

FORM ADV PART 2A BROCHURE

BROOKFIELD ASSET MANAGEMENT REINSURANCE ADVISOR LLC

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This brochure (the “Brochure”) provides information about the qualifications and business practices of Brookfield Asset Management Reinsurance Advisor LLC (“BAM Reinsurance Adviser”). 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 Reinsurance Adviser also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

BAM Reinsurance Adviser 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 2022, serves as an annual update to BAM Reinsurance Adviser's last brochure, dated February 2021. This Brochure reflects the following material changes:

- Item 4 has been updated to reflect BAM Reinsurance Adviser's regulatory assets under management as of December 31, 2021.
- Item 5 has been updated to reflect BAM Reinsurance Adviser's fee structure as of December 31, 2021.

Other changes to this Brochure dated March 2022, which are not material, include updates to certain risk and conflicts disclosures.

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## ITEM 4 – ADVISORY BUSINESS

BAM Reinsurance Adviser, a Delaware limited liability company, is an indirect wholly owned subsidiary of Brookfield Asset Management Inc. (“BAM” and, together with its affiliates, “Brookfield”), a publicly traded Canadian corporation. BAM Reinsurance Adviser is registered with the SEC as an investment adviser. BAM Reinsurance Adviser provides or expects to provide investment advisory services principally to insurance companies, reinsurance companies and insurance-related clients, and in particular (i) to insurance and reinsurance companies that are owned by Brookfield Asset Management Reinsurance Partners Ltd. (“BAM Re” and the insurance and reinsurance companies collectively, the “Reinsurance Accounts”), (ii) third-party insurance companies that hold assets backing liabilities reinsured or retroceded to BAM Re by such insurance companies and that have not been further retroceded by BAM Re to any third party (the “Cedent Accounts” and together with the Reinsurance Accounts, the “BAM Re Related Account Group”), and (iii) third-party insurance and reinsurance companies (the “Third-party Clients” and together with the BAM Re Related Account Group, “Client Accounts”). As used herein, “Brookfield Accounts” refers to accounts (other than the Client Accounts), partnerships (including private funds, joint-ventures and similar arrangements), publicly listed operating partnerships, separately managed accounts, and other vehicles or consortiums managed by Brookfield.

Brookfield is a global alternative asset manager that owns and operates assets and offers investment strategies (including through Brookfield Accounts), with a focus on real estate, infrastructure and sustainable resources, renewable power, and private equity mainly to institutional investors. BAM Reinsurance Adviser is an affiliate of Brookfield Asset Management Private Institutional Capital Adviser (Private Equity), L.P.; Brookfield Asset Management Private Institutional Capital Adviser (Canada), L.P.; Brookfield Renewable Energy Group LLC; Brookfield Asset Management Private Institutional Capital Adviser (Credit), LLC; Brookfield Asset Management Private Institutional Capital Adviser US, LLC; and Brookfield Asset Management Private Institutional Capital BMG (together, the “Brookfield Advisers”), each of which is registered with the SEC as an investment adviser under the Advisers Act. In addition, Brookfield holds a significant interest in Oaktree Capital Group, LLC (together with its affiliates, “Oaktree”) and has formed a business line called the Public Securities Group (“PSG” and, together with Oaktree, the “Brookfield Related Advisers”). The Brookfield Related Advisers are walled-off from Brookfield and BAM Reinsurance Adviser and manage their investment activities independently of Brookfield and BAM Reinsurance Adviser.

On June 28, 2021, Brookfield completed a spin-off of BAM Re and its operating subsidiaries, which had previously been indirectly wholly owned by Brookfield. The transaction resulted in BAM Re’s (i) Class A Shares being held by the public shareholders of Brookfield, including certain BAM Re Class B Partners, (ii) Class B Shares being held by the current and former senior executives of BAM Reinsurance Adviser (the “BAM Re Class B Partners”) through a voting trust (the “Class B Partnership”) and (iii) Class C Shares being held by Brookfield. Each Class A Share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share, and BAM Re therefore expects that the market price of BAM Re’s Class A Shares will be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield. Distributions on BAM Re’s Class A Shares will be paid at the same time and in the same amount as dividends on the Brookfield Class A Shares to provide holders of BAM Re’s Class A Shares with an economic return equivalent to holders of Brookfield Class A

Shares. As the sole holders of the Class B Shares, the BAM Re Class B Partners, through the Class B Partnership, are entitled to elect one-half of BAM Re's board and approve all other matters requiring shareholder approval. In addition, Brookfield owns all of the issued and outstanding Class C Shares, which are entitled to the residual economic interest in BAM Re after payment in full of the amount due to holders of BAM Re's Class A Shares and BAM Re's Class B Shares (consisting of any declared and unpaid distributions, and the delivery of Brookfield Class A Shares or the cash equivalent on a redemption or liquidation) and subject to the prior rights of holders of BAM Re's Preferred Shares.

Among other things, BAM Reinsurance Adviser identifies investment opportunities for the Client Accounts and participates in the acquisition, management, monitoring and disposition of such investments using an operations-oriented approach, as described in more detail under *"Methods of Analysis, Investment Strategies and Risk of Loss"* in Item 8 below. BAM Reinsurance Adviser tailors the investment advisory services provided to each Client Account based on the Client Account's investment objectives, which differ from Client Account to Client Account. Each Client Account may impose restrictions on certain types of investments for tax, regulatory, or other reasons. BAM Reinsurance Adviser's and Brookfield Advisers' investments on behalf of insurance and reinsurance company clients will be limited by applicable law, including, without limitation, insurance law and regulation.

BAM Reinsurance Adviser will have discretion under its investment policies and client investment management agreements to allocate clients' assets to other Brookfield Accounts ("Underlying Brookfield Accounts"), Oaktree-managed funds and accounts ("Oaktree Accounts"), Brookfield's Public Securities Group-managed funds and accounts (together with Oaktree Accounts, "Brookfield Related Accounts," and Brookfield Related Accounts together with Underlying Brookfield Accounts, "Underlying Accounts") and their portfolio companies, including issuers that are affiliated with Brookfield, and to make direct investments across a range of asset classes and investment types ("Direct Investments"). Direct Investments can be expected to include, without limitation, private and/or public debt, loans, securitizations, structured products, loan originations and other credit instruments and other types of investment arrangements determined by BAM Reinsurance Adviser on a discretionary basis (directly or indirectly through Underlying Accounts). Investments in Underlying Accounts and their portfolio companies will be across a range of asset classes and/or investment types, including credit, private equity, real estate, real estate debt, secondary investments, infrastructure, preferred securities, structured products, and alternative, fund and similar investments, including in investments that are originated or sponsored by Brookfield or for which Brookfield could provide services. BAM Reinsurance Adviser's investment strategies also include investments alongside Underlying Accounts' investments in securities issued by portfolio companies and assets of other Brookfield Accounts. Client Accounts are therefore expected to make investments across, and have exposures to assets within the mandates of, each of Brookfield's business groups, including infrastructure, real estate, private equity and renewable energy.

As used herein, "Related Account Group Portfolio" refers to all asset portfolios of the BAM Re Related Account Group, as an aggregate, including, without limitation, Reinsurance Asset Portfolios (as defined in Item 10 below) in Cedent Accounts within the BAM Re Related Account Group. As used herein, "Cedent Accounts" refer to Cedents managed by BAM Reinsurance Adviser (pursuant to an investment management agreement with such Cedent) and the assets of which back liabilities ultimately reinsured

or retroceded to BAM Re (and such liabilities are not further retroceded by BAM Re to a third party). BAM Re's reinsurer subsidiaries are referred to herein as "Reinsurer Accounts." BAM Reinsurance Adviser, either directly or indirectly through the use of sub-advisers (including affiliate and third-party sub-advisers), manages primarily fixed income and alternative investments and invests in the strategies listed below.

Client Accounts that invest in Underlying Accounts are generally treated in the same manner as third-party investors in those Underlying Accounts with respect to their rights and obligations. For example, Client Accounts would have the same voting rights as third-party investors in the same Brookfield Account. As investors, Client Accounts will be exposed to the conflicts that are disclosed in the Forms ADV of the investment adviser to the relevant Underlying Account and that otherwise will arise in managing the Brookfield Account. Client Accounts will rely on mechanisms of the Brookfield Accounts in which they are invested for resolving such conflicts of interest.

Accordingly, any references herein to acquisitions, investments, assets, fees, expenses, portfolio companies or other terms should be understood to mean such items held, incurred, or undertaken directly by a particular Client Account or indirectly through a Client Account's investment in one or more Underlying Accounts.

**Prospective clients should consult the Form ADV of the relevant Brookfield Adviser or Brookfield Related Adviser investment adviser to the relevant Underlying Account in which a Client Account invests, including Item 4 – Advisory Business. The Forms ADV are available upon request or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

BAM Reinsurance Adviser does not participate in any wrap fee programs.

As of December 31, 2021, BAM Reinsurance Adviser had \$6,867,679,843 in regulatory assets under management.

## ITEM 5 – FEES AND COMPENSATION

**Management Fees.** As compensation for the services it provides to a Client Account, BAM Reinsurance Adviser is generally entitled to an annual base management fee that is typically calculated based on invested assets in the relevant Client Account and paid quarterly in arrears. Overall fees are negotiated individually and may vary by Client Account. BAM Reinsurance Adviser reserves the right to apply different fee and expense arrangements to clients on an individual basis, and since fees are negotiable, Client Accounts with similar investment objectives or strategies could pay different fees. Brookfield will also receive indirect performance-based compensation, as described in Item 6.

**Operating Expenses.** In addition to the fees above, each Client Account is generally responsible for other fees and expenses related to its account, including custodial fees, brokerage fees, brokerage commissions, and other transaction costs related to the trading and investment activity of the applicable Client Account as determined by BAM Reinsurance Adviser and as discussed more fully under "*Brokerage Practices*" in Item 12. Client Accounts may also incur withholding and other taxes in connection with investments in their accounts.

