

**FORM ADV PART 2A  
BROCHURE**

**Brookfield**

**BROOKFIELD INVESTMENT MANAGEMENT INC.**

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March 31, 2015

This brochure (the "*Brochure*") provides information about the qualifications and business practices of Brookfield Investment Management Inc. ("*Brookfield*"). If you have any questions about the contents of this Brochure, please contact us at 212-549-8400. 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 Brookfield also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

## Item 2 – Material Changes

In our opinion, material changes in this version of the brochure include the following:

As noted in Item 8 herein, Brookfield Investment Management Inc. began offering a Diversified Real Asset Strategy, Real Asset Debt Strategy and Global energy Long/Short Strategy.

As noted in Item 8 herein, additional risk disclosures for investments in bank loans, distressed securities, issuers, master limited partnerships, mezzanine loans, and REITs were added.

As noted in Item 12 herein, for Initial Public Offerings (“IPOs”), Brookfield may take into account client specific factors, including, but not limited to, the appropriateness of the IPO in light of a specific client’s risk tolerance, available cash, investment objectives, restrictions and strategy. Consequently, some Client Accounts may not participate in one, multiple, or any IPO transactions.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year. We may provide other disclosure information about material changes as it is necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Our Brochure may be requested by contacting Seth Gelman, Chief Compliance Officer, at 212-549-8415 or [seth.gelman@brookfield.com](mailto:seth.gelman@brookfield.com).

Additional information about Brookfield is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Brookfield who are registered, or are required to be registered, as investment adviser representatives of Brookfield.

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## Item 4 – Advisory Business

Brookfield Investment Management Inc. (“Brookfield”) is an investment adviser that has been registered under the Investment Advisers Act of 1940, as amended (“Advisers Act”) since 1989. Brookfield is a wholly owned subsidiary of Brookfield Asset Management Inc. (“BAM”), a publicly traded Canadian corporation. BAM shares are listed on the Toronto Stock Exchange (symbol: BAM.A), the New York Stock Exchange (symbol: BAM), and Euronext (symbol: BAMA). BAM is a global alternative asset manager with approximately \$200 billion in assets under management as of December 31, 2014. BAM has over a 100-year history of owning and operating assets with a focus on property, renewable power, infrastructure and private equity. BAM offers a range of public and private investment products and services, which leverage our expertise and experience and provide us with a distinct competitive advantage in the markets where we operate. Over this time, BAM has successfully developed several investment operations and built expertise in the management of institutional portfolios, retail mutual funds, and structured product investments. Through Brookfield, BAM’s public market activities complement our core competencies as a direct investor. These activities encompass global listed real estate and infrastructure equities, corporate credit investments and opportunistic credit strategies. Headquartered in New York, NY, Brookfield maintains offices and investment teams in Toronto, Chicago, and Boston.

Brookfield provides investment advisory services on a discretionary and non-discretionary basis to individual accounts, trusts, pension plans, foundations, insurance companies, corporations, and other business entities’ separate accounts, qualifying investor funds with variable capital (“QIAIFs”), investment companies with variable capital authorized as an undertakings for collective investment in transferable securities (“UCITS”), investment companies registered with the SEC under the Investment Company Act of 1940 (“1940 Act”), as amended, and investment companies exempted from the definition of investment company by Sections 3(c)(1) and 3(c)(7) of the 1940 Act, as amended (“Private Funds”).

In this Brochure, the separately managed accounts, QIAIFS, UCITS, and 1940 Act registered investment companies and Private Funds that are managed or advised by Brookfield are collectively referred to as “Client Accounts”.

Brookfield provides global investment management strategies focused on specialized equity and fixed income securities investments.

Brookfield manages each client’s portfolio in accordance with the specified guidelines and objectives of the client. Brookfield’s discretionary authority to make investments for a portfolio is generally limited by written investment restrictions and guidelines provided by the client.

Brookfield offers investment advice not involving investment management services to clients requiring a periodic review of their investments and investment strategy. This service is generally offered to clients with in-house portfolio management capability.

Brookfield or its affiliates may provide securities-related advisory services including the advice given pursuant to a specific contract. With respect to a specific pool of assets, Brookfield may give advice regarding the restructuring of balance sheets and the securitization of pools of assets.

Brookfield may also provide investment accounting, portfolio consulting and risk management services to institutional clients. These consulting services may include portfolio evaluation and monitoring, merger and acquisition transaction advice, portfolio liquidation or identification and evaluation of one or more investment managers to implement or develop an asset allocation or client investment plan.

Brookfield does not participate in any wrap fee programs.

As of December 31, 2014, Brookfield had over \$17 billion of discretionary assets under management.

## **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Brookfield is established in a client's written agreement with Brookfield. Brookfield will generally bill its fees on a monthly or quarterly basis. Clients may elect to be billed in advance or arrears each calendar month or quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Brookfield's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment consultants and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Such charges, fees and commissions are exclusive of and in addition to Brookfield's fee and Brookfield shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Brookfield considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

Brookfield provides investment advisory services to institutional and high net worth clients. Brookfield's services are typically provided in the form of investment products or services. The type of investment products and services provided by Brookfield is based upon the individual needs of its clients. Investment products are typically offered as separate

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accounts, commingled funds or mutual funds.

Annual fees may be negotiated on a client-by-client basis. Fee schedules are subject to negotiation and may vary from time-to-time based upon numerous factors such as mandate size, types of securities held and portfolio customization. Brookfield has various minimum mandate sizes, depending on the strategy, although Brookfield may waive the minimum size requirement at its discretion. Clients may be subject to a minimum quarterly or annual fee based on asset size. Affiliates of Brookfield and employees of Brookfield and its affiliates may receive a discount on the fees for the strategies listed above if their investments are managed by Brookfield.

## INVESTMENT ADVISORY SERVICES AND FEES - REGISTERED INVESTMENT COMPANIES

Brookfield provides investment advisory and administrative services to several registered investment companies and UCITS. The prospectuses and Statements of Additional Information for these funds contain additional information about each fund. For its advisory services to these funds, Brookfield receives investment advisory fees monthly, in arrears, at the following annual rates:

Brookfield Total Return Fund Inc. (NYSE: HTR)	0.65%
Brookfield High Income Fund Inc. (NYSE: HHY)	0.65 %
Brookfield Global Listed Infrastructure Income Fund Inc. (NYSE: INF)	1.00%
Brookfield Mortgage Opportunity Income Fund Inc. (NYSE: BOI)	1.00%
Brookfield Investment Funds and its four separate series:	
Brookfield Global Listed Real Estate Fund	0.75%
Brookfield Global Listed Infrastructure Fund	0.85%
Brookfield U.S. Listed Real Estate Fund	0.75%
Brookfield Real Assets Securities Fund	0.85%
Brookfield Investment Funds (UCITS) plc.	
Brookfield Global Listed Real Estate UCITS Fund	0.85%
Brookfield Global Listed Infrastructure UCITS Fund	0.95%
Brookfield US Listed Real Estate UCITS Fund	0.85%

Brookfield has a separate investment advisory agreement with each fund.

For the U.S. registered investment companies, Brookfield's investment advisory agreements require annual approval by each regulated investment company's Board of directors/Trustees. It may also be necessary to obtain stockholders' approval periodically. Each such agreement (i) may at any time be terminated without the payment of any penalty either by vote of the Board of Directors/Trustees or by vote of a majority of the outstanding voting securities of the respective fund, on sixty days written notice to Brookfield; (ii) shall immediately terminate in the event of an assignment (within the meaning of the 1940 Act); and (iii) may be terminated by Brookfield on sixty days written notice. In connection with each annual approval, the Directors/Trustees review the terms of the agreements, including the fees payable, and the services provided by Brookfield.

Brookfield also has entered into Administration Agreements with the U.S. registered investment companies to perform administrative services necessary for the operation of the investment companies.

Brookfield also serves as sub-advisor to several non-affiliated registered investment companies. Complete information concerning the funds that Brookfield sub-advises, including fees charged, is disclosed in the prospectus and statement of additional information of such funds. Brookfield negotiates a fee it deems appropriate for the services rendered. Such non-affiliated registered investment companies may terminate their agreements upon written notice to Brookfield within a mutually agreed upon time frame.

## **OTHER SERVICES AND FEES**

Brookfield also may offer portfolio consulting, investment accounting and risk management services to institutional clients.

Fees for the portfolio consulting services vary depending on the scope of the consulting services to be provided by Brookfield and may be subject to a minimum fee per year as agreed upon by Brookfield and the client. An agreement for portfolio consulting services maybe cancelled at any time, by either party, for any reason, upon receipt of at least 60 days' written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded and any unearned, unpaid fees will be due and payable.

