

## FORM ADV PART 2A BROCHURE

### **BROOKFIELD ASSET MANAGEMENT PRIVATE INSTITUTIONAL CAPITAL ADVISER (PRIVATE EQUITY), L.P.**

181 Bay Street, P.O. Box 762  
Toronto, ON M5J 2T3  
416.365.9642  
[www.brookfield.com](http://www.brookfield.com)

March 2020

This brochure (the “Brochure”) provides information about the qualifications and business practices of Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P. (“BAM PIC PE”). If you have any questions about the contents of this Brochure, please contact us at 212.417.7000 or [ronald.fisher-dayn@brookfield.com](mailto:ronald.fisher-dayn@brookfield.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

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

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

## **ITEM 2 – MATERIAL CHANGES**

This Brochure, dated March 2020, serves as the annual updating amendment to BAM PIC PE's brochure, dated November 2019. This Brochure reflects the following material changes:

- Item 4 was updated to reflect BAM PIC PE's regulatory assets under management as of December 31, 2019.

Other changes to this Brochure dated March 2020, which are not material, include additional updates to and clarifications of certain risk and conflicts disclosures.

### ITEM 3 – TABLE OF CONTENTS

Item 4 – Advisory Business .....	4
Item 5 – Fees and Compensation .....	5
Item 6 – Performance-Based Fees and Side-By-Side Management .....	13
Item 7 – Types of Clients.....	18
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss.....	19
Item 9 – Disciplinary Information.....	49
Item 10 – Other Financial Industry Activities and Affiliations .....	50
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	64
Item 12 – Brokerage Practices .....	66
Item 13 – Review of Accounts.....	68
Item 14 – Client Referrals and Other Compensation .....	69
Item 15 – Custody .....	69
Item 16 – Investment Discretion.....	69
Item 17 – Voting Client Securities.....	69
Item 18 – Financial Information.....	70

#### ITEM 4 – ADVISORY BUSINESS

Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P., a Manitoba limited partnership (“BAM PIC PE”), was formed in March 2014 to provide investment advisory services to certain private investment funds structured as limited partnerships (and alternative investment vehicles and parallel or co-investment vehicles formed for investments made outside, in or alongside the limited partnerships) and publicly listed operating partnerships (each, a “Client” or “Brookfield Fund”), sponsored by Brookfield Asset Management Inc., a publicly traded Canadian corporation (“BAM” and, together with its affiliates, “Brookfield”). BAM PIC PE is an indirect wholly owned subsidiary of BAM. Brookfield is a global alternative asset manager that owns and operates assets, and offers investment strategies (including through Brookfield Funds), with a focus on real estate, infrastructure and sustainable resources, renewable power, and private equity mainly to institutional investors. BAM PIC PE has been serving as an investment adviser to Brookfield Funds since 2015. Brookfield also serves as general partner or equivalent (“General Partner”) of each Brookfield Fund.

Among other things, BAM PIC PE seeks to identify investment opportunities for its Clients, principally in

real asset related businesses, where Brookfield believes it possesses specialized knowledge and competitive advantages by virtue of Brookfield’s real asset and related operating platforms.

Investment advice is provided directly to the Clients and not individually to the investors in the Brookfield Funds (the “Investors” or, where appropriate, “Limited Partners”). BAM PIC PE will tailor specific investment management advice for a Client based on the Client’s investment objectives, as established by BAM PIC PE and generally set out in the investment management agreements, limited partnership agreements, private placement memoranda and/or other governing documents for each such Client (collectively, the “Governing Documents”).

The terms of the Governing Documents at times differ from Brookfield Fund to Brookfield Fund, and may continue to do so in the future, and Investors at times impose restrictions on certain types of investments by a Brookfield Fund for tax, regulatory, or other reasons, and may do so in the future.

BAM PIC PE does not participate in any wrap fee programs.

As of December 31, 2019, BAM PIC PE had \$29,275,241,185 of regulatory assets under management.

## **ITEM 5 – FEES AND COMPENSATION**

As compensation for the services it provides to a Brookfield Fund, BAM PIC PE or one of its affiliates is generally entitled to an annual management fee that is typically calculated and paid quarterly in advance, subject to the terms of the Client's Governing Documents. In addition, Brookfield is generally entitled to performance-based compensation, which typically is equal to a portion of the distributions of investment proceeds attributable to each Investor in the Brookfield Fund (other than affiliates of BAM PIC PE), subject to the terms of the applicable Governing Documents. Fees vary by Client and are determined in accordance with the applicable Governing Documents. Brookfield reserves the right to apply different fee and expense arrangements to Investors on an investor-by-investor basis that are negotiated prior to such Investor's investment in a Brookfield Fund.

BAM PIC PE and its affiliates and their respective employees have in the past and expect in the future to charge additional fees in connection with an investment for a Client. Additionally, they earn break-up fees in connection with investments that are not consummated, as outlined in the Client's Governing Documents. Further, from time to time representatives or employees of BAM PIC PE or its affiliates serve on the boards of directors of one or more portfolio companies in which a Brookfield Fund is invested and receive directors' fees in connection with such appointment. Subject to the Governing Documents for each Client, up to 100% of the Investors' portion of the Client's allocable share of any transaction, monitoring, consulting, advisory, directors', break-up or similar fees received by BAM PIC PE, its affiliates and their respective employees (or, in the case of directors' fees, representatives of BAM PIC PE or an affiliate thereof) are generally applied, net of the Investor's allocable share of applicable expenses, to reduce the annual management fee (provided that any of these fees that would reduce the annual management fee in excess of the management fee for the applicable period may be applied to the management fee for subsequent periods).

In certain circumstances, in order to create efficiencies and optimize performance, Brookfield employees are hired by, seconded to, or retained by one or more portfolio companies of a Client, or by Brookfield on behalf of a portfolio company of a Client, on a permanent or temporary basis, on a full time or part time

basis, in order to fill positions that otherwise may be filled by third parties retained by such portfolio companies. All or a portion of any such employee's compensation and overhead expenses relating to such employee's work for the portfolio company are expected to be paid (or otherwise borne) by the applicable portfolio company or platform organizations. For these purposes, given how certain compensation arrangements are structured and valued (particularly forms of incentive compensation that vest over time and whose value upon payment is based on estimates) and how overhead expenses are generally allocated (which requires making certain assumptions and the exercise of judgment on a case by case basis) there can be no assurance that portfolio companies, and indirectly the Client, will not bear higher costs than they would have had such expenses been valued, allocated or charged differently. The arrangements described herein do not require Client consent, and such amounts will not be considered fees received by BAM PIC PE or its affiliates that offset or otherwise reduce the management fee.

In addition, Brookfield personnel may receive certain intangible and/or other benefits and/or perquisites arising or resulting from their activities on behalf of the Client that will not reduce management fees or otherwise be shared with the Client, its Limited Partners and/or the portfolio companies. Brookfield also expects to make available certain discount programs to its employees as a result of Brookfield's relationship with an investment (e.g., "friends and family" discounts from hotels in which a Brookfield Fund has made an investment), which are not available to the Limited Partners.

Brookfield performs services for Clients and portfolio companies of Clients that would otherwise be provided by third parties, such as lending, consulting, the arrangement and provision of insurance, development oversight, real estate and property management, leasing, construction and design, operational, legal, financial, advisory, investment banking, acting as alternative investment fund manager, fund administration, brokerage, corporate secretarial, accounting, bank account management, loan special servicing, currency and interest rate hedging, and other services. In any such situation, Brookfield will be compensated for its services. BAM PIC PE determines the appropriate rate to be charged for such services. These arrangements and the conflicts of interest that are created by such arrangements are set out in detail in Governing Documents and, accordingly, Limited Partners of Brookfield Funds should expect that BAM PIC PE will retain Brookfield for such services. BAM PIC PE believes that the access to Brookfield and its affiliates, including their expertise for providing non-advisory services, provides benefits to Clients overall. BAM PIC PE generally will not obtain consent from the applicable Client's Limited Partner Advisory Committee ("LPAC") with respect to the compensation

for any specific engagement for such services. Any compensation received in connection with these services generally is not required to be shared with the Clients or the Investors. In determining the rates to be charged to a Client, Brookfield will seek to determine what comparable service providers who are engaged in the same or substantially similar activities as Brookfield charge in the ordinary course for similar services at the time of determination, when such information regarding comparable service providers is available. While Brookfield will determine in good faith what rates it believes an independent third party would charge for such services at such time, there will likely be variances in the marketplace based on an array of factors that affect service providers and the prices of their services, including but not limited to loss leader pricing strategies or other marketing practices, integration efficiencies, geographic market differences and the quality of the services provided. In addition, Brookfield may not be able to determine what comparable service providers who are engaged in the same or substantially similar activities as Brookfield charge in the ordinary course for similar services, whether due to a lack of information, an inability to identify comparable service providers who are engaged in the same or substantially similar activities (including where such services have not previously been sought out by or provided in the industry), or otherwise. Brookfield will make a good faith determination as to what it believes to be the appropriate rate at such time, and has discretion to base its determination on several factors, including but not limited to: market knowledge, prices charged by competitors, prices charged by a Brookfield affiliate to a third party, consultation with one or more third-party valuation agents or consultants, commodity or other price forecasting, prices required in order to meet certain regulatory requirements or qualify for particular governmental programs or other subjective and objective metrics. However, there can be no assurances that the rates charged by Brookfield will not be greater than those charged by certain similarly situated service providers in any given circumstance. The fee potential, both current and future, inherent in a particular transaction creates an incentive for BAM PIC PE to seek to refer or recommend a particular transaction to a Client.

In addition, if BAM PIC PE determines that it is advisable to invest additional capital in or with respect to an investment and (a) this additional investment must be made within a timeframe that would preclude the issuance of a funding notice in respect thereof or (b) unfunded capital commitments are unavailable for this purpose, then Brookfield/the General Partner of a Client generally will loan additional capital to such investment in accordance with the Client's Governing Documents. Any such loan is expected to be repaid by such investment in priority to any distributions to the Client by such investment or be converted into an equity interest in such investment on a dollar-for-dollar basis using an appraisal or arm's length

valuation, in Brookfield's sole discretion.

In the ordinary course of business, certain portfolio companies of the Clients will provide services to, receive services from, or participate in transactions or other arrangements with, Brookfield (as well as other Brookfield Portfolio Companies owned by Brookfield or Brookfield Clients ("Brookfield Portfolio Companies") and non-controlled affiliates). Compensation for such services or consideration for such transactions or arrangements will be determined by such portfolio company, such Brookfield Portfolio Company, such Brookfield affiliate and such non-controlled affiliate, as applicable. Such arrangements are expected to be generally done on an arm's length basis and on market terms unless otherwise indicated in the Governing Documents and will generally be done without obtaining advisory committee or other consent. Additionally, while such transactions or arrangements will be consistent with any requirements of the applicable Governing Documents, they may not have otherwise been entered into but for the affiliation or relationship with Brookfield. While such transactions and the fees paid to such related parties create conflicts of interest, Brookfield believes that the access to Brookfield, its affiliates and such Brookfield Portfolio Companies enhances Clients' capabilities and is an integral part of its Clients' operations, as discussed more fully under "Business with Portfolio Companies" in Item 11 below.

Furthermore, Brookfield (or other Brookfield Funds or businesses) will from time to time make equity or other investments in companies or businesses that provide services to or otherwise contract with a Client and/or its portfolio companies. In particular, Brookfield has in the past entered into, and expects to continue to enter into, relationships with companies in the technology, real assets services and other sectors and industries in which Brookfield has broad expertise and knowledge, whereby Brookfield acquires an equity or other interest in such companies that from time to time transact with a Client or its portfolio companies. For example, Brookfield (through an investment program referred to as "Brookfield Ventures") invests in emerging technology companies that develop and offer technology products that are of relevance to some or all Clients and/or their respective portfolio companies (as well as third-party companies operating in similar sectors and industries). In connection with such relationships, Brookfield often will, refer, introduce or otherwise facilitate transactions between such companies and a Client and/or its portfolio companies, which often will, result in benefits to Brookfield, including via increased profitability of the relevant company, as well as financial incentives and/or milestones which benefit Brookfield (including through increased equity allotments), which may be significant. Such financial incentives that inure to or benefit Brookfield pose an incentive for the General Partner of a Client or BAM



PIC PE to cause a Client and/or its portfolio companies to enter into such transactions that may or may not have otherwise been entered into in the absence of any such affiliation. Financial incentives derived from such transactions will generally not be shared with the Client. Furthermore, such transactions are likely to contribute to the development of expertise, reputational benefits and/or the development of new products or services by Brookfield and/or the companies or businesses that Brookfield is invested in, which Brookfield will seek to capitalize on to generate additional benefits that are likely to inure solely to Brookfield and not to the Client or its Limited Partners. Any of the arrangements and/or benefits described in this paragraph will generally not require notice to, or the consent of, a Client's Limited Partners or its advisory committee, will not offset or otherwise reduce the management fee and will not be subject to the limits on compensation discussed above.

Further, for certain investments ("Investments"), Brookfield may engage an operating affiliate to provide services to Investments. In connection with any such engagement, Brookfield expects to implement a management promote, an incentive fee and/or other performance-based compensation ("Operating Performance Compensation") for certain management members of the applicable operating affiliate. The cost of such Operating Performance Compensation and any other related fees and expenses in connection with services provided by such operating affiliate will be borne entirely by the Client or its Investments, as appropriate, and no portion will be applied to reduce the management fee. For the avoidance of doubt, Brookfield or the operating affiliate may subcontract with third parties for the provision of services that may otherwise be provided by an operating affiliate. In addition, the Client may acquire an Investment that is externally or internally managed and replace such management with an affiliate of Brookfield, a team of professionals (from within or outside of Brookfield) or a combination of the foregoing, in which case, for the avoidance of doubt, the compensation for such services or professionals will be borne by the Investment without any offset to the management fee.