**Underlying Accounts.** Brookfield Accounts generally bear all of their operating expenses, including legal, organizational, offering expenses and other expenses, and each investor in a Brookfield Account bears its pro rata portion of these expenses. Therefore, Client Accounts will bear their pro rata share of operating expenses of Brookfield Accounts in which they invest, which expenses are described in the Form ADV of the relevant Brookfield Adviser or Brookfield Related Adviser. Ongoing operating expenses of a Brookfield Account generally include, among other items:

- identifying, sourcing, researching, structuring, negotiating, acquiring, making, holding, monitoring, developing, owning, operating, managing, financing, selling or potentially selling, restructuring or potentially restructuring, or disposing of or valuing Brookfield Accounts' proposed or actual investments, including legal, accounting, auditing, consulting, appraisal, lodging, travel, transportation, meals, entertainment, hedging and other expenses, and the attendance at industry conferences and meetings in connection with the evaluation of future Investments or specific sectors, geographies or industries;
- a proposed transaction or investment by a Brookfield Account that is not consummated, including those that would have been allocable to co-investors had such proposed transaction or investment been consummated;
- legal, auditing, consulting, accounting, back-office services, communication, fund and other administration, reporting and other professional and administrative fees, costs and expenses (including any information technology utilized by the Fund or its subsidiaries);
- meetings of a Limited Partner Advisory Committee ("LPAC") or similar body and meetings of or with any Investors;
- the purchase of, and/or premiums, fees, costs and expenses with respect to, insurance for the benefit of Brookfield Accounts and parties entitled to indemnification with respect to Brookfield Account-related matters or for the benefit of a Brookfield Account or any of its investments (including terrorism, property, title, liability and fire insurance and/or extended coverage);
- indemnification, and any costs and expenses incurred in connection with any litigation, arbitration, investigation, settlements or reviews or other extraordinary events involving a Brookfield Account or its subsidiaries, and the amount of any judgments or settlements paid in connection therewith;
- borrowings, guarantees and letters of credit, including interest thereon;
- Investor matters, including defaults, transfers and side letter administration;
- depositary, custodian, paying agent, trustee, rating agent, transfer agent and similar services, including brokerage commissions, custodial expenses, appraisal fees and other similar costs;
- anti-bribery and corruption, anti-money laundering or "know your customer" compliance, tax diligence expenses and/or related procedures;
- government and regulatory filings (including Form PF and those relating to the European Union Alternative Investment Fund Managers Directive (if applicable), but excluding Form ADV);
- the alternative investment fund manager and/or the general partner;

- the preparation and circulation of drawdown notices and distribution notices, the maintenance of Brookfield Accounts' books of account and the preparation of reports to Investors, financial statements, tax returns and K-1s;
- liquidating or restructuring a Brookfield Account, general partner or Brookfield affiliate that acts as an investment adviser;
- hedging transactions;
- form agreements used to facilitate investments by co-investors alongside a Brookfield Account;
- any taxes, expenses, penalties or liabilities of a Brookfield Account that are not borne by one or more Investors (e.g., taxes, expenses, penalties or liabilities not allocable to or indemnifiable by any Investor), including taxes, interest, fees, penalties and other governmental or regulatory charges imposed on or payable by a Brookfield Account, including in connection with any tax filing, tax audit, investigation, settlement or review of a Brookfield Account;
- a general partner or its designee in its capacity as a Brookfield Account's "partnership representative: or any similar role under applicable state, local or non-U.S. tax law; and
- subsidiaries of a Brookfield Account or Brookfield, other vehicles and special purpose entities through which investments are held or managed.

For the avoidance of doubt, operating expenses include, and Brookfield Accounts generally bear, all such expenses, including expenses related to services or products performed or provided by Brookfield (as further described in Item 10 below). Brookfield is responsible for and pays its own ordinary course operating expenses, including rent, salaries, furniture, fixtures, office equipment and overhead related to management of Brookfield Accounts, but not, for the avoidance of doubt, related to any other items, including property management, portfolio company management, administrative services related thereto (e.g., corporate secretarial and governance services) or affiliate services.

Brookfield has in the past and expects to charge additional fees in connection with an investment for a Brookfield Account or earn break-up fees in connection with investments that are not consummated. In addition, representatives and employees of Brookfield from time to time serve on the board of directors of one or more portfolio companies that a Brookfield Account is invested in and receive directors' fees in connection with such appointment. Up to 100% of the Investors' portion of the Brookfield Account's allocable share of any transaction, monitoring, consulting, advisory, directors', break-up or similar fees received by Brookfield (or, in the case of directors' fees, representatives or employees of Brookfield) are generally applied, net of the Investor's allocable share of applicable expenses, to reduce the annual management fee (provided that any of these fees that would reduce the annual management fee in excess of the management fee for the applicable period may be applied to the management fee for subsequent periods).

A Brookfield Account will reimburse Brookfield for out-of-pocket travel expenses, including, without limitation, air travel (generally 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 Account and otherwise in connection with the business of the Brookfield Account.

Additional fees and expenses to be borne by each Brookfield Account are set out in each such Brookfield Account's governing documents. Brookfield Accounts also incur brokerage and other transaction costs, as discussed more fully under "*Brokerage Practices*" in Item 12. Arrangements between Brookfield and Brookfield Accounts will result in Investors paying other expenses and reimbursing fees to Brookfield including, among others, in connection with Brookfield employees that are hired by, seconded to, or retained by one or more portfolio companies; Brookfield performing non-advisory services for a Brookfield Account. Any such compensation paid by the applicable Brookfield Account and/or portfolio company will not generally be considered fees received by Brookfield that offset or otherwise reduce the management fee, nor is compensation received in connection with these activities generally required to be shared with Brookfield Accounts or Investors. See Item 10 below.

As noted above, the asset-based management fee in respect of a Brookfield Account is typically paid quarterly in advance. An Investor in a Brookfield Account that is a closed-end private investment fund is generally only permitted to withdraw from the 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 Accounts that are open-ended.

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

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

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

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

As described in Item 5 above, BAM Reinsurance Adviser negotiates fees paid by Client Accounts individually. BAM Reinsurance Adviser is currently not entitled to performance-based compensation from Client Accounts but may enter into agreements in the future under which it receives performance-based compensation.

Third-party Cedents are owed a guaranteed return on their investments by the applicable Reinsurer. Investment returns in excess of the guaranteed return are for the account of the Reinsurer and, in the case of Reinsurer Account subsidiaries of BAM Re, such returns are indirect compensation to BAM Re and Brookfield.

The amount of the various performance-based fees to be borne indirectly by Client Accounts as a result of investments in Underlying Accounts will vary and depend on a number of factors including, but not limited to, the amount of management and performance fees charged by the investment adviser to the relevant Underlying Account. Brookfield is generally entitled to performance-based compensation from Brookfield Accounts, and that 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 create an incentive for Brookfield to recommend investments that may be riskier or more speculative than those that would be recommended under a different compensation arrangement. Such compensation arrangements also create an incentive for Brookfield to favor higher fee-paying Underlying Brookfield Accounts over lower fee-paying Underlying Brookfield Accounts in the allocation of investment opportunities.

Brookfield has adopted allocation policies and procedures (as described below) to help mitigate conflicts of interest relating to the management of multiple Client Accounts and Brookfield Accounts with varying fee arrangements. At all times, Brookfield and BAM Reinsurance Adviser will act and make decisions on behalf of Brookfield Accounts and Client Accounts, respectively, that they believe are in their best interests, taking into account all facts and circumstances that it deems relevant, including potential participation by Brookfield Client Relationships in the pursuit or the consummation of certain investments.

See Items 5, 10 and 11 for a description of certain other conflicts (and potential conflicts) of interest relating to the advisory services provided by BAM Reinsurance Adviser and Brookfield. A more detailed description of applicable conflicts of interest is set forth in the investment management agreements, limited partnership agreements, private placement memoranda and/or governing documents of each Underlying Account, as well as the Form ADV of the investment adviser for the relevant Brookfield Account.

**Allocation of Investment Opportunities.** BAM Reinsurance Adviser provides investment advice and performs related services for itself and Client Accounts that are similar to the advice provided and

services performed by BAM Reinsurance Adviser for other Client Accounts and by Brookfield for other Brookfield Accounts. Brookfield and certain Brookfield Accounts have (and future Brookfield Accounts will have) investment mandates that overlap with those of the Client Accounts and compete with and/or or have priority over the Client Accounts for particular investment opportunities. As a result, certain opportunities sourced by Brookfield that would otherwise be suitable for Client Accounts or Brookfield Accounts are not expected to be available to them, Client Accounts or Brookfield Accounts will receive a smaller allocation of such opportunities than would otherwise have been the case, or Client Accounts or Brookfield Accounts will receive an allocation of such opportunities on different terms than Brookfield or other Client Accounts or Brookfield Accounts which may be less favorable to Client Accounts or Brookfield Accounts than otherwise would have been the case.

Among others, Brookfield manages and participates in, and will in the future manage and participate in, Brookfield Accounts that invest (via debt, equity and other investments) in real estate, infrastructure, renewable power, private equity and other companies and assets, similar to other Brookfield Accounts, and that follow investment mandates that overlap with, compete with, complement and/or relate to the investment mandates of other Brookfield Accounts and Client Accounts. In addition, certain Brookfield Accounts pursue (and future Brookfield Accounts will pursue) investment mandates that are different than those of other Brookfield Accounts and Client Accounts.

As a general matter, certain Brookfield Accounts will have priority over others in respect of investment opportunities that are suitable and appropriate for their investment mandates. BAM Reinsurance Adviser generally expects that investment opportunities that are suitable and appropriate for Client Accounts will not be suitable for other types of Brookfield Accounts. For example, Client Accounts are expected to make Direct Investments in lower-yielding fixed-income instruments, which are expected to be outside the investment mandates of other Brookfield Accounts. However, Client Accounts will seek to invest in opportunities on occasion that are suitable for other Brookfield Accounts. In addition and as discussed in Item 8 below, Client Accounts will invest in Underlying Accounts, which in turn will invest in a broad array of assets. Client Accounts are generally expected to be exposed to the allocation-related conflicts discussed herein both directly and indirectly, for example, if an Underlying Account in which they have invested has an overlapping investment mandate with another Brookfield Account and will be exposed to these conflicts on the same basis as any third-party investor in the relevant Underlying Account.

