The Case for Global Listed Infrastructure

Infrastructure plays a critical role in our everyday lives. Global commerce depends on a massive transportation system of roads, railroads, ports and airports to transport goods around the world. Our cell phones would not work without wireless towers, or the electricity used to charge batteries and transmit data. And we could not fill our gas tanks without the vast network of pipelines that transports energy from the well.

Our view is that global listed infrastructure also has a critical role to play in portfolios via a long-term strategic allocation. The case for exposure to global infrastructure equities is based on the historical investment characteristics of the asset class, including:

1. **Consistent and Higher Cash Flows:** Global infrastructure equities have historically generated more consistent and higher cash flows than global equities.
2. **A Strong Total Return Profile:** The asset class has historically provided higher income and capital appreciation than the broader global equity market.
3. **Insulation from Inflation:** Global infrastructure equities have exhibited positive sensitivity to inflation, outperforming global equities historically during periods of elevated inflation.

We define the global listed infrastructure universe, delve into what history can tell us about the long-term case for allocating to global infrastructure equities, and explain the potential advantages of Brookfield's approach to accessing the asset class.

The Global Listed Infrastructure Universe

A HETEROGENEOUS OPPORTUNITY SET

The essential services provided by infrastructure—utilities, energy infrastructure, communications and transportation—form the backbone of the global economy. Infrastructure equities—the stocks of public companies that own and operate infrastructure assets—offer exposure to the same types of investable assets found in private markets. But they also have the liquidity, transparency and corporate governance found in public markets.

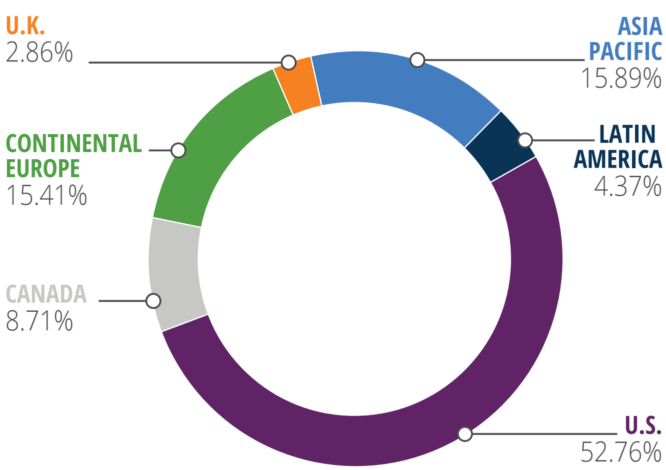
The asset class has grown substantially in recent years, driven by privatization; the buildout of essential services in emerging markets; and the replacement of obsolete assets in developed markets. We divide the global infrastructure equity universe into four main sectors: Energy, Utilities, Transportation and Communications. These sectors are made up of diverse industries and business models, yet they tend to share several fundamental characteristics:

- Monopolistic business models with high barriers to entry, including regulations and economies of scale
- Steady demand for the essential goods and services they provide
- Contracted or regulated revenues, with pricing that is frequently linked to inflation
- Long-lived assets

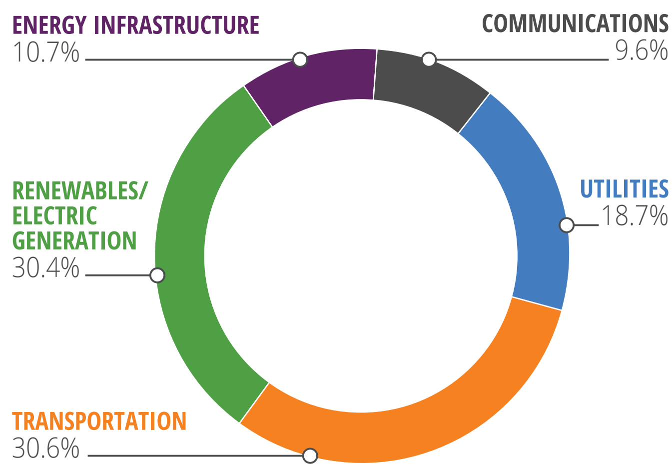
The global listed infrastructure universe is broadly diversified by geography, sector and industry. We illustrate this in the charts below.