Other than the consulting fee, Brookfield does not receive any fees, commissions or other compensation from the sale of securities or other products or services recommended by Brookfield in connection with its portfolio consulting services. A portfolio consulting client is under no obligation to act on or implement Brookfield's recommendations.

## **WITHDRAWAL FEES**

Certain Private Funds may be subject to withdrawal fees unless the general partner of such funds elects to waive such withdrawal fee in whole or in part in its sole discretion. Please refer to the Private Funds' private placement memoranda for more information.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

In some cases, Brookfield has entered into performance fee arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. Brookfield will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Advisers Act, as amended, in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, Brookfield shall include realized and unrealized capital gains and losses. Performance based fee 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 fee arrangement. Such fee arrangements may also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. To address these conflicts, Brookfield has adopted policies and procedures under which allocation decisions may not be influenced by certain fee arrangements and trades are allocated in a manner that Brookfield believes is consistent with its obligations as an investment adviser.



## Item 7 – Types of Clients

Brookfield provides investment advisory services on a discretionary and non-discretionary basis to individual accounts, trusts, pension plans, foundations, insurance companies, corporations, and other business entities' separate accounts, QIFs, UCITS, investment companies registered with the SEC under the 1940 Act, as amended and Private Funds.

## Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Brookfield is a global investment manager focused on specialized equity and fixed income securities investments.

Brookfield's investment strategies are generally guided by (i) the investment objectives, policies, strategies, and restrictions as set forth in the applicable advisory agreements with its clients; (ii) the limits or restrictions set forth in any disclosure document or trust document applicable to a client for which Brookfield serves as investment advisor or otherwise provides advisory services; and (iii) the applicable legal and regulatory requirements.

### **FIXED INCOME STRATEGIES**

#### Corporate Credit

Brookfield's Corporate Credit Strategies seek to provide investors with attractive returns across the corporate credit market. The objective is to provide these returns with less than market volatility over a credit market cycle. The key component of the strategies is to capture the yield advantage that the asset class offers, while minimizing losses associated with credit distress. Brookfield's general philosophy is centered around capturing yield with a focus on preservation of capital. We employ a bias toward building portfolios with core holdings that are higher quality to provide a stable base for income, and then taking advantage of opportunities in markets where we see value.

#### Real Asset Debt Strategy

The Real Assets Debt Strategy invests in below investment grade and investment grade publicly traded debt securities of global real estate, infrastructure and natural resources companies. The strategy seeks current income and capital preservation.

#### Securitized Credit

Brookfield's Securitized Credit Investments team invests in commercial mortgage backed securities ("CMBS"), residential mortgage backed securities strategies ("RMBS") along with asset backed securities strategies ("ABS"). We are value investors that focus on bottom-up security selection. Our investment philosophy is predicated on acquiring assets in markets where we have a competitive advantage in understanding cash flows. An in-depth

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understanding of the potential range around fundamental factors combined with a detailed assessment of security-specific cash flows allows us to build attractive cash flow portfolios.

## **EQUITY STRATEGIES**

Brookfield is an experienced manager of domestic and global equity strategies, with a specialization in real estate and infrastructure securities and a strong long-term track record.

Brookfield has adopted a value-based approach and a long-term investment horizon. Primary emphasis is placed on bottom-up stock selection, with stock research and selection conducted by our investment teams.

### Real Estate Securities Strategies

Brookfield has adopted a long-term investment horizon as Brookfield believes investing in real estate securities, such as real estate investment trusts ("REITs"), can enhance the risk-adjusted performance of a balanced portfolio and provide an efficient, liquid way for investors to get exposure to real estate.

Brookfield utilizes a value-based stock selection methodology. The primary emphasis is on bottom-up stock selection. Fundamental stock research and selection is undertaken by our investment teams. Brookfield's proprietary quantitative screening tools forecast multiples and target prices for a universe of REITs by scoring individual companies in a number of different areas. These include balance sheet strength, quality of income, quality of management, trend in earnings estimates, liquidity, internal and external growth, and asset quality.

#### *U.S. Real Estate Securities Strategy*

Brookfield's U.S. Real Estate Securities Value Income Strategy invests in publicly traded real estate securities, primarily REITs. These portfolios are concentrated and seek to combine the most attractively priced core real estate companies with a mix of under-followed, out-of-favor and out-of-cycle companies and the construction of relatively concentrated portfolios.

#### *Global Real Estate Securities Strategy*

Brookfield's Global Real Estate Securities Alpha Strategy invests in publicly traded real estate securities and real estate related securities around the globe. The investment team adopts a fundamental, bottom-up, value-based stock selection methodology complemented by a top-down overlay. The investment team focuses on under-followed, out-of-favor companies and the construction of relatively concentrated portfolios. In other words, we like to look where others are not looking. In the long-term, the investment team believes that a company's value is largely determined by a combination of the value of its underlying assets and the related cash flows and the strength of its management team.

In the short-term, however, a range of stock market factors influences share prices and causes divergence from their long-term fair value. As such, real estate stocks are often mispriced, providing numerous short-term opportunities.

#### *Global Real Estate Securities Long/Short Strategy*

Brookfield's Global Real Estate Securities Long/Short Strategy has a total return orientation and a global investment universe. These portfolios concentrate on core real estate companies as well as non-traditional property and asset-rich operating companies with potential to deliver higher returns.

The key components of the investment strategy include:

- Targeting a portfolio comprising the investment team's best ideas within the global real estate securities universe, considering risk-adjusted total return potential.
- Implementing a disciplined investment process designed to achieve superior stock selection in both long and short ideas based on detailed, fundamental research by experienced analysts.
- Capitalizing on tactical investment opportunities which may include deep value/discounted securities, debt and preferred securities.

#### Infrastructure Securities Strategies

Brookfield's global infrastructure strategies invest in publicly traded infrastructure securities, with a focus on sustainable and growing long-term cash flows.

Brookfield adopts a value-based stock selection methodology and utilizes a quantitative screening process. Brookfield believes the long-term nature of infrastructure cash flows and the abundance of hard-assets are best suited to bottom-up fundamental analysis.

Brookfield combines publicly-listed securities that the investment team considers to have high and stable income levels with more opportunistic investments.

#### *Global Infrastructure Strategy*

Brookfield's Global Infrastructure Securities Strategy invests in publicly traded infrastructure securities, with a focus on sustainable and growing long-term cash flows. Brookfield's investment universe is primarily in the developed countries of North America, Europe and Asia, as well as emerging markets or markets with developing capital markets. This strategy is available both with and without Master Limited Partnerships.

Brookfield implements a bottom-up focus on individual stock selection, while adopting a top-down approach to regional and sector research. Brookfield's investment approach focuses on relatively concentrated portfolios with allocations across the four main sectors: transportation, energy, communications and water.

#### *Global Infrastructure Securities Long/Short Strategy*

Brookfield's Global Infrastructure Securities Long/Short Strategy invests in publicly

traded infrastructure securities, with a focus on sustainable and growing long-term cash flows and an absolute return orientation. Brookfield's investment universe is primarily in the developed countries of North America, Europe and Asia, as well as emerging markets or markets with developing capital markets.

The investment approach of this strategy is opportunistic and targeted, and primarily designed to exploit inefficiencies in the publicly-traded infrastructure securities markets globally.

#### Global Energy Long/Short Strategy

Brookfield's Global Energy Securities Long/Short Strategy invests in publicly traded equity securities of global energy, energy infrastructure and chemicals companies. The strategy employs an opportunistic investment approach, primarily to exploit inefficiencies in the public securities markets. The strategy seeks high risk-adjusted absolute return with low correlation to global equity and fixed income markets.

### **Fixed Income and Equity Blended Strategy**

#### Diversified Real Assets Strategy

The Diversified Real Assets Strategy is a diversified, multi-strategy portfolio that invests in publicly traded equity and debt securities of global real estate, infrastructure and natural resources companies. The strategy utilizes a value-based security selection and asset allocation methodology. The strategy seeks total return and inflation protection through growth of capital and current income.

### **MATERIAL RISKS**

***Clients should understand that all investment strategies and the investments made pursuant to such strategies involve risk of loss, including the potential loss of the entire investment. The investment performance and the success of any investment strategy or particular investment can never be predicted or guaranteed, and the value of a client's investments will fluctuate due to market conditions and other factors.***

The following is a summary of the material risks for Brookfield, its investment strategies, security types and investment techniques. The information contained in this Brochure cannot disclose every potential risk associated with an investment strategy. Rather, it is a general description of the nature and risks of the strategies and securities that clients may include in their investment guidelines. Investors in registered investment companies, UCITS, QIAIFs or Private Funds should review the prospectuses, offering memorandums and statements of additional information about risks associated with those products.

