rate Schedule or the Affiliate Service Rate, including in situations where cost plus 5% results in a higher fee.

With respect to Affiliated Services, the costs of personnel managing day to day operations of an investment (collectively, "Operating Personnel"), in each case whether employed by Brookfield or a third-party and whether performing services on site or off site, will be charged to the investments of Brookfield Accounts at cost (including an allocable share of internal costs) in addition to the fees that are prescribed by the Rate Schedule or the Affiliate Service Rate, as applicable. For the avoidance of doubt, the fees so charged will not be reduced by the costs of Operating Personnel. The passed-through costs of such Operating Personnel are often substantial, and in certain cases, are expected to exceed the amount of fees charged in accordance with the Rate Schedule or the Affiliate Services Rate, as applicable.

In certain cases, Brookfield will oversee and/or supervise third-party service providers who provide services that, if performed by Brookfield, would be charged to a Brookfield Account in accordance with the Rate Schedule and/or the Affiliate Service Rate; in such cases, Brookfield may charge, (i) fees that, when combined with the fees charged by the third party services provider, are at a rate equal to or less than those set out in the Rate Schedule, or (ii) at cost (including an allocable share of internal costs) plus an administrative fee of 5% in addition to the third-party service provider's fees, which amounts

may in the aggregate exceed the rates set forth on the Rate Schedule.

If an Affiliated Service is charged at the Affiliate Service Rate, Brookfield will determine the Affiliate Service Rate in good faith at the time of engagement based on one or more factors, including, among others: (i) the rate that one or more comparable service providers (which may or may not be a competitor of Brookfield) charge third -parties for the similar services on an arm's length basis; (ii) market knowledge (which could be based on internal knowledge or inquiries with one or more market participants); (iii) the rate charged by Brookfield to one or more third -parties for similar services (or the methodology used by Brookfield to set such rate); (iv) advice of and/or information provided by one or more third-party agents, consultants and/or other market participants, including fee data and benchmark analyses (which could be based on proprietary models that utilize various inputs, assumptions and/or estimates deemed relevant by the third-party); (v) commodity or other rate forecasting; (vi) the rate agreed to pursuant to a competitive arm's length bidding process (which may not reflect the lowest rate bid during the process, but that is inherent in an engagement that is deemed by Brookfield to be in the best interests of Brookfield Accounts and/or their investments taking into account the totality of factors relating thereto); (vii) the rate required to meet certain regulatory requirements or qualify for particular governmental programs; (viii) in the case of services which Brookfield provides as part of a syndicate, such as investment banking or brokerage services, the rate that is negotiated and/or determined by a third-party member of the syndicate; (ix) the rate that a third party agreed to provide the service at pursuant to a term sheet or similar agreement or understanding; (x) the rate the portfolio company agreed to pay (in cases where the relevant Brookfield Account holds a minority investment in the portfolio company with limited or no control rights, such that Brookfield negotiates such rate with the portfolio company on an arm's length basis); and/or (xi) other subjective and/or objective metrics deemed relevant by Brookfield (in its sole discretion) in determining an arm's length market rate for a particular service.

For the avoidance of doubt, the costs to be paid in respect of Affiliated Services and therefore an expense of Brookfield Accounts (whether such Affiliated Services are provided in accordance with a Rate Schedule, at the Affiliate Service Rate, cost plus an administrative fee, or otherwise) will include, among other components: (i) personnel compensation costs and expenses (e.g., salary, benefits (including, among others, paid time off)), (ii) short- and long-term incentive compensation (including management promote, incentive fee and/or other performance-based compensation), (iii) costs and expenses of professional development, professional certifications, professional fees, training, business travel (including, among others, transportation, lodging and meals) and related matters, (iv) an allocable share of corporate costs and expenses associated with employment, including (among others) office rent, human resources personnel, talent acquisition fees and expenses, and office services costs, and (v) an allocable share of technology costs and expenses associated with employment of personnel, including, among others, information technology hardware, human resources technology, computing power and/or storage, software, cybersecurity, and related costs. These costs and expenses are expected to be substantial and will, in certain cases, be based on estimates made by Brookfield, both in respect of the total amount of costs and expenses relating to a particular service as well as the shares of such costs and expenses allocable to Brookfield Accounts. To the extent Brookfield retains the services of a third-party consultant, agent or other market participant to advise on or otherwise assist in determining an Affiliate Service Rate and/or the estimated costs and expenses of providing an Affiliated Service to a

Brookfield Account, the fees and costs (including expenses) of such third party will be borne by such Brookfield Account.

At all times, Brookfield will endeavor to determine the costs and expenses and/or the Affiliate Service Rate applicable with respect to a particular Affiliated Service, in a fair, reasonable and impartial manner. However, there can be no assurance that any such determination will accurately reflect the actual cost and/or arm's length market rate of an Affiliated Service in any particular situation, that Brookfield's own interests won't influence its determination, and/or that a different methodology would not have also been fair, reasonable and/or yield a different (including more accurate) result. Among other things, the determination of cost and expenses generally will be based on estimates (which are inherently subjective) and, in determining an Affiliate Service Rate, there are variances in the marketplace for similar services based on an array of factors that affect rates for services, including, among others, loss leader pricing strategies, other marketing and competitive practices, integration efficiencies, geographic market differences, and the quality of the services provided. In addition, in determining the Affiliated Service Rate for any Affiliated Service, Brookfield will exercise discretion as to which factor(s), and which elements within such factor(s), to rely on. For example, in relying on information provided by one or more third parties, such as fee data and benchmark analyses, Brookfield could determine to rely on data and/or analyses relating to one benchmark transaction, a set of transactions that were executed within a particular time period and/or one or more particular industries, or other universe of benchmark transaction(s), as it determines in its sole discretion. As a result, there can be no assurances that the amounts charged by Brookfield for any Affiliated Service will not be greater (or lower) than the rate that would be charged had Brookfield determined the rate via a different methodology or engaged a similarly-situated third-party service provider to provide the services. The Affiliate Service Rate charged for any Affiliated Service at any given time following the relevant engagement could be higher (or lower) than the then-current market rate for the service because the market rate has decreased (or increased) over time. However, Brookfield generally will not adjust (i.e., decrease or increase) the Affiliate Service Rate in any particular case. Brookfield's methodology of estimating the costs and expenses attributable to a particular Affiliated Service could be higher (or lower) than the actual cost of providing the service, particularly as Brookfield will rely on estimates of costs and expenses (including, among others, estimates of budgets, expected services, relative sizes (or other metric) of assets and/or businesses, and/or time periods) and blended rates of employees. However, unless otherwise determined by Brookfield, in its sole discretion, the associated charges to Brookfield Accounts and/or an investment will not be subject to true-up once the relevant Affiliated Services are completed or periodically throughout the services period.

Where Affiliated Services are in place prior to a Brookfield Account's ownership of an investment and cannot be amended without the consent of an unaffiliated third party, the Brookfield Account will inherit the pre-existing rates for such Affiliated Services until (X) such time at which third-party consent is no longer required, or (Y) the Brookfield Account seeks consent from the unaffiliated third party to amend such rates. Accordingly, while Brookfield could seek consent of the unaffiliated third party to amend any pre-existing fee rates, Brookfield will be incentivized to seek to amend the pre-existing fee arrangement in certain circumstances and dis-incentivized to do so in others. For example, Brookfield will be incentivized to seek consent to amend the rate in circumstances where the amended fee would be higher than the pre-existing rate, and conversely could choose not to (and will not be required to) seek consent

to amend any pre-existing fee rates if the amended rate would be lower than the pre-existing rate.

From time to time, Brookfield will terminate Affiliated Services arrangements entered into between Brookfield Accounts and/or their investment(s), on the one hand, and Brookfield and/or other Brookfield Accounts (and/or their investment(s)), on the other hand, including prior to the expected termination or expiration of the arrangements. In such instances, Brookfield will endeavor to act fairly and reasonably taking into account the interests of the Brookfield Accounts (and/or their investment(s)) as well as its counterparties and the applicable facts and circumstances at such time. However, there can be no assurance that any such termination will be effected in such manner as it otherwise would have been had the counterparty not been a Brookfield related entity and/or that Brookfield's own interests won't influence the manner of such termination. In particular, Brookfield could determine to waive and/or otherwise negotiate certain terms relating to the termination, including early termination fees and related provisions, in a manner that it would not have pursued if the counterparty were not a Brookfield related entity. In addition, it is possible that a Brookfield Account or a particular investment could bear a larger portion of the termination costs than it otherwise would have if Brookfield did not face the conflicts of interest considerations discussed herein.

For the avoidance of doubt, the foregoing procedures and limitations regarding compensation for transactions will not apply to transactions for services and/or products between the investments of Brookfield Accounts and portfolio companies of another Brookfield Account, PSG, Oaktree, Oaktree Account and/or a Non-Controlled Affiliate, which are described in further detail in "*Transactions with Portfolio Companies*" (though Brookfield could nonetheless determine, in its sole discretion, to apply a Rate Schedule, an Affiliate Service Rate and/or an estimated cost plus an administrative fee methodology in these situations).

Historically, certain Affiliated Services were performed by Brookfield (including by its direct personnel, operating partners, servicers, brokers and/or other third-party vendors) without being charged to a Brookfield Account and/or its investments. Brookfield believes that providing these Affiliated Services results in increased focus, attention, efficiencies and related synergies that facilitate alignment of interest and the ability to offer customized solutions and value creation that would not be available from third-party providers. While Brookfield believes that the cost of the Affiliated Services will be reasonable, the extensive and specialized nature of services could result in such costs being higher than those charged for similar services (to the extent available) by third-party providers. Brookfield generally will not evaluate alternative providers or otherwise benchmark the costs of such Affiliated Services. While Brookfield believes that this enhances the overall services that Brookfield provides to a Brookfield Account and its investments in a cost-efficient manner, the arrangement gives rise to conflicts of interest considerations, including among others in connection with the methodologies employed to determine the cost and expenses of the services provided to a Brookfield Account (and/or its investments) and/or the determination of the portion of the costs and expenses relating to support services to be allocated among a Brookfield Account (and its investments), on the one hand, and other Brookfield Accounts (and their investments), on the other hand, including Brookfield.

**Allocation of Costs and Expenses.** In the ordinary course, Brookfield is required to decide whether costs and expenses (including, among others, those incurred in connection with Affiliated Services, Internal Audits and engagements of third-party service providers) are to be borne by certain Brookfield

Accounts and/or their investments or potential investments, on the one hand, or other Brookfield Accounts (including Brookfield), on the other hand, and/or whether such costs and expenses should be allocated among such Brookfield Accounts and other Brookfield Accounts (including Brookfield). These costs and expenses include organizational expenses, operating expenses and expenses charged to investments, including (among others) fees, costs and expenses payable to service providers, including related parties, affiliates of Brookfield and/or third-party service providers. Brookfield expects to allocate costs and expenses to or among the Brookfield Accounts (including Brookfield) that benefit from such costs and expenses in a fair and equitable manner using its good faith judgment, which is inherently subjective. Additional detail regarding costs and expenses is set out, among others, in *"Affiliated Services and Transactions," "Service Providers," "Transfers and Secondments," "Insurance,"* and *"Internal Audit"*.

Brookfield generally will utilize one or more methodologies (that it determines, in its sole discretion, to be fair and equitable) to determine (i) the costs and expenses relating to a particular service (that are not otherwise provided pursuant to a fixed rate) and (ii) the allocation of costs and expenses (including, among others, Affiliated Services and other fees charged by third-party service providers) among Brookfield Accounts (including Brookfield). These methodologies are expected to include, but are not limited to, one or more of the following: (i) quarterly, semi-annual, annual or other periodic estimates (including budgetary estimates) of (A) the amount of time spent by or to be spent by employees on provision of a service to one or more Brookfield Accounts, and/or (B) the level of effort required to provide a particular service relative to other services provided by the same employees (for instance, costs and expenses relating to financial reporting services could be allocated based on the estimated level of effort required for audited versus unaudited financial statements), and Brookfield is not required to subject such estimates to true-up once the relevant costs or expenses have been completed; (ii) the relative size (e.g., value or invested equity), number, output, complexity and/or other characteristic relating to the Brookfield Accounts, investments and/or potential investments to which the services relate; (iii) where services are provided by groups of employees, utilization of blended compensation rates across such employees; and/or (iv) any other methodology deemed fair and equitable by Brookfield in determining (and/or estimating) the cost and expenses relating to the provision of a particular service.

The methodologies that Brookfield utilizes to determine the costs and expenses relating to a particular service and the allocation of costs and expenses (including, among others, Affiliated Services and other fees charged by third-party service providers) among Brookfield Accounts (including Brookfield) are expected to vary based on the particular facts and circumstances of each situation (including potentially analogous situations) and over time, and as such there will be some degree of variation in the manner in which situations are addressed (including similar situations over time). As a result of the foregoing, there can be no assurance that any such determination will accurately reflect the actual cost of a service in any particular situation, that Brookfield's own interests won't influence its determination, and/or that a different methodology would not have also been fair, equitable and/or yield a different (including more accurate) result. Moreover, it is possible that Brookfield Accounts and/or their investments or potential investments could be allocated a larger portion of costs and expenses relating to one or more services, including services provided by Brookfield Accounts (including Brookfield) and/or services that are provided to Brookfield Accounts, than they otherwise would have if Brookfield did not face the



conflicts of interest considerations discussed herein. Among other things, the determination of costs and expenses generally will be based on estimates (which are inherently subjective) and/or blended rates determined by blending and averaging employee costs. As a result, there can be no assurances that the amounts charged by Brookfield to Brookfield Accounts and/or their investments for any service will not be greater (or lower) than the amount that would be charged had Brookfield determined the costs and expenses relating to the service(s) and/or the allocation of such costs and expenses among Brookfield Accounts (including Brookfield) via a different methodology or engaged a similarly-situated third-party service provider to provide the services.