THE GLOBAL LISTED INFRASTRUCTURE UNIVERSE IS BROADLY DIVERSIFIED

Broad Regional Diversification



Broad Sector Diversification



As of June 30, 2022. Data represent the FTSE Global Core Infrastructure 50/50 Index. Source: FactSet.

A CROSS SECTION OF INDUSTRY GROUPS

TRANSPORTS (~85 COMPANIES)

- Airports
- Toll Roads
- Ports
- Railroads

ENERGY INFRASTRUCTURE (~75 COMPANIES)

- Natural Gas Gathering & Processing Systems & Long-Haul Pipelines
- Crude Oil & Refined Product Pipelines
- Liquefied Natural Gas Export Facilities
- Storage

UTILITIES (~220 COMPANIES)

- Gas
- Water
- Renewables/Electric Generation
- Electricity Transmission and Distribution

COMMUNICATIONS (~25 COMPANIES)

- Wireless Towers
- Broadcast Towers
- Satellites
- Fiber/Wireline Networks

As of As of June 30, 2022. Source: Brookfield Public Securities Group LLC.

Timeless Investment Considerations

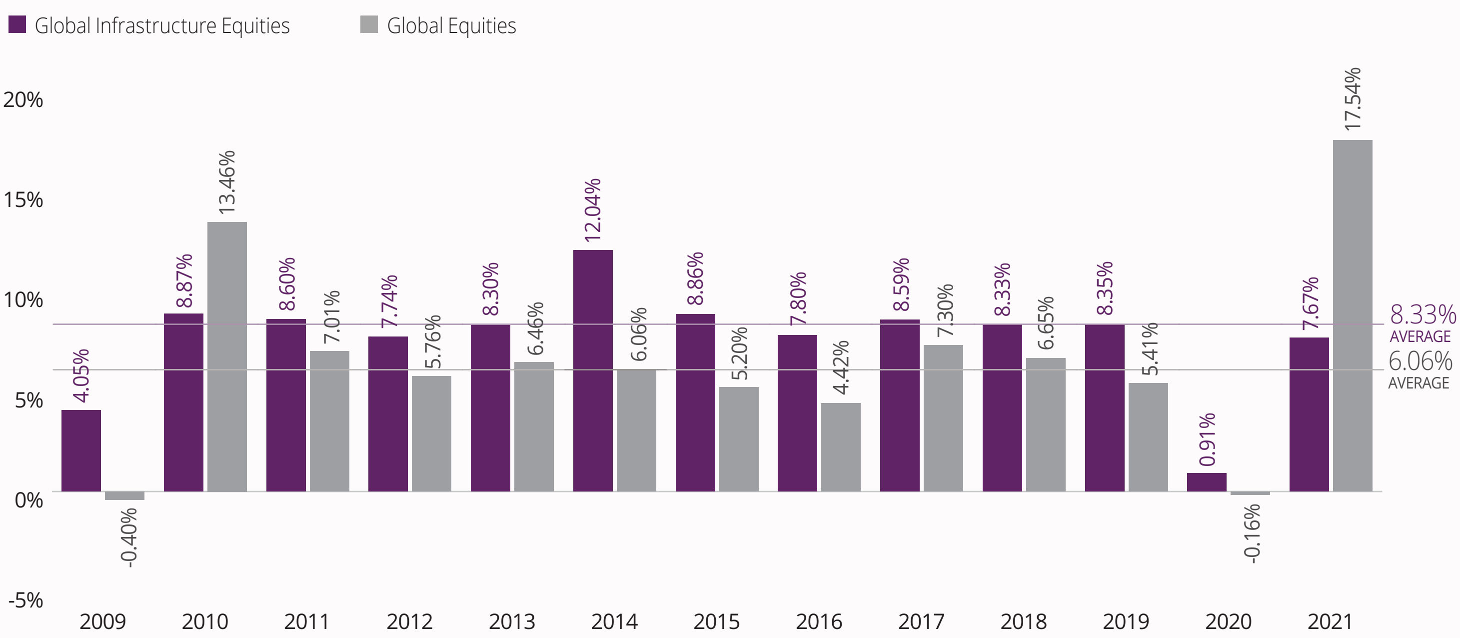
1. CONSISTENT AND HIGHER CASH FLOWS

Global listed infrastructure companies have a long history of generating more consistent and higher cash flows than firms representing the broader equity market. This is partly a result of infrastructure's monopolistic properties, including the presence of regulation and long-term contracts that reduce competition. We also attribute these cash-flow characteristics to relatively steady demand for infrastructure's essential services, the price escalators built into many contracts, and the long-lived nature of infrastructure assets. Infrastructure companies generally have high fixed costs early in their lives and then generate growing predictable cash flows once their assets come into service and operate over substantial periods of time.

EBITDA (earnings before interest, taxes, depreciation and amortization) is a commonly used measure of cash-flow-generation capacity. The chart below compares the historical annual growth of EBITDA for the Dow Jones Brookfield Global Infrastructure Composite Index with that of the MSCI All Country World Index. For calendar years 2009 through 2021, the 8.33% average EBITDA growth for global infrastructure equities exceeded the average annual EBITDA growth of global equities. The purple bars depict the generally higher and steadier cash flows generated by infrastructure equities.