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### Asset Backed Securities

Risks include the effects of general and local economic conditions on asset values, the conditions of specific industry segments, the ability of the obligors to make payments including such factors as the level of personal income and the unemployment rate. As well, investments in ABS rely, to some extent, on the representations and warranties of the seller. In some cases, seller fraud can occur and there can be no assurance that the seller has adequate resources to compensate investors for their losses.

### Bank Loan Risk

Bank loans are usually rated below investment grade. The market for bank loans may be subject to irregular trading activity, wide bid/ask spreads and extended trade settlement periods. Investments in bank loans are typically in the form of an assignment or participation. Investors in a loan participation assume the credit risk associated with the borrower and may assume the credit risk associated with an interposed financial intermediary. Accordingly, if a lead lender becomes insolvent or a loan is foreclosed, a Client Account could experience delays in receiving payments or suffer a loss. In an assignment, a Client Account effectively becomes a lender under the loan agreement with the same rights and obligations as the assignment bank or other financial intermediary. Accordingly, if the loan is foreclosed, a Client Account could become part owner of any collateral, and would bear the costs and liabilities associated with owning and disposing of the collateral. Due to their lower place in the borrower's capital structure and possible unsecured status, junior loans involve a higher degree of overall risk than senior loans of the same borrower. In addition, the floating rate feature of loans means that bank loans will not generally experience capital appreciation in a declining interest rate environment. Declines in interest rates may also increase prepayments of debt obligations and require a Client Account to invest assets at lower yields.

### Commercial Mortgage Backed Securities

Risks include the effects of general and local economic conditions on real estate values, the conditions of specific industry segments, the ability of tenants to make lease payments and the ability of a property to attract and retain tenants, which in turn may be affected by local conditions such as oversupply of space or a reduction of available space, the ability of the owner to provide adequate maintenance and insurance, changes in management of the underlying commercial property, energy costs, government regulations with respect to environmental, zoning, rent control, bankruptcy and other matters, real estate and other taxes, and prepayments of the underlying commercial mortgage loans (although such prepayments generally occur less frequently than prepayments on residential mortgage loans).

### Commodity Risk

Some of the investments of Client Accounts will be subject to commodity price risk, including, without limitation, the price of electricity and the price of fuel. The operation and cash flows of certain Client Accounts' portfolio investments may depend, in substantial

part, upon prevailing market prices for electricity and fuel, and natural gas. These market prices may fluctuate materially depending upon a wide variety of factors, including, without limitation, weather conditions, foreign and domestic market supply and demand, force majeure events, changes in law, governmental regulations, price and availability of alternative fuels and energy sources, international political conditions including those in the Middle East, actions of the Organization of Petroleum Exporting Countries (and other oil and natural gas producing nations) and overall economic conditions.

### Concentration Risk

If Brookfield concentrates its investments in issuers within the same country, state, industry or economic sector, an adverse economic, business or political development may affect the value of a Client Account's investments more than if such Client Account's investments were not so concentrated. Also, to the extent Brookfield invests a larger percentage of a Client Account in a relatively small number of issuers; it may be subject to greater risks than a more diversified account. That is, a change in the value of any single investment held by a Client Account may affect the overall value of the account more than it would affect an account that holds more investments.

### Construction and Development Risk

Where Client Accounts invest in new or development stage infrastructure projects, it is likely to retain some risk that the project will not be completed within budget, within the agreed time frame and to the agreed specification. During the construction or development phase, the major risks of delay include political opposition, regulatory and permitting delays, delays in procuring sites, strikes, disputes; environmental issues, force majeure, or failure by one or more of the Infrastructure investment participants to perform in a timely manner their contractual, financial or other commitments. These delays in the projected completion of the project could result in delays in the commencement of cash flow and an increase in the capital needed to complete construction, which may have a material adverse effect on the Client Accounts' financial performance.

### Corporate Bonds

In general, debt securities are subject to two principal types of risks: credit risk and interest rate risk, as follows:

#### *Credit Risk*

Credit risk arises if the issuer of debt obligations (or the counterparty to a derivatives contract or other obligation) is, or is perceived to be, unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Such risk may result in the downgrade of a security, which may further decrease its value.

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### *Interest Rate Risk*

Interest rate risk is the risk that debt obligations will decline in value because of changes in interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline.

### Counterparty Risk

A Client Account may be exposed to the credit risk of counterparties with which, or the brokers, dealers, custodians and exchanges through which, it deals in connection with the investment of its assets.

### Currency Risk

A Client Account may purchase or sell currencies through the use of forward contracts based on Brookfield's judgment regarding the direction of the market for a particular currency or currencies. A Client Account may also hold investments denominated in currencies other than the currency in which the Client Account is denominated. Currency exchange rates can be extremely volatile and a variance in the degree of volatility of the market or in the direction of the market from Brookfield's targets may produce significant losses to a Client Account. Brookfield may or may not attempt to hedge all or any portion of the currency exposure of a Client Account. However, even if Brookfield does attempt to hedge the currency exposure of a Client Account, it is not possible to hedge fully or perfectly against currency fluctuations affecting the value of the securities denominated in any particular currency. Such fluctuations could have a material adverse effect on a Client Account.

### Dependence on Key Personnel

Client Accounts may rely on certain key personnel of Brookfield. The departure of any such key personnel or their inability to fulfill certain duties may adversely affect the ability of Brookfield to effectively implement the investment programs of Client Accounts.

### Derivatives

Brookfield may employ derivatives in its certain investment strategies. Derivatives may involve significant risks. Some derivatives have the potential for unlimited loss, regardless of the size of the initial investment. Derivatives may be illiquid and may be more volatile than other types of instruments. Derivative investments can increase portfolio turnover and transaction costs. Derivatives are subject to counter-party credit risk and may lose money if the issuer fails to pay the amount due.

### Distressed Securities Risk

An investment in the securities of financially distressed issuers can involve substantial risks. These securities may present a substantial risk of default or may be in default at the time of investment. Among the risks inherent in investments in a troubled entity is the fact

that it frequently may be difficult to obtain information as to the true financial condition of such issuer and an adviser's judgment about the credit quality of the issuer and the relative value and liquidity of its securities may prove to be wrong.

### Environmental Risk

Assets may be subject to numerous laws, rules and regulations relating to environmental protection. Under various environmental statutes, rules and regulations, 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. The presence of these hazardous materials on a property could also result in personal injury or 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 these materials at the disposal or treatment facility, whether or not that facility is or ever was owned or operated by that person. The Client Accounts may be exposed to substantial risk of loss from environmental claims arising in respect of its investments and such loss may exceed the value of such investments. Furthermore, changes in environmental laws or in the environmental condition of a portfolio investment may create liabilities that did not exist at the time of acquisition of an investment and that could not have been foreseen.

### Foreign Investing

Foreign issuers are usually not subject to the same accounting and disclosure requirements that U.S. companies are subject to, which may make it difficult for Brookfield to evaluate a foreign company's operations or financial condition. A change in the value of a foreign currency against the U.S. dollar will result in a change in the U.S. dollar value of securities denominated in that foreign currency and in the value of any income or distributions a Client Account may receive on those securities. The value of foreign investments may be affected by exchange control regulations, foreign taxes, higher transaction and other costs, delays in the settlement of transactions, changes in economic or monetary policy in the United States or abroad, expropriation or nationalization of a company's assets, or other political and economic factors. These risks may be greater for investments in developing or emerging market countries.

### Frequent Trading and Portfolio Turnover Rate Risk

The turnover rate within Client Accounts may be significant. Frequent trades typically result in higher transaction costs, including potentially substantial brokerage commissions, fees and other transaction costs. As a result, high turnover and frequent trading in a Client Account could have an adverse effect on the performance of a Client Account.

### High Yield

Debt securities rated below investment grade quality are regarded as having predominantly



speculative characteristics with respect to capacity to pay interest and repay principal. The prices of these lower-grade bonds are generally more volatile and sensitive to actual or perceived negative developments, such as a decline in the issuer's revenues or a general economic downturn, than are the prices of higher-grade securities. In addition, the secondary market on which high yield securities are traded may be less liquid than the market for investment grade securities, meaning these securities are subject to greater liquidity risk than investment grade securities.