Costs and expenses that are suitable for only one Brookfield Account (and/or its investments or potential investments) are expected to be allocated only to that Brookfield Account. Notwithstanding anything in the foregoing to the contrary, in certain situations costs and expenses are expected to be allocated only to one Brookfield Account (and/or its investments) despite the fact that the incurrence of such costs and expenses did not or will not directly relate solely to such Brookfield Account, and could, in fact, also benefit other Brookfield Accounts or not ultimately benefit such Brookfield Account (and/or its investments or potential investments) at all. For example, costs and expenses could be allocated to a Brookfield Account in respect of a specific legal, regulatory, tax, commercial and/or other matter, structure and/or negotiation that does not relate solely to such Brookfield Account and/or was addressed prior to the launch of such Brookfield Account, and Brookfield could determine to allocate all or a significant portion of such costs and expenses to the Brookfield Account based on factors that it deems equitable in its sole discretion, regardless of the amount of capital raised for and/or number of investors (if any) who ultimately invest in such Brookfield Account in connection with such matter, structure and/or negotiation, and regardless of the extent to which other Brookfield Accounts (including Brookfield) ultimately benefit from such matter, structure and/or negotiation. Costs and expenses incurred in connection with a matter, structure and/or negotiation unrelated to a Brookfield Account could therefore be allocated to a Brookfield Account, even if such costs and expenses were incurred prior to the existence of such Brookfield Account. Similarly, costs and expenses that are expected to be borne by a particular investor in a Brookfield Account or a third party could be allocated to another Brookfield Account to the extent such costs and expenses are not ultimately charged to or paid by such investor or third party, including, for example, costs and expenses related to a transfer of an interest in a Brookfield Account or bespoke reporting and/or other arrangements.

In certain circumstances, in order to create efficiencies and optimize performance, Brookfield expects that one or more investments, potential investments, portfolio companies and/or assets of a Brookfield Account will share the operational, legal, financial, back-office and/or other resources of another investment, potential investment, portfolio company and/or asset of such Brookfield Account, including Brookfield. Brookfield will determine the costs and expenses as well as the allocation of such costs and expenses among the relevant Brookfield Accounts (and/or their assets) utilizing the methodologies set forth above.

Where a potential investment is pursued on behalf of one or more Brookfield Accounts, the Brookfield Account(s) that ultimately make(s) the investment will generally be allocated the costs and expenses related to such investment on a pro-rata basis based on their proportionate interests in the investment. In the case of a potential investment that is not consummated, Brookfield expects to allocate the broken



deal costs and expenses relating to such potential investment among the Brookfield Account(s) that Brookfield expected to participate in such investment on a pro-rata basis based on their expected proportionate interests in the investment, provided that pro-rata interests that were expected to be allocated to (a) other Brookfield Accounts (including Brookfield) so as to facilitate a closing of the investment (i.e., with the expectation that such interests would be further syndicated to third-party investors post-closing) and (b) potential third-party co-investors that did not agree to bear broken deal costs and expenses, will be allocated to Brookfield Accounts for purposes of allocating such broken deal costs and expenses. In any event, Brookfield's allocation of costs and expenses relating to a consummated or unconsummated investment may result in certain Brookfield Accounts reimbursing other Brookfield Accounts (including Brookfield) for costs and expenses, or vice versa, so as to achieve an allocation of such costs and expenses that Brookfield determines, in its discretion, to be fair and equitable, as described above.

Examples of broken deal costs and expenses include, but are not limited to, the following: (a) research costs and expenses, (b) fees and expenses of legal, financial, accounting, risk, technology, consulting or other advisers (including Brookfield) in connection with conducting due diligence or otherwise pursuing a particular non-consummated transaction, (c) fees and expenses in connection with arranging financing for a particular non-consummated transaction, (d) travel costs, (e) deposits or down payments that are forfeited in connection with, or amounts paid as a penalty for, a particular non-consummated transaction, and (f) other costs and expenses incurred in connection with activities related to a particular non-consummated transaction (including, for the avoidance of doubt, any relevant Affiliated Services). Brookfield intends to make allocation determinations in its discretion, and it may modify or change its allocation methodologies from time to time to the extent it determines such modifications or changes are necessary or advisable to achieve a fair and equitable allocation, and such modifications or changes could result in a Brookfield Account bearing less (or more) costs and expenses than it otherwise would have borne without such modifications and/or pursuant to a different allocation methodology.

**Operating Expenses.** Each Brookfield Account will bear all fees, costs and expenses relating to its operations (collectively, "Operating Expenses"), including those relating to: (a) identifying, sourcing, researching, structuring, negotiating, acquiring, making, holding, monitoring, developing, owning, operating, managing, financing, selling or potentially selling, restructuring or potentially restructuring, or disposing of or valuing the Brookfield Accounts' proposed or actual investments, including legal, accounting, auditing, consulting, appraisal, lodging, travel, transportation, meals, entertainment, hedging and other expenses, and the attendance at industry conferences and meetings in connection with the evaluation of future investments or specific sectors, geographies or industries; (b) a proposed transaction or investment by the Brookfield Accounts that is not consummated, including those that would have been allocable to co-investors had such proposed transaction or investment been consummated (for further information regarding broken deal expenses, see "Allocation of Costs and Expenses" above); (c) legal, auditing, consulting, accounting, back-office services, communication, fund and other administration, those related to the administration of the Brookfield Accounts or their subsidiaries (including both third-party and internal fund administrator services), reporting and other professional and administrative fees, costs and expenses (including any information technology utilized by the Brookfield Accounts or their subsidiaries); (d) meetings of the LPACs and meetings of or with any

Investor(s) (including accommodation, meal, event, entertainment and other similar expenses and costs related thereto but excluding, for the avoidance of doubt, costs and expenses incurred by a particular Investor); (e) the purchase of, and/or premiums, fees, costs and expenses with respect to, insurance for the benefit of the Brookfield Accounts and parties entitled to indemnification with respect to Brookfield Account-related matters or for the benefit of the Brookfield Accounts or any of their investments (including terrorism, property, title, liability (including directors and officers liability and professional liability) and fire insurance and/or extended coverage or other insurance and indemnity expenses); (f) indemnification, and any costs and expenses incurred in connection with any litigation, arbitration, investigation, settlements or reviews or other extraordinary events involving the Brookfield Accounts or their subsidiaries, and the amount of any judgments or settlements paid in connection therewith; (g) borrowings, guarantees and letters of credit, including interest thereon; (h) Investor matters, including defaults, transfers (including prospective transfers that are not consummated) and side letter administration; (i) depository, custodian, paying agent, trustee, rating agent, transfer agent and similar services, including brokerage commissions, custodial expenses, appraisal fees and other similar costs; (j) anti-bribery and corruption, anti-money laundering or “know your customer” compliance, tax diligence expenses and/or related procedures (including in relation to the initial onboarding and admission of Investors), those related to compliance with privacy laws, rules or regulations of any applicable jurisdiction, including the General Data Protection Regulation and those incurred with assisting Investors responding to FOIA requests; (k) government and regulatory filings (including Form PF and those relating to the AIFMD, but excluding Form ADV); (l) the AIFM and/or the general partner of each Brookfield Account (including amounts and fees paid to the AIFM, or any other regulated management entity formed pursuant to local law for management and other services provided to a non-US regulated entity); (m) the preparation and circulation of drawdown notices and distribution notices (including fees, expenses and costs of service providers related thereto), the maintenance of the Brookfield Accounts’ books of account and the preparation of reports to the Investors, the preparation of audited or unaudited financial statements required to implement the provisions of the Governing Documents or by any governmental authority with jurisdiction over the Brookfield Accounts (including those of independent auditors, accountants and counsel), tax returns, the costs and expenses of preparing Schedule K-1s or other similar schedules, and other routine administrative fees, costs and expenses of the Brookfield Accounts or their subsidiaries; (n) liquidating or restructuring the Brookfield Accounts or their respective general partners or manager entities; (o) cash management expenses (including treasury and hedging services and transactions and costs resulting from the conversion of any investment proceeds to the currency of distribution) and insurance and legal expenses; (p) form agreements used to facilitate investments by co-investors alongside the Brookfield Accounts; (q) any taxes, expenses, penalties or liabilities of the Brookfield Accounts that are not borne by one or more Investors (e.g., taxes, expenses, penalties or liabilities not allocable to or indemnifiable by any Investor), including taxes, interest, fees, penalties and other governmental or regulatory charges imposed on or payable by the Brookfield Accounts, including in connection with any tax filing, tax audit, investigation, settlement or review of the Brookfield Accounts; (r) the general partner/managing entity or its designee in its capacity as a Brookfield Account’s “partnership representative” or any similar role under applicable state, local or non-U.S. tax law (the “Tax Matters Representative”); (s) investment vehicles, including costs associated with establishing, administering, managing, winding up and dissolving such entities and maintaining a permanent residence in certain jurisdictions (in each case, such as rent for office space, related overhead, board of directors’ expenses and employee salaries and benefits); and (t) any

additional fees and expenses to be borne by each Brookfield Account set out in each such Brookfield Account's Governing Documents.

For the avoidance of doubt, Operating Expenses will include, and the Brookfield Accounts shall bear, all such expenses (including expenses related to services or products performed or provided by Brookfield (as further described in "Affiliated Services and Transactions") whether incurred by, on behalf of or in connection with any investment, Alternative Investment Vehicle, investment vehicle, holding vehicle or feeder fund formed by Brookfield (including the formation expenses of Alternative Investment Vehicles, investment vehicles and holding vehicles), any REIT subsidiaries or blocker entities formed for tax purposes (other than taxes that are treated as distributed to an investor pursuant to the Governing Documents). Brookfield will be responsible for and pay its own ordinary course operating expenses, including rent, salaries, furniture, fixtures, office equipment and overhead related to the management of the Brookfield Accounts (but not, for the avoidance of doubt, related to any other items, including fund operations, real estate management, portfolio company management, administrative services related thereto (e.g., corporate secretarial and governance services) or other Affiliated Services).

The amount of such Operating Expenses is substantial and will reduce the actual returns realized by Investors on their investment in the Brookfield Accounts and the amount of capital available to be deployed by the Brookfield Accounts in investments. The list of Operating Expenses above encompasses a broad range of expenses but is not exhaustive; additional and/or new costs and expenses are expected to arise over time. Operating Expenses also includes both recurring items as well as extraordinary expenses which may be hard to budget or forecast. As a result, the amount of Operating Expenses ultimately borne by the Brookfield Accounts at any one time may also exceed expectations. See additional detail regarding the allocation of costs and Operating Expenses in "Allocation of Costs and Expenses".

**Intangible Benefits and Discounts.** Brookfield and its personnel can be expected to receive certain benefits and/or perquisites arising or resulting from their activities on behalf of the Brookfield Accounts which will not reduce management fees or otherwise be shared with the Brookfield Accounts, their Investors and/or the investments. Such benefits will inure exclusively to Brookfield and/or its personnel receiving them, even if they are significant or difficult to value and even though the cost of the underlying service is borne by a Brookfield Account and/or its investments (as an expense). For example, certain affiliates may receive portions of fees paid by third parties that relate to transactions involving properties and/or tenants, such as a portion of broker commissions paid by sellers of properties, and portions of the insurance premiums and fees paid by tenants to insurance providers. In addition, airline travel or hotel stays incurred as expenses by the Brookfield Accounts typically result in "miles" or "points" or credit in loyalty/status programs and such benefits and/or amounts will, whether or not de minimis or difficult to value, inure exclusively to Brookfield and/or such personnel (and not the Brookfield Accounts, their Investors and/or their investments) even though the cost of the underlying service is borne by the Brookfield Accounts and/or investments. Similarly, the volume of work that service providers receive from Brookfield results in discounts for such services that Brookfield will benefit from, while the Brookfield Accounts and/or their investments will not be able to benefit from certain discounts that apply to Brookfield. Brookfield and/or its employees will, from time to time, make or receive employment referrals for certain contacts and/or their family members, including those contacts that

relate to the Brookfield Accounts, their investments and/or Brookfield affiliates. Such referrals may result in employment that benefits the contacts and/or their family members and the financial benefit of that employment will not be individually disclosed to the Brookfield Accounts and/or shared with the Brookfield Accounts, their Investors and/or their investments. In addition, Brookfield has in the past and expects to continue to make available certain discount programs to its employees as a result of Brookfield's relationship with an investment (e.g., "friends and family" discounts), which discounts are not available to the Investors. The size of these discounts on products and services provided by investments (and, potentially, customers or suppliers of such investments) could be significant. The potential to receive such discounts could provide an incentive for Brookfield to cause the Brookfield Accounts and/or their investments to enter into transactions that may or may not have otherwise been entered into in the absence of these arrangements and benefits. Financial benefits that Brookfield and its personnel derive from such transactions will generally not be shared with the Brookfield Accounts, Investors and/or investments. Such discounts include, among others, the ability to lease units in multifamily buildings owned by Brookfield Accounts, stay at hotels owned by Brookfield Accounts, utilize services and/or programs offered by assets owned by Brookfield Accounts, in each case at significantly discounted rates. Brookfield also offers referral bonuses to its employees who refer customers to assets owned by Brookfield Accounts, including referrals of tenants to buildings. In certain cases, Brookfield will be engaged by the purchaser of an investment to provide various services, including operations and management services (and oversight thereof), with respect to such investment for an interim period following the Brookfield Account's disposition of such investments until such functions are fully transitioned to the purchaser's service providers. Any such services will be provided on rates agreed with the purchaser (which may be different from (and potentially higher than) the rates charged for Affiliated Services) and such compensation will not be shared with Brookfield Accounts, including the Brookfield Account that sold the investment, or reduce management or other fees owed by Brookfield Accounts. For a discussion regarding the resolution of the conflicts of interest noted above, see "*Resolution of Conflicts Generally*" below.