GLOBAL INFRASTRUCTURE EQUITIES HISTORICALLY HAVE HAD HIGHER CASH FLOWS THAN GLOBAL EQUITIES

ANNUAL EBITDA GROWTH OF GLOBAL INFRASTRUCTURE EQUITIES VS. GLOBAL EQUITIES



As of September 30, 2022. Global Infrastructure and Global Equities are represented by the Dow Jones Brookfield Global Infrastructure Composite Index and the MSCI All Country World Index, respectively. Brookfield has no direct role in the management of the Dow Jones Brookfield Global Infrastructure Composite Index. Global Infrastructure EBITDA growth is derived using the constituents of the Dow Jones Brookfield Global Infrastructure Composite Index and represents median EBITDA (earnings before interest, taxes, depreciation and amortization) growth. Brookfield Public Securities Group cannot warrant that cash flow levels will meet historical percentages shown above. Source: Brookfield Public Securities Group research and estimates; FactSet; S&P Dow Jones Indices; ICE BofA Global Quantitative Strategy; MSCI; IBES; Worldscope. **See index definitions and disclosures at the end of this report. Indexes are unmanaged and cannot be purchased directly by investors. Past performance is no guarantee of future results.**

2. A STRONG TOTAL RETURN PROFILE

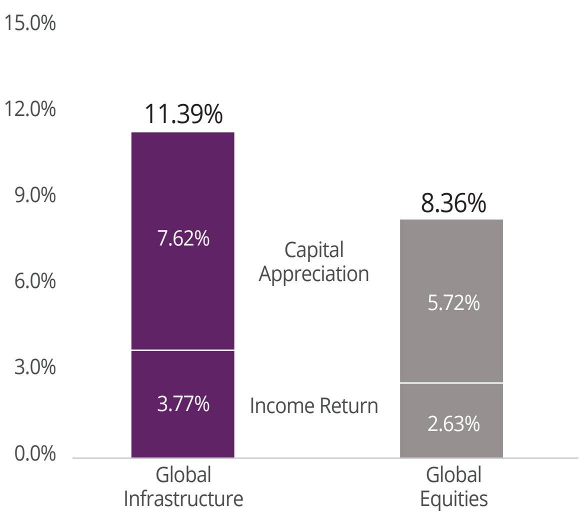
We believe global listed infrastructure offers an effective way to approach the investment objectives of long-term capital appreciation and current income. Infrastructure equities have a long history of attractive capital appreciation and dividend income characteristics.

The capital appreciation realized by infrastructure equities has historically significantly exceeded that of global equities. Additionally, the income return of infrastructure equities has also surpassed that of global equities. (See the chart below.)