In addition to the fees above, each Client generally bears all of its operating expenses, including legal, organizational, offering expenses and other expenses, and each Investor bears its pro rata portion of these expenses. Organizational expenses of a Client generally include the out-of-pocket expenses of BAM PIC PE, the General Partner and/or their respective affiliates and agents incurred in the formation and offering of the Client, or certain feeder funds of the Client, the General Partner and BAM PIC PE, and any legal and accounting fees and expenses, travel expenses, filing fees and similar fees and expenses related thereto, which are often subject to a cap. Ongoing operating expenses of a Client generally include,

among other items:

- legal, auditing, consulting, accounting, valuation and fund administration fees and expenses;
- expenses of any Investor advisory committees and meetings thereof (including travel expenses and certain fees and expenses with respect to legal counsel (if any) retained and incurred by the advisory committee) and expenses of meetings of the Investors as may be contemplated by the Governing Documents;
- expenses of meetings with any Investor (including the annual meeting of Investors);
- all insurance, indemnification and other unreimbursed costs and expenses of any litigation, investigation, settlements or reviews or other extraordinary events involving the Client and the amount of any judgments or settlements paid in connection therewith;
- expenses associated with the identification, sourcing (including any retainers, success and finder's fees and other compensation paid to contractors, senior advisors and sourcing and operating partners), researching, structuring, negotiating, acquiring, holding, operating, managing, restructuring and disposition of investments (including due diligence);
- expenses associated with the attendance at conferences in connection with the evaluation of future Investments or specific sectors, geographies or industries solely to the extent that such conferences are in furtherance of a Client's business;
- expenses and costs incurred as a result of a proposed transaction or investment by the Client that is not consummated, to the extent not reimbursed by a third party;
- all extraordinary expenses (such as litigation);
- interest on and fees and expenses arising out of all permitted borrowings made by the Client and all expenses incurred in negotiating, entering into, effecting, maintaining, varying and terminating any borrowing or guarantee permitted to be incurred by the Governing Documents;
- expenses relating to a defaulting Investor in the Client;
- expenses associated with the organization, documentation and maintenance of related investment vehicles of the Client;
- fees, costs and expenses of anti-money laundering or "know your customer" compliance, tax diligence expenses and/or related procedures;
- communication expenses;
- all expenses of liquidating the Client;
- unreimbursed expenses incurred in connection with a purchase, sale, assignment, pledge or

transfer of a Limited Partner's interest in the Client or the withdrawal or termination of a Limited Partner;

- any taxes, fees or other governmental charges levied against the Client and all expenses incurred in connection with any tax audit, investigation, settlement or review of the Client;
- expenses and costs relating to certain government and regulatory filings (including, for example, Form PF and those relating to the Alternative Investment Fund Managers Directive (“AIFMD”), but excluding Form ADV);
- expenses and fees of depositary, paying agent, transfer agent and administrator services;
- brokerage commissions, custodial expenses, appraisal fees and other investment costs actually incurred in connection with an investment as described in the Governing Documents;
- all fees, expenses and settlements related to hedging transactions;
- all fees, costs and expenses incurred in connection with the preparation and circulation of capital call notices and distribution notices, maintenance of the Client’s books of account and the preparation of reports to investors, financial statements, tax returns and K-1s (including, without limitation, fees, costs and expenses of third party service providers);
- all expenses incurred by the tax matters representative in such capacity and all expenses incurred in connection with any tax filing, tax audit, investigation, settlement or review of a Client and taxes, interest, fees and other governmental charges (except to the extent allocable to, or indemnifiable by an Investor and actually borne or paid by such Investor); and
- expenses incurred in connection with any restructuring or amendments to the constituent documents of the Client.
- costs and expenses of administering side letters entered into with limited partners
- out-of-pocket expenses incurred in connection with the collection of any amounts due to a Client from any person

A Client will reimburse BAM PIC PE and its affiliates for out-of-pocket travel expenses, including, without limitation, air travel (which will generally be business class), car services, meals and hotels (generally business or luxury class accommodations), incurred in holding, developing, identifying, evaluating, negotiating, making, structuring, acquiring, monitoring, selling and otherwise disposing of investments (including fees for attendance of industry conferences, the primary purpose of which is sourcing investments) in connection with the formation, marketing and offering of a Brookfield Fund and otherwise in connection with the business of the Client.

Additional fees and expenses to be borne by each Client are set out in each such Client's Governing Documents.

Clients also incur brokerage and other transaction costs, as discussed more fully under "Brokerage Practices" in Item 12 below.

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

Certain affiliates of BAM PIC PE, including Brookfield Private Advisors LLC ("BPAL"), a limited purpose broker-dealer that is registered with the SEC and is a member of the Financial Industry Regulatory Authority, Inc. ("FINRA"); Brookfield Private Capital (UK) Limited, which is authorized and regulated by the United Kingdom's Financial Conduct Authority; Brookfield Singapore Pte. Ltd, which is an exempt Financial Advisor authorized and regulated by the Monetary Authority of Singapore; Brookfield Advisors (Hong Kong) Limited, which is authorized and regulated by the Hong Kong Securities and Futures Commission; and Brookfield Investment Management (Canada) Inc., which is authorized as a dealer under applicable Canadian regulations, solicit prospective investors for the Clients and as a result, their representatives generally receive compensation in connection with the sale of interests in a Client. The compensation paid to such representatives will be from Brookfield and not from Clients or any Investors. The amount of such compensation will vary based on a number of different factors, including the amount of interests in a Client that have been sold by such representative. As a result of such arrangements, such representatives have a financial interest in promoting interests in Clients. In addition, the compensation that such representatives receive in respect of the sale of the interests in a Client may be higher than the compensation that they would receive in respect of the sale of other (including similar) products or services, which may give such representatives an incentive to promote the interests in a Client over other (including similar) products or services. Potential investors should therefore be aware that there are financial and other interests that incentivize such representatives to promote certain Clients and related interests. The considerations set forth above are similar (and in certain instances may be heightened) in

the event the General Partner of a Client or BAM PIC PE retains a third-party placement agent to market interests in the Brookfield Fund.

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

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

As described above, Brookfield is generally entitled to performance-based compensation from the Brookfield Funds in accordance with such fund's Governing Documents, which such compensation is structured to comply with Rule 205-3 under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), to the extent applicable. Performance based compensation arrangements may create an incentive for BAM PIC PE to recommend investments which may be riskier or more speculative than those which would be recommended under a different compensation arrangement. Such compensation arrangements may also create an incentive for BAM PIC PE to favor higher fee-paying accounts over lower fee-paying accounts in the allocation of investment opportunities.

Brookfield has long-term relationships with a significant number of developers, institutions and corporations and their advisors ("Brookfield Client Relationships"). These Brookfield Client Relationships may hold may in the future hold investments similar to the investments intended to be made by a Client, including certain investments that may represent appropriate investment opportunities for the Client. In such cases, these Brookfield Client Relationships will compete with a Client for investment opportunities. Brookfield will continue to represent such Brookfield Client Relationships after the establishment of any particular Client. In determining whether to pursue a particular opportunity on behalf of a Client, BAM PIC PE may consider these relationships, and there may be certain potential opportunities which would not be pursued on behalf of a Client in view of such relationships. In addition, a Client may invest or enter into joint ventures or other similar arrangements with Brookfield clients in connection with certain investments, and the relationship with such clients may influence the decisions made by BAM PIC PE with respect to such investments.

## ALLOCATION OF INVESTMENT OPPORTUNITIES:

Brookfield provides investment advice and performs related services for private funds, clients and affiliates, including publicly-traded limited partnerships, similar to the advice to be provided and services to be performed by BAM PIC PE for each Client. In addition, Brookfield carries on investment activities for its own account. Brookfield private funds, clients and affiliates have (and additional future private funds, clients and affiliates are likely to have) investment objectives and policies that overlap with those of a Client and from time to time are in competition with or will have priority over such Client in respect of a particular investment opportunity. As a result, Brookfield will provide investment advice to clients with objectives that overlap with a Client's objectives and opportunities sourced by Brookfield that would otherwise be suitable for a certain Client would not be available to such Client, or the Client would receive a smaller allocation of such opportunities than would otherwise have been the case. The priorities in respect of various Clients are set forth in their respective Governing Documents.

BAM PIC PE has protocols in place reasonably designed to allocate investment opportunities on a fair and equitable basis, consistent with its fiduciary obligations and the Governing Documents of the Clients, and taking into account the facts and circumstances known to it at the time. There can be no assurance that any recommendation or determination made by BAM PIC PE will be most beneficial or favourable to any particular Client.

Brookfield proactively approaches the management of conflicts by seeking to ensure the following elements are adhered to for all Clients and investment programs:

- i. **Clear Mandates:** Each Client is established with a clear investment mandate and, in some cases, certain exclusivities to minimize overlap with other Brookfield investment programs and funds. Despite its significant efforts in minimizing the opportunity for overlapping mandates, investment opportunities arise from time to time, which may be suitable for multiple Clients and investment programs, individually, or for purposes of making a joint investment.
- ii. **Oversight of Senior Management:** When contemplating investments, dispositions or other material transaction decisions, conflicts of interest are reviewed by the Brookfield conflicts committee (the "Conflicts Committee") and the Chief Compliance Officer.
- iii. **Recordkeeping:** Investment Committee presentations must address any conflicts as well as a

proposed solution. Records of the presentations will be preserved in accordance with applicable requirements.

In certain circumstances, the Clients and one or more affiliates of BAM PIC PE jointly participate in a portfolio investment, sidecar funds and other funds. Any such allocation or joint participation involving a Client will be made on a basis that BAM PIC PE or an affiliate thereof believes is fair and equitable, and, where required, after consulting with its affiliates or the advisory boards of the relevant fund(s). In certain cases, such circumstances will be governed exclusively by Brookfield's allocation policy. In making certain decisions with regard to a Client's portfolio investments that compete with the interests of other funds and clients managed by or affiliated with Brookfield, BAM PIC PE could face certain conflicts of interest between the interests of the Client and the interests of other such funds and clients.

Because of the extensive scope of Brookfield's activities, Brookfield often has or obtains information that Clients utilize across multiple strategies. For example, information Brookfield has or acquires through its management of other client accounts or its own investing activities may be used by BAM PIC PE to identify or evaluate potential investments for a Client. Conversely, information Brookfield has or acquires in connection with a Client's activities may be used for the benefit of Brookfield and/or other client accounts. Brookfield may trade, or may cause other client accounts to trade, on the basis of information it has or obtained through a Client's investment activities. In some cases, this trading will result in Brookfield, or another client account, taking a position that is different from, and potentially adverse to, a position taken by a Client or will result in Brookfield or another client account, benefiting from a Client's investment activities. Brookfield will determine the appropriate investment decision for each client account (including a Client) taking into account the mandate and interests of such other client account, when applicable, in accordance with Brookfield's investment allocation protocols. The investment and divestment decisions made with respect to Brookfield or other client accounts are expected to be made without regard to the interests of any Client, even where such decisions are informed by a Client's investment activities and/or adversely affect a Client.

BAM PIC PE has offered and expects to offer one or more Investors and/or one or more third parties the ability to participate in an investment opportunity as a co-investor alongside a Client on such terms and conditions as BAM PIC PE determines. There can be no assurance that any co-investment opportunity will

be made available in connection with any Client. Investing in a Client does not entitle any investor to allocations of co-investment opportunities and such opportunities may be offered to some but not other investors or to third parties who are not Investors. Decisions regarding whether and to which Investors to offer co-investment opportunities are generally made at the sole discretion of BAM PIC PE and are based on a number of factors, including, without limitation, an investor's expressed interest in co-investments, the size of an investor's capital commitment to the Client (or to other additional funds or programs), an investor's contractual rights (if any) to co-investment opportunities that are made available, BAM PIC PE's assessment of an investor's ability to both fund and timely execute on the co-investment opportunity and an investor's strategic value to Brookfield. Additional detail relating to the allocation of co-investment opportunities for any Client is set forth in such Client's Governing Documents.

The General Partner of a Client has discretion to charge management fees, administrative fees, one-time funding, acquisition or co-investment fees and/or carried interest in respect of co-investments, and fee income attributable to co-investments will not be shared by the General Partner of a Client with co-investors or the Client

Co-investors will typically bear their pro rata share of fees, costs and expenses related to the discovery, investigation, development, acquisition or consummation, ownership, maintenance, monitoring, hedging and disposition of their co-investments and may be required to pay their pro rata share of fees, costs and expenses related to potential investments that are not consummated, such as broken deal expenses (including "reverse" breakup fees). BAM PIC PE endeavors to allocate such fees, costs and expenses on a fair and equitable basis. Notwithstanding the foregoing, co-investors are not always obligated to pay or otherwise bear fees, costs and expenses related to unconsummated co-investments. In addition, in certain circumstances, co-investors will not bear such fees, costs and expenses because they have not yet been identified (or their anticipated allocation has not yet been identified) as of the time such potential investment ceases to be pursued or are not yet committed to such potential investment. In those events, such fees, costs and expenses will be considered operating expenses of and be borne by the Client; provided, that in all instances, Brookfield, in its capacity as a co-investor or a prospective co-investor, will bear its pro rata share of such fees, costs and expenses in a manner consistent with Brookfield's internal guidelines.

#### **ADVISING OTHER ACCOUNTS:**



Brookfield has in the past (and expects in the future to) (i) give advice, and take actions, with respect to current or future clients or accounts that will compete or conflict with the advice BAM PIC PE gives to the Clients, or will involve a different timing or nature of action than taken with respect to the Clients, and (ii) enter into transactions related to investments by Brookfield and the other funds or accounts that have the effect of diluting or otherwise disadvantaging the values, prices, or investment strategies of the Clients. When Brookfield or a client account manages or implements a portfolio decision ahead of, or contemporaneously with, portfolio decisions for a Client, market impact, liquidity constraints, or other factors could result in the Client receiving less favorable results, paying higher transaction costs, or being otherwise disadvantaged.

In making certain decisions with regard to a Client's investments that compete with the interests of other clients managed by or affiliated with Brookfield, BAM PIC PE will face certain conflicts of interest between the interests of the Client and the interests of such other clients. These conflicts will be exacerbated in situations where Brookfield is entitled to higher fees from other funds or accounts than from the other client account, where portfolio managers making an allocation decision are entitled to performance-based compensation from other funds or accounts, where there are differences in proprietary investments in the Client and the other client accounts, and where there are capacity constraints with respect to a particular strategy or opportunity as a result of, for example, position limits and/or regulatory reporting obligations applicable to Brookfield. In addition, as an investment changes over time, additional conflicts of interest are expected arise, including as a result of earlier investment allocation decisions.

#### **RESOLUTION OF CONFLICTS:**

Conflicts of interest that arise between a Client, on the one hand, and Brookfield or any existing or future client accounts, on the other hand, are resolved in accordance with the Governing Documents and internal Brookfield policies, taking into consideration the interests of the relevant parties and the circumstances giving rise to the conflict. Governing Documents for each Client provide details of how such conflicts of interest or potential conflicts of interest are managed, including Limited Partner approval or advisory committee approval. In addition, potential conflicts of interest are reviewed by the Conflicts Committee and, where applicable, the Chief Compliance Officer in connection with a

transaction being considered by the applicable Client's Investment Committee.