**Transactions with Portfolio Companies.** In addition to any Affiliated Services provided by Brookfield or its affiliates (as described above), Brookfield Accounts' portfolio investments will in the ordinary course of business provide services or goods to, receive services or goods from, lease space to or from, or participate in agreements, transactions or other arrangements with (including the purchase and sale of assets and other matters that would otherwise be transacted with independent third parties), portfolio companies owned by other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts and Non-Controlled Affiliates. Some of these agreements, transactions and other arrangements would not have been entered into but for the affiliation or relationship with Brookfield and, in certain cases, are expected to replace agreements, transactions and/or arrangements with third parties. These agreements, transactions and other arrangements will involve payment and/or receipt of fees, expenses and other amounts and/or other benefits to or from the portfolio companies of such other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts and Non-Controlled Affiliates (including, in certain cases, performance-based compensation). In certain cases, Brookfield's investment thesis with respect to an investment will include attempting to create value by actively facilitating relationships between the investment and portfolio companies or assets owned by other Brookfield Accounts, PSG, Oaktree, Oaktree Accounts or Non-Controlled Affiliates. In these and other cases, these agreements, transactions and other arrangements will be entered into either with active participation by Brookfield or the portfolio

companies' management teams independent of Brookfield. While such arrangements and/or transactions and the fees or compensation involved have the potential for inherent conflicts of interest, Brookfield believes that the access to Brookfield (including portfolio companies of Brookfield Accounts and Oaktree Accounts) enhances the capabilities of Brookfield Accounts and is an integral part of Brookfield Accounts' operations and will provide benefits to the Brookfield Accounts that would not exist but for their affiliation with Brookfield. Each transaction will be entered into to satisfy a legitimate business need.

Portfolio investments of Brookfield Accounts and Oaktree Accounts generally are not Brookfield's and Brookfield Accounts' affiliates for purposes of the applicable Governing Documents. As a result, the restrictions and conditions contained therein that relate specifically to Brookfield and/or Brookfield Accounts' affiliates do not apply to arrangements and/or transactions among portfolio investments of Brookfield Accounts and/or Oaktree Accounts, even if a Brookfield Account has a significant economic interest in a portfolio investment and/or Brookfield ultimately controls it. For example, in the event that a portfolio investment of one Brookfield Account enters into a transaction with a portfolio investment of another Brookfield Account (or an Oaktree Account), such transaction generally would not trigger potential cross trade, principal transaction and/or other affiliate transaction considerations.

In all cases in which Brookfield actively participates in such agreements, transactions or other arrangements, Brookfield will seek to ensure that the agreements, transactions or other arrangements are in the best interests of the applicable Brookfield Account's portfolio investments, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances. However, there can be no assurance that the terms of any such agreement, transaction or other arrangement will be executed on an arm's length basis, be as favorable to the applicable portfolio company as otherwise would be the case if the counterparty were not related to Brookfield, be the same as those that other Brookfield Accounts' portfolio companies receive from the applicable counterparty or be benchmarked in any manner. In some circumstances, Brookfield Accounts' portfolio investments may receive better terms (including economic terms) from a portfolio investment of another Brookfield Account or an Oaktree Account than from an independent counterparty. In other cases, these terms may be worse.

All such agreements, transactions or other arrangements described in this section are expected to be entered into in the ordinary course without obtaining consent of Investors or the applicable Brookfield Account's LPAC (or similar bodies) or of investors in other Brookfield Accounts and such arrangements will not impact the management fee payable to Brookfield (or otherwise be shared with the Brookfield Accounts) or any fee for Affiliated Services payable to Brookfield or a Brookfield Account (*i.e.*, the portfolio companies and Non-Controlled Affiliates will be free to transact in the ordinary course of their businesses without limitations, including by charging their ordinary rates for the relevant transactions).

Furthermore, Brookfield (or other Brookfield Accounts, Oaktree Accounts and/or their businesses) will from time to time make equity or other investments in companies or businesses that provide services to or otherwise contract with other Brookfield Accounts and/or their portfolio investments. In particular, Brookfield has in the past entered into, and expects to continue to enter into, relationships with companies in the technology, real assets services and other sectors and industries in which Brookfield has broad expertise and knowledge, whereby Brookfield or a Brookfield Account acquires an equity or other interest in such companies that may, in turn, transact with other Brookfield Accounts



and/or their portfolio investments. For example, Brookfield (through an investment program referred to as Brookfield Technology Partners) invests in emerging technology companies that develop and offer technology products that are expected to be of relevance to Brookfield Accounts and portfolio investments (as well as to third-party companies operating in similar sectors and industries). In connection with such relationships, Brookfield expects to refer, introduce or otherwise facilitate transactions between such companies and Brookfield Accounts and their portfolio investments, which would result in benefits to Brookfield (or Brookfield Accounts, Oaktree Accounts or their businesses), including via increased profitability of the relevant company, as well as financial incentives and/or milestones which benefit Brookfield Accounts or businesses (including through increased equity allotments), which are likely in some cases to be significant. Such financial incentives that inure to or benefit Brookfield and Brookfield Accounts pose an incentive for Brookfield to cause other Brookfield Accounts and/or their portfolio investments to enter into such transactions that may or may not have otherwise been entered into. Financial incentives derived from such transactions will generally not be shared with Brookfield Accounts or Investors. Furthermore, such transactions are likely to contribute to the development of expertise, reputational benefits and/or the development of new products or services by Brookfield (or Oaktree, Brookfield Accounts, Oaktree Accounts and/or their businesses), which Brookfield will seek to capitalize on to generate additional benefits that are likely to inure solely to Brookfield (or Oaktree, Brookfield Accounts, Oaktree Accounts and/or their businesses) and not to other Brookfield Accounts or Investors.

Brookfield (or the portfolio companies' management teams, as applicable) will seek to ensure that each transaction or other arrangement that Brookfield Accounts and/or their portfolio investments enter into with these companies satisfies a legitimate business need of the applicable Brookfield Account and/or the applicable portfolio investment, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances based on the applicable Brookfield Accounts' and/or their portfolio investments' normal course process for evaluating potential business transactions and counterparties. In making these determinations, Brookfield or the management teams of the portfolio investments will take into account such factors that they deem relevant, which will include the potential benefits and synergies of transacting with a Brookfield related party. Brookfield may take its own interests (or the interests of other Brookfield Accounts or businesses) into account in considering and making determinations regarding these matters. For the avoidance of doubt, any of the arrangements and/or benefits described in this paragraph may be entered into in the ordinary course without notice to, or the consent of, Investors or the Brookfield Accounts' LPACs. In certain cases, these transactions will be entered into with active participation by Brookfield and in other cases by the portfolio investments' management teams independently of Brookfield. Moreover, any fees or other financial incentives paid to the relevant company will not offset or otherwise reduce the management fee or other compensation paid to Brookfield, will not otherwise be shared with Brookfield Accounts or Investors and will not be subject to the Affiliate Service Rates.

However, there can be no assurance that the terms of any such transaction or other arrangement will be executed on an arm's length basis, be as favorable to the applicable Brookfield Account or investment as otherwise would be the case if the counterparty were not related to Brookfield, be benchmarked in any particular manner, or be the same as those that other Brookfield Accounts' or portfolio companies receive from the applicable counterparty. In some circumstances, Brookfield Accounts and portfolio



companies may receive better terms (including economic terms) than they would from an independent counterparty. In other cases, these terms may be worse.

While these agreements, transactions and/or arrangements raise potential conflicts of interest, Brookfield believes that access to other Brookfield Accounts and their portfolio companies, as well as to Brookfield related parties and companies in which Brookfield has an interest enhances Brookfield Accounts' and portfolio companies' capabilities, is an integral part of Brookfield's operations and will provide benefits to Brookfield Accounts and portfolio investments that would not exist but for their respective affiliations with Brookfield.

**Transfers and Secondments.** From time to time, Brookfield facilitates transfers and/or secondments of personnel to (or from) one Brookfield Account (and/or its portfolio investments) from (or to) Brookfield or another Brookfield Account (and/or its portfolio investments). A transfer refers to the termination of an employee's employment with their employer company and their transfer to a new employer company. A secondment refers to the temporary assignment of an employee from their employer company to another company, typically for a period of two years or less.

Such movements are designed to fill roles at the companies to which individuals are transferred and/or seconded and provide value to personnel (via facilitation of individual career development objectives), the companies to which personnel are transferred / seconded (via filling of essential roles with suitable candidates), and the companies from which personnel are transferred / seconded (via optimization of the workforce).

Brookfield has adopted policies designed to ensure that such personnel movements are effected in accordance with applicable legal and regulatory requirements and that the conflicts considerations that arise in connection therewith are appropriately resolved. Among other things, for each transfer or secondment, Brookfield will seek to ensure that: (a) the company to which an individual is transferred or seconded has a legitimate business need for the position that the individual is to fill, (b) the individual is suitable for the position that they are to fill; and (c) if the transfer or secondment is to a client account: (I) the position does not involve an activity that Brookfield, as manager of the client account, is required to perform; and (II) the compensation to be paid for the position by the company to which the individual is being transferred / seconded is within the market compensation range for such position (up to, and including, the top end of such market compensation range).

In connection with each transfer or secondment, the company to which an individual is transferred or seconded will bear the compensation and overhead expenses relating to the employee (including salary, benefits, and long- and short-incentive compensation, among other things). As noted, Brookfield generally will seek to ensure that the compensation proposed to be paid for the position by the company to which the individual is being transferred or seconded is within the market compensation range for such position. In determining the market compensation range for the position, Brookfield generally will take into account factors that it deems relevant, including (among others): the company's industry and geography; compensation paid by the company (or one or more similar companies) to one or more employees filling comparable positions; compensation paid by the company (or one or more similar companies) to one or more employees recently hired to fill (or terminated from) comparable positions;

independent compensation benchmarking data, such as a third-party market compensation study; and/or third-party (e.g., recruiter, compensation consultant or other adviser) guidance regarding the market compensation range for the position; and/or other objective and/or subjective factors deemed reasonable by Brookfield under the circumstances.

Where Brookfield takes into account independent compensation benchmarking data, such as a third-party market compensation study, Brookfield generally will rely on the most recent study that it is utilizing for recruitment and compensation benchmarking purposes in the relevant company's industry and/or geography. However, such compensation benchmarking data will, in certain cases, be from a different year than the year in which the transfer or secondment is effected because Brookfield and/or the relevant portfolio investment are not generally expected to participate in (and purchase) market studies every year, as the market does not generally vary significantly from year to year. In interim periods between market studies, Brookfield expects to use information such as changes in consumer price index, insight from recruitment efforts and/or other factors to adjust (as necessary) compensation ranges.

Secondments will be on a full-time or part-time basis, as determined by Brookfield taking into account relevant facts-and-circumstances. Generally, part-time secondments will be based on the amount of time Brookfield estimates that the individual will spend between the two (or more) Brookfield Accounts (i.e., the "secondment split"). These estimates will be based on subjective determinations, which could be based on the estimated number of days per week that the individual will spend working for each Brookfield Account or another estimate deemed fair and reasonable under the then-existing facts-and-circumstances. The compensation expenses recovered from the company to which an employee is seconded will be appropriately pro-rated based on: (a) the length of the secondment period during the applicable calendar year and (b) in the case of a part-time secondment, the secondment split.

For clarity, pursuant to the foregoing, Brookfield expects to, among other things, transfer and/or second certain of its employees to companies held by Brookfield Accounts. As noted, the companies to which such individuals are transferred and/or seconded to will bear the employees' applicable compensation expenses. In certain cases, Brookfield will advance compensation to such employees and be subsequently reimbursed by the applicable Brookfield Accounts (and/or their investments). Any such compensation expenses borne by Brookfield Accounts (and/or their investments) will not be credited against or otherwise reduce the management fee and incentive distributions that are payable to Brookfield. Additionally, the method for determining how (i) certain compensation arrangements are structured and valued (particularly with respect to the structure of various forms of incentive compensation that vest over time and whose value upon payment is based on estimates) and (ii) overhead expenses are allocated, in each case require certain judgments and assumptions, and as a result Brookfield Accounts and their respective investments may bear higher costs than they would have had such expenses been valued, allocated or charged differently.

Brookfield could benefit from arrangements where Brookfield employees are hired or retained by, or seconded to, one or more Investments or a Brookfield affiliate on behalf of an Investment (for example, in the case where an Investment makes a fixed payment to Brookfield to compensate Brookfield for a portion of an employee's incentive compensation, but such employee does not ultimately collect such

incentive compensation). Additionally, there could be a circumstance where an employee of Brookfield or a portfolio company of a Brookfield Account, PSG, Oaktree or an Oaktree Account may become an employee or secondee of one or more of the Investments (or vice versa) and, in connection therewith, be entitled to retain unvested incentive compensation received from the company it is transferring or being seconded from. While such incentive compensation would be subject to forfeiture under other circumstances, given the prior employment by a Brookfield related company, such incentive compensation may continue to vest as if such employee continued to be an employee of the company from which it is transferring. The arrangements described herein will not require a Brookfield Account's LPAC approval, and such amounts will not be considered fees received by Brookfield that offset or otherwise reduce the management fee.