We believe infrastructure's historically higher EBITDA growth has likely been a key driver of the asset class's higher capital appreciation and income returns. Infrastructure's characteristics—essential services with inherently inelastic demand, limited competition and regulated revenues—help support stable and substantial cash flows. These predictably growing cash flows have historically translated into defensive outperformance in down markets and attractive dividend income for investors.

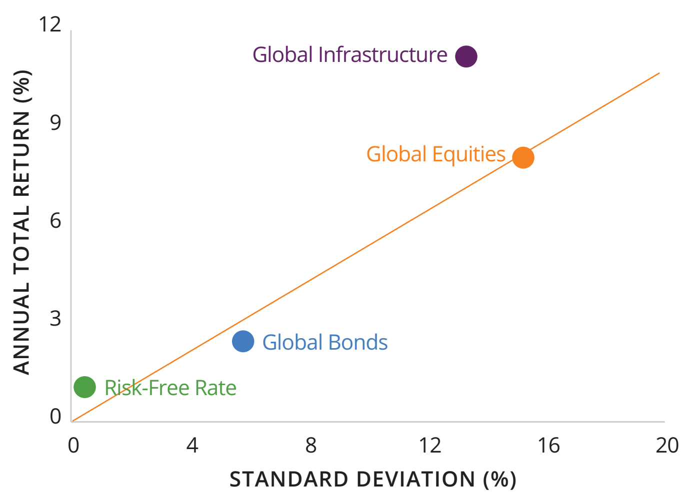
We believe global infrastructure's higher income and capital appreciation have helped drive a historically favorable risk-return profile. The chart below compares the risk-return characteristics of global listed infrastructure equities to those of equities and bonds since 2003. Notably, listed infrastructure generated higher total returns than global equities, with lower volatility, as measured by standard deviation.

HIGHER INCOME AND CAPITAL APPRECIATION THAN GLOBAL EQUITIES



As of September 30, 2022. Data from January 1, 2003 through September 30, 2022. Global Equities are represented by the MSCI World Index. Global Infrastructure is represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and the Datastream World Pipelines Index through July 31, 2008, the Dow Jones Brookfield Global Infrastructure Index from July 31, 2008 through December 31, 2019, and the FTSE Global Core Infrastructure 50/50 Index thereafter. Brookfield has no direct role in the day-to-day management of the Dow Jones Brookfield Global Infrastructure Index. Source: Bloomberg. **See index definitions and disclosures at the end of this report. Index performance is not indicative of any Brookfield portfolio, fund or composite performance. Indexes are unmanaged and cannot be purchased directly by investors. Past performance is no guarantee of future results**.

LISTED INFRASTRUCTURE GENERATED HIGHER TOTAL RETURNS THAN GLOBAL EQUITIES, WITH LOWER VOLATILITY



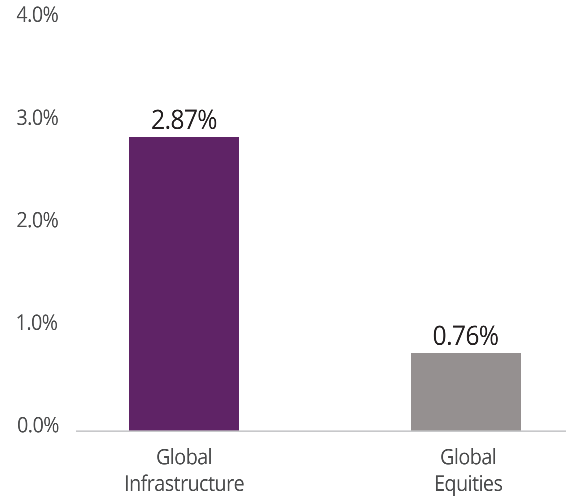
As of September 30, 2022. Data from January 1, 2003 through September 30, 2022. Global Equities are represented by the MSCI World Index and Global Bonds by the Bloomberg Barclays Global Aggregate Index. Global Infrastructure is represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and the Datastream World Pipelines Index through July 31, 2008, the Dow Jones Brookfield Global Infrastructure Index from July 31, 2008 through December 31, 2019, and the FTSE Global Core Infrastructure 50/50 Index thereafter. Brookfield has no direct role in the day-to-day management of the Dow Jones Brookfield Global Infrastructure Index. Risk-Free Rate is represented by the ICE BofA Merrill Lynch 3-Month Treasury Index. Standard Deviation measures the degree to which an investment's return varies from its mean return. The higher the standard deviation, the higher the risk. Source: Bloomberg. **See index definitions and disclosures at the end of this report. Index performance is not indicative of any Brookfield portfolio, fund or composite performance. Indexes are unmanaged and cannot be purchased directly by investors. Past performance does not guarantee future results.**