#### **LIMITED PARTNER ADVISORY COMMITTEE:**

BAM PIC PE in certain situations, and in its sole discretion, will choose to seek the approval of the members of a LPAC using established guidelines with respect to potential conflict of interest situations, and LPAC approval is required to resolve certain conflicts and other matters, all as described in the Governing Documents. Any such approval by a LPAC will be binding upon the Client and its Investors, including certain matters that are required to be approved by a client under the Advisers Act. In addition, if a LPAC gives such approval or BAM PIC PE acts pursuant to standards or procedures approved by the LPAC with respect to such conflict of interest or other matter, then Brookfield will not have any liability to the Client or any of its Investors for actions in respect of such conflict or matter taken in good faith by Brookfield, including actions in the pursuit of its own interests. The members of the LPAC of a Client may have direct or indirect interests in the activities of Brookfield or in investments and instruments, in some cases similar to those in which the Client seeks to invest. Although the LPAC is intended to act as the representative of the investors of the Client, LPAC members are under no obligation to act in the best interests of the Client as a whole, may have interests that diverge from other investors and may act in their best interests over the Client's or other Investors' interests. Furthermore, the LPAC may not be expert in the Client's investment strategy, and certain of its determinations may adversely affect the performance of such Client. This could result in conflicts of interest. In addition, LPAC members will receive information regarding the proposed investment activities of the Client that is not generally available to the public or other Investors. There will be no obligation on the part of any LPAC member to make available for use by the Client any information or strategies known to or developed by it and, in certain cases, they may be prohibited from doing so.

See Items 5, 10 and 11 for a description of certain other conflicts (and potential conflicts) of interests relating to the advisory services provided by BAM PIC PE. Conflicts of Interests are also set out in more detail in the Governing Documents of the Clients.

#### **ITEM 7 – TYPES OF CLIENTS**

BAM PIC PE's clients include private investment funds structured as limited partnerships (and alternative

investment vehicles and parallel or co-investment vehicles formed for investments made outside or alongside the limited partnerships) and publicly listed operating partnerships. Investors in Brookfield Funds generally include public and corporate pensions, sovereign wealth funds, insurance companies, financial institutions, corporations and high net worth individuals.

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

BAM PIC PE follows Brookfield’s methods of investment analysis. Based on these methods, BAM PIC PE pursues the specific investment objectives and strategies of each Brookfield Fund as set out in the Brookfield Fund’s Governing Documents.

BAM PIC PE’s operations-oriented approach plays an important role in the investment process. This approach leverages Brookfield’s business groups in the evaluation and optimization of investments. This approach is generally comprised of the following attributes:

- **Operational expertise.** Brookfield’s operations-oriented approach is an essential differentiating factor in its ability to generate superior risk-adjusted returns. During its 110+ year history as an owner and operator of real assets, Brookfield has built global business groups, primarily in real estate, infrastructure and sustainable resources, renewable power and private equity. These business groups are backed by the expertise of over 80,000 operating employees (this figure includes investment and operating employees across all of Brookfield’s business lines and investment sectors, including portfolio companies).
- **Industry knowledge.** Brookfield’s business groups enhance BAM PIC PE’s ability to develop fundamental views on the major factors that impact asset values. BAM PIC PE will utilize this knowledge to make acquisition and divestiture decisions, as well as to take advantage of sophisticated financing and operating practices.
- **Active management of investments.** Through Brookfield’s representation on boards of directors, leadership on advisory or operating committees, as well as frequent interaction with management, BAM PIC PE will actively manage its investments. A key aspect of this management role is a “hands on approach” to key value drivers such as growth capital investments, development projects,

follow-on acquisitions and financings.

As noted in Item 4 above, Brookfield is a global alternative asset manager that owns and operates assets and offers investment strategies (including through Clients) with a focus on real estate, infrastructure and sustainable resources, renewable power and private equity. Brookfield clients that are not advised by BAM PIC PE are not discussed in this Brochure. The discussion of the Clients that appears in this Brochure is not intended to constitute an offer of interests in any Brookfield Fund.

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

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

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

**Highly Competitive Market for Investment Opportunities.** The activity of identifying, completing and realizing attractive private equity investments is highly competitive and involves a high degree of uncertainty. There can be no assurance that BAM PIC PE will be able to locate and complete investments which satisfy its Clients' investment objectives, realize the value of these investments, or fully invest the Investors' committed capital. Competition for such investment opportunities could come from other consortia, financial investors, and other asset managers and owners. These competitors may have financial, geographic, or strategic advantages that may reduce BAM PIC PE's competitiveness and potentially materially and adversely affect its ability to successfully conclude transactions.

**General Economic Conditions.** Changes in general economic conditions may affect a Brookfield Fund's activities. Interest rates, general levels of economic activity, the price of securities and participation by other investors in the financial markets may affect the value and number of investments made by a Brookfield Fund or considered for prospective investment. Material changes and fluctuations in the economic environment, particularly of the type experienced since 2008 that caused significant dislocations, illiquidity and volatility in the wider global economy, may affect a Brookfield Fund's ability to make investments and the value of investments held by the Brookfield Fund or the Brookfield Fund's ability to dispose of investments. A Brookfield Fund's portfolio investments can be expected to be sensitive to the performance of the overall economy. Additionally, a serious pandemic, natural disaster, armed conflict, threats of terrorism, terrorist attacks and the impact of military or other action could severely disrupt the global, national and/or regional economies. A resulting negative impact on economic fundamentals and consumer and business confidence may increase the risk of default on funding obligations to particular investments, negatively impact market value and increase market volatility and reduced liquidity, all of which could have an adverse effect on a Brookfield Fund's returns and ability to make and/or dispose of investments. No assurance can be given as to the effect of these events on a Brookfield Fund's investments or investment objectives.

**Operational Risk.** The long-term profitability of the assets in which a Brookfield Fund invests will be dependent upon the efficient operation, maintenance and high availability of such assets. Inefficient operations, maintenance and low availability may reduce returns to Investors. Operations are also subject to the risk of equipment failure due to wear and tear, latent defect, design error, operator error, or early obsolescence, among other things, which could have a material adverse effect on the assets, liabilities, business, financial condition, results of operations and cash flow of investments.

**New Technologies.** Brookfield Funds have in the past and expect to invest in portfolio companies that invest in and use newly developed, less proven, technologies. There is no guarantee that such new technologies will perform as anticipated. The failure of a new technology to perform as anticipated or become obsolete would materially and adversely affect the performance of portfolio companies that invest in or use such technologies.

**Investments in New Jurisdictions.** Most Brookfield Funds are intended to be global in nature and

therefore have in the past and expect to make portfolio investments in countries, territories and other jurisdictions in which Brookfield or BAM PIC PE may not have significant experience or expertise. While Brookfield/the General Partner of the Brookfield Fund] intends to mitigate this risk by engaging applicable service providers and personnel with the requisite experience and expertise, there is no guarantee that such persons will be adequate in all instances or will protect the Brookfield Fund and its investments in all instances.

**Risk of Unsuccessful Exit Strategies.** A Brookfield Fund may opportunistically sell, publicly list, distribute or otherwise dispose of portfolio investments at any time. It is not possible to predict whether an exit strategy will be advantageous or available at the appropriate time. If a Brookfield Fund fails to execute an exit strategy successfully prior to liquidation, the Brookfield Fund may be forced to liquidate its assets on terms less favorable than anticipated and the proceeds from these portfolio investments and, in that scenario, the remaining portfolio investments would be materially and adversely affected.

**Government Intervention.** Since 2008, the global financial markets have undergone disruptions which have led to governmental intervention in certain jurisdictions. Such intervention has in certain cases been implemented on an “emergency” basis, suddenly and substantially eliminating market participants’ ability to continue to implement certain strategies or manage the risk of their outstanding positions. In addition, these interventions have typically been unclear in scope and application, resulting in confusion and uncertainty which in itself has been materially detrimental to the efficient functioning of the markets as well as previously successful investment strategies. If governmental intervention programs are unwound, there could likewise be uncertainty and adverse effects on the markets. It is impossible to predict what additional interim or permanent governmental restrictions (or easing of restrictions) may be imposed on the markets or the effect of such restrictions on a Client’s strategies.

**Currency Risk.** A Client’s investments may be subject to currency exchange rate volatility, including, without limitation, fluctuations in the rate of exchange between the U.S. dollar and the various non-U.S. currencies in which certain of the Client’s investments may be denominated and costs associated with conversion of investment principal and income from one currency into another. It is not possible to hedge fully, perfectly or at all against currency fluctuations affecting the value of investments denominated in non-U.S. currencies and it may not be economically feasible to do so. A Client may not be obligated to engage in any currency hedging operations and there can be no assurance as to the success of any hedging

operations the Client may implement. Changes in non-U.S. currency exchange rates may also affect the value of distributions from, and the level of gains and losses realized on the sale of such investments. The rates of exchange between the U.S. dollar and other currencies are affected by many factors, including forces of supply and demand in the non-U.S. currency exchange markets. Exchange rates also are affected by the international balance of payments and other economic and financial conditions, government intervention, speculation and other factors. It is likely that the a Client will leave unhedged certain investments denominated in or generating cash flow in non-U.S. currencies and in any such case, such Client will be exposed to risk that such currency will decline in value against the U.S. dollar during the term of the investments such that the results of such investments will be worse in U.S. dollar terms than the results based upon the local currency.

**Valuations.** Given the nature of the Brookfield Funds' proposed portfolio investments, a Brookfield Fund in some circumstances will need to rely upon the General Partner of the applicable Brookfield Fund for valuation of certain of such Brookfield Fund's assets, including, without limitation, in connection with the distribution of illiquid securities upon the liquidation of such Brookfield Fund. Brookfield/the General Partner of a Brookfield Fund will in other circumstances engage qualified valuation professionals to assist in this determination; however, it is not required to do so. Given the nature of the proposed the Brookfield Funds' portfolio investments, valuation may be difficult. As such, any such valuations may be speculative. In addition, such valuations will affect the calculation of a General Partner's carried interest distribution.

**Illiquid and Long-Term Investments.** Although investments may generate current income, the return of capital and the realization of gains, if any, from an investment will generally occur only upon the partial or complete disposition of such investment. While an investment may be sold at any time, it is generally expected that the disposition of most investments will not occur for a number of years after such investments are made. A Brookfield Fund generally will not be able to sell its securities publicly unless the sale is registered under applicable securities laws or will be able to sell the securities only under Rule 144 or other rules under the Securities Act which permit only limited sales under specified conditions. In addition, in some cases, a Brookfield Fund will be prohibited or limited by contract from selling certain securities for a period of time and in those circumstances would not be permitted to sell an investment at a time it might otherwise desire to do so. In these cases, the price and liquidity of securities held by a Brookfield Fund would be adversely affected. The risk of loss and delay in disposing of these securities will generally be borne by Investors, with the result that Investors will receive lower returns than they

would have without being implicated by these restrictions. Furthermore, investments may be subject to industry cyclicality, downturns in demand, market disruptions and the lack of available capital for potential purchasers. These investments will often be difficult or time-consuming to liquidate. While Brookfield seeks to structure dispositions to minimize the foregoing effects on price and liquidity, there can be no assurance that the price and liquidity achieved by Investors will not be less than would be the case if a Brookfield Fund were able to dispose of its securities without being subject to the foregoing conditions.

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

In addition, there is no limit on Brookfield's exposure to any single counterparty under over-the-counter derivative instruments, exchange listed securities, options, repurchase agreements or other similar transactions and, as a result, if any such counterparty becomes unable to pay amounts due on such



instruments or transactions, the financial losses to a Client would be greater than if such limits were imposed. Furthermore, the creditworthiness of a counterparty to any hedging transaction entered into by a Client may change over time and, while such counterparty may have been creditworthy at the time such transaction was entered into, there is no guarantee such counterparty will remain creditworthy throughout the duration of the Client, or that such counterparty will be able to perform its obligations under or pay amounts due on such hedging transactions. This risk is also subject to and heightened by commodity price fluctuations.

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

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

From time to time, a Brookfield Fund will leave unhedged certain investments denominated in or generating cash flow in non-U.S. currencies and in any such case, the Brookfield Fund will be exposed to risk that such currency will decline in value against the U.S. dollar during the term of the portfolio investment such that the results of such portfolio investment will be worse in U.S. dollar terms than the results based upon the local currency.

**Non-U.S. Investments.** Brookfield Funds invest globally, including investments in emerging markets. Foreign securities involve certain risks not typically associated with investing in U.S. securities, including risks relating to (a) currency exchange matters including fluctuations in the rate of exchange between the

U.S. dollar and the various foreign currencies in which the Brookfield Fund's foreign investments may be denominated, and costs associated with conversion of investment principal and income from one currency into another, (b) differences between the U.S. and foreign securities markets, including potential price volatility in and relative illiquidity of some foreign securities markets, (c) the absence of uniform accounting, auditing and financial reporting standards, practices and disclosure requirements and less government supervision and regulation, (d) certain economic and political factors, including potential exchange control regulations and restrictions on foreign investment and repatriation of capital and the risks of political, economic or social instability, (e) obtaining foreign governmental approvals and complying with foreign laws, (f) the possible imposition of foreign taxes on income and gains recognized with respect to such securities and (g) differing tax structures. Anti-fraud and anti-insider trading legislation in these countries may be rudimentary. Some countries in which Brookfield Funds invest lack prohibitions or restrictions on the ability of management to terminate existing business operations, sell or otherwise dispose of a portfolio investment's assets or otherwise materially affect the value of the portfolio investment without the consent of the portfolio investment's shareholders. Anti-dilution protection also may be very limited. In these countries, the concept of fiduciary duty on the part of the management or directors of companies to shareholders and the protection of investors may be limited. The legal systems in these countries may not offer an effective means for a Brookfield Fund to seek to enforce its rights or otherwise seek legal redress or to seek to enforce foreign legal judgments. If a Brookfield Fund lacks these rights, investment returns will be reduced.

**Portfolio Investment Management Risks.** With respect to management at the portfolio investment level, many portfolio investments rely on the services of a limited number of key individuals, the loss of any one of whom could materially and adversely affect the portfolio investment's performance. Although BAM PIC PE monitors the management of each portfolio investment, management of each portfolio investment will have day-to-day responsibility with respect to the business of such portfolio investment. In addition, certain portfolio investments operate in highly regulated environments, and the Brookfield Fund will rely on the management teams to manage their activities in a manner consistent with applicable laws and regulations (including, without limitation, the U.S. Foreign Corrupt Practices Act and other anti-corruption, anti-bribery and anti-boycott laws, regulations and orders) and in a manner which will permit such portfolio investment to maintain a quality reputation. If a portfolio investment acts inconsistently with applicable laws and regulations or takes actions that cause such portfolio investment disrepute, such actions may adversely affect the Brookfield Fund, as an investor in the portfolio

investment, and may damage the Brookfield Fund's reputation, which would adversely impact the Brookfield Fund's ability to complete investments in other portfolio investments and the Brookfield Fund's ability to realize its investment objective.