Brookfield may take its own interests into account in considering and making determinations regarding the matters outlined in this section as well as in *"Transactions with Portfolio Companies"* and *"Affiliated Services and Transactions"* above. Additionally, the aggregate economic benefit to Brookfield or its affiliates as a result of the transactions outlined herein and therein could influence investment allocation decisions made by Brookfield in certain circumstances (i.e., if the financial incentives as a result of such transactions are greater if the investment opportunity is allocated to one Brookfield Account rather than another). However, as noted elsewhere herein, Brookfield believes that Brookfield Accounts' access to Brookfield's broader asset management platform enhances Brookfield Accounts' and portfolio investments' capabilities, is an integral part of Brookfield Accounts' operations and will provide benefits to Brookfield Accounts and portfolio investments that would not exist but for their respective affiliations with Brookfield.

**Protective Loans.** Brookfield may loan capital to a Brookfield Account or in connection with an investment or potential investment if Brookfield determines in good faith that it is advisable to invest capital in an investment or potential investment and (x) for timing reasons it is not able to issue a capital call, (y) for any reason there are insufficient unfunded commitments that are able to be called for an existing investment or potential investment or (z) either the amount of such capital is immaterial or the time period during which such capital would be loaned by Brookfield is expected to be less than 30 days ("Protective Loans"). Any such Protective Loan will be made at a rate equal to that agreed to with the relevant Brookfield Account. In connection therewith, in the case of a Protective Loan pursuant to clauses (x) and (z) above, Brookfield will cause the Brookfield Account to repay such Protective Loan or, in the case of any other Protective Loan, offer to the investors in the relevant Brookfield Account the opportunity to acquire an interest in such Protective Loan. Brookfield's ability to make Protective Loans on the conditions noted above could give rise to conflicts of interest considerations. To the extent an Investor does not have sufficient available capital to acquire an interest in such a Protective Loan, or chooses not to acquire such an interest, Brookfield will retain or syndicate such interest. Any Protective Loan may be repaid by the applicable investment in priority to any distributions to the Brookfield Account by such investment, or be converted into an equity interest in such investment on a dollar-for-dollar basis using an appraisal or arm's length valuation. Brookfield will have no obligation to provide a Protective Loan, including where doing so would be beneficial to the Brookfield Account or an investment.

**Possible Future Activities.** Brookfield expects to expand the range of services that it provides over time.

Except as provided herein, Brookfield will not be restricted in the scope of its business or in the performance of any services (whether now offered or undertaken in the future) even if such activities could give rise to conflicts of interest, and whether or not such conflicts are described herein. Brookfield has, and will continue to develop, relationships with a significant number of companies, financial sponsors and their senior managers, including relationships with companies that hold or may have held investments similar to those that have been (or are intended to be) made by Brookfield Accounts as well as companies that compete with Brookfield Accounts' direct and indirect investments. These companies may themselves represent appropriate investment opportunities for Brookfield Accounts or may compete with them for investment opportunities and other business activities.

**Advisors.** Brookfield from time to time engages or retains strategic advisors, senior advisors, operating partners, executive advisors, consultants and/or other professionals who are not employees or affiliates of Brookfield, but which include former Brookfield employees as well as current and former officers of Brookfield portfolio companies (collectively, "Consultants"). Consultants generally have established industry expertise and are expected to advise on a range of investment-related activities, including by providing services that may be similar in nature to those provided by Brookfield's investment teams, such as sourcing, consideration and pursuit of investment opportunities, strategies to achieve investment objectives, development and implementation of business plans, and recruiting for portfolio companies, and to serve on boards of portfolio companies. Additionally, Brookfield's decision to initially perform certain services in-house for a Brookfield Account at a particular point in time will not preclude a later decision to outsource such services, or any additional services, in whole or in part, to any Consultants, and Brookfield has no obligation to inform a Brookfield Account of such a change. Brookfield believes that these arrangements benefit its investment activities. However, they also give rise to certain conflicts of interest considerations.

Consultants are expected, from time to time, to receive payments from, or allocations of performance-based compensation with respect to, Brookfield, Brookfield Accounts and their respective portfolio investments, including director's fees where such Consultants serve on the boards of portfolio companies. In such circumstances, payments from, or allocations or performance-based compensation with respect to, Brookfield Accounts and/or their portfolio investments generally will be treated as expenses of the applicable Brookfield Account and will not, even if they have the effect of reducing retainers or minimum amounts otherwise payable by Brookfield, be subject to management fee offset provisions. Additionally, while Brookfield believes such compensation arrangements will be reasonable and generally at market rates for the relevant services provided, exclusive arrangements or other factors may result in such compensation arrangements not always being comparable to costs, fees and/or expenses charged by other third parties. In addition to any compensation arrangements, a Brookfield Account may also generally bear its share of any travel costs or other out-of-pocket expenses incurred by Consultants in connection with the provision of their services. Accounting, network, communications, administration and other support benefits, including office space, may be provided by Brookfield or a Brookfield Account to Consultants without charge, and any costs associated with such support may be borne by such Brookfield Account.

Brookfield expects from time to time to offer Consultants the ability to co-invest alongside Brookfield Accounts, including in those investments in which they are involved (and for which they may be entitled

to receive performance-based compensation, which will reduce Brookfield Accounts' returns), or otherwise participate in equity plans for management of a portfolio investment or invest directly in a Brookfield Account or in a vehicle controlled by a Brookfield Account subject to reduced or waived management fees and/or carried interest distributions, including after the termination of their engagement (or other status) with Brookfield.

In certain cases, these persons are likely to have certain attributes of Brookfield "employees" (e.g., they have dedicated offices at Brookfield, receive access to Brookfield information, systems and meetings for Brookfield personnel, work on Brookfield matters as their primary or sole business activity, have Brookfield related email addresses, business cards and titles, and/or participate in certain benefit arrangements typically reserved for Brookfield employees) even though they are not considered Brookfield employees, affiliates or personnel. In this scenario, a Consultant would be subject to Brookfield's compliance policies and procedures. Where applicable, Brookfield allocates to Brookfield Accounts and/or their portfolio investments the costs of such personnel or the fees paid to such personnel in connection with the applicable services, and such expenses or fees, to the extent allocated to a Brookfield Account, would generally be treated as expenses of such Brookfield Account. Payments or allocations to Consultants will not be subject to management fee offset provisions and can be expected to increase the overall costs and expenses borne indirectly by Investors. There can be no assurance that any of the Consultants will continue to serve in such roles and/or continue their arrangements with Brookfield and/or any Brookfield Accounts or portfolio investments throughout the term of the relevant Brookfield Accounts.

**Transaction and Other Fees.** Brookfield and its employees may receive certain transaction fees, consulting fees, advisory fees, directors' fees, monitoring fees, or similar fees, in connection with investments or prospective investments. 100% of each Brookfield Account's proportionate share of such fees, net of applicable expenses will be credited against future payments of the management fee. Such fees will not be subject to the Affiliate Service Rates described in *"Affiliated Services and Transactions"* above. For the avoidance of doubt, (a) the allocable share of such fees attributable to any Investor (including any Brookfield Account and any co-investor) that does not pay management fees is not expected to be credited to such Investors (and will be retained by Brookfield and/or its employees) and (b) to the extent that multiple Brookfield Accounts (including co-investment vehicles) participate in an investment, any fees received by Brookfield in respect of one Brookfield Account will not offset the management fee received by Brookfield from any other Brookfield Account (regardless of whether or not any amount of such fees is credited to the Investors in such Brookfield Accounts, by means of a management fee offset or otherwise). As a result, Brookfield will be more incentivized to take any such fees where there is (or expected to be) significant co-investment alongside a Brookfield Account by co-investors that do not pay management fees.

**Travel Expenses.** Brookfield Accounts will reimburse Brookfield for out-of-pocket travel expenses, including air travel (generally business class), car services, meals and hotels (generally business or luxury class accommodations), incurred in identifying, evaluating, sourcing, researching, structuring, negotiating, acquiring, making, holding, developing, operating, managing, selling or potentially selling, restructuring or otherwise disposing of proposed or actual investments of Brookfield Accounts (including fees for attendance of industry conferences, the primary purpose of which is sourcing investments), in

connection with the formation, marketing, offering and management of Brookfield Accounts. In addition, travel expenses incurred in the formation, marketing and offering of Brookfield Accounts will generally be considered organizational expenses, including where such travel expenses relate to an existing or potential arrangement with any placement agent regarding the offering of interests in a Brookfield Account or the offering of a feeder fund of a Brookfield Account.

**Service Providers.** In managing business activities, Brookfield, Brookfield Accounts and portfolio companies utilize and rely on various independent service providers, including attorneys, accountants, fund administrators, consultants, financial and other advisors, deal sources, lenders, brokers and outside directors. Brookfield relies on these service providers' independence from Brookfield for various purposes, including (among other things) audits of Brookfield Accounts and/or their portfolio companies, transaction related services, benchmarking analyses, fairness and similar opinions of value, and/or verification of arm's length terms, in each case designed to facilitate resolution of conflicts of interest considerations relating to transactions between Brookfield Accounts and/or their portfolio companies with Brookfield and/or other Brookfield Accounts and/or their portfolio companies.

Brookfield, Brookfield Accounts and their portfolio companies have various business relationships and engage in various activities with these service providers and/or their affiliates, which give rise to conflicts of interest considerations relating to the selection of the service providers. For example, service providers and/or their personnel could: (a) be investors in Brookfield, Brookfield Accounts and/or their portfolio companies, (b) provide services to multiple Brookfield business lines, Brookfield Accounts and/or their portfolio companies, (c) be engaged to provide various different types of services to Brookfield, Brookfield Accounts and portfolio companies, (d) provide certain services, such as introductions to prospective investors and/or counterparties, to Brookfield, Brookfield Accounts and portfolio companies at favorable rates or no additional cost, (e) be counterparties to transactions with Brookfield, Brookfield Accounts and/or their portfolio companies. In addition, certain service providers (particularly large global service providers, such as law firms, accounting firms and financial institutions) employ family members of personnel of Brookfield, Brookfield Accounts and/or their portfolio companies. Moreover, in the regular course of business, personnel of Brookfield, Brookfield Accounts and/or their portfolio companies give (or receive) gifts and entertainment to (or from) personnel of service providers.

Notwithstanding these relationships and/or activities with service providers, Brookfield has policies and procedures designed to address these conflicts of interest considerations and to ensure that its personnel select service providers for Brookfield, Brookfield Accounts and portfolio companies that they believe are appropriate for and in the best interests of Brookfield, Brookfield Accounts and/or their portfolio companies (as the case may be) in accordance with Brookfield's legal and regulatory obligations, provided that (for the avoidance of doubt) Brookfield often will not seek out the lowest-cost option when engaging such service providers as other factors or considerations typically prevail over cost.

Brookfield, Brookfield Accounts and portfolio companies often engage common providers of goods and/or services. These common providers sometimes provide bulk discounts or other fee discount arrangements, which could be based on an expectation of a certain amount of aggregate engagements by Brookfield, Brookfield Accounts and portfolio companies over a period of time. Brookfield generally



extends these fee discount arrangements to Brookfield, Brookfield Accounts and/or their portfolio companies in a fair and equitable manner.

In certain cases, a service provider (e.g., a law firm) will provide all Brookfield Accounts and their portfolio companies a bulk discount on fees that is applicable only prospectively (within an annual period) once a certain aggregate spending threshold has been met by the group during the relevant annual period. As a result, Brookfield Accounts and portfolio companies that engage the service provider after the aggregate spending threshold has been met will get the benefit of the discount and, as a result, pay lower rates than the rates paid by Brookfield Accounts and portfolio companies that engaged the same provider prior to the discount being triggered.

The engagement of common providers for Brookfield Accounts and their portfolio companies and the related fee discount arrangements give rise to conflicts of interest considerations. For example, as a result of these arrangements, Brookfield will face conflicts of interest in determining which providers to engage on behalf of Brookfield Accounts and portfolio companies and when to engage such providers, including an incentive to engage certain providers for Brookfield Accounts and portfolio companies because it will result in the maintenance or enhancement of a discounted fee arrangement that benefits Brookfield, other Brookfield Accounts and their portfolio companies. Notwithstanding these conflicts considerations, Brookfield makes these determinations in a manner that it believes is appropriate for and in the best interests of Brookfield Accounts and/or their portfolio companies taking into account all applicable facts and circumstances.

In the normal course, common providers (e.g., law firms) will staff engagements based on the particular needs of the engagement and charge such staff's then-applicable rates, subject to any negotiated discounts. While these rates will be the same as the rates such providers would charge Brookfield for the same engagement, Brookfield generally engages providers for different needs than Brookfield Accounts and/or their portfolio companies, and the total fees charged for different engagements are expected to vary. In addition, as a result of the foregoing, the overall rates paid by Brookfield Accounts and portfolio investments over a period of time to a common provider could be higher (or lower) than the overall rates paid to the same provider by Brookfield, other Brookfield Accounts and their portfolio companies.

These relationships, activities and discounts described herein are part of normal course business operations and are not considered additional fees received by Brookfield that would offset or otherwise reduce the fees (including management fees) owed by Brookfield Accounts and/or their portfolio companies to Brookfield.