3. INSULATION FROM INFLATION

Our research shows that global infrastructure equities have historically outperformed broad equity and fixed-income markets in periods of elevated inflation. In the chart to the right, we compare the historical performance of global equities and global listed infrastructure during periods of above-average inflation between January 2003 and September 2022.

We largely attribute this outperformance to the contracted or regulated revenues of infrastructure companies, which often have periodic escalators linked to inflation. We calculate that roughly 70% of the companies in our investable universe have inflation indexing built into their respective tariff mechanisms. In addition, end-user demand tends to be relatively inelastic, meaning it does not alter significantly when prices change. This is because of the essential nature of infrastructure products and services, which often have few, if any, viable alternatives amid high barriers to entry.

BETTER PERFORMANCE IN PERIODS OF ABOVE-AVERAGE INFLATION



As of September 30, 2022. Data from January 1, 2003 through September 30, 2022. Above-average inflation is defined as quarters during which the Consumer Price Index (CPI) was above average. During the time period analyzed, average CPI was 2.46%, and there were 32 above-average quarters. Global Equities are represented by the MSCI World Index. Global Infrastructure is represented by an equal blend of the Datastream World Gas, Water & Multi-Utilities Index and the Datastream World Pipelines Index through July 31, 2008, the Dow Jones Brookfield Global Infrastructure Index from July 31, 2008 through December 31, 2019, and the FTSE Global Core Infrastructure 50/50 Index thereafter. Brookfield has no direct role in the day-to-day management of the Dow Jones Brookfield Global Composite Infrastructure Index. Source: Bloomberg. **See index definitions and disclosures at the end of this report. Index performance is not indicative of fund performance. Indexes are unmanaged and cannot be purchased directly by investors.**
Past performance is not indicative of future results.

Why Active Management Matters

While listed infrastructure can be accessed through passive and active approaches, our view is that capturing the evolving asset class's exciting opportunities, and portfolio benefits, requires an active manager.

Active managers understand how diverse infrastructure is. Even within infrastructure industry groups, the characteristics of individual companies and assets vary, especially across geographies. These differences help explain the wide gaps and shifting winners and losers we observe in historical infrastructure index returns.

NOT ALL INFRASTRUCTURE COMPANIES ARE CREATED EQUAL

There are several considerations when assessing the overall risk and return profile of a given infrastructure investment.