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

**Minority Position.** Certain Brookfield Funds also make minority equity or debt investments in portfolio investments. In these circumstances, the Brookfield Fund will have limited influence over the portfolio investment. Such portfolio investments may have economic or business interests or goals that are inconsistent with those of the Brookfield Fund and the Brookfield Fund would be unlikely to be in a position to limit or otherwise protect the value of its investment in such portfolio investments. A Brookfield Fund's control over the investment policies of such portfolio investments would also be limited. This could result in the Brookfield Fund's investments being frozen in minority positions that incur substantial loss. It could also prevent the Brookfield Fund from realizing the value of its investments and distributing proceeds in a timely manner. If the Brookfield Fund takes a minority position in publicly-traded securities as a "toe-hold" investment, such publicly-traded securities may fluctuate in value over the limited duration of the Brookfield Fund's investment, which could reduce returns to investors. Some of these minority positions are held at different levels of the same issuer's capital structure, which gives rise to conflicts of interest, as discussed more fully under "Investments with Related Parties" in Item 10 below.

**Toehold Investments.** From time to time, a Brookfield Fund accumulates minority positions in the

outstanding debt securities or in voting stock, or securities convertible into the voting stock, of potential portfolio investments. While a Brookfield Fund will seek to achieve such accumulation through open market purchases, registered tender offers, negotiated transactions, or private placements, the Brookfield Fund will not always be able to accumulate a sufficiently large position in a portfolio investment to execute its strategy. In such circumstances, the Brookfield Fund may dispose of its position in the portfolio investment within a short time of acquiring it or not hold its position in the portfolio investment as long as originally intended; there can be no assurance that the price at which the Brookfield Fund can sell such securities will not have declined since the time of acquisition. Moreover, this would be exacerbated if securities of the companies that the Brookfield Fund targets are thinly traded and if the Brookfield Fund's position is substantial, although not controlling. In those circumstances, disposing of the shares is expected to depress the market price for such securities.

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

In the event that a Brookfield Fund invests in distressed public securities, among the risks involved in such investments is difficulty obtaining timely and sufficient information as to the conditions of such troubled issuers. The market prices of such securities are also subject to abrupt and erratic market movements and above average price volatility, and the spread between the bid and asked prices of such securities will be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value and therefore will impact the valuation of a portfolio company.

**Fund Level and Portfolio Investment Level Borrowing.** From time to time, Brookfield Funds borrow money to facilitate investments. Indebtedness is often secured primarily by the commitments of the investors and other assets of the Brookfield Fund. In addition, BAM PIC PE evaluates whether it is prudent and appropriate to incur this leverage and there can be no assurance that leverage will be incurred given that adverse economic factors, such as a significant rise in interest rates, may cause BAM PIC PE, in its discretion, to elect not to incur such leverage. From time to time, a Brookfield Fund's borrowings will be from a person or entity affiliated with Brookfield or in which Brookfield, or a Brookfield

Fund has an equity, debt or other interest, which will give rise to conflicts of interest as discussed more fully under “Lending” in Item 8 below.

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

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

In addition, a Brookfield Fund’s investments are expected to include portfolio investments, the capital structure of which may have significant leverage. While investments in leveraged companies offer the opportunity for capital appreciation, such investments also involve a high degree of risk. Although BAM PIC PE will seek to use leverage in a manner it believes is appropriate under the circumstances, the

leveraged capital structure of a portfolio investment will increase the exposure of such portfolio investment to material and adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the condition of such portfolio investment or its industry and which may impair such portfolio investment's ability to finance its future operations and capital needs and result in restrictive financial and operating covenants. As a result, such portfolio investment's flexibility to respond to changing business and economic conditions may be limited. If, for any of these reasons, a portfolio investment is unable to generate sufficient cash flow to meet principal and/or interest payments on its indebtedness or make regular dividend payments, the value of a Brookfield Fund's investment in such portfolio investment would be significantly reduced or even eliminated. In addition, it may be the intention of a portfolio investment to refinance existing indebtedness at its maturity date but such portfolio investment may not be able to do so (a) at the rate assumed based on current market conditions, in which case such refinancing would be more costly or (b) at all, in which case such portfolio investment would not have sufficient funds on hand to pay its existing lenders (unless an alternative form of financing could be arranged).

**Guarantees of Investments and/or Affiliates.** From time to time, a Client will guarantee the obligations or other liabilities of investments and/or affiliates of the Client. As a result, if any such investment or affiliate defaults on its obligations, the Client will be required to satisfy such obligation. In order to do so, a Client may call capital, recall distributions or liquidate some or all of the investments prematurely at potentially significant discounts to fair value. These actions will affect Investors' returns.

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

**Leasing.** A Brookfield Fund and its portfolio investments may lease property to or from Brookfield, or Related Funds and their portfolio investments and affiliates and other related parties. These leases are

generally expected to be at market rates. Brookfield may confirm market rates by reference to other leases it is aware of in the market, which Brookfield expects to be generally indicative of the market given the scale of its real estate business. In addition, from time to time, Brookfield (or its affiliate responsible for leasing) will make a determination to lease space in a portfolio investment to one tenant over another. Making these determinations may involve conflicts of interest. There can be no assurance that a Client or its portfolio investments will be treated as favorably as any other tenant (whether a Brookfield affiliate or third party) in making these determinations.

**Lending.** From time to time, a Brookfield Fund may, directly or indirectly, enter into an arrangement to use borrowed funds from a person or entity affiliated with Brookfield or in which Brookfield, or a Brookfield Fund has an equity, debt or other interest. Brookfield or a Brookfield Fund may also borrow funds from a third party that is invested in a Brookfield Fund or has other business relationships with Brookfield. These arrangements may include borrowing funds from such persons or entities or obtaining guarantees for our obligations from such entities. These arrangements provide Brookfield with the opportunity to fund operating and investment activities and/or to pay down higher cost capital, but at the same time involve conflicts of interest. These arrangements will be negotiated on an arm's length basis. Any conflicts of interest will be resolved in accordance with Brookfield's conflicts management protocols, policies regarding selection of lenders, and guidelines established in a Client's Governing Documents.

**Cross-Collateralization.** Indebtedness incurred by a Client and its respective fund entities is expected to be structured in a way that parallel investment vehicles or any alternative investment vehicles are jointly responsible on a cross-collateralized basis for the repayment of indebtedness, and the commitments of the Limited Partners of one such vehicle are pledged to secure the indebtedness obtained for the benefit of the other fund entities. If the indebtedness is structured in this manner, the failure of Limited Partners in one vehicle to fund a capital call in order to repay indebtedness is likely to result in other Limited Partners being required to fund more than their pro rata share of the indebtedness and, in certain circumstances, the Limited Partner may be called to fund its entire commitment to repay indebtedness. Limited Partners in one or more such vehicles may benefit from the incurrence of indebtedness even though their commitments may not be pledged to secure such indebtedness. In addition, certain guarantees or hedging arrangements may be cross-collateralized among vehicles and such guarantees or hedging arrangements would be subject to the same risks as cross-collateralized indebtedness.

**Leverage.** Certain of the investments of a Brookfield Fund will utilize a leveraged capital structure in which case a third party would be entitled to cash flow generated by such investments prior to the Brookfield Fund receiving a return. While such leverage is expected to increase returns or the funds available for investment by the Brookfield Fund, it will also increase the risk of loss on a leveraged investment due to adverse economic factors such as rising interest rates, downturns in the economy or deteriorations in the conditions of the investment. If a Brookfield Fund defaults on secured indebtedness, the lender would have the right to foreclose and if this right is exercised, the Brookfield Fund would lose its entire investment in the security for such loan. Because a Brookfield Fund may engage in portfolio financings where several investments are cross-collateralized, multiple investments may be subject to the risk of loss. As a result, a Brookfield Fund could lose its interests in performing investments in the event such investments are cross-collateralized with poorly performing or non-performing investments. In addition, recourse debt, which certain Clients reserve the right to obtain, may subject other assets of the Client and the Investor's capital commitments to risk of loss.

**Board Participation.** A Brookfield Fund, either alone or in combination with Brookfield, generally will seek to be the sole or largest investor in portfolio investments and will generally be represented on the boards of directors of most of its portfolio investments as well as positions on advisory, operating or similar committees of such portfolio investments. Brookfield believes that these arrangements generally provide benefits to Clients by permitting BAM PIC PE to participate in the governance of portfolio investments. However, such positions are expected to reduce BAM PIC PE's ability to sell the related securities when and upon the terms, it may otherwise desire and will subject BAM PIC PE and the Brookfield Fund to claims they would not otherwise be subject to as an investor, including claims of breach of duty of loyalty, securities claims and other director related claims, for which the limited liability generally afforded investors may be ignored. If these claims were to arise, a Brookfield Fund may suffer a significant loss, exposing the assets of the Brookfield Fund to claims by a portfolio investment, its other security holders, its credited or governmental agencies. In general, a Brookfield Fund will indemnify BAM PIC PE from such claims

**Risk of Limited Number of Investments.** Since each Brookfield Fund generally may make only a limited number of investments and since a Brookfield Fund's investments generally will involve a high degree of risk, poor performance by a few of the investments would significantly affect the total returns to the Investors. In the event even a single portfolio investment fails to meet financial projections that formed



the basis of the investment, the Brookfield Fund will suffer a partial, and may suffer a total, loss of capital invested in that company. To the extent Brookfield Funds' investments are concentrated in a particular company, sector or geographic region, its investments will become more susceptible to fluctuations in value resulting from adverse economic or business conditions with respect to those companies, sectors, or geographies.

**Litigation.** Litigation can and does occur in the ordinary course of the management of an investment portfolio. Brookfield Funds may be engaged in litigation both as a plaintiff and as a defendant. This risk is somewhat greater where a Brookfield Fund exercises control or significant influence over a portfolio company's management or exerts a controlling influence, including as a result of board participation and management interlocks. Litigation can arise as a result of issuer default, issuer bankruptcies and/or other reasons, such as environmental damage, product defects, pension and other fringe benefits, and violation of government regulations. In certain cases, such issuers may bring claims and/or counterclaims against the Brookfield Fund, the General Partner of the Brookfield, BAM PIC PE and/or their respective principals and affiliates alleging violations of securities laws and other typical issuer claims and counterclaims seeking significant damages. The expense of defending against claims made against a Brookfield Fund by third-parties and paying any amounts pursuant to settlements or judgments would be borne by the Brookfield Fund to the extent that (a) the Brookfield Fund has not been able to protect itself through indemnification or other rights against the portfolio company, (b) the Brookfield Fund is not entitled to such protections or (c) the portfolio company is not solvent. BAM PIC PE, Brookfield, the General Partner of a Brookfield Fund, and others may be indemnified by the Brookfield Fund in connection with such litigation in accordance with its Governing Documents.

**Reliance on Service Providers.** A Brookfield Fund, Brookfield, the General Partner of a Brookfield Fund and BAM PIC PE may utilize the services of third-party service providers, including but not limited to attorneys, accountants, fund administrators, lenders, bankers, and other consultants in their operations. Brookfield Funds, Brookfield, the General Partner of a Brookfield Fund, and BAM PIC PE generally rely upon such service providers for their professional judgment with respect to legal, tax, accounting, operational and other regulatory matters.

Nevertheless, there exists a risk that such service providers will provide incorrect advice from time to time, or otherwise make errors when providing services. None of the Brookfield Funds, the General

Partner of such Brookfield Funds or BAM PIC PE will generally have any liability to investors for any reliance upon such advice. Service providers will be selected by the General Partner of a Brookfield Fund or BAM PIC PE on behalf of a Client with due care and consistent with their obligations under applicable law. Notwithstanding the foregoing, a Client may bear the risk of any errors or omissions by such service providers. Additionally, subject to certain limitations, a Client is expected to exculpate and indemnify such service providers for any losses incurred.

**Advisors.** Brookfield from time to time engages or retains strategic advisors, senior advisors, operating partners, executive advisors, consultants and/or other professionals who are not employees or affiliates of Brookfield (but which include former Brookfield employees as well as current and former executive officers of Brookfield portfolio companies) (collectively, “Consultants”). Consultants generally have established industry expertise and we expect that they will advise Brookfield with respect to a range of investment-related activities such as sourcing and conducting due diligence on investments, advising on strategies to achieve client investment objectives, recruiting for portfolio companies, and serving on the boards of portfolio companies. We believe that these arrangements benefit Brookfield Funds, however they also may create certain conflicts of interest.

Consultants are expected, from time to time, to receive payments from, or allocations or performance-based compensation with respect to, portfolio companies of a Brookfield Fund (as well as from Brookfield, BAM PIC PE, the General Partner of a Brookfield Fund). In such circumstances, such payments from, or allocations or performance-based compensation with respect to, portfolio companies of a Brookfield Fund and/or a Brookfield Fund may be treated as expenses of the Brookfield Fund and will not be offset or otherwise reduce the management fee, even if they have the effect of reducing any retainers or minimum amounts otherwise payable by Brookfield. We expect from time to time to offer Consultants the ability to co-invest alongside a Brookfield Fund, including in those investments in which they are involved (and for which they may be entitled to receive performance based compensation, which will reduce the Brookfield Fund’s returns and will not necessarily be subordinated to the return of the Limited Partners’ capital contributions), or otherwise participate in equity plans for management of a portfolio company of a Brookfield Fund or invest directly in a Brookfield Fund or in a vehicle controlled by a Brookfield Fund subject to reduced or waived management fees and/or carried interest, including after the termination of their engagement (or other status) with Brookfield.

In certain cases, these persons will have certain attributes of BAM PIC PE “employees” (e.g., they may have dedicated offices at Brookfield, participate in general meetings and events for Brookfield personnel, work on Brookfield matters as their primary or sole business activity, have Brookfield-related e-mail addresses, receive access to Brookfield’s confidential information and/or participate in certain benefit arrangements typically reserved for Brookfield employees) even though they are not considered BAM PIC PE employees, affiliates or personnel for purposes of the Governing Documents and management fee offset provisions, as noted above. In this scenario, a Consultant would be subject to Brookfield’s compliance policies and procedures. Brookfield expects, where applicable, to allocate the costs of such personnel to the applicable Brookfield Fund and/or applicable portfolio companies, and such expenses, to the extent allocated to the Brookfield Fund, would be treated as expenses of such fund. Payments or allocations to Consultants will not be subject to management fee offset provisions, and can be expected to increase the overall costs and expenses borne indirectly by investors in a Brookfield Fund. There can be no assurance that any of Consultants will continue to serve in such roles and/or continue their arrangements with Brookfield, a Brookfield Fund and/or any portfolio companies throughout the term of such fund.