Where certain Client Accounts' investment mandates overlap with the investment mandates of one or more other Client Accounts or Brookfield Accounts and investment opportunities are to be allocated among two or more such accounts (e.g., because one account does not have priority rights with respect to such opportunities), BAM Reinsurance Adviser will allocate investment opportunities on a basis that it believes is consistent with its fiduciary obligations to all Client Accounts (and Brookfield's fiduciary obligations to the Brookfield Accounts), taking into account all of the facts and circumstances and the applicable Investment Guidelines. These will include one or more of the following factors, among others: (i) the size, nature and type of the opportunity (including the risk and return profiles of the investment, expected holding period and other attributes), (ii) the nature of the investment mandates (including investment focus, objectives, strategies, guidelines, limitations, and target rates of return) of the Clients Accounts and Brookfield Accounts, (iii) the relative amounts of capital available for investment, (iv)

principles of diversification of assets, (v) expected future capacity of the accounts, (vi) cash and liquidity needs (including for pipeline, follow-on and other opportunities), (vii) the availability of other appropriate or similar investment opportunities and (viii) other portfolio management considerations deemed relevant by Brookfield (including, among others, legal, regulatory, tax, structuring, compliance, investment-specific, timing and similar considerations). The factors considered by Brookfield and Brookfield Reinsurance Advisor in allocating investments among Brookfield Accounts and Client Accounts with overlapping investment mandates may change over time (including to consider new, additional factors) and different factors could be emphasized or be considered less relevant with respect to different investments. In some cases, this will result in certain transactions being shared among two or more Brookfield Accounts and/or Client Accounts, while in other cases it will result in one or more Brookfield Accounts and/or Client Accounts being excluded from an investment entirely.

As a result of the foregoing considerations, certain opportunities sourced by BAM Reinsurance Adviser that would otherwise be suitable for a Client Account are not expected to be available to them, Client Accounts will receive a smaller allocation of such opportunities than would otherwise have been the case, or Client Accounts will receive an allocation of such opportunities on different terms than Brookfield or other Brookfield Accounts, which may be less favorable to Client Accounts than otherwise would have been the case.

However, as noted throughout this Brochure, it is a key element of BAM Re Adviser's strategy to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities, deal flow, financial resources, access to capital markets and operating needs, which it believes is in the best interests of the Client Accounts overall.

**Incentive to Allocate Investment Opportunities to Certain Brookfield Accounts Over Other Brookfield Accounts.** In certain circumstances, Brookfield will have an aggregate economic interest in one Client Account or Brookfield Account, including a co-investment account or other Brookfield Account, that is greater than (or that is expected to be greater than) its aggregate economic interest in another Client Account or Brookfield Account, which would result in higher economic benefit to Brookfield from allocating investment opportunities to such Client Account or Brookfield Account relative to other Client Accounts or Brookfield Accounts. Brookfield's economic interest in a Client Account or Brookfield Account will depend on, among others, its right to receive carried interest, other incentive-based compensation, management fees and/or other fees or compensation from the Client Account or Brookfield Account, as well as its economic investment in such Client Account or Brookfield Account (if any). For example, Brookfield is not required to offset certain transaction fees, break-up fees and other compensation that it is entitled to from an investment against management fees owed by certain co-investment accounts. In addition, Brookfield expects to enter into formal and/or informal arrangements (including with one or more co-investors and/or strategic investors) pursuant to which Brookfield will benefit economically, directly or indirectly, from offering investment opportunities to those investors, including by increasing the attractiveness of investing in Brookfield Accounts more broadly. As a result, Brookfield generally is incentivized to allocate a greater number (or portions) of investment opportunities to certain investors and/or Client Accounts or Brookfield Accounts over others than would otherwise be the case in the absence of differing economic interests in Client Accounts or Brookfield

Accounts. In addition, Brookfield's allocation of investment opportunities could benefit Brookfield in other ways, including increased attractiveness of other Brookfield Accounts.

### **Allocation of Co-Investments and Co-Investment Expenses.**

Clients should consult the Form ADV of the Brookfield Adviser or Brookfield Related Adviser investment adviser to the relevant Underlying Account for a description of how co-investments and co-investment expenses are treated. The Forms ADV are available upon request or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Facilitation of Investments.** From time to time, in order to facilitate investment activities in a timely and efficient manner, Brookfield, Brookfield Accounts, and Client Accounts fund deposits or incur other costs and expenses (including by use of loan facilities to consummate, support, guarantee or issue letters of credit) in respect of an investment that ultimately are shared with or made entirely by another Client Account, Brookfield Account, or co-investors. These financing arrangements are provided to facilitate investments that BAM Reinsurance Adviser has determined to be in a Client Account's best interests. But for these forms of support, the Client Account could lose investment opportunities if, for example, a Brookfield Account has not yet closed its fundraising period or if co-investors have not yet been identified. BAM Reinsurance Adviser believes that facilitating investments in this manner and by investors that are part of Brookfield's platform or that have demonstrated a consistent and long-term commitment to Brookfield provides benefits overall to the Client Accounts and Brookfield Accounts through their ability to rely on Brookfield's expertise, financial resources, access to capital and deep relationships in the market. These arrangements, however, give rise to conflicts considerations.

Under these arrangements, the relevant investor (whether Brookfield, a Brookfield Account, a Client Account, or a co-investor) is expected to reimburse the relevant financing provider (whether Brookfield, a Brookfield Account, or a Client Account) for the deposits and other fees, costs and expenses incurred, as well as carrying charges applicable to such funding activity. An investor is expected to repay any amounts that come due and payable under loan facilities or letters of credit issued for its benefit, although there can be no assurance that any such investor will bear such fees, costs and expenses or not default on its obligations to repay such amounts, in which case, such amounts may be borne disproportionately by the Client Account that is the financing provider. In certain situations, such as short term funding durations, these arrangements do not include any interest or other compensation payable to the party funding the investment, as deemed appropriate by BAM Reinsurance Adviser, in its discretion, under the circumstances.

In addition, from time to time a Brookfield Account provides interim debt or equity financing (including emergency funding or as part of a follow-on investment) for the purpose of bridging a potential co-investment or a follow-on investment related to an existing co-investment (including prior to allocating and/or syndicating the co-investment or follow-on investment, as applicable, to co-investors) but only to the extent that a Brookfield Account would have been permitted to make such investment. In connection with any such interim investment, a Brookfield Account may hedge its currency, interest rate or other exposure and, as a result, incur hedging or borrowing costs. There is no guarantee that any co-investor will ultimately bear the costs or expenses associated with any such hedging or borrowing, and a Brookfield Account may be exposed to losses from currency exchange rate fluctuations, hedge gains

or losses and/or additional expenses. Even where a Brookfield Account hedges currency or other exposure attributable to co-investors' portion of an investment, such hedges are expected to be imperfect and a Brookfield Account may accordingly be exposed to losses. Fluctuations in exchange rates during the time an interim investment is held by a Brookfield Account prior to acquisition by co-investors may affect the portion of the investment that is acquired by co-investors or the price paid for such co-investment. Brookfield Accounts bear risks associated with the investment, currency exchange rates, interest rates and other factors during the term they hold the investment.

Where a Brookfield Account acquires an investment on behalf of co-investors (including a follow-on investment), the terms of the sale of such investment to co-investors may not be favorable to that Brookfield Account and may result in better terms for such co-investors than the relevant Brookfield Account. For example, co-investors may not agree to reimburse a Brookfield Account for expenses incurred in connection with an investment. Similarly, if an investment depreciates during the period when a Brookfield Account holds it, co-investors may negotiate a lower price and that Brookfield Account may take a loss on the portion of an investment it holds on behalf of co-investors. In these types of situations, Brookfield Accounts may nonetheless sell the investment to co-investors on the terms negotiated by such co-investors at the relevant time in the event that Brookfield determines it is in a Brookfield Account's best interest, for example out of a desire to reduce its exposure to such investment or to include other participants in the investment.

**Client and Other Relationships.** Brookfield has long-term relationships with a significant number of institutions, corporations and other market participants (collectively, "Brookfield Client Relationships"). These Brookfield Client Relationships hold and pursue investments similar to the investments that are held and pursued by Client Accounts and Brookfield Accounts but are not required to consult with BAM Reinsurance Adviser or Brookfield regarding such activities and/or offer BAM Reinsurance Adviser or Brookfield opportunities to invest with them. As a result, Brookfield Client Relationships compete with Client Accounts and Brookfield Accounts for investment opportunities. In determining whether to pursue a particular opportunity on behalf of a Client Account or Brookfield Account, BAM Reinsurance Adviser or Brookfield will consider (among other things) these relationships and their potential impact on the availability or pricing of opportunities, and there may be certain opportunities that are not be pursued on behalf of certain Client Accounts or Brookfield Accounts in view of such relationships and their impact on the availability and/or pricing of the opportunity. In addition, from time to time Client Accounts and Brookfield Accounts invest with or alongside (via joint ventures or similar arrangements) or otherwise jointly pursue investment opportunities with Brookfield Client Relationships, which influences decisions made by BAM Reinsurance Adviser and Brookfield with respect to such investments, including in connection with governance and control over, and major decisions regarding, the investments. At all times, Brookfield and Brookfield Reinsurance Advisor will act and make decisions on behalf of Brookfield Accounts and Client Accounts that they believe are in the Brookfield Account's and Client Account's best interests, taking into account all facts and circumstances that it deems relevant, including potential participation by Brookfield Client Relationships in the pursuit or the consummation of certain investments.

**Conflicts with Secondary Funds.** Brookfield sponsors, manages and invests in certain Brookfield Accounts that focus on making secondary investments (such Brookfield Accounts, "Secondary Funds"),



including investments in (a) third-party general partner led recapitalizations of closed-end funds, joint ventures, other investment vehicles, and assets where the third-party general partner maintains the day-to-day responsibility for the assets, (b) limited partner interests in commingled investment vehicles at discount to NAV, (c) co-investments in specific assets alongside the general partner or its managed vehicles at preferential rates, and (d) structured solutions and/or preferred equity plays (collectively, “Secondary Investments”). These Secondary Investments may be subject to significant governance, control and/or minority protection rights in favor of the Secondary Funds. Brookfield Accounts and portfolio investments are expected to compete with such third-party general partners and their managed vehicles for investment opportunities and are expected to manage competing assets. For example, in a competitive auction process, the third-party general partner (and/or its managed vehicles), on the one hand, and Brookfield Accounts, on the other hand, could be potential bidders. Similarly, a third-party general partner (and/or its managed vehicles) could invest in an asset that competes with an asset held by a Brookfield Account for market share or other matters.