**Investment Platforms.** Brookfield Accounts, alone or co-investing alongside other Brookfield Accounts or third parties, develop, organize, and/or acquire assets that serve as a platform for investments in a particular sector, geographic area or other niche (such arrangements, "Investment Platforms"), including investments held in different proportions across various Brookfield Accounts. The management teams for such Investment Platforms ("Platform Management Teams") are owned and controlled by such Brookfield Accounts, and are established through recruitment, contract and/or the acquisition of one or more portfolio investments. In certain cases, such as investments made by a Brookfield Account alongside third parties, the executives, officers, directors, shareholders and other personnel of the

relevant Platform Management Teams represent other financial investors with whom such Brookfield Account is not affiliated and whose interests could conflict with the interests of such Brookfield Account and/or have other interests that conflict with such Brookfield Account. In addition, Platform Management Teams are expected to provide services to, and facilitate, investments by, other Brookfield Accounts, including investments in which such Brookfield Account or an investment does not participate. The costs and expenses of Platform Management Teams will include, among others, overhead, personnel compensation, diligence and other operational costs and expenses incurred in connection with the development, organization, acquisition, support, and ongoing administration and management of the Platform Management Teams and related Investment Platforms. For the avoidance of doubt, compensation paid in respect of Platform Management Teams will include, among other components, incentive distributions, management promote, incentive fee and/or other performance-based compensation based on (or linked to) the profits of the relevant Investment Platforms, including profits realized in connection with the disposition of asset(s), and co-investments held alongside Brookfield Accounts.

Among other things, Platform Management Teams are expected to participate in and/or advise on a range of activities related to investments, potential investments and/or Investment Platforms given their strategic and/or operational expertise, including, among others, activities in connection with (or with respect to) the origination, identification, assessment, pursuit, coordination, execution and consummation of investment opportunities, such as project planning, engineering and other technical analysis, securing site control, preparing and managing approvals and permits, financial analysis and managing related-stakeholder matters. These services give rise to additional conflicts of interest considerations because they are similar to the services provided by Brookfield to Brookfield Accounts. However, Brookfield deems these services to be appropriate for and value enhancing to the operations and/or management of investments and Investment Platforms and these services otherwise would be provided by third parties engaged to provide the services.

Brookfield Accounts bear their allocable share of Platform Management Teams' costs and expenses (as determined by Brookfield, in its sole discretion, to be fair and reasonable) and such costs and expenses are treated as expenses of the Brookfield Accounts, investment-level expenses and/or broken deal expenses, as applicable. These costs and expenses are in addition to the compensation payable to Brookfield, are not shared with the Brookfield Account and/or the Investors (or be offset against compensation payable to Brookfield), will increase the overall costs and expenses borne indirectly by such Brookfield Account, and are expected to be substantial.

From time to time, Platform Management Teams (or portions thereof) that are held by a Brookfield Account and/or their portfolio companies could be transferred to other Brookfield Accounts (including Brookfield) for strategic, operational and/or other reasons, including reasons that relate solely to other Brookfield Accounts. The Brookfield Account, its Investment Platforms, investments and/or Investors, will not be compensated for any such transfer.

See additional detail regarding: the methodologies that Brookfield will utilize for determining Brookfield Accounts' (including of Brookfield) allocable shares of such costs and expenses, and additional conflicts considerations regarding transactions with Brookfield related parties, in "Allocation of Costs and

Expenses” and “Affiliated Services and Transactions.”

**Line of Credit Utilization.** Use of leverage arrangements provide Brookfield with an incentive to fund investments or otherwise utilize borrowings in lieu of capital contributions. For example, calculations of net IRRs in respect of performance data with respect to the Brookfield Accounts as reported to the Investors from time to time are based on the funding of capital contributions by and distributions to the Investors. For example, in instances where a Brookfield Account utilizes borrowings under such Brookfield Account’s subscription-based loan facility or asset-backed facility (or other facility, including a hybrid or net asset value facility), use of such facility will likely result in a higher reported net IRR than if the facility had not been utilized because such borrowings were used in lieu of capital contributions or in advance of related capital contributions that would only be made at a later date. From time to time, Brookfield makes distributions prior to the repayment of outstanding borrowings. In addition, in the event a Brookfield Account incurs such indebtedness, the preferred return accruing in respect of Investors will be less than otherwise would have been the case in the absence of such indebtedness, and the applicable Brookfield Account will bear the costs of any expenses related to such indebtedness or any interest that accrues. As a result, Brookfield could be entitled (a) to receive incentive distributions earlier than it otherwise would have and (b) in certain circumstances, to receive more incentive distributions than it otherwise would have, in each case had the Brookfield Account not incurred such indebtedness and, instead, had required the Investors to make additional capital contributions.

Subject to any limitations set forth in the Brookfield Accounts’ Governing Documents, Brookfield maintains substantial flexibility in choosing when and how Brookfield Accounts utilize borrowings under loan facilities. Brookfield may adopt from time to time policies or guidelines relating to the use of such loan facilities. Such policies could include using the loan facilities to systematically defer calling capital from Investors. In addition to using such facilities to defer capital calls, Brookfield can, subject to the terms of the relevant Brookfield Account’s Governing Documents, elect to use long-term financing for Brookfield Accounts in certain circumstances, including (i) to make certain investments that Brookfield determines to hold on the loan facility for an extended time, (ii) to make margin payments as necessary under currency hedging arrangements or other derivative transactions, (iii) to fund management fees and operating expenses otherwise payable by Investors, (iv) to bridge a potential co-investment or a follow-on investment related to an existing co-investment, and (v) when Brookfield otherwise determines that it is in the best interests of the Brookfield Account.

Certain Investors may benefit from borrowing by a Brookfield Account even though such Investors do not provide the same level of credit support for such borrowing as other Investors. This occurs, for instance, where an Investor is prohibited from pledging its commitments to a Brookfield Account to support a loan facility or where regulatory or tax considerations prohibit such a pledge or make it undesirable. In addition, lenders typically apply different “advance rates” to the commitments of different types of Investors in a Brookfield Account, with the result that the commitments of certain Investors are more useful to the applicable Brookfield Account as collateral for such Brookfield Account’s subscription-based loan facility than the commitments of other Investors.

In addition, Brookfield Accounts may provide for the repayment of indebtedness and/or the satisfaction of guarantees on behalf of co-investment vehicles in connection with investments made by such vehicles. Certain Brookfield Accounts also use other Brookfield Accounts’ loan facilities to issue letters of credit in connection with investments that are expected to be, or have been allocated to co-

investment vehicles, and the co-investors would be expected to bear their share of any expenses incurred in connection with such letters of credit. However, in each scenario above, certain Investors in such vehicles will benefit from such provision for repayment of indebtedness and/or the satisfaction of guarantees even though those Investors do not provide the same level of credit support as the relevant other Brookfield Account. In the event any such co-investment vehicle does not satisfy its share of any payment in respect of any such borrowing, the relevant Brookfield Account will be contractually obligated to satisfy its share even if such Brookfield Account does not have recourse against such co-investment vehicle. In addition, a Brookfield Account may provide a guarantee in connection with a potential or existing investment, and a Brookfield Account may replace another Brookfield Account as the guarantor. (See additional Recourse specific risks below.)

**Recourse to a Brookfield Account's Assets.** The assets of Brookfield Accounts, including unused capital and investments, are available to satisfy all liabilities and other obligations of such Brookfield Account, for any proper purpose relating to the activities of the Brookfield Account, including, without limitation, with respect to investments, payment of Brookfield Account expenses, indemnification obligations and making of distributions. If a Brookfield Account becomes subject to a liability, parties seeking to have the liability satisfied could have recourse to a Brookfield Account's assets generally and might not be limited to any particular asset, such as the asset comprising the investment giving rise to the liability. In such situations, under the Governing Documents, investors are often required to make additional capital contributions, including to recontribute funds previously distributed by a Brookfield Account, in each case subject to the specific limitations set forth in such Brookfield Account's governing documents.

A Brookfield Account's financing arrangements, including financing facilities, borrowings made thereunder, and guarantees and other credit support obligations in relation thereto, are often structured generally as part of a portfolio financing arrangement where all or certain investments provide security for such financing on a cross-collateralized basis and multiple investments are subject to the risk of loss in the event of a default. There likely will be circumstances in which investors have varying sharing percentages with respect to certain of a Brookfield Account's investments, including as a result of investments made on different dates, the exercise of excuse or exclusion rights or otherwise and, as a result, could have sharing percentages (including in the aggregate) in investments or otherwise with respect to investment proceeds generated by a Brookfield Account's investments to which third parties have recourse in respect of a Brookfield Account's liability that are higher or lower than such investors' sharing percentages in the investment giving rise to the liability. As a result of the potential recourse obligations of a Brookfield Account as described above, liabilities relating to investments in which an investor has for example, a small sharing percentage, could adversely impact investments in which such investor holds a greater sharing percentage. In addition, where co-investors or other third-party investors participate in an investment, a Brookfield Account will at times (where Brookfield deems appropriate and subject to the governing documents of the relevant Brookfield Account) guarantee an amount in excess of its proportionate interest in the investment, including amounts in respect of the interests of co-investors or other third parties, which could remain outstanding on a temporary or ongoing basis over the term of the investment. In these circumstances, a Brookfield Account will bear a disproportionate amount of the liabilities and costs associated with the relevant guarantee or other

credit support, and the Brookfield Account's assets, as applicable, including the relevant investment as well as the Brookfield Account's assets generally (including unused capital) would be available to satisfy such liabilities and costs.

**Use of Brookfield Arrangements.** Brookfield Accounts may seek to use a swap, currency conversion, hedging arrangement, line of credit or other financing that Brookfield has in place for its own benefit or the benefit of other Brookfield Accounts. In these cases, Brookfield will pass through the terms of such arrangement to the applicable Brookfield Account as if that Brookfield Account had entered into the transaction itself. However, in such cases, the relevant Brookfield Accounts will be exposed to Brookfield's credit risk since they will not have direct contractual privity with the counterparty. Further, it is possible that a Brookfield Account would have been able to obtain more favorable terms for itself if it had entered into the arrangement directly with the counterparty.

**Other Activities of Brookfield and its Personnel.** Brookfield employees that play key roles in managing the Brookfield Accounts as well as employees of portfolio companies will all spend a portion of their time on matters other than or only tangentially related to a given Brookfield Account. Time will be spent on managing other Brookfield Accounts, including Brookfield proprietary accounts, and their investment activities. Such obligations of these individuals could conflict with their responsibilities to one or more Brookfield Accounts. These potential conflicts are exacerbated in situations where employees are entitled to greater incentive compensation or other remuneration in connection with certain responsibilities to certain accounts relative to their responsibilities to other accounts, or where there are differences in proprietary investments in certain Brookfield Accounts relative to others.

**Determinations of Value.** Valuations of the investments (or of assets or property received in exchange for any investment, as applicable) will ultimately be calculated and/or determined by Brookfield in good faith in accordance with guidelines prepared in accordance with International Financial Reporting Standards or U.S. generally accepted accounting principles and reviewed by the independent accountants of Brookfield Accounts. The valuation methodologies used by Brookfield to value any investment involve subjective determinations, judgments, projections and opinions, including about future events, which could turn out to be incorrect. As a result, valuations may not be accurate and/or third parties (including investors) could disagree with such valuations. Accordingly, the carrying value of an investment will not necessarily reflect the price at which the investment could be (or ultimately is) sold in the market, and the difference between carrying value and the ultimate sales price could be material. Ultimate realization of the value of an investment depends to a great extent on economic, market and other conditions beyond Brookfield's control. Generally, there will be no retroactive adjustment in the valuation of any investment or the performance-based compensation or management fees paid to Brookfield to the extent any valuation proves to not accurately reflect the realizable value of an investment.

Additionally, under certain limited circumstances set forth in the Governing Documents, distributions in kind of investments for which market quotations are not readily available could be made. The valuation of such investments will be determined by Brookfield in accordance with the Governing Documents and as set forth above. Under the terms of the Governing Documents, Brookfield will generally receive performance-based compensation based on such valuation.

The valuation of investments will affect the amount of management fees (if any) payable to Brookfield. Generally, pursuant to the Governing Documents, to the extent an investment is written down to zero by Brookfield, the investment will be treated as having been subject to a “Disposition”, and, as result, Brookfield will no longer be entitled to receive management fees with respect to the amount of “funded commitments” that the applicable Brookfield Account had deployed in such investment (during the period of time in which the relevant Governing Documents provide that the management fee is calculated based on such Brookfield Account’s aggregate funded commitments). In certain circumstances, Brookfield could also determine that a particular asset (within an investment) has been written down to zero and that such write down constitutes a partial “Disposition”, thereby affecting the management fees with respect to such asset. As noted above, valuations of all investments (including whether an investment or an asset within an investment should be written down to zero) will ultimately be calculated and/or determined by Brookfield utilizing valuation methodologies that involve subjective determinations, judgments, projections and opinions, including about future events, which could turn out to be incorrect. Brookfield will have an economic incentive not to write investments down to zero and its valuation determinations may not be accurate and/or third parties (including investors) could disagree with such valuations.

Brookfield makes use of, and relies on, valuation information and data developed and provided by certain third parties. Such valuations sometimes vary from similar valuations performed by other independent third parties for similar types of securities or assets. In addition, Brookfield Accounts may rely on the valuations or valuation information provided by, or determined in consultation with, the relevant general partner or its affiliates, as applicable.

In certain situations, Brookfield could determine to write an investment down to zero for a period of time and subsequently increase its value above zero due to changed circumstances. In such cases, the management fees will resume and be calculated on the basis of the investment’s original “funded commitments”, beginning with the period that the investment is no longer written down to zero.

The valuation of investments affects, under certain circumstances, Brookfield’s entitlement to incentive distributions from Brookfield Accounts, the amount of management fees that Brookfield collects from Brookfield Accounts, the decision of potential investors to subscribe for interests in Brookfield Accounts, and/or Brookfield’s marketing of and ability to raise future Brookfield Accounts. As a result, and as noted herein, the valuation of investments involves conflicts and Brookfield is incentivized to determine valuations that are higher than the actual fair value of the investments.