**Regulatory Risks.** A Brookfield Fund may also be subject to certain restrictions and risks for investments in companies in regulated industries. As a result, Brookfield/the General Partner of a Brookfield Fund may choose to restrict or limit transactions or exercise of rights for the Brookfield Fund or limit the amount of voting securities purchased by the Brookfield Fund or restrict the type of governance rights it acquires or exercises in connection with its investments in regulated industries. There can be no assurance that a portfolio investment targeted by a Brookfield Fund will be able to obtain all required regulatory approvals that it does not yet have or that it may require in the future; obtain any necessary modifications to existing regulatory approvals; or maintain required regulatory approvals. Delay in obtaining or failure to obtain and maintain any regulatory approvals or amendments or to satisfy any regulatory conditions or other applicable requirements could result in additional costs to a portfolio company and adversely affect the financial performance of a Client. In addition, changes in applicable laws or regulations, or in the interpretations of these laws and regulations, could occur during the term of the applicable Brookfield Fund that may materially and adversely affect the Brookfield Fund, for example, by resulting in increased compliance costs or the need for additional capital expenditures. Failure to comply with these requirements could subject a portfolio investment to civil or criminal liability and the imposition of fines.

**Prevention of Money Laundering.** As part of Brookfield's/the General Partner of a Brookfield Fund's responsibility for the prevention of money laundering under the Uniting and Strengthening America by Providing Appropriate Tools Required to Interrupt and Obstruct Terrorism Act of 2001 (the "PATRIOT Act") and similar laws in effect in non-U.S. countries, the Brookfield Fund requires a detailed verification of a prospective investor's identity and the source of such prospective investor's capital contributions. In the event of delay or failure by a prospective investor to produce any such information required for verification purposes, the Brookfield Fund will generally refuse to accept the subscription and any monies relating thereto. In addition, each prospective investor will be required to make certain representations and warranties to the Brookfield Fund. Each Investor will be required to promptly notify Brookfield/the relevant General Partner if any of the representations or warranties it makes to the applicable Brookfield Fund will cease to be true with respect to such investor.

As a result of the above-described money laundering regulations, Brookfield/the General Partner of a Brookfield Fund may from time to time request (outside of the subscription process) and the Investors may be obligated to provide to Brookfield/the General Partner of a Brookfield Fund upon such request, additional information as from time to time may be required for it and the Brookfield Fund to satisfy their respective obligations under these and other laws that may be adopted in the future. Also, Brookfield/the General Partner of a Brookfield Fund will from time to time be obligated to file reports with various jurisdictions with regard to, among other things, the identity of the Brookfield Fund's investors and suspicious activities involving the interests in the Brookfield Fund.

In the event it is determined that any investor or any direct or indirect owner of any investor, is a person identified in any of these laws as a prohibited person or is otherwise engaged in activities of the type prohibited under these laws, the Brookfield Fund would be obligated, among other actions to be taken, to withhold distributions of any funds otherwise owing to such investor or to cause such investor's interests in the Brookfield Fund to be cancelled or otherwise redeemed (without the payment of any consideration in respect of those interests in the Brookfield Fund).

**Disclosure of Information.** As a result of increased regulations in the private funds and related industries, including with respect to the sources of funds used in investments and other Brookfield Fund activities, Brookfield/the General Partner of a Brookfield Fund may request additional documentation or information from Investors in order to verify, among other things, such Investor's and its beneficial

owners' identity and the source of funds used to purchase the interests in the Brookfield Fund. Brookfield/the General Partner of a Brookfield Fund may decline to accept a subscription on the basis of the information that is provided or if this information is not provided. Notwithstanding any confidentiality protections in a Brookfield Fund's Governing Documents, in] order to comply with applicable laws, rules, regulations and policies, Brookfield/the General Partner of a Brookfield Fund may request additional information from the investors at any time. Such information may be provided to governmental and regulatory agencies or law enforcement without notification to the Investors. The failure of an Investor to comply with such request would result in adverse consequences applying to such investor pursuant to the Brookfield Fund's Governing Documents, including but not limited to required withdrawal from the Brookfield Fund. Further, Brookfield/the General Partner of a Brookfield Fund or BAM PIC PE will take such steps as it determines in its sole discretion are necessary or appropriate to comply with applicable law, regulations, orders, directives or special measures.

**Cybersecurity.** Brookfield, the General Partner of a Brookfield Fund, BAM PIC PE, a Brookfield Fund's service providers and other market participants increasingly depend on complex information technology and communications systems to conduct business functions. For example, Clients may provide investors with statements, reports, notices, updates, requests and any other communications required under a Client's Governing Documents in electronic form, such as e-mail or posting on Brookfield's web-based reporting site or other Internet service, in lieu of or in addition to sending such communications as hard copies via fax or mail. These systems are subject to a number of different threats or risks that could adversely affect a Client and its investors, despite the efforts of the General Partner of the Client, the Client's portfolio companies, BAM PIC PE and service providers to adopt technologies, processes and practices intended to mitigate these risks and protect the security of their computer systems, software, networks, e-mail and other technology assets, as well as the confidentiality, integrity and availability of information belonging to the Client and its investors. Cyber incidents refer to both intentional attacks and unintentional events including: processing errors, human errors, technical errors including computer glitches and system malfunctions, inadequate or failed internal or external processes, market-wide technical-related disruptions, unauthorized access to digital systems (through "hacking" or malicious software coding), computer viruses, and cyber-attacks which shut down, disable, slow or otherwise disrupt operations, business processes or website access or functionality (including denial of service attacks). For example, unauthorized third parties may attempt to improperly access, modify, disrupt the operations of, or prevent access to these systems of the General Partner of the Client, the Client's portfolio

companies, BAM PIC PE, and any of their service providers, counterparties or data within these systems without the knowledge of system users. Third parties may also attempt to fraudulently induce employees, customers, third-party service providers or other users of the General Partner of the Client, the Client's portfolio companies, BAM PIC PE, and any of their service providers' systems to disclose sensitive information in order to gain access to their data or that of the Client's investors. A successful penetration or circumvention of the security of the General Partner of the Client, the Client's portfolio companies, BAM PIC PE, and any of their service providers' systems could result in the loss or theft of an investor's data or funds, the inability to access electronic systems, disruption of its business, loss or theft of proprietary information or corporate data, physical damage to a computer or network system or costs associated with system repairs. Such incidents could cause the Client, the General Partner of the Client, the Client's portfolio companies, BAM PIC PE or any of their service providers to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, liability to clients or third parties, regulatory intervention or financial loss. BAM PIC PE makes no assurances, representations or warranties in relation to these matters, and have not obtained representations or warranties in relation to these matters from all of their service providers. In addition, the General Partner of the Client, BAM PIC PE, the Client's subsidiaries and each of their respective affiliates reserve the right to intercept, monitor and retain e-mail messages to and from its systems as permitted by applicable law. Substantial costs may be incurred in order to prevent any cyber incidents in the future. While the Client's service providers have established business continuity plans in the event of, and risk management systems to prevent, such cyber incidents, there are inherent limitations in such plans and systems including the possibility that certain risks have not been identified. Furthermore, the Client cannot control the cybersecurity plans and systems put in place by its service providers or any other third parties whose operations may affect the Client.

Similar types of operational and technology risks are also present for portfolio companies, which could have material adverse consequences for such portfolio companies, and may cause a Brookfield Fund's portfolio investments to lose value.

**Public Health Risk.** Clients could be adversely affected by the effects of a widespread outbreak of contagious disease, such as the recent outbreak of a novel coronavirus (COVID-19). Public health crises can develop rapidly and unpredictably, which may prevent governments, companies or others (including BAM PIC PE and its Clients) taking timely or effective steps to mitigate or reduce any adverse impacts.

Any outbreak of contagious diseases and other adverse public health developments, together with any resulting disruptions or restrictions on travel or quarantines imposed, could have a material and adverse effect on Clients and their Investments, including by disrupting or otherwise adversely affecting the human capital, business operations or financial resources of the Brookfield, Clients, or Clients' administrators or other service providers (which could, in turn, adversely impact the ability of such providers to fully support the administration and operation of Clients). In addition, a significant outbreak of contagious diseases in the human population, and any containment or other remedial measures imposed, could result in a widespread health crisis that could severely disrupt global, national and/or regional economies, resulting in an economic downturn that could adversely affect the performance of Clients and their Investments. For example, the risk of further spreading of COVID-19 has led to significant uncertainty and extreme volatility in the financial markets, including those leading to the automatic suspension of trading on U.S. stock exchanges. The performance of the Clients may also be affected by issues affecting companies, regions or sectors of their Investments. The extent of any such impacts will depend on future developments, which are highly uncertain and cannot be predicted at this time, including new information which may emerge concerning the severity of COVID-19 and containment efforts, among others, by U.S. or other governments.

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

related regulation at provincial or state, federal and international levels could have a material adverse effect on the business, financial position, results of operations or cash flows of Clients.

**Risk of Terrorism or Acts of War.** It is possible that a major event (such as a terrorist attack) or other circumstance could provoke immediate dramatic changes in general market psychology and could motivate widespread variation in the absolute and relative pricing of assets and the availability of financing for such assets. Such an attack could have a variety of adverse consequences for a Client, including risks and costs related to the destruction of assets, inability to use one or more assets for their intended uses for an extended period, decline in income achievable or asset value, and injury or loss of life, as well as litigation related thereto. Availability and the terms of insurance for such events vary across countries. For U.S. assets, with the enactment of the Terrorism Risk Insurance Program Reauthorization Act of 2015 ("TRIPRA"), through the end of 2020, insurers must make terrorism insurance available under their property and casualty insurance policies. Furthermore, insurers providing terrorism insurance must meet certain standards to be eligible for relief under TRIPRA, which may result in such insurers charging higher rates for terrorism insurance than is customary for other types of insurance. While the Client intends to maintain terrorism insurance where appropriate, including, in some cases, terrorism insurance provided by Brookfield, such risks may or may not be insurable at rates that the General Partner of a Client deems economical or customary at all times. Additionally, if the Terrorism Risk Insurance Program Reauthorization Act of 2015 is discontinued after 2020, terrorism insurance may no longer be available, or may be offered by fewer providers at increased cost. So long as the Client's service providers have followed typical industry practices in protecting a Brookfield Fund's properties, recourse to them in the event of losses may be limited and such losses may be borne by the Client

**Expedited Transactions.** Although BAM PIC PE dedicates substantial time and resources to conduct appropriate due diligence prior to making an investment, the due diligence process is subjective at times and BAM PIC PE will, at times, undertake investment analyses and decisions on an expedited basis and/or on the basis of imperfect information to take advantage of investment opportunities. While these opportunities are expected to provide benefits to Clients and Investors, in such cases, the information available to BAM PIC PE at the time an investment decision is made may be limited and BAM PIC PE's investment analysis may not consider all relevant facts that are necessary or helpful to evaluate the investment. Therefore, no assurance can be made that BAM PIC PE will have knowledge of all



circumstances that may materially and adversely affect an investment.

**Follow-On Investments.** Following the initial investment in a portfolio investment, a Brookfield Fund may be called upon to provide additional funds or have the opportunity to increase its investment in such company or to fund additional investments through such company. These follow-on investments may be required for a portfolio investment to satisfy working capital requirements or acquisition strategies, or to take advantage of opportunities to increase its market share or reach other corporate milestones. There is no assurance that the Brookfield Fund will make follow-on investments or that the Brookfield Fund will have sufficient funds to make all such investments. Any decision not to make follow-on investments or a Brookfield Fund's inability to make them may have substantial negative impact on the portfolio investment in need of such investment and may result in missed opportunities for the Brookfield Fund or may result in dilution of portfolio investments (in the event alternative capital is used to satisfy such additional funding needs). Additionally, if the Brookfield Fund has insufficient capital available to make any particular follow-on investment, an additional Brookfield Fund may make such investment. Additionally, if the Client makes a follow-on investment, there is no assurance that such follow-on investment will be successful.

**Projections.** A Client may rely upon projections developed by BAM PIC PE concerning an investment's future performance, outcome and cash flow. Projections are inherently subject to uncertainty and factors beyond the control of BAM PIC PE. The inaccuracy of certain assumptions, the failure to satisfy certain requirements and the occurrence of other unforeseen events could impair the ability of an Investment to realize projected values, outcomes and cash flow.

**Potential Restrictive Covenants.** Some Brookfield Funds may enter into a subscription credit facility with one or more lenders in order to finance the acquisition of portfolio investments. It is anticipated that any such subscription credit facility will contain a number of covenants that, among other things, restrict the ability of a Brookfield Fund and a subsidiary, if applicable, to: (i) acquire or dispose of assets or businesses; (ii) incur additional indebtedness; (iii) make capital expenditures; (iv) make cash distributions; (v) create liens on assets; (vi) enter into leases, investments or acquisitions; (vii) engage in mergers or consolidations; (viii) make capital calls to the Investors; (ix) amend certain documents, such as the Governing Documents and a subsidiary's organizational documents, if applicable; or (x) engage in certain transactions with affiliates, and otherwise restrict activities of the Brookfield Fund

(including its ability to acquire additional investments, businesses or assets, or effect certain changes of control or asset sale transactions) without the consent of the lenders. In addition, such a subscription credit facility is expected to require the Brookfield Fund to maintain specified financial ratios and comply with tests, including minimum interest coverage ratios, maximum leverage ratios, minimum net worth and minimum equity capitalization requirements. The Brookfield Fund may incur indebtedness under such subscription credit facility that bears interest at a variable rate. Economic conditions could result in higher interest rates, which would increase debt service requirements on variable rate debt and could reduce the amount of financing available to Brookfield Funds and make it more expensive to finance investments by Brookfield Funds and more difficult to compete for new investments with other potential buyers that have a lower cost of capital.

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

**Bridge Financings.** A Client may make an investment with the intent of selling, refinancing or otherwise reducing it, including through co-investment by one or more investors or third parties, after the closing of such investment. Any such investment may include assets that the General Partner of such Client may not have caused the Client to acquire on a stand-alone basis (including, without limitation, because the risk/return profile or other characteristics of such assets may not be desirable or appropriate for the Brookfield Fund), and the General Partner may seek to reduce the Client's exposure to such assets through disposition, refinancing, co-investment, another transaction. In these situations, the Client's strategy may depend, in part, upon its ability to sell, refinance or otherwise reduce its exposure to such investments after initially agreeing to consummate them. There can be no assurance in such instances that the Client will be successful in doing so or that the terms of any such transaction will be attractive, including because there may not be sufficient interest in or for the assets and/or investors and/or third parties may not accept all or a portion of the amount offered for co-investment. If the Client is unable to complete such an anticipated transaction, its investments will be less diversified than they otherwise may have been and the Client may have greater exposure to certain investments, regions and sectors than intended or desired, including to assets that the General Partner would not have acquired on a stand-alone basis or to an investment that exceeds the amount that is permitted to be invested in a

single investment that does not involve bridge financing. In addition, to the extent that the Client is unable to complete an anticipated transaction, it would generally incur broken deal and related costs associated with the pursuit of such transaction.