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

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

## ITEM 7 – TYPES OF CLIENTS

Client Accounts include BAM Re, insurance and reinsurance companies that are owned by BAM Re, and Cedent Accounts and may in the future include third-party insurance and reinsurance companies.

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

BAM Reinsurance Adviser pursues specific investment objectives and strategies for each Client Account, as set forth in the applicable Investment Guidelines.

BAM Reinsurance Adviser's investment strategies generally include investments in and alongside other Brookfield Accounts and accounts advised by the Brookfield Advisers and Brookfield Related Advisers and Direct Investments in various types of other securities and assets, which include, among others, securities issued by portfolio companies and assets of other Brookfield Accounts. Client Accounts are therefore expected to make investments across, and have exposures to assets within the mandates of, each of Brookfield's business groups, including infrastructure, real estate, private equity and renewable energy.

As noted in Item 4 above, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. Brookfield's operations-oriented approach plays an important role in the investment process. This approach leverages Brookfield's business groups in the evaluation and optimization of investments, and is described in the Form ADV of the relevant Brookfield Adviser or Brookfield Related Adviser. The discussion of Brookfield Accounts that appears in this Brochure is not intended to constitute an offer of interests in such Brookfield Accounts.

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 and prospective clients should consult the Form ADV of the Brookfield Adviser or Brookfield Related Adviser investment adviser to the relevant Underlying Account, including Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss, because all such methods, strategies and risks are expected to apply. The Forms ADV are available upon request or on the SEC's website at.**

### Methods of Analysis for Direct Investing

BAM Reinsurance Adviser has discretion to invest and trade on behalf of its clients directly in debt and equity securities and other financial instruments. BAM Reinsurance Adviser conducts its investing activities, in which portfolio investments are often sourced by BAM Reinsurance Adviser's investment professionals responsible for investment allocation and management decisions for a Client Account, in accordance with each Client Account's Investment Guidelines. BAM Reinsurance Adviser's investment professionals (including through Brookfield Advisers) generally perform their own independent analysis of such investments.



## Methods of Analysis for Investments in Underlying Accounts

While the degree to which Brookfield Reinsurance Adviser seeks to invest its clients' assets in Underlying Accounts will vary, Brookfield will actively seek to identify Underlying Accounts that it believes can provide upside potential and mitigate downside risk and make investments in those Underlying Accounts based on the Investment Guidelines and policies relating to the applicable Client Account.

As part of the management of the overall investment programs of Client Accounts, Brookfield Reinsurance Adviser identifies, researches, evaluates, selects and monitors Underlying Accounts based on certain criteria, which include, but are not limited to:

- Investment performance and fundamental investment analysis;
- Risk management techniques;
- Levels of volatility;
- Liquidity;
- Investment philosophies and strategies;
- Factors relating to management and investment professionals associated with such Underlying Account, such as experience, commitment and reputation;
- The fees associated with the relevant Underlying Account;
- Investment capacity;
- Concentrations, diversification, growth and other investment considerations;
- Capital efficiency; and
- Consistency with appropriate insurance and regulatory guidelines.

For investments made indirectly through investments in Underlying Accounts, as opposed to Direct Investments, the success of the investment strategies for Client Accounts is ultimately dependent in large part on the success of the Underlying Account. The specific investment strategy and corresponding method of analysis for each Underlying Account will vary, and the risk of each Client Account's investment program will in part be a function of the strategies and investments of the Underlying Account in which they invest.

There can be no assurance that Client Accounts' investment objectives will be achieved or that the Underlying Accounts, individually or collectively, will produce positive returns or avoid losses. Past performance is not necessarily indicative of future results. Clients should be prepared to bear these risks. The risks inherent to the strategies employed by BAM Reinsurance Adviser or by Underlying Accounts include the risks described below and the risks described in the Form ADV of the investment adviser to such Underlying Account.

## Risk of Loss

Risks associated with BAM Reinsurance Adviser, Direct Investments and investments in Underlying Accounts include, among others, risks relating to:

- Highly competitive market for investment opportunities;
- Changes in general economic conditions;

- Operational risk;
- Investments in new technologies.
- Investments in new jurisdictions in which Brookfield may not have significant experience or expertise;
- Investments in unsecured and subordinated debt;
- Inflation and interest rate risks;
- Credit risk;
- Investments in equity securities;
- Unsuccessful exit strategies;
- Portfolio valuations;
- LIBOR discontinuation
- Government intervention;
- Currency risk;
- Real estate risks and risks associated with commercial property loans;
- Mezzanine investments;
- Subordinated loans;
- Syndication risk;
- Investments in bank loans and participations;
- Prepayment of loans;
- Debtor-in-possession financing;
- Spread widening risk;
- Risk of borrower default;
- Illiquid and long-term investments;
- Currency exchange risk;
- Hedging transactions;
- Exposure to a single counterparty;
- Investments in emerging markets;
- Portfolio investment management risks;
- Exercising control and/or significant influence over an investee company;
- Minority equity or debt investments with limited influence over an investee company;
- Acquiring toehold investments;
- Public company securities;
- Fund level and portfolio investment level borrowing;
- Guarantees of investments and/or affiliates.
- Cross-Collateralization;
- Fraud;
- Leverage;
- Board participation;
- Subsequent closings;
- Reinvestment of distributed amounts;
- Excuse and exclusion from investments;
- Failure to make capital contributions;

- Limited number of investments;
- Advisory committee;
- Litigation;
- Adverse Publicity
- Reliance on service providers and third-party advice;
- Regulatory risks;
- Prevention of money laundering;
- Disclosure of Information;
- Cybersecurity;
- Data protection and information disclosure and protection regimes;
- Tax risks;
- Public health risk, including pandemics;
- Climate change;
- Risk of terrorism or acts of war;
- Unforeseen events risk;
- Terms of co-investments;
- Geographic risks;
- Interpretation of, or revisions to, governing documents;
- Investment in nonperforming or troubled assets;
- Risks related to investment structure;
- Risks related to investments in structured products;
- Expedited transactions;
- Follow-on investments;
- Claims against Brookfield, regulatory investigations, and Brookfield credit events;
- Reliance on management;
- Lack of transferability of interests; no right of withdrawal;
- Reliance on projected performance;
- Potential restrictive covenants;
- Risks of multi-step acquisitions;
- Bridge financing; and
- Investments with third parties.

**These risks are described in detail on the Forms ADV of Brookfield Adviser or Brookfield Related Adviser to the relevant Underlying Account, and prospective clients are urged to consult those documents. Those documents are available upon request or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

The following event does not involve a “management person” of Brookfield Reinsurance Advisor. Brookfield Reinsurance Advisor is disclosing this event as it may relate to a client’s or prospective client’s assessment of its 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 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.

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

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

BAM Reinsurance Adviser is an indirect wholly-owned subsidiary of BAM, a publicly owned Canadian corporation. BAM Reinsurance Adviser is an affiliate of the Brookfield Advisers, each of which may serve as investment adviser or sub-adviser to the Client Accounts. Any references to Brookfield in this section will be deemed to include its respective affiliates (including general partners), partners, members, shareholders, officers, directors and employees. Due to the captive nature of BAM Reinsurance Adviser’s investment activities, in which a substantial majority of its clients assets are invested in Brookfield Accounts, the conflicts described herein will arise directly or indirectly.

The discussion below describes certain of the actual and potential conflicts of interest that are expected to arise between Brookfield Activities, on the one hand, and BAM Reinsurance Adviser’s management of the Client Accounts, on the other hand. These conflicts of interest are not a complete list or explanation of all actual and potential conflicts of interest that could arise, and additional conflicts of interest are expected to arise as a result of new activities, transactions or relationships commenced in the future. In addition, certain terms described herein may only be applicable to certain Client Accounts, but not

others. Potential clients should review this section carefully for additional risks and conflicts disclosure before making an investment decision.

**Potential clients should also consult the Form ADV of the Brookfield Advisers and Brookfield Related Advisers to the Underlying Accounts, including Item 10 – Other Financial Industry Activities and Affiliates, because all of the conflicts (and potential conflicts) of interest described in those documents will apply to BAM Reinsurance Adviser’s investment activities on behalf of the Client Accounts as indirect investors in Underlying Accounts. The Forms ADV of the Brookfield Advisers and Brookfield Related Advisers are available upon request or on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Brookfield’s Investment Platform.** As noted in Item 4 above, Brookfield is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. As noted throughout this Brochure, a key element of BAM Reinsurance Adviser’s investment strategy on behalf of Client Accounts is to leverage Brookfield’s experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and operating needs. BAM Reinsurance Adviser believes that this is in the best interests of the Client Accounts. However, being part of this broader platform, as well as activities of and other considerations relating to Brookfield Accounts, gives rise to actual and potential conflicts of interest between Client Accounts, on the one hand, and Brookfield and/or other Brookfield Accounts, on the other hand, that may not be resolved in the most favorable manner to the interests of any particular Client Account.

Brookfield’s activities include, among others: investment and asset management; managing and investing reinsurance capital; sponsoring, offering and managing private and public investment vehicles that invest in the global fixed income, currency, commodity, equities, private equity and other markets; developing, constructing, owning, managing, operating and servicing real estate, renewable power, infrastructure and other companies and assets, including among others residential, commercial, storage and mixed-use real estate, data centers, transportation facilities, electric utilities, industrial and manufacturing facilities, energy companies, metals and mining companies, timberlands and agrilands, natural gas pipelines, and other assets; providing capital and financing solutions, as well as financial advisory, business development and other financial services; and other activities (collectively, “Brookfield Activities”). It is expected that the Client Accounts will benefit from Brookfield’s expertise, market positioning and connectivity that arise from Brookfield Activities. At the same time, in the ordinary course of its business, Brookfield’s and certain Brookfield Accounts’ interests are expected to conflict with the interests of Client Accounts and other Brookfield Accounts.