### Inflation Risk

Inflation could directly and adversely affect the Client Accounts' investments. If a portfolio investment is unable to increase its revenue in times of higher inflation, its profitability and ability to distribute dividends may be adversely affected. Many of the entities in which the Client Accounts invest 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 entity will earn more revenue, but will incur higher expenses; as inflation declines, the entity may not be able to reduce expenses in line with any resulting reduction in revenue.

### Infrastructure – General

Investments will be subject to risks incidental to the ownership and operation of infrastructure assets. Such risks include risks associated with general economic climates (for example, unemployment, inflation and recession); fluctuations in interest rates and currency; availability and attractiveness of secured and unsecured financing; compliance with relevant government regulations; environmental liabilities; various uninsured or uninsurable unforeseen events; infrastructure development and construction and the ability of the relevant operating company to manage the relevant infrastructure business. These risks, either individually or in combination, may cause, among other things, a reduction in income, an increase in operating costs and an increase in costs associated with investments in infrastructure assets, which may materially affect the financial position and returns of specific investments and the Client Accounts generally.

### Investment Style Risk

Different investment styles tend to shift in and out of favor depending upon market and economic conditions and upon investor sentiment. Client Accounts may outperform or underperform other accounts that invest in similar asset classes but employ different investment styles. Brookfield may modify or adjust its investment strategies from time to time.

### Interest Rate Risk

Interest rate risk is the risk that debt obligations will decline in value because of changes in interest rates. Generally, debt securities will decrease in value when interest rates rise and increase in value when interest rates decline.

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### Issuer Risk

The value of fixed income securities may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage, reduced demand for the issuer's goods and services, historical and prospective earnings of the issuer and the value of the assets of the issuer.

### Legal, Tax and Regulatory Risks

Brookfield and certain Client Accounts are subject to legal, tax and regulatory oversight. In the future, there may be legislative, tax and regulatory changes that may apply to the activities of Brookfield that may require material adjustments to the business and operations of, or have other material adverse effects on Client Accounts. Any rules, regulations and other changes may result in increased costs and reduced investment and trading opportunities, all of which may negatively impact the performance of Client Accounts.

### Leverage Risk

Brookfield may employ leverage in certain investment strategies. In addition, certain derivatives and other investments involve a degree of leverage. Generally, leverage may occur when, in return for the potential to realize higher gain, an investment exposes the investor to a risk of loss that exceeds the amount invested. If Brookfield uses derivatives for leverage, the value of a Client Account's portfolio will tend to be more volatile, resulting in larger gains or losses in response to the fluctuating prices of its investments.

### Liquidity Risk

Brookfield may invest Client Accounts in securities that may be illiquid or that are not publicly traded and/or for which no market is currently available or that may become less liquid in response to market developments or adverse investor perceptions.

### Market Risk

The value of the instruments in which a Client Account invests may go up or down in response to the prospects of individual companies, particular industry sectors or general economic conditions.

### Market Disruption and Geopolitical Risk

Client Accounts are subject to the risk that war, terrorism, and related geopolitical events that may lead to increased short-term market volatility and have adverse long-term effects on the U.S. and world economies and markets generally, as well as adverse effects on issuers of securities and the value of Client Accounts' investments. War, terrorism, and related geopolitical events have led, and in the future may lead, to increased short-term market volatility and may have adverse long-term effects on U.S. and non-U.S. economies

and markets generally. Those events as well as other changes in U.S. and non-U.S. economic and political conditions also could adversely affect individual issuers or related groups of issuers, securities markets, interest rates, credit ratings, inflation, investor sentiment, and other factors affecting the value of client accounts' investments. At such times, Client Accounts' exposure to a number of other risks described elsewhere in this section can increase.

#### Master Limited Partnership ("MLP") Risk

An MLP that invests in a particular industry (e.g. oil and gas) will be harmed by detrimental economic events within that industry. As partnerships, MLPs may be subject to less regulation (and less protection for investors) under state laws than corporations. In addition, MLPs may be subject to state taxation in certain jurisdictions, which may reduce the amount of income an MLP pays to its investors.

#### Mezzanine Loan Risk

Mezzanine loans involve certain considerations and risks. For example, the terms of mezzanine loans may restrict transfer of the interests security such loans (including an involuntary transfer upon foreclosure) or may require consent of the senior lender or other members or partners of or equity holders in the related real estate company, or may otherwise prohibit a change of control of the related real estate company. These and other limitations on realization on the collateral securing a mezzanine loan or the practical limitations on the availability and effectiveness of such a remedy may affect the likelihood of repayment in the event of a default.

#### Operational Risk and Catastrophic and Force Majeure Events

The long-term profitability of assets, once they are constructed, is partly dependent upon the efficient operation and maintenance of the assets and asset-owning companies. Inefficient operation and maintenance may reduce the profitability of an investment. Notwithstanding their proper and efficient operation and maintenance, the use of infrastructure assets may be interrupted or otherwise affected by a variety of events outside Brookfield, its affiliates or the Client Account's control, including serious traffic accidents, natural disasters (such as fire, floods, earthquakes and typhoons), man-made disasters, 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.

In addition, investments in infrastructure assets may involve significant strategic assets (assets that have a national or regional profile and may have monopolistic characteristics). The nature of these assets could expose them to a greater risk of being the subject of a terrorist attack than other assets or businesses. Insurers have significantly reduced the amount of insurance coverage available for liability to persons other than employees or passengers for claims resulting from acts of terrorism, war or similar events. A terrorist attack involving the property of a portfolio investment, or property under control of a

portfolio investment, may result in liability far in excess of available insurance coverage. A terrorist attack on a portfolio investment may also have adverse consequences for all portfolio investments of that type.

### Regulatory Risks Relating to Infrastructure

Investments in infrastructure and infrastructure-related assets may be subject to substantial governmental regulation, and governments have considerable discretion in implementing regulations that could impact the business of portfolio investments. In addition, the operations of the issuers may rely on government permits, licenses, concessions, leases or contracts. Government entities generally have significant influence over such companies in respect of the various contractual and regulatory relationships they may have, and these government entities may exercise their authority in a manner that causes delays in the operation of the business, obstacles to pursue of such issuers' strategy or increased administrative expenses, all of which could materially and adversely affect the business and operations.

Infrastructure assets may be subject to rate regulation by government agencies because of their unique position as the sole or predominant providers of services that are often essential to the community. As a result, certain portfolio investments might be subject to unfavorable price regulation by government agencies. Certain portfolio investments may

need to use public ways or may operate under easements. Under the terms of agreements governing the use of public ways or easements, government authorities may retain the right to restrict the use of such public ways or easements or to require portfolio companies to remove, modify, replace or relocate their facilities at the company's expense. If a government authority exercises these rights, the infrastructure company could incur significant costs and its ability to provide service to its customers could be disrupted, which could adversely impact the performance of the relevant portfolio investment.

### Real Estate Market Risk

Brookfield and its affiliates will not invest in real estate directly. Instead, Brookfield expects to invest in publicly-traded real estate securities and real estate investment trusts and related instruments, including through direct investments in such securities and indirect investments through the use of derivative instruments for its Client Accounts. Since Brookfield concentrates its investments for Client Accounts in the real estate industry, an investment may be linked to the performance of the real estate markets, and, therefore, subject to certain risks associated with direct ownership of property. These include the effects of local and general economic conditions upon real estate values, and upon the ability of tenants to make lease payments; competition from other real estate properties; the scarcity of capital needed to fund capital improvements (if and when necessary); the risks inherent in development and renovation activities; the risk of potential uninsured losses; the risk of incurring operating expenses in excess of amount collectable from tenants; the risk of environmental claims; and the risk of economic loss from required compliance with government regulations.

## Risks Associated with Investments in REITS

Client accounts may invest in REITs. REITs are companies that invest primarily in income producing real estate or real estate-related loans or interests. REITs are generally classified as equity REITs, mortgage REITs or a combination of equity and mortgage REITs. Equity REITs invest the majority of their assets directly in real property and derive income primarily from the collection of rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value. Mortgage REITs invest the majority of their assets in real estate mortgages and derive income from the collection of interest payments. REITs are not taxed on income distributed to shareholders provided they comply with the applicable requirements of the Internal Revenue Code. Debt securities issued by REITs are, for the most part, general and unsecured obligations and are subject to risks associated with REITs.

Investing in REITs involves certain unique risks in addition to those risks associated with investing in the real estate industry in general. An equity REIT may be affected by changes in the value of the underlying properties owned by the REIT. A mortgage REIT may be affected by changes in interest rates and the ability of the issuers of its portfolio mortgages to repay their obligations. REITs are dependent upon the skills of their managers and are not diversified. REITs are generally dependent upon maintaining cash flows to repay borrowings and to make distributions to shareholders and are subject to the risk of default by lessees or borrowers. REITs whose underlying assets are concentrated in properties used by a particular industry, such as health care, are also subject to risks associated with such industry.