**Transactions with Potential and Actual Investors.** In light of the breadth of Brookfield’s operations and its significant institutional investor base, including investors that pursue investment programs and operations similar to Brookfield’s, Brookfield and Brookfield Accounts from time to time engage in transactions with prospective and actual Investors that entail business benefits to such investors. Such transactions may be entered into prior to, in connection with or after an Investor’s investment in Brookfield Accounts. The nature of such transactions can be diverse and may include benefits relating to Brookfield, Brookfield Accounts and their respective issuers or portfolio companies.

**Insurance.** Brookfield has caused Brookfield Accounts to purchase and/or bear premiums, fees, costs



and expenses (including the premiums, costs, expenses and/or fees of Brookfield affiliates and non-affiliates for insurance coverage and for placement and administration of insurance coverage) with respect to insurance for the benefit of such Brookfield Accounts and their affiliates (as service providers to Brookfield Accounts), their employees, affiliates, agents and representatives as well as LPAC members and other indemnified parties with respect to matters (including directors and officers liability insurance, errors and omissions insurance, and any other insurance which Brookfield determines to be required or market standard), or for the benefit of such Brookfield Accounts, as well as to portfolio investments with respect to investment-related matters (including terrorism, property, title, liability, marine, environmental, professional, cyber, transactional, fire insurance and/or extended or specialized coverage).

Brookfield, Brookfield Accounts and their respective portfolio companies and other investments will utilize Brookfield affiliates for placement, administration and provision of insurance coverage in connection with all or part of their insurance coverage and Brookfield Accounts are expected to leverage the scale of Brookfield by participating in shared, or umbrella, insurance policies as part of a broader group of entities affiliated with Brookfield (including Brookfield and other Brookfield Accounts). Any insurance policy purchased by or on behalf of a Brookfield Account (including policies covering Brookfield and other Brookfield Accounts) may provide coverage for situations where the Brookfield Account would not provide indemnification, including situations involving culpable conduct by Brookfield. Nonetheless, the Brookfield Account's share of the premiums, costs, fees and expenses in respect of insurance coverage will not be reduced to account for these types of situations. Where possible, Brookfield Accounts generally leverage Brookfield's scale by participating in shared, or umbrella, insurance policies that cover a broad group of entities (including Brookfield, other Brookfield Accounts and their portfolio companies) under a single policy.

The total cost of any shared or umbrella insurance policy is allocated among all participants covered by the policy in a fair and equitable manner taking into consideration applicable facts and circumstances, including the value of each covered account's asset value and/or the risk that the account poses to the insurance provider. While Brookfield takes into account certain objective criteria in determining how to allocate the cost of umbrella insurance coverage among covered accounts, the assessment of the risk that each account poses to the insurance provider is more subjective in nature. In addition, Brookfield's participation in umbrella policies gives risk to conflicts in determining the proper allocation of the costs of such policies.

Brookfield insurance companies (each, a "Captive") that provide insurance coverage for Brookfield Accounts and assets held directly or indirectly by Brookfield Accounts generally will be utilized for all or a portion of insurance coverage needs (e.g., primary layer of insurance for certain assets, supplemental coverage to coverage provided by third-party carriers, etc.). Captives are expected to provide benefits to Brookfield Accounts that may not be available from a third-party insurance provider. In determining whether to utilize a Captive as an insurance provider for Brookfield Accounts and/or their investments, Brookfield will take into account such factors as it determines appropriate in its discretion under the then-existing facts-and-circumstances. It is expected that each Captive will charge premiums at the Affiliate Service Rate applicable to the insurance provided by such Captive. The determination of such rates will be based on third-party pricing data, pricing mandated by regulation, or an opinion of a third-

party insurance adviser (including advisers that provide other insurance related services to Brookfield and the Brookfield Accounts). The engagement of a Captive will give rise to certain potential conflicts of interest, including in connection with the allocation of premiums and the evaluation and payment of claims. In order to mitigate potential conflicts of interest related thereto, an independent third-party insurance carrier generally will be responsible for claims management and payment.

Captives could seek reinsurance for all or a portion of the coverage, which could result in Brookfield earning and retaining fees, commissions and/or a portion of the premiums associated with such insurance while not retaining all or a commensurate portion of the risk insured. Captives may also earn and retain fees, commissions, and/or a portion of the premiums associated with insurance covering types of damages for which a government entity and/or other third party may reimburse the captive (e.g., damage caused by certain terrorist events), which may result in the captives not retaining all or a commensurate portion of the risk of insuring against such types of damage.

To the extent an insurance policy or Captive insurance policy provides coverage with respect to matters relating to Brookfield Accounts or their investments, all or a portion of the fees and expenses (including premiums) of such insurance policy and its placement will be allocated to such Brookfield Accounts or their investments. The amount of any such insurance-related fees and expenses allocated to such Brookfield Accounts or their investments will be determined by Brookfield in its discretion taking into consideration facts and circumstances deemed relevant, including in umbrella policies the value of each covered account's investments and capital commitments (if applicable) and/or risk that the accounts and/or its investments pose to the insurance provider. While Brookfield expects to consider certain objective criteria when determining how to allocate the cost of insurance coverage that applies to multiple accounts (including Brookfield and Brookfield Accounts), because of the uncertainty of whether claims will arise in the future and the timing and the amount that may be involved in any such claim, the determination of how to allocate such fees and expenses also requires Brookfield to take into consideration other facts and circumstances that are more subjective in nature. In addition, because Brookfield will bear a portion of such fees and expenses and has differing investment interests in the Brookfield Accounts it manages, conflicts exist in the determination of the proper allocation of such fees and expenses among Brookfield and such accounts. It is unlikely that Brookfield will be able to accurately allocate the fees and expenses of any such insurance based on the actual claims of a particular account. Brookfield may, if it determines it to be necessary, consult with one or more third parties to ensure that the allocation of such fees and expenses is done in a fair and reasonable manner.

While shared insurance policies (including those issued by Captives) may be cost effective, claims made by any entities affiliated with Brookfield could result in increased costs to a Brookfield Account and such policies may have an overall cap on coverage. To the extent insurable event(s) result in claims in excess of such cap, a Brookfield Account may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each party and Brookfield could face a conflict of interest in properly allocating insurance proceeds across all claimants, which could result in a Brookfield Account receiving less in insurance proceeds than if separate insurance policies had been purchased for each insured party individually. In these cases, Brookfield will seek to allocate the proceeds from claims in respect of insurance policies and resolve any conflicts of interests, as applicable, in a manner it determines to be fair and reasonable. In that regard, Brookfield may, if it determines it to

be necessary, consult with one or more third parties to ensure that the allocation of such proceeds is done in a fair and reasonable manner. Similarly, insurable events may occur sequentially in time while subject to a single overall cap. In this case, Brookfield expects to process claims on a first-come first-serve basis or in any other manner deemed appropriate by Brookfield. To the extent insurance proceeds for one such event are applied towards a cap and a Brookfield Account experiences an insurable loss after such event, such Brookfield Account's receipts from such insurance policy could be diminished and/or such Brookfield Account may not receive any insurance proceeds. A shared insurance policy could also make it less likely that Brookfield will make a claim against such policy on behalf of a Brookfield Account.

Brookfield on behalf of a Brookfield Account may need to determine whether or not to initiate litigation (including potentially litigation adverse to Brookfield where it is the broker or provider of such insurance) in order to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award. The potential for Brookfield to be a counterparty in any litigation or other proceedings regarding insurance claims creates a further potential conflict of interest. Furthermore, in providing such insurance, Brookfield may seek reinsurance for all or a portion of the coverage, which could result in Brookfield earning and retaining fees and/or a portion of the premiums associated with such insurance while not retaining all or a commensurate portion of the risk insured.

Brookfield will seek to allocate the costs of such insurance and proceeds from claims in respect of such insurance policies and resolve any conflicts of interest, as applicable, in a manner it determines to be fair. In that regard, Brookfield may, if it determines it to be necessary, consult with one or more third parties in allocating such costs and proceeds and resolving such conflicts.

**Diverse Interests.** In certain circumstances, the various types of investors in Brookfield Accounts, including Brookfield in its capacity as an investor in Brookfield Accounts, will have conflicting investment, tax and other interests with respect to (a) their interests across Brookfield Accounts and (b) the interests of other investors in such accounts, including Brookfield Accounts that participate in the same investments. The conflicting interests of particular investors could relate to or arise from, among other things, the nature of investments made by Brookfield Accounts, the residency or domicile of the investors, the entities through which such investors make their investments, the structuring of the acquisition (including the utilization of a REIT subsidiary), ownership and disposition of investments, the timing of disposition of investments, the transfer or disposition by an investor of its investment and specific tax considerations, including the manner in which current earnings and disposition transactions in connection with one or more investments are reported for tax purposes and the timing of distributions or deemed distributions thereof. To the extent that one or more investors (including Brookfield) request that Brookfield delay certain distributions to them (for tax or other similar reasons) Brookfield may (but is not obligated to) agree to do so (while continuing to make the scheduled distribution to other investors). In such cases, Brookfield would deem a distribution to have occurred to such investors at the time the distribution was made to the other investors, for purposes of the calculation of incentive distributions and management fees. As a consequence, in certain circumstances, conflicts of interest will arise in connection with Brookfield's decisions regarding these matters, including with respect to tax matters or the nature, structuring or reporting of such investments, which may be adverse to investors in Brookfield Accounts (or to Brookfield in connection

with its investments in Brookfield Accounts), or may be more beneficial to certain Investors (including Brookfield) over others, including with respect to investors' particular tax situations.

In selecting and structuring potential investments appropriate for a Brookfield Account, Brookfield will consider the investment and tax objectives of the relevant Brookfield Account and their investors as a whole (and those of investors in other Brookfield Accounts that participate in the same investments as the applicable Brookfield Account), not the investment, tax or other objectives of any Investor individually. However, conflicts could arise if certain investors have objectives that conflict with those of a Brookfield Account. In addition, Brookfield may face certain tax risks based on positions taken by Brookfield Accounts, including as a withholding agent. In connection therewith, Brookfield could take certain actions, including withholding amounts to cover actual or potential tax liabilities, that it may not have taken in the absence of such tax risks.

Further, in connection with their investment activities, Brookfield Accounts (or portfolio investments) may make political donations or other contributions to support ballot initiatives, lobbyist efforts, memberships in certain political organizations, referendums or other legal, regulatory, tax or policy changes that Brookfield believes will ultimately benefit such Brookfield Accounts or portfolio investments. However, there is no guarantee that any particular Investor will agree with any such action or would independently choose to financially support such an endeavor. Further, any such changes may have long-term benefits to Brookfield and/or other Brookfield Accounts. In some cases, such benefits may be greater than the benefits to Brookfield Accounts that make such contributions, even though Brookfield or other Brookfield Accounts did not contribute to such initiative or reimburse a Brookfield Account or the relevant portfolio investment for the contributions.

**Side Letters.** From time to time, Brookfield enters into agreements with one or more Investors which have the effect of establishing rights under, or, subject to applicable law, altering or supplementing the terms of the Governing Documents or such Investor's subscription agreement, including with respect to (a) excuse from particular investments; (b) additional or different reporting or notice obligations of a Brookfield Account; (c) transfer to affiliates and other parties; (d) co-investment opportunities; (e) withdrawal rights under certain limited circumstances; (f) consent rights to certain amendments to the Governing Documents; (g) limits on indemnification obligations; (h) special economic terms; (i) "most favored nations" rights (subject to certain exceptions); (j) the right to cease making capital contributions under certain limited circumstances; or (k) any other matters described therein (such agreements, "Side Letters"). As a result of such Side Letters, certain Investors may receive additional benefits (including expanded informational rights, preferential economic terms, preferential co-investment rights, excuse rights with respect to certain investments or "most favored nations" rights (subject to certain exceptions)) which other Investors will not receive or have the ability to review. Although any rights or terms established in a Side Letter with an Investor are intended to govern solely with respect to such Investor, such rights or benefits may, by altering the terms of the Governing Documents or requiring the consent of an Investor for certain investments and other actions, materially impact Brookfield Accounts and other Investors. For example, if Brookfield enters into a Side Letter entitling an Investor to opt out of a particular investment or withdraw from the Brookfield Account, any election to opt out or withdraw by such Investor may increase the *pro rata* interest of the Investor in that particular investment or all future investments, which may have an adverse effect on the investment results of such other Investors.

However, notwithstanding the foregoing, such an election to be excused from an investment or withdrawn by an Investor would not increase the commitments to a Brookfield Account of any of the other Investors, though it may increase such other Investor's exposure to investments after a withdrawal. Except as required by applicable law, Brookfield may not be required to notify any or all Investors of any such Side Letters or other agreements or any of the rights or terms or provisions thereof, and may not be required to offer such additional or different rights or terms to any or all Investors.

In addition, Brookfield may enter into agreements with one or more Investors involving an Investor's broader relationship with Brookfield, which may include one or more strategies in addition to a Brookfield Account's strategy and/or certain co-investments alongside a Brookfield Account. Such an agreement may contain terms and conditions applicable to an Investor that would not apply to that Investor's investment solely in the Brookfield Account. Such an agreement may involve an Investor agreeing to make a commitment to multiple Brookfield Accounts and/or receiving access to certain co-investment opportunities alongside a Brookfield Account, and may include Brookfield granting certain preferential terms to Investors, including blended fee and carried interest rates that are lower than those applicable to a Brookfield Account when applied to the entire strategic partnership. Other Investors will generally not receive disclosure of the terms of such agreements or the right to benefit from them. Certain of such strategic partnerships may involve an arrangement or an account (each, a "Program Account") pursuant to which an investor makes a commitment to invest in or alongside a Brookfield Account as well participate in other Brookfield Accounts, strategies or co-investments to be made alongside a Brookfield Account. Any such Program Account may generally be treated as a parallel fund of a Brookfield Account for purposes of the applicable Brookfield Account's Governing Documents to the extent of the amount of the Investor's commitment to or alongside the applicable Brookfield Account via such Program Account, even though such Investor may not be a direct limited partner of the applicable Brookfield Account. Brookfield may grant certain preferential terms to such Investor via any such Program Account, including fee and carried interest rates (on a blended basis or otherwise) that are lower than those applicable to a Brookfield Account.