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

**Investments with Third Parties.** Brookfield Funds co-invest with third parties through joint ventures or other entities in so called "club deals". Such portfolio investments involve risks not present in investments where a third party is not involved, including the possibility that such third-party co-venturer or partner may have investment strategies and objectives (with respect to the particular investment or their fund as a whole) which are inconsistent with those of the Brookfield Fund, have or encounter financial difficulties after the investment is made leading to a change in investment strategies and objectives, or is in a position to take action in a manner contrary to the Brookfield Fund's investment objectives. In the event a third-party co-venturer defaults on its funding obligations to a portfolio investment, the Brookfield Fund would generally be required to make additional capital contributions to such company to replace the shortfall caused by such third-party co-venturer. In addition, a Brookfield Fund may in certain circumstances be liable for the actions of its third-party co-venturers or partners. It will also potentially be more difficult for the Brookfield Fund to sell its interest in any joint venture, partnership or entity with other owners than to sell its interest in other types of investments. Co-venturers or partners ordinarily possess joint approval rights with the Brookfield Fund with respect to major decisions concerning the management and disposition of a portfolio investment, which introduce the risk of deadlocks. A deadlock would delay the execution of the business plan for the

investment or require the Brookfield Fund to engage in a buy-sell of the portfolio investment with the co-venturer or partner or conduct the forced sale of such investment. As a result of these risks, a Brookfield Fund may be unable to fully realize its expected return on any such investment.

**Diverse Interests (including Brookfield).** Investors in Brookfield Funds (including for the avoidance of doubt, Brookfield in its capacity as an investor in Brookfield Funds) often have conflicting investment, tax and other interests with respect to the investments made by the Brookfield Funds. The conflicting interests of individual investors relate to or arise from, among other things, the nature of the investments made by the Brookfield Funds, the residency or domicile of the investors, the fund into which an individual investor invests and the structuring of the acquisition of investments, the timing of disposition of investments, and the manner in which one or more investments are reported for tax purposes. As a consequence, conflicts of interest arise in connection with the decision made by BAM PIC PE, including with respect to the nature, structuring or reporting of such investments, that may be adverse to investors generally, or may be more beneficial for one investor than for another investor, especially with respect to investors' individual tax situations. In selecting and structuring potential investments appropriate for the Brookfield Funds, BAM PIC PE considers the investment and tax objectives of a Brookfield Fund and its investors as a whole, not the investment, tax or other objectives of any investor individually. However, conflicts may arise if certain investors have objectives that conflict with those of the Brookfield Fund.

**Material Non-Public Information; Trading Restrictions; Information Not Made Available.** From time to time, the ability of the Brookfield Funds to buy or sell certain securities is restricted by applicable securities laws or regulatory requirements applicable to Brookfield (and/or its internal policies designed to comply with these and similar requirements). In these circumstances, Brookfield possesses material, non-public information about an investment entity or other potential investment entity that limits the ability of the Brookfield Funds to buy and sell securities related to that investment or other potential investment. This would adversely affect a Brookfield Fund's ability to make and/or dispose of certain investments.

**Other Activities of BAM PIC PE and Investment Committee.** The members of the investment committee of BAM PIC PE and other Brookfield employees who play key roles in managing the Brookfield Funds spend a portion of their time on matters other than or only tangentially related to the Brookfield Funds.

Time is spent on managing and exiting investments of other Brookfield investment partnerships, including investments made on behalf of Brookfield, and on providing services to and effecting transactions on behalf of other groups within Brookfield and accounts other than the Brookfield Funds will reduce the amount of time they spend on their obligations on behalf of the Brookfield Funds and could conflict with their responsibilities to the Brookfield Funds.

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

In addition, under common law principles that in some cases form the basis for Lender Liability claims, if a lender or bondholder (a) intentionally takes an action that results in the undercapitalization of a borrower to the detriment of other creditors of such borrower, (b) engages in other inequitable conduct to the detriment of such other creditors, (c) engages in fraud with respect to, or makes misrepresentations to, such other creditors, or (d) uses its influence as a stockholder to dominate or control a borrower to the detriment of other creditors of such borrower, a court may elect to subordinate the claim of the offending lender or bondholder to the claims of the disadvantaged creditor or creditors, a remedy called “equitable subordination.” Clients do not intend to engage in conduct that would form the basis for a successful cause of action based upon the equitable subordination doctrine. However, because of the nature of certain Clients’ Investments, a Client may be subject to claims from creditors of an obligor that the debt obligations of which are held by such Client should be equitably subordinated.

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

above under U.S. federal and state laws.

**Distributions in Kind.** In certain circumstances, a Brookfield Fund will distribute securities and other assets to investors (including, for the avoidance of doubt, investment vehicles in which Brookfield is the largest investor). BAM PIC PE also has the ability, in its sole discretion, to receive carried interest through distributions of a Brookfield Fund's securities rather than in cash. While BAM PIC PE will seek to determine the terms and size of any distribution in kind, taking into account the value and liquidity of assets that will be distributed, the risk of loss and delay in liquidating such assets will be borne by the investors, with the result that investors will receive less cash than was reflected in the fair value of such assets as determined by Brookfield. Each Investor (including investment vehicles in which Brookfield may be the largest investor) will generally be able to dispose of securities distributed in kind at any time and over time in its sole discretion. The price and liquidity of any securities distributed to Investors could be adversely affected by a variety of factors, including the number of Investors that seek to liquidity securities received in a distribution and the time at which other Investors seek to do so. In addition, where an investment vehicle in which Brookfield is the largest investor, it will receive the largest number of securities distributed and also be able to sell its position in its sole discretion. Given the size of its position, sales by Brookfield, alone or at the same time as other Investors decide to sell their shares is likely to have a greater adverse impact on price and liquidity than sales by other investors. Brookfield thus may ultimately receive a return on its securities distributed in kind that is higher than the return achieved by other Investors. In addition, when investments are distributed to investors in kind, such investors may then become minority shareholders in, or lenders to, the underlying portfolio companies and may be unable to protect their interests effectively. In addition, in certain circumstances Brookfield/the General Partner of a Brookfield Funds may elect to receive an in-kind distribution in lieu of a cash distribution with respect to carried interest or other amounts distributable to Brookfield / such General Partner, which will result in a conflict of interest.

**Bundling.** From time to time, multiple Brookfield Funds pool certain investments (an "Asset Pool"), including for the purposes of seeking a full or partial exit from one or more investments. In such circumstances an Asset Pool could be managed or controlled by the General Partner of one Brookfield Fund or any of its affiliates, and securities or other interests in the Asset Pool will be owned by another Brookfield Fund. The consummation of any such transaction will not require the consent of a LPAC. This will create conflicts of interest. For example, in determining the proportionate interest of each Brookfield

Fund in the Asset Pool (or particular classes or tranches of securities or others interests in the Asset Pool), the controlling General Partner and its affiliates will be required to determine the relative value of assets contributed to the Asset Pool, and value of securities or interests (or particular classes or tranches thereof) issued by the Asset Pool. In making this determination the controlling General Partner and its affiliates could, but are not required to, engage or seek the advice of any third-party independent expert. However, even if such advice was sought, valuing such assets and interests and, therefore, the value of any one Brookfield Fund's interest in, or proceeds received from, any Asset Pool, will be subjective.

**Other Investments by Brookfield Funds and Funds advised by BAM Affiliated Advisers.** From time to time, one Brookfield Fund will invest in a competitor or customer of, or service provider or supplier to, a portfolio company of another Brookfield Fund or a Related Fund. In addition, Brookfield personnel may serve as directors, or otherwise be associated with, companies that are competitors of portfolio companies of certain Brookfield Funds. These circumstances would give rise to a variety of conflicts of interest. For example, one Brookfield fund or its portfolio company (or a Related Fund or its portfolio company) may take actions for commercial reasons that have adverse consequences for another Brookfield Fund or its portfolio company, such as seeking to increase its market share at the portfolio company's expense (as a competitor), withdrawing business from the portfolio company in favor of a competitor that offers the same product or service at a more competitive price (as a customer), increasing prices in lockstep with other enterprises in the industry (as a supplier) or commencing litigation against the portfolio company (in any capacity). One Brookfield Fund (or a Related Fund) may also obtain information while dealing with its portfolio companies that it is prohibited from acting on or disclosing to another Brookfield Fund or its portfolio company as a result of confidentiality requirements or applicable law, even though such action or disclosure would be in the latter's interests. In addition, to the extent not restricted by confidentiality requirements, BAM PIC PE generally will apply the experience obtained by managing one Brookfield Fund (or a Related Fund) to benefit another Brookfield Fund. BAM Affiliated Advisers are under no obligation to take into account the interests of Brookfield Funds advised by BAM PIC PE in advising their portfolio companies. In some cases, a Brookfield Fund will benefit from investments by another Brookfield Fund or a Related Fund in a competitor or customer of, or service provider or supplier to, a portfolio company. For example, a business combination or merger between competing portfolio companies may generate investment returns that would not be available, but for Brookfield's participation on all sides of a transaction.

***Material Risks of Private Equity Investments:***

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

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

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

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



**Junior, Unsecured Securities.** Brookfield Funds from time to time will invest in debt securities that are unsecured and subordinated to substantial amounts of senior indebtedness, all or a significant portion of which may be secured. In the event of the bankruptcy or liquidation of an issuer of such securities, there may not be enough proceeds to repay the holders of such securities following repayment to the holders of senior indebtedness. In addition, such securities may not be protected by financial covenants or limitations upon additional indebtedness, thereby providing less control over the investment. In addition, these securities may have limited liquidity, which will accentuate any downward price movements and make it more difficult for a Brookfield Fund to sell.

Certain additional material risks known to Brookfield and associated with investing in a Brookfield Fund are described in the Governing Documents of such Brookfield Fund.

#### **ITEM 9 – DISCIPLINARY INFORMATION**

The event disclosed below does not involve a “management person” of BAM PIC PE. BAM PIC PE is disclosing this event as it may relate to a client’s or prospective client’s assessment of BAM PIC PE’s advisory business.

Criminal and civil charges have been filed against certain Brazilian employees of a BAM affiliate based in Brazil (“Brazil Affiliate”). These proceedings involve allegations of misconduct regarding certain permits and licenses granted between 2008 and the end of 2009 for expansions and renovations of shopping malls in Brazil. The allegations were made by a former employee of the Brazil Affiliate who was terminated for fraud and against whom there is an ongoing lawsuit and criminal investigation. The allegations were that payments made to municipal planning consultants hired during mall construction to obtain necessary licenses and permits and to ensure that projects adhere to municipal codes and regulations, were used by them to bribe municipal officials. The civil action was filed on February 5, 2013 and the criminal action was formally accepted by the judge on February 15, 2013. It is general practice in Brazil to file civil charges in conjunction with criminal charges. The civil and criminal charges are based on the same underlying allegations made by the former employee. The employees of the Brazil affiliate named in the lawsuits deny any wrongdoing. Brookfield brought the allegations to the attention of the Risk Management Committee of its Board of Directors and launched an independent investigation

by a major New York based law firm to ascertain if there was any evidence to support the allegations. The investigation lasted eight months and was comprehensive and thorough. The investigation was completed and the information available does not support the payments made by the Brazil Affiliate to consultants were used to pay bribes to municipal officials.

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

BAM PIC PE is an indirect wholly-owned subsidiary of BAM, a publicly owned Canadian corporation. BAM owns, operates and manages investments in real assets, with a focus on real estate, infrastructure and sustainable resources, renewable power, and private equity in North and South America, Australia, Asia and Europe. BAM also offers investment strategies focused on such real assets (including through Brookfield Funds) mainly to institutional investors.

### **AFFILIATE TRANSACTIONS:**

Brookfield and certain affiliates of Brookfield and BAM PIC PE provide services to prospective investors and Clients, including a Client's portfolio companies for compensation. See Item 5 and 6 above for details of such arrangements.

### **BAM AFFILIATED ADVISERS:**

BAM PIC PE is an affiliate of Brookfield Asset Management Private Institutional Capital Adviser (Canada), LP (together with its Participating Affiliates, "BAM PIC Canada"), Brookfield Asset Management Private Institutional Capital Adviser (Credit), LLC ("BAM PIC Credit"), Brookfield Asset Management Private Institutional Capital Adviser US, LLC (together with its Relying Advisers and Participating Affiliates, "BAM PIC US"). BAM PIC Canada, BAM PIC Credit and BAM PIC US are registered with the SEC as investment advisers under the Advisers Act. Each of BAM PIC Canada, BAM PIC Credit and BAM PIC US (together, the "BAM Affiliated Advisers") serve as investment adviser or sub-adviser to Brookfield advisory clients (together, the "BAM Affiliated Advisers"). Oaktree Capital Group, LLC (together with its affiliates, "Oaktree"), a registered investment adviser, is 61% owned by BAM and operates largely independently. Brookfield Public Securities Group LLC ("PSG"), a registered investment adviser, is a separately operated subsidiary of BAM. PSG is an active participant, as agent and principal, in the global fixed income, currency, commodity, equities and

other markets. Certain of PSG's investment activities are managed independently of, and carried out without any reference to the management of the Clients. For example, PSG may invest, trade or make a market in the equity, debt or other interests of investments without regard to the impact on the Clients of such activities. In particular, PSG manages investment funds and accounts that invest in public debt and equity markets. There is currently an information barrier in place pursuant to which the BAM Affiliated Advisers and PSG manage their investment operations independently of each other and do not share information relating to such activities. Consequently, neither BAM PIC PE nor PSG consults the other about, or has awareness of, investment decisions made by the other. As a result, PSG will not share investment opportunities that may otherwise be suitable for the Clients with BAM PIC PE and BAM PIC PE and the Clients will have no rights with respect to such opportunities. In addition, in certain circumstances, funds and/or accounts managed by PSG hold an interest in a portfolio company of a Client and, as a result of different investment objectives and views, PSG is expected to manage such interests in a way that is different from the Client (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities in a different manner, and/or selling its interests at different times than the Client). The conflicts of interest described herein may be magnified as a result of the information sharing barrier as the Client's investment team may not be aware of, and may not have the ability to manage, such conflicts. Brookfield may decide at any time, and without notice to Investors, to remove or modify such information barrier. In the event that the information barrier is removed or modified, BAM PIC PE may be subject to certain protocols, obligations and restrictions in managing the Clients, including, for example, conflicts management protocols, aggregated regulatory reporting obligations and certain potential investment-related restrictions.

Certain members of BAM's senior management and members of BAM PIC PE perform similar functions for the BAM Affiliated Advisers. BAM PIC PE enters into sub-advisory relationships with one or more of the BAM Affiliated Advisers from time to time generally for regional specific advice. In addition, the BAM Affiliated Advisers continue to organize other investment products and provide services to such products (as the general partner, investment manager or equivalent).