REITs are also subject to interest rate risk. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline.

REITs may have limited financial resources, may trade less frequently and in a limited volume and may be subject to more abrupt or erratic price movements than larger company securities.

## Residential Mortgage Backed Securities

The investment characteristics of RBMS differ from those of traditional debt securities. The major differences include the fact that, on certain RMBS, prepayments of principal may be made at any time. Prepayment rates are influenced by changes in current interest rates and a variety of economic, geographic, social and other factors and cannot be predicted with certainty.

## Short Sales

Certain investment strategies may include short selling. Short selling involves selling

securities not owned by Client Accounts, typically securities borrowed from a broker or dealer. Because Client Accounts remain liable to return the underlying security that it borrowed from the broker or dealer, Client Accounts must purchase the security prior to the date on which delivery to the broker or dealer is required. As a result, subject to applicable regulatory requirements and client investment guidelines, Brookfield expects to engage in short sales in Client Accounts only where it believes the value of the security will decline between the date of the sale and the date Client Accounts are required to return the borrowed security. The making of short sales exposes Client Accounts to the risk of liability for the market value of the security that is sold, which is an unlimited risk due to the lack of an upper limit on the price to which a security may rise. In addition, there can be no assurance that securities necessary to cover a short position will be available for purchase or that securities will be available to be borrowed by Client Accounts at reasonable costs. If a request for return of borrowed securities occurs at a time when other short sellers of the security are receiving similar requests, a short squeeze can occur, and Brookfield may be compelled to replace borrowed securities previously sold short in Client Accounts with purchases on the open market at the most disadvantageous time, possibly at prices significantly in excess of the proceeds received in originally selling the securities short.

#### Usage Charges

Some investments may derive substantial revenues from collecting usage charges from public and/or private users (such as rates charged for usage of toll roads, bridges, tunnels and water utilities). Patronage forecasts are inherently uncertain. There is no guarantee that forecast patronage levels for an investment will be achieved.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Brookfield or the integrity of Brookfield's management. Brookfield has no information applicable to this Item.

## Item 10 – Other Financial Industry Activities and Affiliations

Brookfield shares office space and other resources of its parent company, BAM, a publicly traded Canadian corporation. BAM has over a 100- year history of owning and operating assets with a focus on property, renewable power, infrastructure and private equity. BAM offers a range of public and private investment products and services, which leverage our expertise and experience and provide us with a distinct competitive advantage in the markets where we operate. Over this time, BAM has successfully developed several investment operations and built expertise in the management of institutional portfolios, retail mutual funds, and structured product investments.

Brookfield is affiliated with Brookfield Financial Corp., a foreign broker-dealer, Brookfield Private Advisors LLC, a U.S.-registered broker-dealer, and the following investment advisory firms: Crystal River Capital Advisors LLC, Brookfield Investment Management (UK) Limited, Brookfield Investment Management (Canada) Inc., Brookfield Asset Management PIC Canada LP and Brookfield Asset Management PIC US, LLC. Brookfield's arrangements with its affiliates may or may not be material to its advisory business at any particular time. Brookfield and its affiliates may refer clients and offer investment opportunities to each other. Brookfield Corporate Operations is another affiliate which provides technology support for Brookfield and its affiliates.

Brookfield has entered into administration agreements with several registered investment companies to perform administrative services necessary for the operation of such investment companies. These services include maintaining certain books and records, preparing reports and other documents required by federal, state, and other applicable laws and regulations, and providing the investment companies with administrative office facilities.

Brookfield serves as investment advisor and administrator to several investment companies. In addition, several officers and directors of Brookfield also serve as officers and directors/trustees of these investment companies.

Brookfield has entered into a sub-advisory agreement with Crystal River Capital Advisors LLC ("Crystal River Advisors"). Crystal River Advisors is a Delaware Limited Liability Company formed to provide investment management advice to a real estate investment trust.

Brookfield Investment Management (Canada) Inc. ("BIM Canada") and Brookfield Investment Management (UK) Limited ("BIM UK") are not registered with the SEC as **Brookfield Investment Management Inc.**

investment advisors but may be providing advice or research to Brookfield for use with Brookfield's U.S. clients (in such capacity, "Participating Affiliates"). The Participating Affiliates will act in accordance with a series of SEC no-action relief letters mandating that Participating Affiliates remain subject to the regulatory supervision of Brookfield. Investment professionals from BIM Canada and BIM UK may render portfolio management or research services to clients of Brookfield and are subject to supervision by Brookfield.

Brookfield may, in its discretion, delegate all or a portion of its advisory or other functions (including placing trades on behalf of Client Accounts) to any affiliate that is registered with the SEC as an investment adviser or to any Participating Affiliate. To the extent Brookfield delegates its advisory or other functions to affiliates that are registered with the SEC as investment adviser, a copy of the brochure of each such affiliate is available on the SEC's website ([www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)) and will be provided to clients or prospective clients upon request. Clients that require more information about any of such affiliates should contact Brookfield.

Entities affiliated with BAM, Brookfield's ultimate corporate owner, may from time to time serve as a general partner of limited partnerships in which advisory clients may invest. These partnerships typically invest in high quality commercial real estate and/or commercial loans.

In addition, entities under common control with Brookfield may serve as general partner of certain sub-advisory funds managed by Brookfield.

Brookfield has established a variety of policies and procedures, restrictions and disclosures designed to address potential conflicts of interests that may arise between Brookfield, its employees and affiliates. These policies and procedures include information barriers designed to prevent the flow of information between Brookfield, its employees and certain other affiliates and policies and procedures relating to trading, allocation and employee personal transactions. Additional information about these potential conflicts of interests and the policies and procedures to address them are available in Items 11 and 12 in the Brochure.

## **Item 11 – Code of Ethics**

Brookfield's employees are subject to policies and procedures regarding confidential or proprietary information and personal trading. In addition, Brookfield has adopted a Code of Ethics (the "Code") that applies to its officers and employees as required by the Advisers Act and the 1940 Act and monitoring procedures relating to activities by Brookfield employees that Brookfield believes may involve potential conflicts between Brookfield employees and Client Accounts.

The Code specifies and prohibits certain types of personal securities transactions deemed to create a conflict of interest and establishes reporting requirements and preventive procedures pursuant to the provisions of Rule 204A-1 of the Advisers Act and Rule 17j-1 under the 1940 Act. Under the Code, all employees are prohibited from purchasing or selling, directly or indirectly, any security in which he or she has, or by reason of such transaction, acquires any direct or indirect beneficial ownership and which to his or her



actual knowledge at the time of such purchase or sale, is being considered for purchase or sale by or for any client. All employees are also subject to Brookfield insider trading policies and procedures which prohibit employees from trading, either personally or on behalf of others, while in possession of material, nonpublic information. Employees are also prohibited from communicating material nonpublic information to others in violation of the law.

The Code includes certain personal trading restrictions and reporting requirements of the Code that apply to “access persons”. Access Persons generally include any trustee, director, officer or advisory person of Brookfield or of any company in a control relationship to Brookfield or (ii) any trustee, director, officer or advisory person of Brookfield who, with respect to advisory clients, makes any recommendation, or participates in the determination of which recommendation shall be made, or whose principal function or duties relate to the determination of which recommendation shall be made to the advisory clients or who, in connection with his or her duties, obtains any information concerning securities recommendations being made by Brookfield to the advisory clients or (iii) any trustee, director, officer or advisory person of Brookfield who has access to information regarding the portfolio holdings of any reportable fund.

A summary of the restrictions and reporting requirements on the personal investing activities of Access Persons is set forth below. Generally, Access Persons are prohibited from purchasing a security in an initial public offering or in a private placement (unless prior approval of the Chief Compliance Officer is received and other conditions are satisfied). An Access Person may not, directly or indirectly, acquire or dispose of beneficial ownership of a security except when such purchase or sale has been pre-cleared and approved by the Chief Compliance Officer or his designee.

The Code also includes certain procedures relating to reporting and recordkeeping of personal securities transactions by Access Persons, including disclosure of personal holdings, quarterly reporting of transactions and annual certification of compliance with the Code. All employees also must submit an initial acknowledgment of receipt, compliance and understanding of the Code.

A copy of the Brookfield Code of Ethics is available to clients upon written request by contacting Brookfield’s Investor Relations Department at 1-855-777-8001.