Brookfield may enter into Side Letters with any Investor in its discretion at any time. Accordingly, the other Investors will have no recourse against the relevant Brookfield Account or any of its respective affiliates in the event that certain Investors receive additional or different rights or terms as a result of such Side Letters. Each Brookfield Account will generally bear the expenses of administering Side Letters and other Investor-specific requests.

Additionally, Brookfield may agree to waive (or otherwise modify) certain management fee payments in respect of Investors who are deemed to be "early closing investors" by Brookfield in a Brookfield Account and such other Investors as determined by Brookfield in its discretion.

**Conflicts with Issuers of Investments.** As part of Brookfield's management and oversight of investments, Brookfield appoints its personnel as directors and officers of portfolio investments and, in that capacity, is required to make decisions that consider the best interests of such portfolio investments and their respective shareholders or other stakeholders. In certain circumstances, for example in situations involving bankruptcy or near -insolvency of a portfolio investment, decisions and actions that may be in the best interest of the portfolio investment may not be in the best interests of

Brookfield Accounts individually, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Brookfield and such individual's duties as a director or officer of the portfolio investment. As described above, Brookfield employees may be engaged by one or more portfolio investments on a permanent or temporary basis in order to provide services that may otherwise be provided by third parties. See *"Affiliated Services and Transactions"* above. This may create conflicts of interest when the employees are considering the interests of a Brookfield Account and the interests of the portfolio investment. Furthermore, the particular arrangement between such employees and the portfolio investments and properties may change over time, particularly when an Investment is realized by the Brookfield Account. An employee may or may not return to Brookfield after the Brookfield Account's disposition of such Investment.

In the ordinary course, Brookfield may hire employees of portfolio investments (including by hiring teams of employees and integrating them into Brookfield). Such persons may, in their capacity as employees of Brookfield, provide similar services to a portfolio investment as they provided when employed directly by such portfolio investment. Any such services will be provided in the same manner and on the same terms as similar services provided by other employees of Brookfield. As a result, a portfolio investment may pay more for such services than it would otherwise have paid if such employees remained employed by such portfolio investment. See *"Affiliated Services and Transactions"* above.

**Listing and Distribution of Brookfield.** Brookfield Asset Management Inc. changed its name to Brookfield Corporation (the "Corporation") on December 9, 2022, pursuant to a corporate restructuring (the "Transaction"), as a result of which, its asset management business ("Asset Management Business") is now held 100% by Brookfield Asset Management ULC ("BAM ULC"). BAM ULC is owned 75% by Brookfield Corporation and 25% by a newly established company Brookfield Asset Management Ltd. ("Brookfield Asset Management"). Each of Brookfield Corporation and Brookfield Asset Management have the right to nominate 50% of the directors of BAM ULC, and the shareholders of Brookfield Corporation received shares of Brookfield Asset Management as consideration for the transfer of 25% interest in the Asset Management Business. Brookfield Corporation continues to be listed on the NYSE and TSX under the new ticker "BN" and Brookfield Asset Management is newly listed on both stock exchanges under the ticker "BAM".

Since completion of the Transaction, certain employees, including senior level executives previously employed by Brookfield Asset Management Inc. have become employees of the Asset Management Business, and in such capacity provide services to all the entities conducting the Asset Management Business activities. While employees, senior level management and boards of directors of each of the Corporation and the Asset Management Business are expected to be separate and distinct from one another (other than Bruce Flatt, who is the CEO of the Corporation and of the Asset Management Business), the Corporation will have senior management involvement/participation in the Asset Management Business, including by being a part of investment committees and being available to propose and discuss various investment opportunities. In addition, the Corporation will receive certain transition services from the Asset Management business and the Asset Management Business will receive transition services from the Corporation for a period of time, with the intended result of ensuring continuity of operations. The Transaction did not result in a change of control of Brookfield Asset



Management Inc. or require the consent of the investors of any Brookfield Account.

While the foregoing describes the current process for the corporate structure and delineation of roles since completion of the Transaction, such process and structure are subject to change. In addition, while it is not anticipated to be the case, it is possible that the Transaction will create unintended and unanticipated risks or conflicts that are material to Investors in Brookfield Accounts. There can be no guarantee that the foregoing changes in corporate structure since the Transaction will have no impact on the management of the Brookfield Accounts. While it is intended that the asset management employees and senior level executives formerly employed by Brookfield Asset Management Inc. who were transferred to the Asset Management Business will continue existing asset management practices following such transfer, it is expected that the Asset Management Business will, in the normal course, enact policies and procedures that differ from those formerly in place at Brookfield Asset Management Inc. In addition, while the Transaction is not intended to have adverse consequences on any Investor in any Brookfield Account, the Transaction provides existing and new public shareholders access to a new class of securities linked to the standalone asset management business of Brookfield Asset Management Ltd.

## OTHER CONFLICTS

**Limited Access to Information.** Investors' rights to information regarding the Brookfield Accounts is specified in the Governing Documents. However, certain Investors may receive additional information that is not made available to all Investors generally. For example, it is expected that Investors who designate representatives to participate on the LPAC may, by virtue of such participation, have more information about the applicable Brookfield Account and its investments in certain circumstances than other Investors generally, or certain information may be disseminated to them in advance of communication to other Investors. Similarly, certain Investors may also be Investors in other Brookfield Accounts, or engage in transactions with Brookfield, an investment or another Brookfield Account, and may receive additional information through such arrangements. Certain Investors may periodically request, or have Side Letters providing for periodic disclosures of, or receive as a result of certain regulatory requirements, information regarding a Brookfield Account and its Investors that is not otherwise set forth in (or has yet to be set forth in) the reporting and other information delivered to all Investors. Brookfield has no duty to ensure all Investors seek, obtain or process the same information regarding Brookfield, the Brookfield Accounts and their investments and/or portfolio companies.

Certain information, including interpretations, confirmations or statements of intent, that is provided to one Investor via Side Letters or other means during the due diligence process or otherwise and not to another Investor (or prospective investor) may provide the recipient greater insight into a Brookfield Account's activities and/or the intentions of Brookfield, thereby enhancing such recipient's ability to make investment decisions (including a prospective investor's decision to invest in a Brookfield Account) with respect to the applicable Brookfield Account and/or take action or make other decisions pursuant to the Governing Documents. This may adversely affect Investors that do not receive such information. In addition, an Investor that seeks to transfer its interests, or a potential acquirer of such interests, may have difficulty in determining an appropriate price for such interests because it does not have information that it would consider material or which has been provided to its prospective counterparty.

In certain cases, Brookfield may seek to acquire interests from an Investor and may do so with the understanding that Brookfield has information regarding the applicable Brookfield Account that is not available to Investors or potential acquirers of interests, and Brookfield may agree to engage in bespoke structuring or to provide other advantageous terms not generally available to third parties.

**Internal Audit.** Brookfield Corporation, Brookfield Asset Management and certain of their affiliates are publicly traded companies subject to requirements to maintain an internal audit function and to complete internal audit reviews of their investments and related operations. In certain instances, Brookfield Accounts and their portfolio investments are expected to perform internal audit reviews of their operations and related activities, either in connection with their own regulatory requirements, because they are consolidated into Brookfield or one of its listed affiliates, or otherwise for corporate governance purposes, as determined by Brookfield in its capacity as manager of the Brookfield Accounts. Such portfolio investment internal audit work is expected to be carried out by the employees of such portfolio investments, by Brookfield employees and/or by third-party advisors, and the expenses related to such work by all such persons are generally expected to be charged to the portfolio investment. While the product of such portfolio investment internal audit work is expected to be relied on and utilized, where applicable, in meeting Brookfield's and its listed affiliates' internal audit obligations, Brookfield and its listed affiliates generally will not share in the expenses of such portfolio investment internal audits (except in their capacity as indirect equity owners of the portfolio investment). Further to the disclosure above in *"Allocation of Costs and Expenses"*, it is expected that internal audit costs will be allocated to the Brookfield Accounts based on a blended rate of the personnel involved in providing such services, such that the amount charged to each Brookfield Account and its portfolio investments may be greater or lesser than the actual cost of the specific personnel performing the services for such Brookfield Account and/or its portfolio investments.

**Management Fee and Carried Interest.** The management fee and carried interest payable by a Brookfield Account to Brookfield will not be used solely to compensate Brookfield employees. For example, management fees and/or carried interest are expected to be retained by Brookfield for the benefit of its public shareholders. Additionally, Brookfield may pledge, make a collateral assignment of, or otherwise use as credit support all or any portion of its right to receive management fees and/or carried interest, including in connection with any transaction involving a Structuring Entity or the financing of Brookfield's commitment to a Brookfield Account. The payment of management fees and distributions of carried interest to persons other than the team responsible for managing Brookfield Accounts reduces the alignment of interest between Brookfield and Investors.

Brookfield's entitlement to performance-based compensation from Brookfield Accounts could incentivize Brookfield to make investments on behalf of Brookfield Accounts that are riskier or more speculative than it would otherwise make in the absence of such performance-based compensation. In addition, Brookfield is generally taxed at preferable tax rates applicable to long-term capital gains on its performance-based compensation with respect to investments that have been held by a Brookfield Account for more than three years. The required holding period and/or other laws (including non-U.S. tax laws) applicable to carried interest could create an incentive for Brookfield to make different decisions regarding the timing and manner of the realization of investments than would be made in the absence of such laws, including if long-term capital gain from the sale or disposition of capital assets (as

it relates to Brookfield's receipt of carried interest) did not require a three-year holding period.

**Calculation Errors, True-Ups and/or Repayments.** The calculation of amounts due to Brookfield and/or Brookfield Accounts in respect of a Brookfield Account or its portfolio investments (including amounts owed in respect of performance based compensation, Affiliated Services, protective loans, cost allocations, and other matters) is complex and at times based on estimates and/or subject to periodic (post-transaction) reconciliations. Brookfield may make errors in calculating such amounts, and/or recognize over- or under-estimates of such amounts in performing routine reconciliations and/or other internal reviews. When such an error or under- or over-estimate that disadvantaged the applicable Brookfield Account is discovered, Brookfield will make the Brookfield Account whole for such amount based on the particular situation, which may involve a return of distributions or fees or a waiver of future distributions or fees, in each case in an amount necessary to reimburse the Brookfield Account for such over-payment. As a general matter, Brookfield does not expect to pay interest on such amounts. Likewise, when an error or under- or over-estimate that advantaged a Brookfield Account is discovered, Brookfield will make itself whole for such amount, as applicable, and generally will not charge interest in connection with any such make-whole payment.

## MANAGEMENT AND RESOLUTION OF CONFLICTS

**LPAC.** Brookfield may in certain situations choose to seek the approval of the members of an LPAC of a Brookfield Account (the "LPAC Members") using established guidelines with respect to potential conflict of interest situations and LPAC approval may be required to resolve certain conflicts and other matters. Any such approval by a LPAC will be binding upon the Brookfield Account and its Investors, including certain matters that are required to be approved by a Brookfield Account under the Advisers Act. Brookfield may also consult with the LPAC and/or seek LPAC approval regarding matters that are not specifically contemplated in the Governing Documents. In each of those situations, the views expressed by the LPAC with respect to such matters (or the lack of objections thereto) represents the decision of the Brookfield Account and is binding on its Investors. When LPAC approval is sought, Brookfield has discretion to determine whether to seek the consent of (i) the LPAC or (ii) the Investors, and the Investors will not be involved in determining which type of consent will be utilized for each decision. Any vote by the Investors constituting LPAC approval will require a majority in interest of the Investors (other than Brookfield). In addition, if LPAC approval is obtained or Brookfield acts pursuant to standards or procedures approved via LPAC approval with respect to such conflict of interest or other matter, then Brookfield will not have any liability to the applicable Brookfield Account or any Investor for actions in respect of such matter taken in good faith by Brookfield, including actions in the pursuit of their own interests.

An LPAC Member is under no obligation to act in the best interests of a Brookfield Account as a whole and may choose to act only in the best interests of the Investor with which such LPAC Member is affiliated. This may result in potential conflicts of interest. Although the LPAC is intended to act as the representative of the Investors, the LPAC may not have the same interests as all Investors and are permitted to act in their own interests and not the interests of the Investors as a whole. LPAC Members may receive information regarding the proposed investment activities of the applicable Brookfield Account that is not generally available to the public or other Investors. There will be no obligation on the

part of any LPAC Member to make available for use by the applicable Brookfield Account any information or strategies known to or developed by it and, in certain cases, they may be prohibited from doing so. Furthermore, the LPAC cannot be expected to be expert in all relevant aspects of private investments, and certain of its determinations may, in fact, adversely affect the performance of the applicable Brookfield Account. Subject to the provisions of any Side Letter entered into with any Investor appointing a member of the LPAC, the name of each LPAC Member and the Investor such LPAC Member represents may be disclosed by Brookfield in its discretion to any Investor.