#### **ACQUISITION OF OAKTREE:**

In 2019, Brookfield completed the acquisition of approximately 61% of the business of Oaktree. Oaktree is a global investment manager emphasizing an opportunistic, value-oriented and risk-controlled

approach to investments in credit, private equity, real assets and listed equities. It is expected that Brookfield and Oaktree will continue to operate their respective investment businesses largely independently, with each remaining under its current brand and led by its existing management and investment teams, and Brookfield and Oaktree managing their investment operations independently of each other pursuant to an information barrier.

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

There is (and in the future will continue to be) overlap in investment strategies and investments pursued by Oaktree Accounts and Clients. Nevertheless, Brookfield does not expect to coordinate or consult with Oaktree with respect to investment activities and/or decisions. While this absence of coordination and consultation, and the information barrier described above, will in some respects serve to mitigate conflicts of interests between Oaktree and Brookfield, these same factors also will give rise to certain conflicts and risks in connection with Brookfield’s and Oaktree’s investment activities, and make it more difficult to mitigate, ameliorate or avoid such situations. For example, because neither Brookfield nor Oaktree are expected to coordinate or consult with the other about investment activities and/or decisions made by the other, and neither Brookfield nor Oaktree is expected to be subject to any internal approvals over its investment activities and decisions by any person who would have knowledge and/or decision-making control of the investment decisions of the other, it is expected that Oaktree will pursue investment opportunities for Oaktree Accounts which are suitable for Clients, but which are not made available to those Clients. Oaktree Accounts and Clients are also expected to compete, from time to time, for the same investment opportunities. Such competition could, under certain circumstances, adversely impact the

purchase price of investments. Oaktree will have no obligation to, and generally will not, share investment opportunities that may be suitable for Clients with Brookfield, and Brookfield and the Clients will have no rights with respect to any such opportunities.

In addition, Oaktree will not be restricted from forming or establishing new Oaktree Accounts, such as additional funds or successor funds. Oaktree Accounts also will not be restricted from pursuing investment opportunities based in whole or in part on information, support and knowledge provided directly or indirectly by Brookfield. For example, Brookfield expects to provide Oaktree, from time to time, with (i) access to marketing-related support, including, for example, strategy sessions, introductions to investor relationships and other marketing facilitation activities, and (ii) strategic oversight and business development support, including general market expertise and introductions to market participants such as portfolio companies, their management teams and other relationships). Certain such Oaktree Accounts could compete with or otherwise conduct their affairs without regard as to whether or not they adversely impact Clients. In addition, Oaktree Accounts will be permitted to make investments of the type that are suitable for Clients without the consent of the Clients or Brookfield. From time to time, Clients and Oaktree Accounts are expected to purchase or sell an investment from each other, as well as jointly pursue one or more investments. In addition, from time to time, Oaktree Accounts are expected to hold an interest in an investment held by a Client (or potential Client investment), and/or subsequently purchase (or sell) an interest in an investment held by a Client (or potential Client investment). In such situations, Oaktree Accounts could benefit from Clients' activities. Conversely, Clients could be adversely impacted by Oaktree's activities. In addition, as a result of different investment objectives, views and/or interests in investments, it is expected that Oaktree will manage certain Oaktree Accounts' interests in a way that is different from Clients' interests (including, for example, by investing in different portions of an issuer's capital structure, short selling securities, voting securities or exercising rights it holds in a different manner, and/or selling its interests at different times than Clients), which could adversely impact Clients' interests. Oaktree and Oaktree Accounts are also expected to take positions, give advice and provide recommendations that are different, and potentially contrary to those which are taken by, or given or provided to, Clients, and are expected to hold interests that potentially are adverse to those held by Clients. Clients and Oaktree Accounts will in certain cases have divergent interests, including the possibility that the Clients' interests are subordinated to Oaktree Accounts' interests or are otherwise adversely affected by Oaktree Accounts' involvement in and actions related to the investment. Oaktree will not have any obligation or other duty to make available for the benefit of Clients any information

regarding its activities, strategies and/or views.

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

Brookfield and Oaktree are likely to be deemed to be affiliates for purposes of certain laws and regulations, notwithstanding their operational independence and/or information barrier, and it is anticipated that, from time to time, Clients and Oaktree Accounts will each have positions (which in some cases will be significant) in one or more of the same issuers. As such, Brookfield and Oaktree likely will need to aggregate certain investment holdings, including holdings of Clients and Oaktree Accounts, for certain securities laws purposes (including trading restrictions under Rule 144 under the Securities Act, complying with reporting obligations under Section 13 of the Exchange Act and the reporting and short-swing profit disgorgement obligations under Section 16 of the Exchange Act) and other regulatory purposes (including (i) public utility companies and public utility holding companies; (ii) bank holding companies; (iii) owners of broadcast licenses, airlines, railroads, water carriers and trucking concerns; (iv) casinos and gaming businesses; and (v) public service companies (such as those providing gas, electric or telephone services)). Consequently, Oaktree's activities could result in earlier public disclosure of Client investments, restrictions on Client transactions (including the ability to make or dispose of certain investments at certain times), adverse effects on the prices of Client investments, potential short-swing profit disgorgement, penalties and/or regulatory remedies, or otherwise create conflicts of interests for Clients. In managing its investment activities, Oaktree will act for its own account or on behalf of Oaktree Accounts and in its and/or their own interests, without regard to the interests of Brookfield and/or Clients.

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

Brookfield and Oaktree may decide, at any time and without notice to Clients or their limited partners, to remove or modify the information barrier between Brookfield and Oaktree. In the event that the information barrier is removed or modified, it would be expected that Brookfield and Oaktree will adopt certain protocols designed to address potential conflicts and other considerations relating to the

management of their investment activities in a different or modified framework.

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

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

As a global alternative asset manager with significant assets under management and a long history of owning and operating assets and businesses across various industries, sectors and geographies, Brookfield leverages its broad reach, expertise and relationships in managing its Clients' investment and asset management activities. Brookfield expects to similarly leverage its relationship with Oaktree, Oaktree Accounts and/or their portfolio companies to the extent practicable pursuant to the information barrier. These activities give rise to conflicts (and potential conflicts) of interest considerations as Brookfield (indirectly) benefits from them. However, Brookfield believes that these activities are in the best interest of its Clients.

Among other things, Clients' portfolio companies are and will be counterparties in agreements, transactions and other arrangements with Oaktree Accounts' portfolio companies for the provision of goods and services, purchase and sale of assets and other matters that would otherwise be transacted with independent third parties. These agreements, transactions and other arrangements will involve payment of fees and other amounts and/or other benefits to Oaktree Accounts' portfolio companies, none of which will result in any offset to Clients' management fees. Such agreements, transactions and

other arrangements will generally be entered into without the consent or direct involvement of any Client or its investors. This is because, among other considerations, Oaktree, Oaktree Accounts and their respective portfolio companies generally are not considered affiliates of Brookfield, Brookfield Clients and their portfolio companies under the Governing Documents.

These agreements, transactions or other arrangements are expected to be entered into in the ordinary course. In certain cases, they will be entered into with active participation by Brookfield and in other cases by the portfolio companies' management teams independently of Brookfield. In all cases, Brookfield will seek to ensure that the agreements, transactions or other arrangements are in the Clients' portfolio companies' best interests, with terms to be determined in good faith as fair, reasonable and equitable under the circumstances. However, there can be no assurance that the terms of any such agreement, transaction or other arrangement will be executed on an arm's length basis, be as favorable to the applicable portfolio company as otherwise would be the case if the counterparty were not related to Oaktree, or be the same as those that other Oaktree Accounts' portfolio companies receive from the counterparty. In some circumstances, Brookfield Accounts' portfolio companies may receive better terms from an Oaktree Account portfolio company than from an independent counterparty. In other cases, these terms may be worse.

Brookfield may from time to time engage Oaktree, Oaktree Accounts and/or their portfolio companies to provide certain services to Clients and their portfolio companies, including without limitation non-investment management related services and other services that would otherwise be provided by third-party service providers or Brookfield affiliates, as the case may be. Each such engagement will be in accordance with disclosures set out in the Governing Documents (including offering documents).

In addition, Oaktree may from time to time engage Brookfield, Brookfield Clients or their portfolio companies to provide services to Oaktree Accounts and/or their portfolio companies, and the conflicts (and potential conflicts) of interest described above will apply equally for each such engagement.

This does not purport to be a complete list or explanation of all actual or potential conflicts that may arise as a result of the Oaktree acquisition, and additional conflicts not yet known by Brookfield or Oaktree may arise in the future and that conflicts will not necessarily be resolved in favor of Clients' interests. Because of the extensive scope of both Brookfield's and Oaktree's activities and the complexities involved in



combining certain aspects of existing businesses, the policies and procedures to identify and resolve such conflicts of interest will continue to be developed over time.

#### **CONFLICTS WITH PORTFOLIO COMPANIES:**

Officers and employees of Brookfield will serve as directors and officers of certain portfolio companies and, in that capacity, will be entitled to make decisions that consider the best interests of such portfolio companies and their respective shareholders or other stakeholders. In certain circumstances, for example in situations involving bankruptcy or near-insolvency of a Client's portfolio company, actions that may be in the best interest of the portfolio company may not be in the best interests of the Client, and vice versa. Accordingly, in these situations, there will be conflicts of interest between such individual's duties as an officer or employee of Brookfield and such individual's duties as a director or officer of the portfolio company.

In the ordinary course, Brookfield may hire employees of portfolio companies. Such persons may, in their capacity as employees of Brookfield, provide similar services to a portfolio company as they provided when employed directly by such portfolio company. Any such services will be provided in the same manner and on the same terms as similar services provided by other employees of Brookfield. There can be no assurances that the rates charged by Brookfield for such services will not be greater than those paid by the respective portfolio company for such services, and there can be no assurances that the Client will not bear a disproportionate amount of Brookfield's internal costs associated with the employment of any such employees by portfolio companies.

Portfolio companies held by Brookfield or a Client may make strategic acquisitions or investments in furtherance of their respective businesses. As a result, certain investment opportunities sourced by Brookfield that might otherwise be suitable for a Client may not be available to such fund as set out in the applicable Governing Documents of a Client.

#### **INSURANCE:**

The General Partner of a Client may cause a Client to purchase insurance for the benefit of the Client, the General Partner, BAM PIC PE and their employees, affiliates, agents and representatives. The Clients and

their respective portfolio companies may utilize an affiliated insurance broker or provider in connection with all or part of their insurance coverage and the Client may leverage the scale of Brookfield by participating in shared, or umbrella, insurance policies as part of a broader group of entities affiliated with Brookfield. Further, any insurance policy purchased by or on behalf of the Client (including policies covering the Client, the General Partner, BAM PIC PE and other funds and accounts) may provide coverage for situations where the Client would not provide indemnification, including situations involving culpable conduct by the General Partner or BAM PIC PE. Nonetheless, the Client's share of the fees and expenses in respect of insurance coverage will not be reduced to account for these types of situations.

To the extent an insurance policy provides coverage with respect to Client-related or investment related matters, all or a portion of the fees and expenses of such insurance policy may be allocated to the Client. The amount of any such insurance-related fees and expenses allocated to the Client will be determined by Brookfield in its reasonable discretion taking into consideration certain facts and circumstances, including, among other things, the value of each covered client's and account's investments and capital commitments (if applicable) and the value of each covered fund's and account's covered investments. While Brookfield expects to consider certain objective criteria when determining how to allocate the cost of insurance coverage that applies to multiple funds and accounts, because of the uncertainty of whether claims will arise in the future and the timing and the amount that may be involved in any such claim, the determination of how to allocate such fees and expenses also requires Brookfield to take into consideration other facts and circumstances that are more subjective in nature. In addition, because Brookfield may bear a portion of such fees and expenses and has differing investment interests in the funds and accounts it manages, conflicts may arise in the determination of the proper allocation of such fees and expenses among Brookfield and the Clients and accounts it manages. As a result, it is unlikely that Brookfield will be able to accurately allocate the fees and expenses of any such insurance based on the actual claims of a particular Client or account, including the Client.

While shared insurance policies may be cost effective, claims made by any such entities affiliated with Brookfield may result in increased costs to a Client and such policies may have an overall cap on coverage. To the extent an insurable event results in claims in excess of such cap, the Brookfield Fund may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each party and Brookfield may face a conflict in interest in properly allocating insurance proceeds across all claimants, which could result in a Client receiving less in insurance proceeds than if

separate insurance policies had been purchased for each insured party individually. Similarly, insurable events may occur sequentially in time while subject to a single overall cap. To the extent insurance proceeds for one such event are applied towards a cap and the Brookfield Fund experiences an insurable loss after such event, a Client may not receive any insurance proceeds or may not receive as much in insurance proceeds as it would have received if separate insurance policies had been purchased for each party, and Brookfield may face a conflict in interest in properly allocating insurance proceeds across all claimants.

In addition, a Client may need to determine whether or not to initiate litigation (including potentially involving Brookfield where it is the broker or provider of such insurance) in order to collect from an insurance provider, which may be lengthy and expensive and which ultimately may not result in a financial award. The potential for Brookfield to be a counterparty in any litigation or other proceedings regarding insurance claims creates a further potential conflict of interest. Furthermore, in providing such insurance, Brookfield may seek reinsurance for all or a portion of the coverage, which could result in Brookfield earning and retaining fees and/or a portion of the premiums associated with such insurance while not retaining all or a commensurate portion of the risk insured. Brookfield will seek to allocate the costs of such insurance and proceeds from claims in respect of such insurance policies and resolve any conflicts of interest, as applicable, in a manner it determines to be fair. In that regard, Brookfield may, if it determines it to be necessary, consult with one or more third parties in allocating such costs and proceeds and resolving such conflicts.

## **FINANCINGS:**

If Brookfield or another fund or account participates as a lender in borrowings by a Client or any subsidiary (including an investment entity), Brookfield's interests often will conflict with the interests of the Client or such subsidiary. In its capacity as a lender, Brookfield or the relevant fund or account is expected to act in its own interest, without regard for the interests of the Client, the subsidiary or the Investors, which may materially and adversely affect the Client, such subsidiary and, in certain circumstances such as an event of default, ultimately may result in realization of the Client's or a subsidiary's assets for the benefit of the lender and a loss of the entire investment by the Investors. In addition, if Brookfield is a party to a transaction or an agreement with the Client or its subsidiary to provide services or financing to the Client or such subsidiary or is a lender to the Client or such

subsidiary, Brookfield will have the right to take certain actions, through or on behalf of the Client, which may have an adverse effect on the Client.

#### **JOINT VENTURES AND SIMILAR ARRANGEMENTS:**

In addition, the Clients and/or their portfolio companies may enter into joint ventures or other similar arrangements with one or more Brookfield affiliates. In connection therewith, the applicable Brookfield affiliate may be entitled to an incentive fee, carried interest distribution or similar performance-based payment after a certain preferred return has been obtained (without any “catch-up” to such Brookfield affiliate). In connection with joint ventures, investments with third parties or investments sourced by third parties, a Client may bear a fee or carried interest. This fee or carried interest could be a flat fee or may be tied to the performance of an investment. In either case, this fee or carried interest will be considered an investment expense and will reduce the returns from the investment.