**BAM Re’s Ownership, Activities and Reliance on Brookfield.** BAM Re’s shares are publicly listed on the Toronto Stock Exchange and the New York Stock Exchange. Each Class A Share has been structured with the intention of providing an economic return equivalent to one Brookfield Class A Share, and we therefore expect that the market price of BAM Re’s Class A Shares will be impacted by the market price of the Brookfield Class A Shares and the business performance of Brookfield. Distributions on BAM Re’s Class A Shares will be paid at the same time and in the same amount as dividends on the Brookfield Class A Shares to provide holders of BAM Re’s Class A Shares with an economic return equivalent to holders

of Brookfield Class A Shares. As the sole holders of the Class B Shares, the BAM Re Class B Partners, through the Class B Partnership, are entitled to elect one-half of BAM Re's board and approve all other matters requiring shareholder approval. In addition, Brookfield owns all of the issued and outstanding Class C Shares, which are entitled to the residual economic interest in BAM Re after payment in full of the amount due to holders of BAM Re's Class A Shares and BAM Re's Class B Shares (consisting of any declared and unpaid distributions, and the delivery of Brookfield Class A Shares or the cash equivalent on a redemption or liquidation) and subject to the prior rights of holders of BAM Re's Preferred Shares. Except for the right to approve changes to the terms of the Class A Shares and the Rights Agreement, or except where otherwise required by law, holders of Class A Shares are not expected to receive an opportunity to consent to transactions involving Brookfield. BAM Reinsurance Advisor's investment management and other decisions on BAM Re's behalf will take into account this economic equivalence and the fact that holders of BAM Re's Class A Shares will benefit from the performance of other Brookfield Accounts and Brookfield more generally. As a result, the scope of BAM Reinsurance Adviser's fiduciary duties to BAM Re and Client Accounts under investment management agreements with BAM Reinsurance Adviser will be different than that which Brookfield has to other Brookfield Accounts.

Brookfield and BAM Re have entered into a number of agreements, including a support agreement, an administration agreement, investment management agreements, and equity commitment agreements for Brookfield to provide financial, operational, and investment advisory support and services to BAM Re, including senior executives and officers. For example, BAM Re relies on Brookfield to (i) serve as BAM Re's investment manager pursuant to certain investment management agreements; (ii) provide BAM Re's Chief Executive Officer and Chief Investment Officer; and (iii) provide additional operational and financial support pursuant to the support agreement, credit agreement and equity commitment, as applicable. These agreements are also designed to support the economic equivalence of the Brookfield and BAM Re shares, which BAM Reinsurance Adviser believes supports the alignment of interests described above between Brookfield and BAM Re (including its Investors).

**Conflicts of Interest Will Arise Directly or Indirectly.** The overall objective of leveraging Brookfield's experience, expertise, broad reach, relationships and position in the markets for, among other things, investments opportunities and deal flow, will result in Client Accounts, among other things, investing in or alongside Brookfield Accounts, as well as in loans to, and insurance contracts and securities issued by, Brookfield Accounts, including those in which Brookfield has an economic interest. Moreover, Brookfield's management of its broader platform, including the activities of and other considerations relating to Brookfield Accounts, give rise to conflicts of interest relating to (i) the allocation of investment opportunities between the Client Accounts, on the one hand, and other Brookfield Accounts, on the other hand, (ii) affiliate and related party transactions between Client Accounts and Brookfield or Brookfield Accounts, (iii) investments by Client Accounts and other Brookfield Accounts in different parts of a company's or asset's capital structure, (iv) the management of potentially adverse situations between Client Accounts and other Brookfield Accounts, and (v) Brookfield's economic interest in Brookfield Accounts and these activities (including via compensation arrangements) and related considerations.

As a result of BAM Re's organizational and ownership structure (in particular the structure of the Class A Shares described above) and BAM Re's broader operational and financial agreements with Brookfield,

the scope of the Client Accounts' advisory relationship with BAM Reinsurance Adviser is different than Brookfield's advisory relationship with other Brookfield Accounts, including with respect to the scope of BAM Reinsurance Adviser's fiduciary duties to the Client Accounts, and there will be different risks applicable to the Client Accounts compared to other Brookfield accounts. While BAM Reinsurance Adviser will act in the Clients Accounts' best interests consistent with their overall investment mandate and objectives (taking into account, among others, BAM Re's obligations to insurance companies and pursuing an investment portfolio that is suitable for the Client Accounts from a risk-return perspective), BAM Reinsurance Adviser expects to manage the Client Accounts similar to the manner in which Brookfield manages itself and its wholly-owned subsidiaries, particularly in connection with investments that give rise to conflicts of interest considerations vis-à-vis other Brookfield Accounts. Given this management approach, BAM Reinsurance Adviser will manage the Client Accounts' investment activities differently than how Brookfield manages the investment activities of other Brookfield Accounts (and differently than it would have under different circumstances under which Brookfield did not have other Brookfield Accounts). This management approach will affect, among other things, the type of investment opportunities that are allocated to the Client Accounts, how BAM Reinsurance Adviser addresses conflicts of interest that will arise in managing Client Account investments and other activities, the provision of financing and refinancing arrangements, and/or other transactions between Brookfield and other Brookfield Accounts, on the one hand, and the Client Accounts, on the other hand.

**Integrated Investment Platform, Information Sharing and related Trading Restrictions.** Brookfield (including Brookfield Reinsurance Adviser) is a global alternative asset manager with significant assets under management and a long history of owning, managing and operating assets, businesses and investment vehicles across various industries, sectors, geographies and strategies. Except as otherwise noted, Brookfield generally manages its investment and business lines in an integrated fashion with no information barriers that other firms may implement to separate certain investment teams so that one team's activities won't restrict or otherwise influence the other's. Brookfield believes that managing its investment and asset management platforms in an integrated fashion is in the best interests of Brookfield Accounts and Client Accounts by enabling them to leverage Brookfield's experience, expertise, broad reach, relationships and position in the market for investment opportunities and deal flow, financial resources, access to capital markets and management and operating needs. Among other things, Brookfield will have access to information across its platform relating to business operations, trends, budgets, customers and/or users, assets, funding and other metrics that is used by Brookfield to identify and/or evaluate potential investments for Brookfield Accounts and Client Accounts and to facilitate the management of investments, including through operational improvements. Brookfield believes that managing its broader investment and asset management platform in an integrated fashion, which includes sharing of information and data obtained through the platform, provides Brookfield Accounts and Client Accounts with greater transaction sourcing, investment and asset management capabilities, and related synergies, including the ability to better anticipate macroeconomic and other trends, and make more informed decisions for Brookfield Accounts and Client Accounts.

At the same time, this level of integration results in regulatory, legal, contractual and other considerations that, under certain circumstances, restrict some activities that would not otherwise arise if Brookfield managed its platform in a different fashion (e.g., in a walled environment) and that Brookfield is required to manage in the ordinary course. From time to time, Brookfield's ability to buy or



sell certain securities on behalf of Brookfield Accounts and Client Accounts will be restricted by applicable securities laws, regulatory requirements, information held by Brookfield, contractual obligations applicable to Brookfield, and potential reputational risks relating to Brookfield and Brookfield Accounts, as well as Brookfield's internal policies designed to comply with these and similar requirements. As a result, from time to time, Brookfield will not engage in transactions or other activities for, or enforce certain rights in favor of, Brookfield Accounts or Client Accounts due to Brookfield's activities, regulatory requirements, policies, and reputational risk assessments.

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

**Investments with Related Parties.** Brookfield, Brookfield Accounts, and Client Accounts invest in a broad range of asset classes throughout the corporate capital structure, including debt positions (either junior or senior to other Brookfield Accounts' or Client Accounts' positions) and equity securities (either common or preferred). From time to time, Brookfield Accounts and/or their portfolio companies and/or Client Accounts hold an interest in one part of a company's capital structure while Brookfield, a Client Account, and/or another Brookfield Account or its portfolio company holds an interest in another or has invested on different terms. From time to time, this is expected to result in Brookfield, Client Accounts, and/or Brookfield Accounts holding interests that are more senior in priority to that of other Brookfield Accounts or Client Accounts, which gives rise to conflicts. In situations where the company or asset experiences financial distress, bankruptcy or a similar situation, a Client Account's or Brookfield Account's interest could be subordinated to interests of Brookfield, another Client Account, and/or other Brookfield Accounts with interests that are more senior in priority. The conflicts between such parties and a Client Account or Brookfield Account will be more pronounced where the asset is near default on existing loans and Brookfield does not have the ability or otherwise decides not to make additional investments in the asset in order to sustain a Client Account's or Brookfield Account's position in the asset. In this case, Brookfield and/or Brookfield Accounts could, for a relatively small investment, obtain a stake in the asset or take over the management of (and risk relating to) such asset to the detriment of other Brookfield Accounts or Client Accounts.

In order to mitigate potential conflicts of interest in these situations, Brookfield could but will not be obligated to take actions on behalf of itself, Client Accounts, and Brookfield Accounts, including among others one or more of the following as it determines in its sole discretion: (i) forbearance of rights, such as causing Brookfield, Client Accounts, and/or Brookfield Accounts to remain passive in a situation in which it is otherwise entitled to vote, which could mean that Brookfield, Client Accounts, and/or Brookfield Accounts, as applicable, defer to the decision or judgment of an independent, third-party investor in the same class of securities with respect to decisions regarding defaults, foreclosures,



workouts, restructurings, and/or similar matters, including actions taken by a trustee or administrative or other agent of the investment, such as a release, waiver, forgiveness or reduction of any claim for principal or interest, extension of maturity date or due date of any payment of any principal or interest, release or substitution of any material collateral, release, waiver, termination or modification of any material provision of any guaranty or indemnity, subordination of any lien, and release, waiver or permission with respect to any covenants; (ii) causing Brookfield, Client Accounts, and/or a Brookfield Account to hold only non-controlling interests in any such investment; (iii) referring the matter to one or more persons that is not affiliated with Brookfield, such as a third-party loan servicer, administrative agent or other agent to review and/or approve of an intended course of action; (iv) consulting with and/or seeking consent from the applicable Brookfield Account's LPAC (or similar bodies); (v) establishing ethical screens or information barriers (which can be temporary and of limited purpose) designed to separate Brookfield investment professionals to act independently on behalf of a Client Account or Brookfield Account, on the one hand, and Brookfield, Client Accounts, and/or other Brookfield Accounts, on the other hand, in each case with support of separate legal counsel and other advisers; (vi) seeking to ensure that Brookfield, Client Accounts, and/or Brookfield Accounts own interests in the same securities or financial instruments and in the same proportions so as to preserve an alignment of interests; and/or (vii) causing Brookfield, Client Accounts, and/or Brookfield Accounts to divest of an investment that it otherwise could have held on to, including without limitation causing a Client Account or Brookfield Account to sell its position to Brookfield, another Client Account, or another Brookfield Account (or vice versa).