### **Potential Conflicts of Interests**

In the course of our normal business, Brookfield and its affiliates and subsidiaries (the “Firm”) may encounter situations where the Firm faces a conflict of interest or could be perceived to be in a conflict of interest situation. A conflict of interest occurs whenever the interests of the Firm or its personnel diverge from those of a client or when the Firm or its personnel have obligations to more than one party whose interests are different. In order to preserve our reputation and comply with applicable legal and regulatory requirements, the Firm believes managing perceived conflicts is as important as managing actual conflicts.

Allocation of Investment Opportunities

Brookfield may have potential conflicts in connection with the allocation of investments or transaction decisions for Client Accounts, including situations in which the Firm may have interests in the investment being allocated and situations in which a Firm account ("Affiliated Client") may receive certain percentage of the investments being allocated. Brookfield seeks to manage all Client Accounts and Affiliate Client in accordance with each account's investment objectives and guidelines, and pursuant to the applicable legal and regulatory requirements.

The advice provided by the Firm to a Client Account or an Affiliate Client may compete or conflict with the advice provided to another Client Account, or may involve a different timing or course of action taken than with respect to a Client Account. For example, a Client Account may be competing for investment opportunities with the Firm and its Affiliated Clients and with other Client Accounts for certain limited investment opportunities.

Fees

The Firm may receive greater fees or other compensation, including performance based fees, from certain Client Accounts and its Affiliated Clients, which may create an incentive for the Firm to favor such accounts. To address these conflicts, Brookfield has adopted policies and procedures under which allocation decisions may not be influenced by certain fee arrangements and trades are allocated in a manner that Brookfield believes is consistent with its obligations as an investment adviser. Performance based fees are described in detail in Item 6 of this document.

Confidential and Material, Non-Public Information Restrictions

The Firm may acquire confidential or material, non-public information pertaining to an issuer or the issuer's securities which may prevent or prohibit the Firm from providing investment advice to Client Accounts or Affiliated Clients with respect to such issuer or the issuer's securities irrespective of an account's investment objectives or guidelines. Moreover, the Firm may have ownership interests in issuers that may prevent the Firm from purchasing securities or other instruments from such issuers in its Client Accounts or Affiliated Clients.

Short vs. Long Positions in the Same Security

The Firm may buy or sell positions in certain Client Accounts or Affiliated Clients. At the same time other Client Accounts may be undertaking the same or different strategy, which could disadvantage certain Client Accounts. For example, a Client Account may buy a security while the Firm, may establish a short position in that same security in other Client Accounts or Affiliated Clients. Subsequent short sales may result in impairment of the price of the security which is owned or held by the Client Account. Conversely, a Client Account may establish a short position in a security and the Firm may buy that same security in other Client Accounts or Affiliated Clients. Subsequent purchase (s) may result in an increase in the price of the underlying position in the short sale exposure of the Client

Account.

Conflicts may also arise because investment decisions regarding a Client Account may benefit the Firm, other Client Accounts or Affiliated Clients. For example, the sale of a long position or establishment of a short position by a Client Account may impair the price of the same security sold short by (and therefore benefit) the Firm other Client Accounts or Affiliated Clients, and the purchase of a security or covering of a short position in a security by a Client Account may increase the price of the same security held by (and therefore benefit) the Firm, other Client Accounts or Affiliated Clients.

### Principal Transactions

The Firm may, from time to time, engage in principal securities transactions where it purchases or sells securities between a Client Account and an Affiliated Client. Execution of Principal securities transactions are subject to the applicable client and regulatory requirements.

### Cross Transactions

The Firm may, from time to time, engage in a cross transaction between two Client Accounts. A cross trade is generally defined as pre-arranged transaction between two or more different funds or accounts, each of which is managed by the same adviser. For example, one account managed by adviser has cash and needs to be invested. Another account managed by the adviser has redemptions that need to be met by selling. In certain circumstances and subject to applicable client and regulatory requirements, the Firm may cross the transaction between the two accounts.

### Serve as General Partner Conflicts

The Firm may have other affiliated persons that serve as general partners in real estate limited partnerships, securities limited partnerships, or other real estate-related partnerships. Such related persons may perform property management and mortgage servicing functions, and may provide investment advice to Client Accounts and Affiliated Clients for a fee. The Firm may also advise Client Accounts or Affiliated Clients to transact in securities issued or sponsored by the partnerships aforementioned, although potential conflicts of interest will be fully disclosed in advance to the Client Accounts or Affiliated Clients.

### Special Servicer Conflicts

The Firm may have other affiliated persons that serve as special servicer to mortgage backed securities held in Client Accounts or Affiliated Clients. Special servicers are charged with the management, resolution or disposition of non-performing loans, and owe a duty to the trust to maximize net recoveries through the resolution of non-performing loans and

the management and liquidation of real estate owned (REO) properties. Depending on the portfolio holdings, the Firm may be the controlling class representatives of the trust and may have the right to appoint special servicers on behalf of the trust. The controlling class

representatives typically also receive additional information and may have the right to direct or consent to specified actions of the special servicers. Such rights may create conflicts of interest between the controlling class and holders of the remainder of the trust.

### Investments in Affiliated Funds

The Firm may serve as investment advisor, sub-advisor or administrator to one or more registered investment companies ("RICs"). There may be occasions where the investment objectives of certain client accounts may be best served by investing in such affiliated RICs subject to applicable client and regulatory requirements. If Client Accounts were invested in such affiliated RICs, Brookfield would do so free of the investment advisory fee that would otherwise be charged on the Client Accounts with respect to the affiliated RICs or private funds.

### Outside Business Activities

Brookfield personnel may engage in certain outside business activities that may conflict with its performance of services to its Client Accounts and Affiliated Clients. Brookfield has implemented controls to mitigate any potential conflict of interest that may arise between Brookfield, its personnel, Client Accounts and Affiliate Clients.

### Personal Relationships

Brookfield personnel may have family members or close relationships that may be employed in the securities industry that could potentially create a conflict of interest. Brookfield has implemented controls to mitigate any potential conflict of interest that may arise between Brookfield, its personnel, Client Accounts and Affiliate Clients.

### Board Affiliations

Brookfield personnel may have family members that are on the board of directors of publicly traded companies. Brookfield has implemented controls to mitigate any potential conflict of interest that may arise between Brookfield, its personnel, Client Accounts and Affiliate Clients.

### Investments in Publicly Traded Affiliates

The Firm may, from time to time, purchase or sell publicly traded securities affiliated with its parent company, BAM. The Firm operates independently of BAM and in particular, communication regarding any material, non-public BAM information is restricted. The transfer of confidential information is generally restricted between the Firm and other business units of BAM. Brookfield has implemented policies and procedures designed to prevent the flow of information between the Firm and BAM.

### Valuation Services

Brookfield, while not the primary valuation agent of Client Accounts, performs certain valuation services related to securities and assets in Client Accounts. Brookfield values

securities and assets in Client Accounts in accordance with its valuation policies and procedures and may value an identical asset differently than another Client or Affiliated Client. Brookfield may face a conflict with respect to such valuations as they may affect Brookfield's compensation. In addition, to the extent Brookfield utilizes a third-party vendor to perform certain valuation functions, these vendors may have interests and incentives that differ from those of the Client Accounts.

## **Item 12 – Brokerage Practices**

### **INVESTMENT, BROKERAGE AND TRADE ALLOCATION GUIDELINES**

Brookfield has adopted investment, brokerage and trading allocation guidelines that set out standards that portfolio managers, traders and other personnel involved in the purchase and sale of securities on behalf of clients must follow when:

- Determining which client Account will participate in an investment opportunity;
- Seeking best execution for client transactions;
- Using client commissions to acquire brokerage and research services that are provided by broker-dealers (*i.e.*, entering into “soft dollar arrangements”); and
- Aggregating client orders and allocating securities and other instruments among clients that participate in aggregated orders.

A committee composed of personnel with responsibilities in the operation of investment or trading (“Trade Management Oversight Committee”) oversees the implementation and monitoring of these investment, brokerage and trading allocation guidelines.

### **BEST EXECUTION**

Brookfield's investment advisory agreements typically authorize Brookfield to employ broker-dealers to effect portfolio transactions. Unless a client specifically requests otherwise and in accordance with a client's investment guidelines, Brookfield intends to retain authority without obtaining specific client consent to determine: (i) what securities are to be bought or sold, (ii) amount of securities to be bought or sold, (iii) the broker or dealer to be used, and (iv) the commission to be paid. Brookfield will seek best execution for client transactions.