#### **INVESTMENTS WITH RELATED PARTIES:**

A BAM PIC PE-managed Client may have the opportunity to participate in investments that involve affiliated Brookfield entities in equity or debt positions within a transaction. For example, the affiliated Brookfield entities may: (i) enter into a joint transaction with a Client, (ii) be borrowers or lenders in respect of the Client, (iii) invest in different levels of an issuer’s capital structure. As a result of the various conflicts and related issues described herein, we could sustain losses during periods in which Brookfield or Brookfield Accounts achieve profits generally or with respect to particular holdings, or could achieve lower profits or higher losses than would have been the case had the conflicts described herein not existed. Clients and Related Funds invest in a broad range of asset classes throughout the corporate capital structure, including debt positions either junior or senior to the Client’s positions in an investment’s capital stack and equity securities (either common or preferred). It is possible that a Client will hold an interest in one part of a company’s capital structure while Brookfield or a Related Fund holds an interest in another. The interests of the Brookfield affiliates in such investments from time to time will differ from those of the Client and also from time to time will have been acquired at different times at different prices and subject to different terms and conditions. As a result of these differences, Brookfield may manage such interests in a way that is different from the Client (including, for example, by investing in different portions of an issuer’s capital structure, investing in the same portion but on different terms,

obtaining exposure to the investment using different types of securities or instruments, short selling securities, voting securities in a different manner, and/or acquiring or disposing of its interests at different times than the Client). In addition, the Client and another Brookfield affiliate have and expect to jointly acquire a portfolio of properties or other assets and thereafter divide up the properties or other assets between them. In this circumstance, Brookfield will determine the purchase price associated with each property or other asset, which price may not represent the price the Client would have paid if it had acquired only those properties or other assets it ultimately retains. Furthermore, the Client and another Brookfield affiliate have and expect to jointly enter into a binding agreement to acquire an investment. If such other Brookfield affiliate is unable to consummate such investment, the Client may be subject to additional liabilities, including the potential loss of any deposit or the obligation to fund the entire investment.

In situations in which the Client invests alongside Brookfield or another Brookfield fund, conflicts of interest will arise with respect to the nature and timing of the initial investment and purchase price, the allocation of control rights, strategic objectives, timing of transactions, such as the disposition of all or part of an investment, or resolution of a liability in connection with an investment. These conflicts may result from various factors, including investments in different levels of the capital structure, different measurements of control, different risk profiles, different rights with respect to disposition alternatives, different investment horizons and different target rates of return. In addition, the Client, Brookfield and such Brookfield funds may invest in different classes or types of securities of the same company or otherwise on different terms thereby creating divergent interests, including the possibility that in a bankruptcy proceeding the Client's interest may be subordinated or otherwise adversely affected by virtue of Brookfield's or such Brookfield fund's involvement and actions relating to its investment. As a result of differing investment strategies and the facts and circumstances at the times of acquisition and disposition, Brookfield affiliates may have different returns (including, possibly superior returns) on these investments than the Client. If the investment in which the Client has an investment and in which the affiliated Brookfield entities also have an investment, but at a different level on the capital structure, becomes distressed or defaults on its obligations, Brookfield would have conflicting loyalties between its duties to the Client and to the affiliated Brookfield entities and, in this regard, there may be certain actions and remedies in view of these interests and contractual obligations that Brookfield will not undertake on behalf of the Client, sometimes relying instead upon the actions and remedies undertaken by other lenders and / or investors. In addition, Brookfield may advise affiliated Brookfield entities with respect to

different parts of the capital structure of an investment. As a result, Brookfield may pursue or enforce rights or activities, or refrain from pursuing or enforcing rights or activities, with respect to a particular investment in which the Client has invested.

In addition, BAM PIC PE may be subject to certain protocols, obligations and restrictions in managing the Client, including, for example, conflicts-management protocols, aggregated regulatory reporting obligations and certain potential investment-related restrictions, which could have an adverse effect on the Client. For example, in order to avoid or resolve a conflict of interest, Brookfield may require a Client to forego an investment opportunity, refrain from taking an action with respect to an investment (including to protect the value of an existing investment) or dispose of an investment. The Client or such investment may be negatively affected by these activities, protocols, obligations and restrictions and the Client's transactions may be effected at prices or terms that may be less favorable than would otherwise have been the case.

In addition, Brookfield may enter into voting agreements with certain of its affiliates, which, among other things, would allocate (upon such affiliate's election), directly or indirectly, certain voting rights of the General Partner of a Client.

In certain circumstances, a Client's position in an investment may be aggregated with a position held by BAM PIC PE and/or other Brookfield parties (including vehicles managed by PSG).<sup>1</sup> This could require the Client, together with such other Brookfield parties, to make certain disclosure filings or could otherwise restrict the Client's activities with respect to such investment.

In addition, Brookfield and its representatives render financial advice for use in connection with other clients or activities, which may not be available to Brookfield's personnel advising or otherwise providing services to the Clients or to investment entities or potential investment entities. Brookfield is under no obligation to disseminate and in some cases (such as research) may be prohibited from disseminating, information between areas within Brookfield, including to the Clients.

#### **INVESTMENTS BY NON-CONTROLLED AFFILIATES:**

---

Certain companies with which Brookfield is affiliated (a) are controlled, in whole or in part, by persons other than BAM or entities controlled by it, including, for example, joint ventures or similar arrangements with third parties where Brookfield does not have complete control; (b) have an actual or virtual information barrier in place or (c) do not coordinate or consult with Brookfield with respect to investment decisions (together, “Non-Controlled Affiliates”). Such Non-Controlled Affiliates are expected to have investment objectives which overlap with a Client’s investment objectives and conflicts may arise therefrom. For example, the possibility exists that such Non-Controlled Affiliates or investment vehicles managed by such Non-Controlled Affiliates would pursue investment opportunities which are suitable for a Client but which are not made available to such Client since such Non-Controlled Affiliates do not consult with and/or are not wholly controlled by Brookfield. The determination as to what entities are controlled by Brookfield will be made by Brookfield in its sole discretion based on the relevant facts and circumstances applicable to each particular situation.

#### **SHARING OF SERVICES:**

In certain circumstances, in order to create efficiencies and optimize performance, one or more portfolio companies of a Client share the operational, legal, financial, back-office or other resources of another portfolio company or platform organization of the Client or portfolio company of a Brookfield affiliate. The allocation of these expenses among the entities and assets to which services are provided may be based on any of a number of different methodologies, including, without limitation, on a cost basis, time-allocation basis, per unit basis, fixed percentage basis or per square footage basis.]In connection therewith, the costs and expenses related to such services will be allocated among the relevant entities on a basis that Brookfield determines in good faith is fair and equitable. Brookfield Funds could therefore pay more than its pro rata portion of fees for services.

In addition, it is possible that a portfolio company will be in the business of providing services that are, or could be, utilized by another investment, portfolio company. In this situation, BAM PIC PE may determine that one or more of a Client’s portfolio companies use the other portfolio company’s services, even where these services were previously provided to a portfolio company from a third party.

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

## TRADING

BAM PIC PE has adopted a code of ethics (“Code of Ethics”) for its supervised persons describing its high standard of business conduct and the fiduciary duty to its clients. The Code of Ethics includes, among other things, provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts, and personal securities trading procedures. All supervised persons of BAM PIC PE must acknowledge the terms of the Code of Ethics upon commencement of employment with Brookfield and annually thereafter.

Under the Code of Ethics, BAM PIC PE’s supervised persons are expected to, among other things:

- Always observe their fiduciary duties to investment management clients;
- Not take personal opportunities that are discovered through the use of property or information of the company or through their role with Brookfield;
- Protect the confidentiality of “non-public information” concerning the company, customers, clients, investments and others; and
- Not trade in the company’s securities or any other company’s securities if they possess material “non-public information” or during a blackout period.

## INVESTMENTS BY BROOKFIELD PERSONNEL:

Certain partners, members, shareholders, directors, officers and employees of Brookfield may buy and sell securities or other investments for Brookfield Funds or for their own accounts (including through Brookfield Funds. As a result of differing trading and investment strategies or constraints, positions may be taken by such partners, members, shareholders, directors, officers and employees that are the same, different from, or made at different times than positions taken for the Brookfield Funds. To reduce the possibility of (a) potential conflicts between the investment activities of a Client and those of Brookfield personnel and (b) that a Brookfield Fund will be materially adversely affected by the personal trading described above, Brookfield has established policies and procedures relating to



securities trading in the personal accounts of investment professionals and others who normally come into possession of information regarding the Brookfield Funds' portfolio transactions. BAM PIC PE has adopted monitoring procedures relating to certain personal securities transactions by BAM PIC PE personnel which BAM PIC PE deems to involve potential conflicts between such personnel and the Brookfield Funds. To this end, investment personnel are generally restricted from engaging in personal trading activities (unless such activities are conducted through accounts over which the personnel have no influence or control), and all other personnel generally must pre-clear proposed personal trades. In addition, Brookfield's policies include prohibitions on insider trading, front running, trading in securities that are on Brookfield's restricted trading list, trading in securities that are subject to a black-out period and other restrictions.

In addition, certain Brookfield executives own a substantial majority of an affiliated entity that makes investments for its own account (the "Investing Affiliate"). The Investing Affiliate's activities are managed by a dedicated investment team that does not participate in managing Client's (or any other Brookfield client account's) activities, and it is generally expected that the Investing Affiliate will have a different investing strategy and approach from that of a Client and therefore will make investments that such Client does not (or make similar investments at different times as a result of such different investment strategy and approach). There is no formal informational barrier between the Investing Affiliate's investment team and the rest of Brookfield and therefore such investment team may interact with other Brookfield personnel from time to time. Brookfield has adopted policies and procedures designed to ensure that the Investing Affiliate's activities do not conflict with or materially adversely affect Brookfield's Funds and Clients, and that, to extent feasible, a Client's interests are prioritized relative to the Investing Affiliate's should any potential conflict arise.

#### **CROSS TRADES AND PRINCIPAL TRADES:**

In accordance with the anti-fraud provisions of the Advisers Act and with Brookfield's compliance policies and procedures, Brookfield and its affiliates will not, as principal, sell a security to, or buy a security from, any Brookfield Fund without providing appropriate disclosure and obtaining the informed consent of such Brookfield Fund prior to the settlement of such transaction.

When permitted by applicable law and subject to and in accordance with the terms of the Governing

Documents of the applicable Brookfield Funds, BAM PIC PE from time to time (i) causes a Brookfield Fund to acquire or dispose of investments in cross trades between the Brookfield Fund and other funds or accounts advised by Brookfield and (ii) effects principal transactions where BAM PIC PE causes the Brookfield Fund to purchase investments from or sell investments to Brookfield or any fund or account deemed to be controlled by Brookfield. These transactions create conflicts of interest because BAM PIC PE and its affiliates will have a conflicting division of loyalties and responsibilities regarding a Brookfield Fund and the other parties to the transaction.

Principal transactions occur, for example, when Brookfield causes a Brookfield-controlled Investor to purchase a security from a Brookfield Fund. These transactions require consent of the relevant Brookfield Fund. BAM PIC PE's ability to engage in these transactions will be limited if the Brookfield Fund does not provide required consent.

Brookfield has developed policies and procedures in relation to such transactions and conflicts. Any cross trades or principal transactions will be effected in accordance with the Brookfield Fund's Governing Document, fiduciary requirements and applicable law.

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

## **ITEM 12 – BROKERAGE PRACTICES**

BAM PIC PE generally has discretionary authority to determine, without obtaining specific client consent, the investments (including in securities) and the amount thereof to be bought or sold for a Brookfield Fund, subject to the conditions and restrictions contained in a Brookfield Fund's Governing Documents.

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

An affiliate of the Investment Manager may enter into “soft dollars” arrangements from time to time when executing on transactions for Brookfield Funds advised by BAM PIC PE, but will do so only where the Investment Manager’s affiliate reasonably believes that the services benefit the Brookfield Funds, and that the amount of commission was reasonable in relation to the value of the brokerage and research services provided. The Investment Manager (or such affiliate) analyzes its use of client brokerage commissions quarterly to determine whether its use of soft dollar falls within the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934. The Investment Manager’s affiliate currently has soft dollar contracts open with one broker. The resources currently funded by these soft dollar relationships are primarily data/pricing feeds (i.e. Interactive Data Pricing and Reference Data, Inc., Factset, Bloomberg) and connectivity.

BAM PIC PE did not acquire any products or services (other than execution) with client brokerage commissions during the last fiscal year.

BAM PIC PE does not consider, in selecting broker-dealers, whether the broker-dealer has referred clients to BAM PIC PE or an affiliate and does not permit a client to direct brokerage to particular broker-dealers.

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

## **ITEM 13 – REVIEW OF ACCOUNTS**

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

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

BAM PIC PE makes available the books and records of a Brookfield Fund to its Investors as provided in its Governing Documents. In addition, BAM PIC PE generally assists the General Partner of each Brookfield Fund in the preparation of the following written reports to each Limited Partner of a Brookfield Fund:

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

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

BAM PIC PE does not have any arrangements pursuant to which someone other than a Brookfield Fund provides an economic benefit to BAM PIC PE for providing investment advisory services to the Brookfield Fund. See the discussion under Item 5, Item 6 and Item 10 above for compensation that may be earned by BAM PIC PE or an affiliate in connection with certain transactions, and under Item 10 above of other services that may be provided by Brookfield in connection with a Brookfield Fund's investments for which it may be compensated. As described in Item 5 above, certain supervised persons of BAM PIC PE are also representatives of certain affiliates may obtain commitments from prospective investors to Clients while acting in that capacity..

## **ITEM 15 – CUSTODY**

BAM PIC PE is deemed to have custody, as defined under Rule 206(4)-2 under the Advisers Act, of funds or securities of the Brookfield Funds. BAM PIC PE relies on the "audit exemption" under Rule 206(4)-2(b)(4) under the Advisers Act, which exempts an adviser to a limited partnership, limited liability company or other pooled investment vehicle from the requirement to deliver account statements to its clients if the adviser requires the vehicle to be audited annually by an independent public accountant that is registered with the Public Company Accounting Oversight Board and distributes the audited financial statements annually to the investors in the vehicle.

## **ITEM 16 – INVESTMENT DISCRETION**

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

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

BAM PIC PE may be deemed to have authority to vote proxies relating to the portfolio investments in

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

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

Investors may request a copy of the Policy and the voting records relating to proxies of the Brookfield Fund in which they have invested by contacting BAM PIC PE.

## **ITEM 18 – FINANCIAL INFORMATION**

Not applicable.