At all times, Brookfield will endeavor to treat each Client Account and Brookfield Account fairly, equitably and consistent with its investment mandate in pursuing and managing these investments. However, there can be no assurance that any action or measure pursued by Brookfield will be feasible or effective in any particular situation, or that its own interests won't influence its conduct, and it is possible that the outcome for any particular Client Account or Brookfield Account will be less favorable than otherwise would have been the case if Brookfield did not face these conflicts of interest. That outcome may include including realizing different returns (including, possibly lower returns) on certain Client Accounts' or Brookfield Accounts' investments than Brookfield, the Investment Affiliate, other Client Accounts, and/or other Brookfield Accounts do on theirs. In addition, the actions and measures that Brookfield pursues are expected to vary based on the particular facts and circumstances of each situation and, as such, there will be some degree of variation and potentially inconsistency in the manner in which these situations are addressed.

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

BAM Reinsurance Adviser's discretion to invest Client Accounts' assets in other Brookfield Accounts and to select affiliates as sub-advisers raises conflicts of interest. BAM Reinsurance Adviser will allocate a substantial portion of client assets to investments sourced by Brookfield and in other Brookfield

Accounts for which Brookfield may receive substantial compensation in the form of management fees, carried interest and other forms of remuneration that are indirectly borne by Client Accounts through their commitments to Brookfield Accounts. There can be no assurance that the fees described herein will be the lowest fees available for similar services offered by Brookfield or third parties, as other factors or considerations typically prevail over cost.

BAM Reinsurance Adviser will therefore have an incentive to cause Client Accounts to make investments in current or future Brookfield Accounts that (i) are otherwise difficult to raise, including without limitation, because predecessor vehicles have had poor investment performance, the strategy is new or out of favor or turnover of the investment professionals responsible for performance or (ii) have a possibility of generating higher fees or carried interest than another potential Brookfield Account. Correspondingly, BAM Reinsurance Adviser will have a disincentive to cause Client Accounts to make investments in (a) Underlying Accounts that are otherwise in high demand or (b) are expected to generate relative lower fees or carried interest than other potential Brookfield Accounts. On the other hand, Client Accounts could also benefit from preferential terms (e.g., carried interest, management fees and offsets thereto and fiduciary duties) provided to them and those terms are not subject to “most favored nation” provisions.

Furthermore, there will be instances where certain transactions (such as, for example, cross trades or other transactions between Underlying Brookfield Accounts or portfolio companies, on the one hand, and Client Accounts, on the other hand) present conflicts of interest, which would include Brookfield or the BAM Reinsurance Adviser itself through its ownership of or significant influence over Brookfield Accounts and Client Accounts. No transaction between a Client Account on the one hand, and a portfolio company, on the other hand, will require the consent of such Client Account, unless otherwise determined in BAM Reinsurance Adviser’s discretion.

As an investor in Underlying Brookfield Accounts, Client Accounts will incur fees and expenses payable to Brookfield in connection with its management of the Underlying Brookfield Account that may vary based on the size of the investment in the Underlying Brookfield Account. Client Accounts, as investors in Underlying Brookfield Accounts will also bear the underlying incentive fee (or equivalent) payable to Brookfield, as discussed above. As investors in Brookfield Accounts, Client Accounts are expected to incur higher fees than if they had invested directly in such Underlying Brookfield Accounts.

Other conflicts of interest associated with direct investments and investments in Underlying Accounts include, among others, conflicts relating to:

- Advice to certain Client Accounts or Brookfield Accounts may conflict with other Client Accounts’ interests;
- Allocation of personnel;
- Integrated investment platform, information sharing and related trading restrictions;
- Data management;
- Conflicts among portfolio companies and Brookfield Accounts or Client Accounts;
- Investments with Related Persons;

- Investment platforms;
- Insurance and reinsurance capital;
- Pricing;
- Financing to counterparties of Client Accounts;
- Linked transactions/arrangements;
- Investments by BAM Reinsurance Adviser or Brookfield personnel;
- Brookfield's Public Securities Group;
- Oaktree;
- Warehousing investments;
- Excess funds liquidity arrangements with Related Parties;
- Arrangements with BAM Reinsurance Adviser;
- Limited liability of BAM Reinsurance Adviser;
- Reputational considerations;
- Brookfield commitment;
- Allocation of expenses;
- Affiliated and related-party services and transactions;
- Transactions among Portfolio Companies;
- Insurance;
- Transfers and secondment of employees;
- Shared resources;
- Advisors;
- Support services;
- Travel expenses;
- Service providers;
- Use of Brookfield arrangements;
- Utilization of credit facilities;
- Other activities of BAM Reinsurance Adviser and its personnel;
- Determinations of value;
- Diverse interests;
- Side letters;
- Conflicts with issuers of investments;
- Management fee and carried interest;
- Calculation errors;
- Structuring of investments and subsidiaries;
- Restrictions on Brookfield Accounts' and Client Accounts' activities;
- Transactions with investors; and
- Possible future activities.

These conflicts are described in detail on the Form ADVs of the Brookfield Advisers and Brookfield Related Advisers, and prospective clients are urged to consult those documents. Those documents are available upon request or on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). As noted above, Brookfield acts in good faith to resolve all potential conflicts in a manner that it believes is fair and equitable and in

the best interests of Client Accounts and Brookfield Accounts taking into account the facts and circumstances known to it at the time. However, there can be no assurance that any recommendation or determination made by Brookfield will be most beneficial or favorable to any particular Client Account or Brookfield Account, or would not have been different if additional information were available to Brookfield.

**Brookfield Has Significant Economic Relationships With BAM Re.** Brookfield and BAM Re have significant economic relationships with one another, as described above. As the sole holders of the Class B Shares, the BAM Re Class B Partners, through the Class B Partnership, are entitled to elect one-half of BAM Re's board and approve all other matters requiring shareholder approval. Brookfield also owns all of the issued and outstanding Class C Shares, which are entitled to the residual economic interest in BAM Re after payment in full of the amount due to holders of BAM Re's Class A Shares and BAM Re's Class B shares (consisting of any declared and unpaid distributions, and the delivery of Brookfield Class A Shares or the cash equivalent on a redemption or liquidation) and subject to the prior rights of holders of BAM Re's Preferred Shares. As discussed under Item 6, Third-party Cedents are owed a guaranteed return on their investments from the Reinsurance Account subsidiaries of BAM Re, and investment returns in excess of the guaranteed return are for the account of the Reinsurer and, as a result of the share interests discussed above, Brookfield. In addition to BAM Reinsurance Adviser serving as its investment adviser, Brookfield provides administrative services to BAM Re on a cost recovery basis under various services agreements, including providing the Chief Executive Officer and Chief Investment officer, as approved by BAM Re's board. These relationships among Brookfield and BAM Re may change without notice to, or the consent of, any party, including the Client Accounts, and Brookfield may increase or decrease its holdings in or control over BAM Re at any time.

Given Brookfield's significant economic interests in BAM Re, personnel of BAM Reinsurance Adviser may be incentivized to make investment decisions that favor Brookfield and, indirectly, the BAM Re Related Account Group (as the economics of the parent/subsidiary and reinsurance relationships directly benefit BAM Re) over other Client Accounts. Additionally, given BAM Reinsurance Adviser's discretionary authority over BAM Re's assets, Brookfield may seek to utilize such authority and influence to cause accounts of the BAM Re Related Account Group to enter into transactions that benefit Brookfield more directly.

Fees and expenses charged by Brookfield or BAM Reinsurance Adviser may not be the lowest fees available for similar support, administrative or investment management services offered by third parties, and there can be no assurance that the returns and other performance metrics of Brookfield or BAM Reinsurance Adviser are, or will continue to be, better than those of a third party, unaffiliated adviser.

BAM Reinsurance Adviser seeks to address these conflicts of interest in accordance with the principles summarized in this Brochure and in accordance with Brookfield's conflicts protocol (subject to the discussion regarding *"Reinsurance Asset Portfolios"* and *"Management of Account and their Assets as Part of the Related Account Group Portfolio"* below). See *"Resolution of Conflicts"* below.

Furthermore, as stated above, there will be instances where certain transactions (such as, for example, cross-trades or other transactions between Brookfield Accounts or portfolio companies, on the one hand, and Client Accounts, on the other hand) present conflicts of interest, which would include

Brookfield itself or through its ownership of or significant influence over BAM Re. No transaction between Client Accounts on the one hand, and a portfolio company of a Brookfield Account, on the other hand, will require the consent of the advisory board or the investors in BAM Re or the relevant Client Account, unless otherwise determined by BAM Reinsurance Adviser.