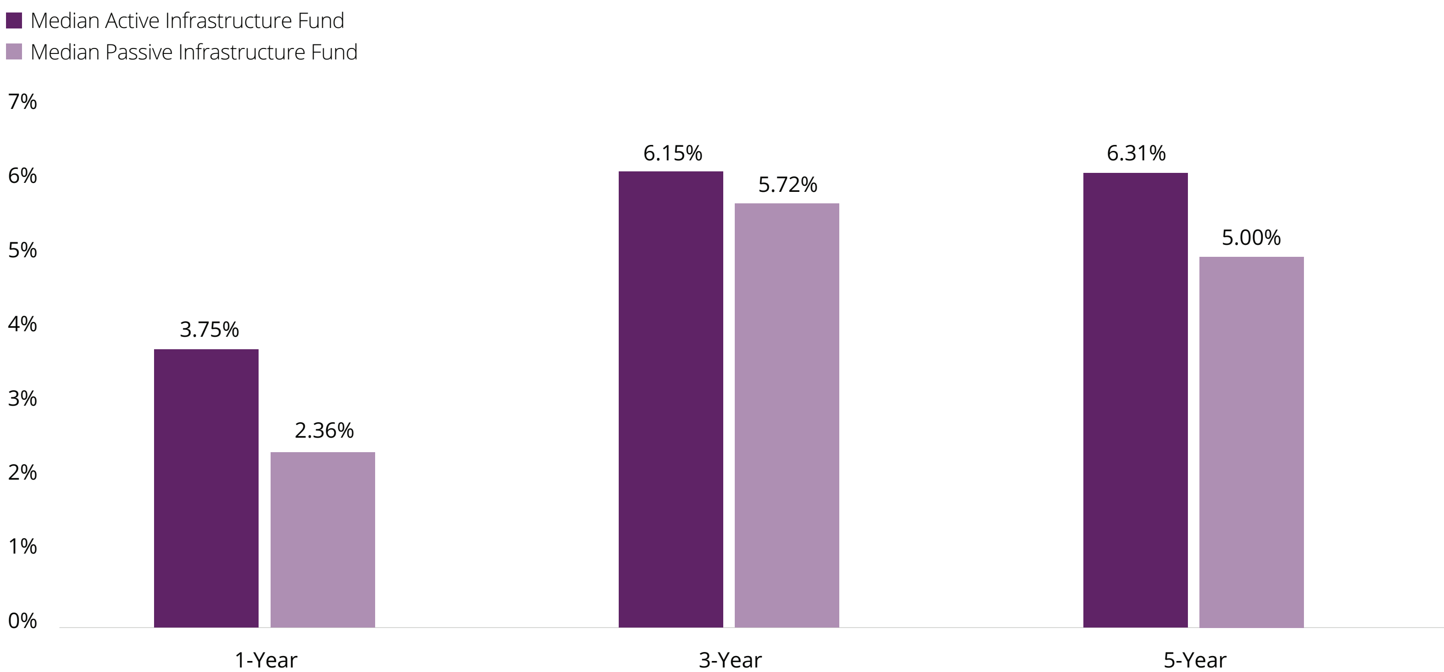
Geography	U.S., Canada, Western Europe, Australia	Other Organization for Economic Cooperation and Development (OECD) countries	Emerging markets
Cash Flow Profile	Predominantly contracted or regulated	Partially contracted or regulated	Dependent on volume and price
Volume & Pricing Sensitivity	Low	Medium	High
Operational Maturity	Mature	Maturing	Under development
	LOWER RISK	**RISK**	**HIGHER RISK**

As of August 31, 2022. Based on Brookfield internal research. The information provided here reflects Brookfield's perspectives and beliefs. Any conclusions provided here are based on various assumptions, any of which may prove to be incorrect.

Active managers can potentially take advantage of the diverse nature of infrastructure. They can use their research expertise and deep understanding of fundamentals to figure out which companies offer the best value opportunities, due to market mispricing, and adjust portfolios accordingly. Active managers also can leverage their global perspective and in-depth research to understand, and properly price, such regulatory risks across jurisdictions.

Active managers have historically outperformed their passive counterparts over the short, medium and long terms. We attribute this outperformance to active managers' ability to capitalize on the heterogenous nature of infrastructure, and market inefficiencies and temporary dislocations, to find opportunity and tactically adjust portfolios accordingly.

ACTIVE LISTED INFRASTRUCTURE FUNDS HAVE OUTPERFORMED PASSIVE EXPOSURES HISTORICALLY OVER THE SHORT TERM AND THE LONG TERM



As of July 31, 2022. Source: Morningstar. The analysis includes all mutual funds and ETFs in Morningstar's Infrastructure category, and represents the median, or midpoint, performance of funds in the category. The median passive and active infrastructure funds represent the midpoint performance among the active infrastructure funds (27 funds for the 1-year analysis, 24 for the 3-year analysis and 21 for the 5-year analysis) and passive infrastructure funds (10 funds for the 1-year analysis, 9 for the 3-year analysis and 5 for the 5-year analysis) in Morningstar's Infrastructure category. **Past performance is not indicative of future results.**

The Brookfield Advantage

We believe capturing the advantages of active management and potential outperformance and capital preservation possibilities requires an active manager with the right ingredients. Key recipes for success include a dedicated focus on the infrastructure asset class, deep expertise in fundamental research, extensive company engagement, and a global owner-operator perspective. Brookfield Asset Management's Public Securities Group invests based on a philosophy that we believe sets us apart from our peers.