In evaluating the best execution of client transactions, Brookfield will consider the full range and quality of a broker's services, taking into account all relevant factors. Although it is not possible to create a definitive list of factors to guide this determination, Brookfield may consider some or all of the following:

- Price of security;
- Commission rate;
- Execution capability, including execution speed and reliability;
- Trading expertise and knowledge of the other side of the trade;
- Financial responsibility;

- Responsiveness;
- Reputation and integrity;
- Capital commitment;
- Value of research or brokerage services or products provided;
- Access to underwritten and secondary market offerings;
- Confidentiality;
- Reliability in keeping records;
- Fairness in resolving disputes;
- Market depth and available liquidity;
- Recent order flow;
- Timing and size of an order; and
- Current market conditions.

In selecting broker-dealers to execute client transactions, Brookfield will bear in mind that no factor is necessarily determinative and that seeking to obtain best execution for all client trades must take precedence over all other considerations.

### DIRECTED BROKERAGE ARRANGEMENTS

In some circumstances, a client may designate a particular broker or dealer through which trades are to be effected or through which transactions may be introduced, typically under such terms as the client negotiates with the particular broker or dealer. Where a client has directed the use of a particular broker or dealer, Brookfield generally will not be in a position to negotiate commission rates or spreads freely or, depending on the circumstances, to select brokers or dealers based on the most favorable price execution for a transaction. Additionally, transactions for a client that has directed that Brookfield use a particular broker or dealer may lose the possible advantage that clients who do not direct Brookfield to use a particular broker or dealer may derive by Brookfield commingling or “bunching” multiple orders into a single order for the purchase or sale of a particular security and that any such “non-bunch” orders for clients may be executed after or follow any “non-bunched” orders for non-directed client accounts. Moreover, there may be times when the trading activity in a security for a client that has directed Brookfield to use a particular broker or dealer occurs at a time after Brookfield has completed the execution of all other transactions in that security for all other accounts managed or traded by Brookfield and its subsidiaries. Accordingly, directed transactions may be subject to price movements, particularly in volatile markets, that may result in the client receiving a price that is less favorable than the price obtained for comparable bunched orders. Under these circumstances, the direction by a client to use a particular broker or dealer to execute transactions may result in higher commissions, greater spreads, or less favorable net prices than might be the case if Brookfield were empowered to negotiate commission rates or spreads freely, or to freely select brokers or dealers.

### ALLOCATION AND AGGREGATION

The overriding principle governing Brookfield’s allocation process with respect to securities is the fair and equitable treatment of all clients that receive an allocation of securities or transaction proceeds. Where a portfolio manager is managing accounts with similar investment objectives and strategies, the portfolio manager will endeavor to allocate

investment opportunities to all such accounts pro rata based on either, depending on the investment strategy, (i) the current equity of each Client Account or (ii) current demand after giving effect to any cumulative over/under allocation in previous deals and provided that such shares results in a marketable parcel or round-lot. Some client orders may not be filled due to the specific client's risk tolerance, available cash, investment objectives, restrictions or strategy. When orders are not entirely filled, allocations are made either, depending on the investment strategy, (i) *pari passu* based on orders received from the portfolio managers or (ii) on a rotating basis factoring in past allocations.

Brookfield performs investment management services for various clients. Brookfield may, in its sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of Brookfield's other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when Brookfield believes that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction shall be shared on a pro rata basis among all accounts participating in such aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved. Aggregated orders may include transactions for accounts for registered investment companies and Private Funds, in which Brookfield's principals or employees are among the investors.

#### INITIAL PUBLIC OFFERING ALLOCATIONS

Although many Client Accounts have customized features, Brookfield currently employs multiple investment strategies. The investment strategies may vary by, among other factors, aggressiveness, degree of intended capital appreciation, investment horizon, amount of concentration, types of position held (*i.e.*, in some instances, short positions may be held), or leverage utilized. When allocating shares in an initial public offering ("IPO"), Brookfield may allocate a different percentage or amount of shares for Client Accounts, depending on each Client Account's strategy, investment objectives, aggressiveness and risk tolerance. All else being equal, Brookfield generally allocates IPO shares pro rata among all accounts using the investment strategy. However, Brookfield may also take into account client-specific factors, including, but not limited to, the appropriateness of the IPO in light of a specific client's risk tolerance, available cash, investment objectives, restrictions and strategy. Consequently, some Client Accounts may (i) be allocated more or less IPO shares than others depending upon the circumstances; or (ii) not participate in one, multiple, or any IPO transactions. Brookfield generally determines the allocation of IPO shares before the public offering occurs unless circumstances require a post offering allocation or adjustment.

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## SOFT DOLLAR PRACTICES

Soft dollars involve the use of client commissions to obtain brokerage and research products and services for Client Accounts. Such products and services include eligible research and brokerage services clarified by the Interpretive Release issued by the SEC on July 18, 2006. Eligible research services include items which reflect substantive content (i.e., the expression of reasoning or knowledge). In exchange for soft dollars, brokers may provide their own brokerage and research services and products or pay for third party brokerage and research services and products.

Brookfield may cause a Client Account to pay more than the lowest available commission rate in exchange for soft dollar products and services. Further, Brookfield uses items obtained with soft dollars to service all Client Accounts and does not seek to allocate such items to Client Accounts proportionately to the amount of brokerage transactions effected in a Client Account.

Brookfield uses soft dollars to pay for software, data feeds from securities exchanges, tracking data settlements, quotation services, computer services and software used to effect securities transactions and perform functions with respect to transaction execution, and other eligible research and brokerage services.

Certain items that Brookfield obtains with soft dollars also have an administrative or other function that benefits Brookfield. These are commonly referred to as "mixed use" items. Whenever Brookfield decides to use products or services that benefit both Brookfield and Client Accounts, Brookfield will make good faith effort to determine the relative proportion of such products or services which may be attributed to eligible research and brokerage. The portion attributable to eligible research or brokerage services may be paid through client brokerage commissions and the ineligible portion will be directly paid by Brookfield. Brookfield has a conflict of interest in determining this allocation since it has an incentive to designate a small amount of the cost as administrative in order to minimize the portion that Brookfield must pay directly. Brookfield keeps adequate records as it pertains to the allocation of mixed use items and makes such allocations in accordance with Brookfield's overall fiduciary responsibilities.

The amount of soft dollar items received depends on the amount of brokerage transactions effected with a broker. If the brokers did not provide soft dollar items, Brookfield would have to pay for these products and services. Brookfield has an incentive to select or recommend a broker based on its interest in receiving the research or other products or services, rather than on its clients' interest in receiving most favorable execution. For example, Brookfield has an incentive to: 1) cause Client Accounts to pay a higher commission than the firm might otherwise be able to negotiate, 2) cause Client Accounts to engage in more securities transactions than would otherwise be optimal, and 3) only recommend brokers that provide soft dollar benefits.

It should be noted that in addition to the soft dollar arrangements described above, Brookfield may place transactions with certain brokers and receive benefits from such brokers without cost or at a discount. Unlike the soft dollar arrangements described above, these benefits do not depend directly on the amount of brokerage transactions that Brookfield directs to the broker. Brookfield may receive some or all of the following benefits:

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receipt of duplicate client statements and confirmations, research related products and tools, the ability to aggregate securities transactions for execution and then allocate the shares to Client Accounts, that ability to have advisory fees deducted directly from Client Accounts and research, pricing information and other market data. These products and services assist Brookfield in managing and administering Client Accounts and may not benefit Client Accounts. Brookfield's receipt of such benefits creates a potential conflict of interest with respect to the selection and recommendation of brokers to effect securities transactions in Client Accounts.

Brookfield has adopted policies and procedures to guide Brookfield's use of soft dollars. Brookfield acts in accordance with its duty to seek best execution and will not continue any arrangements if Brookfield determines that such arrangements are no longer in the best interest of Brookfield Client Accounts. Further, Brookfield analyzes its use of client brokerage commissions annually 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. Upon request, additional information will be made available to any client regarding brokerage arrangements, including "soft dollar" arrangements.

### TRADE ERROR POLICY

Consistent with BIM's fiduciary duties, contractual obligations and applicable law, BIM has a responsibility to effect investment decisions correctly, promptly and in the interests of its clients and to verify that placed orders are correct and properly executed. Although Brookfield strives to assure proper execution of investment decisions, errors may occur in the trading process. Consequently, Brookfield has adopted a policy with respect to the identification, escalation and resolution of trade errors (the "Trade Error Policy"). The Trade Error Policy seeks to assure that appropriate care is taken in implementing investment decisions on behalf of Client Accounts, any potential trade errors are identified and reported promptly, and each identified error is corrected on a timely basis.