**Reinsurance Generally.** In general, reinsurance transactions are risk transfer arrangements with respect to insurance liabilities. In such transactions, one insurance company (the “Cedent”) transfers, or “cedes,” the risk (and the benefits) of its insurance liabilities to another insurance company (the “Reinsurer”), which in connection with its assuming such liabilities, will also be entitled to all the benefits (and bear all risks) of the asset portfolio backing such reinsured liabilities. Depending on the structure of the reinsurance arrangement and the objectives of the parties, the reinsurance arrangement may result in (i) the reinsured liabilities and assets backing such liabilities being transferred into the name of the Reinsurer, (ii) the reinsured liabilities being transferred into the name of the Reinsurer but the assets backing such liabilities remaining with and in the name of the Cedent, or (iii) the reinsured liabilities and assets backing such liabilities remaining with, and in the name of, the Cedent. Irrespective of the structure of such reinsurance transaction, however, and irrespective of whether such liabilities and/or assets are legally held in the name of the Reinsurer or the Cedent, the result of the reinsurance transaction is the same — to transfer all of the risks and benefits of the reinsured liabilities and of the asset portfolio backing such liabilities to the reinsurer pursuant to the terms of a reinsurance agreement entered into between the Reinsurer and the Cedent (such agreement, a “Reinsurance Treaty”).

**Reinsurance Investment Management Agreements.** The composition of the asset portfolio backing the reinsured liabilities under the Reinsurance Treaty (the “Reinsurance Asset Portfolio”) and the Investment Guidelines and other investment criteria to which such Reinsurance Asset Portfolio is subject (the “Investment Guidelines”) are negotiated between the Cedent and the Reinsurer and are integral to the reinsurance transaction and the reinsurer as they will directly impact the amount (called a “ceding commission”) the Reinsurer will pay to, or receive from, the Cedent in connection with the Reinsurer’s agreement to assume the risk of such liabilities. When negotiating the Reinsurance Treaty, BAM Reinsurance Adviser assists, and acts on behalf of, the Reinsurer in its negotiation of the Reinsurance Treaty and related documents with the Cedent and assists the Reinsurer in negotiating the composition of the Reinsurance Asset Portfolio and the Investment Guidelines intended to govern such Reinsurance Asset Portfolio throughout the life of the reinsurance transaction.

In connection with, and upon the closing of, the Reinsurance Treaty, the Cedent will, as legal owner of the Reinsurance Asset Portfolio, appoint BAM Reinsurance Adviser to manage the Cedent Account and the related Reinsurance Asset Portfolio pursuant to the Investment Guidelines. In connection with such appointment, the Cedent and BAM Reinsurance Adviser will enter into an investment management agreement (the “Reinsurance IMA”) which will set forth the Investment Guidelines, the fees and expenses payable or reimbursable by the Cedent Account to BAM Reinsurance Adviser, and certain other rights of BAM Reinsurance Adviser, including the right to delegate various advisory duties to subadvisers. The characteristics and terms of each Reinsurance Treaty, Reinsurance IMA, and Reinsurance Asset Portfolio pertaining to any particular Reinsurer, its respective Cedent, and BAM Reinsurance Adviser and the reinsurance relationship among them, are collectively referred to hereinafter as a “Reinsurance Relationship.”

**The Reinsurance Relationship.** Unlike a typical separately managed account arrangement where the risks and the benefits of the underlying asset portfolio inure to the legal owner of such account, the reinsurance transaction shifts the risks and the benefits of the Cedent Account and the Reinsurance Asset Portfolio therein from the Cedent to the Reinsurer in connection with the Reinsurer's agreement to reinsure the liabilities backed by such asset portfolio. Under the Reinsurance Treaty, the Reinsurer is generally obligated to maintain the Reinsurance Asset Portfolio such that the book value of such portfolio equals the reinsured liabilities. If the book value of such portfolio falls below such threshold, the Reinsurer is required to "true-up" the Cedent Account by adding cash or other assets, and if the Reinsurance Asset Portfolio exceeds such thresholds, the Reinsurer is entitled to remove cash or other assets from the Cedent Account. These "true-ups" together with other amounts that may be owing between the Cedent and the Reinsurer are referred to herein as "Reinsurance Settlement Payments." All expenses related to the Cedent Account, including the fees and expenses of BAM Reinsurance Adviser that may be payable by the Cedent under the Reinsurance IMA, flow through the Cedent Account but are ultimately borne by the Reinsurer as a result of the true-up mechanics of the Reinsurance Treaty through the Reinsurance Settlement Payment process. While BAM Reinsurance Adviser will seek to manage a Cedent Account and its related Reinsurance Asset Portfolio within the applicable Investment Guidelines set forth in the applicable Reinsurance IMA, BAM Reinsurance Adviser takes into consideration the economic substance, nature and intent of the Reinsurance Relationship. In making investment management, allocation, risk management and other portfolio and management decisions, BAM Reinsurance Adviser views the economics and risks associated with the Reinsurance Asset Portfolio as the economics and risks of the Reinsurer, and ultimately of its parent (and not of the Cedent) and will take into account the interests of the Reinsurer, and ultimately of its parent, as the economic risk holder, regardless of whether title to the assets in such Reinsurance Asset Portfolio or other indicia of ownership continue to be held in the name of the Cedent, as further described herein.

**The Reinsurance Asset Portfolio upon a Recapture.** While a Reinsurance Relationship is intended to last the life of the reinsured liabilities, certain provisions of the Reinsurance Treaty permit its termination and the "recapture" of the reinsured liabilities and related Reinsurance Asset Portfolio upon the occurrence of specific events (such as an insolvency of the reinsurer or the occurrence of an uncured material payment breach of the reinsurer). In managing each Client Account as part of a single Related Account Group Portfolio, portfolio management decisions are made taking into account the requirements of the applicable Investment Guidelines and the interests of the Reinsurer. Thus, while not anticipated to occur, if a Reinsurance Asset Portfolio is recaptured by a Cedent in connection with the termination of the applicable Reinsurance Treaty, it is possible that investments in the applicable Cedent Account at the time of such recapture, while compliant with the Investment Guidelines, may, among other things, not be investments or an asset mix in which the Cedent might have separately invested, and be different assets or a different asset mix than other accounts of the BAM Re Related Account Group or other Brookfield Accounts. Additionally, the performance of such account is likely to differ from other accounts of the BAM Re Related Account Group.

**Reinsurance Settlement Payments.** BAM Reinsurance Adviser is often requested to effect Reinsurance Settlement Payments between a Reinsurer and a Cedent in connection with or pursuant to a Reinsurance Treaty and/or related documents. Such Reinsurance Settlement Payments may be made in cash or through an asset-in-kind payment. BAM Reinsurance Adviser is generally requested to select assets to



be (i) liquidated (if the Reinsurance Settlement Payment is expected to occur in cash), or (ii) transferred (in the case of an asset-in-kind payment). Such Reinsurance Settlement Payments or other transfers that are made in connection with or pursuant to a Reinsurance Treaty and/or related documents are not considered cross trades by BAM Reinsurance Adviser, even if BAM Reinsurance Adviser assists in the selection of assets to be so transferred and calculating the price at which such assets are transferred between the Reinsurer and Cedent. The market price with respect to assets that may be transferred in kind are generally determined in accordance with BAM Reinsurance Adviser's valuation policies and procedures.

**Management of Accounts and Their Assets as Part of the Related Account Group Portfolio.** BAM Reinsurance Adviser will manage each account of the BAM Re Related Account Group as one aggregate portfolio of assets for the ultimate benefit of Brookfield. This means that BAM Reinsurance Adviser will make investment, management, allocation, risk and other decisions as if all asset portfolios within such BAM Re Related Account Group Portfolio were a single asset portfolio, all accounts within the BAM Re Related Account Group were a single account and the BAM Re Related Account Group were a single client, with the economics of such portfolios residing ultimately with Brookfield. For instance, in managing the portfolios in the BAM Re Related Account Group Portfolio as described above, BAM Reinsurance Adviser expects, among other things, to (i) disproportionately allocate investment opportunities to or away from Client Accounts within such BAM Re Related Account Group that may otherwise be eligible and able to participate in such investment opportunities; (ii) cause a Client Account within the BAM Re Related Account Group to "warehouse" permissible investment opportunities, without additional compensation therefor, with the intent of transferring all or a portion of such investment to one or more other accounts within such BAM Re Related Account Group in the future; (iii) sell assets between Client Accounts within the BAM Re Related Account Group to manage cash and other needs of the BAM Re Related Account Group; and (iv) invest Client Accounts within the BAM Re Related Account Group and Brookfield Accounts in different tranches or classes of obligations or securities issued by the same issuer and with different priorities or rights than other Client Accounts, as the economics of such transactions all flow up to Brookfield.

**Related Account Group Transactions.** BAM Reinsurance Adviser has implemented policies and procedures designed to satisfy regulatory consent requirements for transactions involving the BAM Re Related Account Group, including Reinsurer Accounts or Cedent Accounts that comprise the asset pool backing a reinsurance arrangement (which may include Brookfield assets) that raise potential conflicts of interest considerations relating to cross and principal transactions. Among others, these include:

- 1) Asset transfers within the BAM Re Related Account Group, including purchases and sales of investments among BAM Re and Cedent Accounts ("Related Account Group Transactions");
- 2) BAM Re Related Account Group investments in securities issued by and loans to Brookfield-controlled assets and/or portfolio companies, including assets and portfolio companies in which Brookfield has an interest;
- 3) BAM Re Related Account Group commitments to invest in Brookfield-managed funds; and
- 4) Transfers of assets from Brookfield to the BAM Re Related Account Group, including Cedent Accounts, including upon the opening of such accounts (2 through 4 collectively, "Cross Account Group Transactions").

Under its policies and procedures, BAM Reinsurance Adviser will obtain prior approval for Cross Account Group Transactions that either (a) constitute principal transactions or (b) involve loans and/or other instruments and that would constitute a principal transaction if they involved “securities”. Such prior approval will be obtained in writing from a senior employee of the relevant BAM Re insurance or reinsurance company subsidiary that acts as the Reinsurer in respect of the relevant account and who is designated to provide such approval. These senior employees are expected to be associated with BAM Re and subject to actual or potential conflicts of interest in providing such consent. Post-transaction ratification will also be provided on a quarterly basis by one or more independent members of the investment committee of the board of directors of the relevant insurance or reinsurance company. These consents are designed to satisfy regulatory consent requirements and are binding upon us. In addition, Brookfield has implemented pricing guidelines to ensure that our investments are executed at fair market values on arm’s length terms.