We rely on in-depth, bottom-up fundamental analysis to identify high-quality infrastructure assets that are attractively priced below their intrinsic value. Our research process involves evaluating each company based on factors such as valuation, management quality and balance sheet strength, while also leveraging Brookfield's extensive experience investing in, operating and managing infrastructure assets globally. Our portfolios represent our best ideas globally, identified through our distinct research process and contrarian thinking.

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All investing involves risk. The value of an investment will fluctuate over time, and an investor may gain or lose money, or the entire investment. Past performance is no guarantee of future results.

Infrastructure companies may be subject to a variety of factors that may adversely affect their business or operations, including high interest costs in connection with capital construction programs, high leverage, costs associated with environmental and other regulations, the effects of economic slowdown, surplus capacity, increased competition from other providers of services, uncertainties concerning the availability of fuel at reasonable prices, the effects of energy conservation policies and other factors.

FORWARD-LOOKING STATEMENTS

Information herein contains, includes or is based upon forward-looking statements within the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended, and Canadian securities laws. Forward-looking statements include all statements, other than statements of historical fact, that address future activities, events or developments, including, without limitation, business or investment strategy or measures to implement strategy, competitive strengths, goals, expansion and growth of our business, plans, prospects and references to our future success. You can identify these statements by the fact that they do not relate strictly to historical or current facts. Words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other similar words are intended to identify these forward-looking statements. Forward-looking statements can be affected by inaccurate assumptions or by known or unknown risks and uncertainties. Many such factors will be important in determining our actual future results or outcomes. Consequently, no forward-looking statement can be guaranteed. Our actual results or outcomes may vary materially. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

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INDEX DEFINITIONS

The Bloomberg Barclays Global Aggregate Index is a market-capitalization-weighted index comprising globally traded investment-grade bonds. The index includes government securities, mortgage-backed securities, asset-backed securities and corporate securities to simulate the universe of bonds in the market. The maturities of the bonds in the index are more than one year.

The FTSE Global Core Infrastructure 50/50 Index gives participants an industry-defined interpretation of infrastructure and adjusts the exposure to certain infrastructure subsectors. The constituent weights are adjusted as part of the semi-annual review according to three broad industry sectors: 50% Utilities; 30% Transportation, including capping of 7.5% for railroads/railways; and a 20% mix of other sectors including pipelines, satellites and telecommunication towers. Company weights within each group are adjusted in proportion to their investable market capitalization.

The Datastream World Index Series of infrastructure-related sectors, including Gas, Water & Multi-Utilities, Materials and Oil & Gas Pipelines, is used as a proxy for infrastructure prior to the inception of the Dow Jones Brookfield Global Infrastructure Index in the exhibits of this report. These indexes are compiled by Thomson Reuters Datastream.

The Datastream World Pipelines Index is an index of global energy pipeline companies, as compiled by Thomson Reuters Datastream.

The Dow Jones Brookfield Global Infrastructure Composite Index comprises infrastructure companies with at least 70% of their annual cash flows derived from owning and operating infrastructure assets, including Master Limited Partnerships ("MLPs"). Brookfield has no direct role in the day-to-day management of any Brookfield-branded indexes.

The Dow Jones Brookfield Global Infrastructure Index is calculated and maintained by S&P Dow Jones Indices and comprises infrastructure companies with at least 70% of their annual cash flows derived from owning and operating infrastructure assets, excluding Master Limited Partnerships. Brookfield has no direct role in the day-to-day management of any Brookfield-branded indexes.

The MSCI All Country World Index (ACWI) is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets, net of dividend withholding taxes.

The MSCI World Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

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