### **Item 13 – Review of Accounts**

Brookfield will periodically review its Client Accounts (i) daily through the actions of portfolio managers and their associates, and (ii) periodically in preparation for meetings with clients. The portfolio managers or analysts will review each of their accounts on a continuous basis and will be responsible for selecting investments in accordance with each client's investment objectives, strategies, guidelines and restrictions. Each investment team will meet with a supervisory group periodically. Account trading is monitored periodically

by compliance personnel. The number of accounts assigned to each reviewer in the compliance department depends on the nature and size of the accounts under management.

The review may relate to the entire portfolio, specific portions of the portfolio, or specific transactions or investments. Triggering factors will include changes in market conditions or investment objectives or other arrangements with the client.

The primary reviewer of an account relationship is the portfolio manager responsible for the relationship, but may also include research personnel or management personnel from

Brookfield.

Instructions relating to performance of reviews with respect to timing, level and scope of reviews will be determined by the portfolio managers in light of the particular needs and arrangements made with each client. Reviews will encompass comprehensive evaluations of performance to date, including past transactions, policies and strategies, and future policies, strategies and tactics.

From time to time, Brookfield engages in a firm-wide review of portfolios or accounts with similar investment objectives or investment strategy. In all cases, the portfolio managers directly responsible for the accounts involved participate in the review along with other professionals within Brookfield. Brookfield's Chief Risk Officer and Investment Committee are responsible for conducting these firm-wide reviews.

Brookfield's Investment Committee is comprised of members of the portfolio management team and senior management.

The nature and frequency of reports to clients are predicated on the requirements of each client and will be determined in accordance with the specific needs of, and arrangements made with, each client. Brookfield typically renders reports monthly or quarterly; weekly reports are produced for some clients. Brookfield also may furnish special reports to the Board of Directors of registered investment companies for which Brookfield provides investment advisory services. Annual and semi-annual reports are issued to investors in closed- end funds in accordance with the 1940 Act and urges you to carefully review your account statements and compare them to the custodial records provided to you by the broker dealer, bank or other qualified custodian. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 14 – Client Referrals and Other Compensation**

Brookfield may participate in request for proposals ("RFPs"), issued by third party, unaffiliated consultants to conduct the search for an investment manager. If Brookfield responds to the RFP and is awarded the mandate from the prospect, Brookfield must pay a portion of its management fee to the third party consultant hired by the prospect. The portion of the fee paid to the third party consultant is disclosed to the prospect.

In the ordinary course of business, Brookfield may send corporate gifts or pay for meals and entertainment such as reasonable golfing and tickets to sporting and cultural events for individuals at firms that do business with Brookfield or its affiliates. Brookfield's employees also may be the recipients of reasonable corporate gifts, meals and entertainment. The giving and receipt of gifts and other benefits are subject to limitations under Brookfield's Code of Ethics and Brookfield Gift Policy. Brookfield also may pay fees to consultants for their advice and services, prospect introductions and industry information and data. If a particular payment constitutes in Brookfield's judgment, a client solicitation arrangement under Rule 206(4)-3 of the Advisers Act, Brookfield will comply with the rule.

Employees of Brookfield and certain of its Affiliates (typically those in sales and related

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positions) may be compensated at the discretion of senior management of Brookfield or the applicable Affiliate for successful efforts in bringing in new accounts. Senior management of Brookfield or the applicable Affiliate determines the amount of compensation, taking into account the particular efforts of the employee involved in bringing in the particular account. Any such compensation paid to employees of Brookfield or its Affiliate, as applicable, does not result in higher fees to clients.

### **Item 15 – Custody**

Brookfield and its Affiliates may be deemed to have custody of client funds or securities due to its role as general partner of a partnership or managing member of a limited liability company. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains the client's investment assets. Brookfield urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **Item 16 – Investment Discretion**

Brookfield usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, Brookfield observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, Brookfield's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to Brookfield in writing.

### **Item 17 – Voting Client Securities**

Brookfield and its Affiliates have adopted written policies and procedures that are

reasonably designed to ensure that Brookfield votes client securities in the best interest of its clients ("Proxy Voting Policies and Procedures") in compliance with Rule 206(4)-6 of the Advisers Act. The following summary of the Proxy Voting Policies and Procedures is intended to provide clients with a description of Brookfield's proxy voting process.

Unless otherwise specifically provided in the agreement between the client and Brookfield, Brookfield will generally be responsible for evaluating and voting on all proposals. It is the policy of Brookfield to vote all proxies in the best interest of clients, meaning for the exclusive benefit of the accounts whose assets Brookfield manages. In most, if not all cases, the best interest of clients will mean that the proposals which maximize the value of

portfolio securities will be approved without regard to non-economic considerations.

As an investment adviser that has been granted the authority to vote portfolio proxies, Brookfield owes a fiduciary duty to its clients to monitor corporate events and to vote portfolio proxies consistent with the best interests of its clients. In this regard, Brookfield seeks to ensure that all votes are free from unwarranted and inappropriate influences. For certain investment strategies, Brookfield has retained an independent proxy voting agent to assist Brookfield in its proxy voting responsibilities.

Brookfield will vote proposals according to its pre-determined voting policy, which is further described in Brookfield's Proxy Voting Policies and Procedures. Brookfield votes portfolio proxies without regard to any other business relationship between Brookfield (or its Affiliates) and the company to which the portfolio proxy relates. To this end, Brookfield and its Affiliates generally seek to avoid material conflicts of interests that may arise between the interests of its client and Brookfield, its Affiliate or their business relationships. To further minimize possible conflicts of interests, Brookfield has employed procedures to ensure that the course of action is consistent with the best interests of its clients.

Brookfield's Proxy Policies and Procedures are subject to change as necessary to remain current with applicable rules and regulations and Brookfield's internal procedures. Brookfield Proxy Policies and Procedures are available upon request by contacting our client services representative at 1-855-777-8001.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Brookfield's financial condition. Brookfield has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## Appendix A - Privacy Notice

Brookfield Investment Management Inc. (“Brookfield”), on its own behalf of and on behalf the funds managed by Brookfield and its affiliates, recognizes and appreciates the importance of respecting the privacy of our clients and shareholders. Our relationships are based on integrity and trust and we maintain high standards to safeguard your nonpublic personal information (“Personal Information”) at all times. This privacy policy (“Policy”) describes the types of Personal Information we collect about you, the steps we take to safeguard that information and the circumstances in which it may be disclosed.

If you hold shares of a Fund through a financial intermediary, such as a broker, investment adviser, bank or trust company, the privacy policy of your financial intermediary will also govern how your Personal Information will be shared with other parties.

### WHAT INFORMATION DO WE COLLECT?

We collect the following Personal Information about you:

- Information we receive from you in applications or other forms, correspondence or conversations, including but not limited to name, address, phone number, social security number, assets, income and date of birth.
- Information about transactions with us, our affiliates, or others, including but not limited to account number, balance and payment history, parties to transactions, cost basis information, and other financial information.
- Information we may receive from our due diligence, such as your creditworthiness and your credit history.

### WHAT IS OUR PRIVACY POLICY?

We may share your Personal Information with our affiliates in order to provide products or services to you or to support our business needs. We will not disclose your Personal Information to nonaffiliated third parties unless 1) we have received proper consent from you; 2) we are legally permitted to do so; or 3) we reasonably believe, in good faith, that we are legally required to do so. For example, we may disclose your Personal Information with the following in order to assist us with various aspects of conducting our business, to comply with laws or industry regulations, and/or to effect any transaction on your behalf:

- Unaffiliated service providers (e.g. transfer agents, securities broker-dealers, administrators, investment advisors or other firms that assist us in maintaining and supporting financial products and services provided to you);

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- Government agencies, other regulatory bodies and law enforcement officials (e.g. for reporting suspicious transactions);
  - Other organizations, with your consent or as directed by you; and
  - Other organizations, as permitted or required by law (e.g. for fraud protection).

When we share your Personal Information, the information is made available for limited purposes and under controlled circumstances designed to protect your privacy. We require third parties to comply with our standards for security and confidentiality.

### **HOW DO WE PROTECT CLIENT INFORMATION?**

We restrict access to your Personal Information to those persons who require such information to assist us with providing products or services to you. It is our practice to maintain and monitor physical, electronic, and procedural safeguards that comply with federal standards to guard client nonpublic personal information. We regularly train our employees on privacy and information security and on their obligations to protect client information.

### **CONTACT INFORMATION**

For questions concerning our Privacy Policy, please contact our client services representative at 1-855-777-8001.