BAM Reinsurance Adviser does not expect to seek consent for Related Account Group Transactions in the ordinary course because BAM Reinsurance Adviser believes such transactions are not cross or principal transactions. Rather, BAM Reinsurance Adviser believes these asset transfers are transactions effected at fair market value or statutory book value within a single economic group, in accordance with BAM Reinsurance Adviser’s valuation and accounting policies and procedures, which do not impact the expected return of any reinsurance counterparties within the BAM Re Related Account Group. Additionally, third-party Cedents do not bear the economic risk relating to the Cedent Accounts but, rather, are owed a guaranteed return by the applicable reinsurance subsidiary of BAM Re and have a right to access underlying investments in the accounts to the extent such reinsurance subsidiary defaults on its payment obligations under the terms of the applicable Reinsurance Treaty. BAM Re therefore holds all of the economic risk in connection with any Related Account Group Transaction. These policies and procedures for managing conflicts will be different than the approach Brookfield takes for its other Brookfield Accounts. See *“The Reinsurance Relationship”* above.

**Differences between Performance of Client Accounts.** Each Client Account likely will invest in different assets and perform differently than other Client Accounts. There are many reasons for such differences, including, among others, (i) the unique characteristics of the liabilities backed by the assets held by each Client Account, (ii) the timing of the Client Account’s initial deployment, (iii) whether the Client Account is expected to grow or be in run off, (iv) the Client Account not being managed to total return, (v) yield requirements and other requirements of the Client Account, (vi) the Investment Guidelines applicable to the Client Account and (vii) allocation-related decisions taken by BAM Reinsurance Adviser as investment adviser. In addition, BAM Reinsurance Adviser’s management of the BAM Re Related Account Group as part of a single portfolio, as described in *“Management of Accounts and their Assets as Part of the Related Account Group Portfolio”* above will likely also contribute to such differences. As a result of the terms of each Reinsurance Treaty, Cedant Accounts are guaranteed a certain return on the BAM Re Related Account Group Portfolio. Returns to the Reinsurance Accounts and the Third-party Clients will vary based on the factors described above.

**Resolution of Conflicts.** BAM Re’s investment program and conflicts protocols are designed to address the factors noted above. Such program and protocols include certain Investment Guidelines and



restrictions on Client Accounts' investments in securities issued by (and loans made to) Brookfield Accounts, such as exposure limits, a passive investment strategy and other controls (designed to ensure that potential adverse interests between Client Accounts and other Brookfield Accounts invested in different parts of an issuer's capital structure can be appropriately managed in satisfaction of Brookfield's fiduciary duties to the Brookfield Accounts). Further, in order to ensure that Brookfield can appropriately manage the Brookfield Accounts consistent with its fiduciary obligations to them, Brookfield Accounts (including ones in which Client Accounts invest) generally will have priority with respect to investment opportunities that are suitable for their mandates. Moreover, from time to time, Client Accounts will provide financing (or refinancing) arrangements to Brookfield Accounts at a lower cost relative to other third-party lenders and/or arrangements.

Conflicts of interest between Client Accounts, on the one hand, and Brookfield and other Brookfield Accounts, on the other hand, will generally be resolved in accordance with the principles summarized herein and in the relevant Brookfield Adviser's Form ADVs, Brookfield's policies for adequately addressing potential conflicts considerations that arise in managing its business activities, governing documents of the relevant accounts, and conflicts protocols adopted by us.

**Brookfield Conflicts Committee.** Brookfield has formed a conflicts committee (the "Conflicts Committee") that reviews BAM Reinsurance Adviser and Brookfield's resolution of potential and actual conflicts situations that arise in the normal course of managing BAM Reinsurance Adviser's and Brookfield's business activities. Brookfield's Conflicts Committee is intended to provide review and analysis, and ensure appropriate resolution, of these conflicts considerations. The Conflicts Committee also approved a framework (and related parameters) for execution of certain types of transactions, including Related Account Group Transactions and Cross Account Group Transactions, and appoint one or more individuals (including BAM's Chief Compliance Officer), pursuant to delegated authority, to oversee implementation of the framework. In this respect, transactions that are executed in accordance with such a framework will be deemed to have approved by the Conflicts Committee. However, there can be no assurance that BAM Reinsurance Adviser will timely identify and present potential conflicts of interest to its Conflicts Committee. In addition, the Conflicts Committee is comprised of senior management of Brookfield and, as a result: (i) such representatives are themselves subject to conflicts of interest considerations and (ii) there can be no assurance that any determinations made by the Conflicts Committee will be favorable to a particular Client Account or Brookfield Account (including the Brookfield Accounts in which Client Accounts invest). The Conflicts Committee will act in good faith to resolve potential conflicts of interest in a manner that is fair and balanced, taking into account the facts and circumstances known to it at the time. However, there is no guarantee that the Conflicts Committee will make the decision that is most beneficial to any particular Client Account (including the Brookfield Accounts in which Client Accounts invest) or that the Conflicts Committee would not have reached a different decision if additional information were available to it.

The foregoing list of potential and actual conflicts of interest is not a complete enumeration or explanation of the conflicts attendant to an investment in any Client Account. Additional conflicts may exist, including those that are not presently known to Brookfield Reinsurance Advisor or are deemed immaterial. In addition, as Brookfield's activities and the investment programs of Client Accounts and Brookfield Accounts change over time, an investment in any Client Account may be subject to additional

and different actual and potential conflicts of interest. Prospective investors should consult with their own advisers regarding the possible implications on their investment in any Client Account of the conflicts of interest described herein.

As noted above, activities and transactions that give rise to potential conflicts of interests between Client Accounts, on the one hand, and Brookfield, Brookfield Accounts, and other Client Accounts, on the other hand, generally will be resolved in accordance with the principles summarized herein and Brookfield's conflicts management policies and guidelines. Addressing conflicts of interest is complex, and it is not possible to predict all of the types of conflicts that may arise over time. Accordingly, the policy focuses on addressing the principal activities that give rise to potential and/or actual conflicts of interests. Conflicts may not be resolved in a manner that is favorable to a Client Account.

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

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

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

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

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

From time to time, subject to and in accordance with applicable law and the terms of Brookfield's conflicts policy, BAM Reinsurance Adviser expects (but is under no obligation) to effect cross trades and/or principal transactions pursuant to which Client Accounts purchase investments from or sell

investments to Brookfield and/or other Brookfield Accounts. Pursuant to applicable law and BAM Reinsurance Adviser's conflicts policy, certain of these transactions will require approval of a senior employee of the insurance or reinsurance company subsidiary that acts as the reinsurer in respect of the relevant Client Account and that is designated to provide such approval, which approval will be deemed to constitute the approval of, and be binding upon, such Client Account.

In light of the potential conflicts of interest and regulatory considerations relating to cross trades and/or principal transactions, including among others, BAM Reinsurance Adviser's conflicting division of loyalties and responsibilities to the parties in these transactions, BAM Reinsurance Adviser has developed policies and procedures in order to guide the effecting of such transactions. However, there can be no assurance that such transactions will be effected, or that such transactions will be affected in the manner that is most favorable to the Client Account that is a party to any such transaction.

## ITEM 12 – BROKERAGE PRACTICES

Brookfield generally has discretionary authority to determine, without obtaining specific client consent, the investments (including in securities) and the amount thereof to be bought or sold for a Client Account, subject to the conditions and restrictions contained in a Client Account's Investment Guidelines.

In determining the brokers through whom, and commission rates and other transaction costs at which, securities transactions for the Client Accounts are to be executed, BAM Reinsurance Adviser seeks to negotiate a combination of the most favorable commission and the best price obtainable, taking into account execution capability and trading expertise consistent with the effective execution of the transaction.

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

During 2021, Brookfield paid certain permitted costs via a soft dollar program with one US-based broker. These costs primarily comprised market data feeds and proprietary third-party research.

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

In the event that orders for the same security for more than one client are placed with the same broker, BAM Reinsurance Adviser 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 Reinsurance Adviser 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**

Client 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. BAM Re is 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 material change in the business of a portfolio investment.

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

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

### **ITEM 15 – CUSTODY**

BAM Reinsurance Adviser is deemed to have custody, as defined under Rule 206(4)-2 under the Advisers Act (the “Custody Rule”), of funds and securities of Client Accounts that it advises. BAM Reinsurance Adviser will comply with the Custody Rule with respect to each client for which it has custody. Client Accounts receive account statements on a quarterly or more frequent basis from their applicable custodians. Client Accounts should carefully review those account statements and are urged to compare those account statements to other statements they receive or have access to electronically, including statements provided by BAM Reinsurance Adviser, if any. BAM Reinsurance Adviser also verifies its

clients' cash and securities for which it has custody by actual examination at least once during each calendar year by an independent public account firm at a time of the firm's choosing without prior notice to BAM Reinsurance Adviser (a "Surprise Examination"). The accounting firm's report regarding the Surprise Examination will be publicly available on the Form ADV-E at the website provided on the cover page of this Brochure.

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

BAM Reinsurance Adviser has discretionary authority to manage the portfolios of certain of the Client Accounts pursuant to their Investment Guidelines. Consent from a Client Account is required for BAM Reinsurance Adviser to invest in securities or interests outside of its investment objectives, or as otherwise indicated by a Client Account's investment management agreement with BAM Reinsurance Adviser.

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

BAM Reinsurance Adviser may be deemed to have authority to vote proxies relating to the portfolio investments in which a Client Account invests. Therefore, Brookfield has adopted a set of policies and procedures (the "Proxy Policy") in compliance with Rule 206(4)-6 under the Advisers Act. To the extent BAM Reinsurance Adviser exercises or is deemed to be exercising voting authority over Client Account securities, the Proxy Policy is designed and implemented in a manner reasonably expected to ensure that voting with respect to proxy proposals, amendments, consents or resolutions (collectively, "proxies") is exercised in a manner that serves the best interest of the Client Account, as determined by BAM Reinsurance Adviser in its discretion. Notwithstanding the foregoing, because proxy proposals and individual company facts and circumstances may vary, BAM Reinsurance Adviser may not always vote proxies in accordance with the Proxy Policy.

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

Clients may request a copy of the Proxy Policy and the voting records relating to proxies of the Client Account by contacting BAM Reinsurance Adviser at the email address or phone number provided on the cover page of this Brochure.

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

Not applicable.