**Brookfield Conflicts Management and Resolution Process.** Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies through and on behalf of Brookfield Accounts (including proprietary accounts). In addition, Brookfield's business activities continuously grow and evolve over time. As noted throughout this Brochure, a key element of the strategy of Brookfield Accounts is to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs. Brookfield believes that this is in the best interest of Brookfield Accounts and their investments. However, being part of this broader (and evolving) platform, as well as activities of and other considerations relating to Brookfield Accounts, gives rise to conflicts of interest situations. Dealing with conflicts of interest is difficult and complex, and it is not possible to predict all of the types of conflicts that will arise over the course of the life of Brookfield Accounts, particularly as a result of the potential growth and evolution of Brookfield's business activities. Brookfield will monitor conflicts of interest and manage such conflicts of interest as set out in this Brochure, in accordance with its fiduciary duty to Brookfield Accounts; however, conflicts will not necessarily be resolved in a manner that is favorable to any Brookfield Account.

In managing conflicts of interest situations that arise from time to time, Brookfield generally will be guided by its internal policies and procedures and applicable regulatory requirements, including its fiduciary obligations as set out in Brookfield Accounts' offering documents. Among other things, Brookfield has formed a Conflicts Committee, which is comprised of senior Brookfield executives, to oversee the management and resolution of conflicts of interest considerations that arise in the management of Brookfield's business activities, including the management of Brookfield Accounts. The Conflicts Committee seeks to ensure that conflicts considerations are addressed in accordance with Brookfield's internal policies and procedures and applicable regulatory requirements, including its fiduciary duties to Brookfield Accounts as set out in such accounts' offering documents. In carrying out its responsibilities, the Conflicts Committee may, as it deems appropriate, review and approve specific matters presented to it and/or review and approve frameworks (and related parameters) for execution of particular types of transactions. In connection with the latter, the Conflicts Committee will (as it deems appropriate) appoint one or more individuals, pursuant to delegated authority, to oversee implementation of the frameworks and is deemed to approve transactions that are executed in accordance with pre-approved frameworks.

There can be no assurance that all conflicts of interest matters will be presented to the Conflicts Committee. In addition, the Conflicts Committee is comprised of senior executives of Brookfield that are not independent of Brookfield. As such, the Conflicts Committee itself is subject to conflicts of

interest considerations. The Conflicts Committee will seek to act in good faith and to resolve conflicts of interest considerations in a manner that it deems is fair and balanced, taking into account the facts and circumstances known to it at the time, and in accordance with Brookfield's policies and procedures and applicable regulatory requirements. However, there is no guarantee that the Conflicts Committee will make a decision that is most beneficial or favorable to any particular Brookfield Account or the Investors in connection with any particular conflict situation, or that it would not have reached a different decision if additional information were available to it.

As noted elsewhere in this Brochure, Brookfield is not required to and generally does not expect to seek approval from the LPAC of the Brookfield Account or from other Investors to manage the conflicts of interest situations that will arise from time to time (including conflicts of interest situations that were not contemplated in this Brochure) unless required by applicable law or as otherwise set out in this Brochure or the Governing Documents. By investing in Brookfield Accounts, each Investor will be deemed to have acknowledged and agreed to the Brookfield Account being part of Brookfield's broader platform, the strategy of the Brookfield Account leveraging Brookfield's broader platform, conflicts of interest situations (including situations not contemplated in this Brochure) arising in the course of the life of the Brookfield Account, Brookfield's resolution of such conflicts situations as set out in this Brochure, and to have waived any and all claims with respect to the existence of any such conflicts of interest and any actions taken or proposed to be taken in respect thereof as set out herein.

**The foregoing list of potential and actual conflicts of interest does not purport to be a complete enumeration or explanation of the conflicts attendant to an investment in any Brookfield Account. Additional conflicts may exist that are not presently known to Brookfield or are deemed immaterial. In addition, as the Brookfield Activities and the investment programs of Brookfield Accounts develop and change over time, an investment in any Brookfield Account may be subject to additional and different actual and potential conflicts of interest. Prospective investors should consult with their own advisers regarding the possible implications on their investment in any Brookfield Account of the conflicts of interest described herein.**

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Brookfield has adopted a code of business conduct and ethics (the "Code of Ethics") for its supervised persons, which sets out its standards, principles, commitments, policies, procedures, and guidelines. The Code of Ethics includes, among other things, provisions relating to duties to stakeholders, the confidentiality of client information, the creation of a positive work environment, employee personal conduct policies, the giving and/or receiving of gifts and entertainment, a prohibition on insider trading, personal securities trading procedures, and guidelines for reporting potential violations of the Code of Ethics. All supervised persons of Brookfield must acknowledge the terms of the Code of Ethics upon commencement of employment with Brookfield and annually thereafter.

Under the Code of Ethics, Brookfield's supervised persons are expected to, among other things:

- Always observe their fiduciary duties to investment management clients;

- Not take personal opportunities that are discovered through the use of property or information of the company or through their role with Brookfield;
- Protect the confidentiality of “non-public information” concerning the company, customers, clients, investments and others;
- Maintain a respectful work environment free from discrimination, violence and harassment;
- Not trade in the company’s securities or any other company’s securities if they possess material “non-public information” or during a blackout period;
- Know and comply with applicable laws, rules, regulations and policies; and
- Report potential violations of the Code of Ethics.

Clients or prospective clients may request a copy of the firm’s Code of Ethics by contacting [ronald.fisher-dayn@brookfield.com](mailto:ronald.fisher-dayn@brookfield.com).

As discussed above in “Conflicts Relating to Investments by Other Brookfield Accounts” in Item 10, Brookfield buys and sells securities and interests for Brookfield Accounts in portfolio investments in which Brookfield and other Brookfield Accounts have material financial interests. Brookfield and other Brookfield Accounts also invest in the same securities and portfolio investments as a Brookfield Account, including at the same time. The various actual and potential conflicts that these practices present are discussed above. Conflicts of interest shall be managed and resolved as discussed in “*Management and Resolution of Conflicts Generally*” in Item 10 above.

From time to time, subject to and in accordance with applicable law and the terms of Brookfield’s conflicts policy, Brookfield expects (but is under no obligation) to effect cross trades and/or principal transactions pursuant to which Brookfield Accounts purchase investments from or sell investments to Brookfield and/or other Brookfield Accounts. Pursuant to applicable law and Brookfield’s conflicts policy, certain of these transactions will require approval of the applicable Brookfield Account’s Investors (or LPAC or similar bodies), which approval will be deemed to constitute the approval of, and be binding upon, Brookfield Account and all Investors (in the case of approval of the LPAC or similar bodies).

In light of the potential conflicts of interest and regulatory considerations relating to cross trades and/or principal transactions, including among others Brookfield’s conflicting division of loyalties and responsibilities to the parties in these transactions, Brookfield has developed policies and procedures in order to guide the effecting of such transactions. However, there can be no assurance that such transactions will be effected, or that such transactions will be affected in the manner that is most favorable to Brookfield Accounts as a party to any such transaction. For the avoidance of doubt, transactions among portfolio investments of Brookfield Accounts and portfolio investments of other Brookfield Accounts and/or Oaktree Accounts that get effected in the ordinary course will not be treated as cross trades or principal transactions and will not require approval of the applicable Brookfield Account’s Investors (or LPAC or similar bodies) or the Conflicts Committee. See “*Transactions with Portfolio Companies*” in Item 10 above.

## ITEM 12 – BROKERAGE PRACTICES

Brookfield generally has discretionary authority to determine, without obtaining specific client consent, the investments (including in securities) and the amount thereof to be bought or sold for a Brookfield



Account, subject to the conditions and restrictions contained in a Brookfield Account's Governing Documents.

Brookfield Accounts generally do not conduct frequent transactions in publicly-traded securities requiring the use of a broker. In determining the brokers through whom, and commission rates and other transaction costs at which, securities transactions for the Brookfield Accounts are to be executed, Brookfield seeks to negotiate a combination of the most favorable commission and the best price obtainable, taking into account execution capability and trading expertise consistent with the effective execution of the transaction.

Brookfield enters into "soft dollars" arrangements from time to time when executing on transactions for Brookfield Accounts, but will do so only where Brookfield reasonably believes that the services benefit the Brookfield Accounts, and that the amount of commission was reasonable in relation to the value of the brokerage and research services provided. Brookfield analyzes its use of client brokerage commissions quarterly to determine whether its use of soft dollar falls within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. Brookfield currently has soft dollar contracts open with one broker. The resources currently funded by these soft dollar relationships are primarily data/pricing feeds (i.e., Interactive Data Pricing and Reference Data, Inc., Factset, Bloomberg) and connectivity. Benefits received are used for the benefit of Brookfield clients generally. The receipt of such benefits creates a potential conflict of interest. To the extent that Brookfield uses client commission dollars to obtain research or brokerage services, it will not have to pay for those products and services itself, and Brookfield has an incentive to select or recommend a broker-dealer based on its interest in receiving the benefits, rather than on Brookfield Accounts' interest in receiving most favorable execution.

During 2023, Brookfield paid certain permitted costs via a soft dollar program with one US-based broker. These costs primarily comprised market data feeds and proprietary third-party research.

Brookfield does not consider, in selecting broker-dealers, whether the broker-dealer has referred clients to Brookfield and does not permit a Brookfield Account to direct brokerage to particular broker-dealers.

In the event that orders for the same security for more than one client are placed with the same broker, Brookfield may aggregate or "bunch" such orders across client accounts (including accounts advised by certain affiliates), although it will have no obligation to do so. If orders are aggregated, they will be allocated across the client accounts so that no account will be treated less favorably than another over time. While in some cases the aggregation of orders could have a detrimental effect upon the price or value of a security for a particular account, or upon the ability to complete an entire order, in other cases coordination and the ability to participate in volume transactions may be beneficial to the account. Brookfield may in its discretion choose not to aggregate orders, for example, where portfolio management decisions for clients are made separately or where aggregation could result in less favorable execution for a particular client.

### ITEM 13 – REVIEW OF ACCOUNTS

The Brookfield Accounts' investment positions and accounts are monitored on a current basis, and a complete list of the accounts and positions is more formally reviewed as necessary. Such reviews are generally conducted by one or more members of a Brookfield Account's Investment Committee. Brookfield Accounts are audited on a yearly basis by a firm of independent public accountants.

Certain events may require an account review other than the periodic reviews. Such events include a transfer or withdrawal of an Investor interest in a Brookfield Account or a material change in the business of a portfolio investment.

Brookfield makes available the books and records of a Brookfield Account to its Investors as provided in its Governing Documents. In addition, Brookfield provides the following written reports to each Investor of a Brookfield Account:

- within a period ending no later than 120th day after the end of the fiscal year an annual report with audited financial statements of the Brookfield Account including an overview of the investment activities of the Brookfield Account during the fiscal year covered by the annual report; and
- within a period generally ending no later than the 60th day after the end of each of the first three fiscal quarters of each fiscal year, (i) an overview of the Brookfield Account's investments, (ii) a statement showing the distributions to each Investor during the applicable fiscal quarter, (iii) a reconciliation of changes in the capital accounts of Investors during the immediately preceding fiscal quarter and (iv) a description of any material event regarding the business of the Brookfield Account or dispositions of investments during the quarter covered by the report.

### ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Brookfield does not have any arrangements pursuant to which someone other than a Brookfield Account provides an economic benefit to Brookfield for providing investment advisory services to such Brookfield Account. See Items 5, 6 and 10 above for compensation that may be earned by Brookfield in connection with certain transactions, and Item 10 above for other services that may be provided by Brookfield in connection with a Brookfield Account's investments for which it may be compensated. As described in Item 5 above, certain supervised persons of Brookfield may obtain commitments from prospective investors to Brookfield Accounts while acting in that capacity.

### ITEM 15 – CUSTODY

Brookfield may be deemed to have custody, as defined under Rule 206(4)-2 under the Advisers Act, of funds or securities of the Brookfield Accounts. With respect clients, Brookfield generally relies on the "audit exemption" under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with and subject to inspection by the Public

Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicles.

#### **ITEM 16 – INVESTMENT DISCRETION**

Brookfield has discretionary authority to manage the portfolios of certain Brookfield Accounts pursuant to their investment objectives, as set out in the applicable Governing Documents. Consent from Investors or a committee of representatives of Investors is required for a Brookfield Account to invest in securities or interests outside of its investment objectives, or as otherwise indicated by a Brookfield Account's investment management agreement with Brookfield.

#### **ITEM 17 – VOTING CLIENT SECURITIES**

Brookfield may be deemed to have authority to vote proxies relating to the portfolio investments in which the Brookfield Accounts invest. Therefore, Brookfield has adopted a set of policies and procedures (together, the "Proxy Policy") in compliance with Rule 206(4)-6 under the Advisers Act. To the extent Brookfield exercises or is deemed to be exercising voting authority over Brookfield Account securities, the Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, "proxies") is exercised in a manner that serves the best interest of the Brookfield Account, as determined by Brookfield in its discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, Brookfield may not always vote proxies in accordance with the Proxy Policy. In addition, many possible proxy matters are not covered in the Proxy Policy. Generally, Brookfield will vote proxies (i) in favor of management's recommendation for the election of the board of directors and (ii) to approve the financial statements as presented by management.

Each proxy is voted on a case-by-case basis taking into consideration any relevant facts and circumstances at the time of the vote. For matters covered in the Proxy Policy, generally the vote will be in accordance with the Proxy Policy. In situations where Brookfield wishes to vote differently from what is recommended in the Proxy Policy, or where a potential material conflict of interest relating to the proxy vote exists, Brookfield will take such actions as are required by the Proxy Policy.

Investors may request a copy of the Proxy Policy and the voting records relating to proxies of the Brookfield Account in which they have invested by contacting Brookfield using the contact information on the cover page of this Brochure.

#### **ITEM 18 – FINANCIAL INFORMATION**

Not applicable.