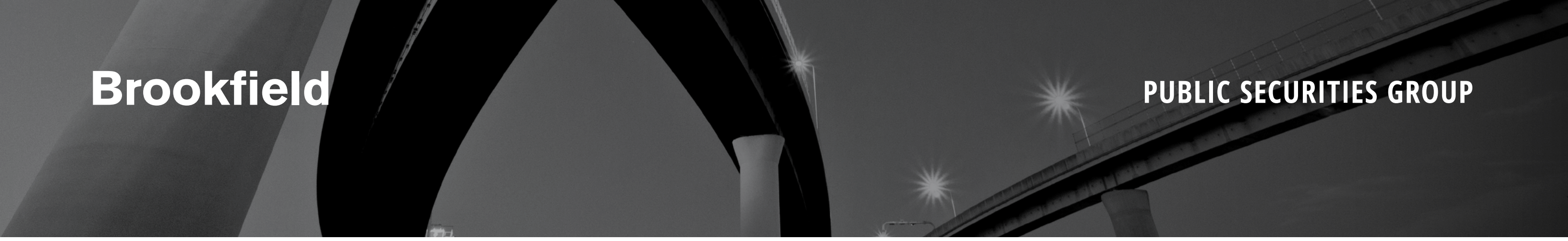


Why Active Management Matters for Listed Infrastructure

Investor interest in listed infrastructure has increased dramatically in recent years, with growing recognition that the asset class can potentially play a meaningful role in client portfolios. The inability of government budgets to fund much-needed spending on infrastructure has created growing opportunity for investors to potentially benefit from the favorable characteristics of the asset class. These attributes include the potential for consistent long-term cash flows, inflation protection mechanisms and a favorable risk/return profile.

We believe the long-term outlook for global infrastructure equities is attractive. 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. Here's why.

Active managers understand how diverse infrastructure is. Infrastructure is not a clearly defined asset class, though it commonly is viewed as consisting of the companies that own and operate the assets that form the backbone of the global economy. We approach infrastructure from this perspective and view the asset class as comprising four core sectors of companies that provide infrastructure products and services: transportation, energy infrastructure, utilities and communications.

These infrastructure sectors are composed of diverse industry groups, each with distinct fundamentals and macroeconomic sensitivities (e.g., responses to economic

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.

activity, interest rates and inflation). In addition, even within these 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. 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 can navigate the varied global regulatory environment. Infrastructure regulations, policies and politics can vary by country—and even by locality—introducing additional complexities to the infrastructure universe. These geographical differences may provide value opportunities for active investors who can leverage their global perspective and in-depth research to understand, and properly price, such risks across jurisdictions.

For instance, we are closely watching the potential impacts of a gas shortage on European utilities. Some companies may be contractually obligated by local governments to provide gas, regardless of the source, while some may face "windfall taxes" on profits derived from high power prices. Such price impacts may negatively affect earnings, and they have already weighed on the equities of European utilities. Yet these regulations are unlikely to be uniformly imposed across Europe, creating potential opportunities for active managers who can properly price risk and take advantage of value-driven opportunities arising from geographical differences.

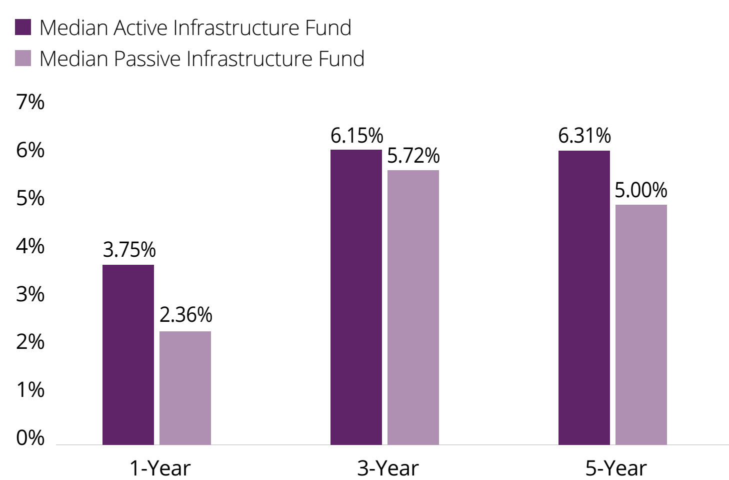
Another example related to regulations already in place: water utilities. At first glance, water assets appear to be relatively straightforward—delivering water via a network of pipes. Beneath the surface, however, there are differences in the regulations that govern water utilities across the globe. Take the U.K. and the U.S. In these two regions there are key regulatory differences, including regarding how increases in inflation impact the allowed rate of return utilities can earn, and in the U.S. regulations vary even between states. Passive exposures allocate to all water utilities in their benchmarks regardless of the market scenario. In contrast, an active manager can tactically adjust exposures based on an in-depth understanding of how the regulatory nuances may impact individual water utilities in different market conditions.

Active managers can look beyond benchmarks. Active managers do not have to be benchmark-constrained. They can take a dynamic and flexible approach to uncover new opportunities that may not be included in traditional infrastructure benchmarks but have strong growth prospects as the asset class continues to evolve.

How the world works is continually evolving, and infrastructure adapts with it. By using an in-depth process to understand changing business models and regulatory environments, an active manager can spot emerging opportunities that have characteristics similar to traditional infrastructure. One such example we see currently: waste-management companies, which we believe are poised to benefit as the global economy shifts toward a greener "circular" model. These companies tend to share many characteristics with infrastructure companies, including monopolistic business models, steady cash flows and long-term contracts with inflation escalators built in. Active managers can seek to capture such outside-the-benchmark opportunities.

Active managers can outperform. 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.

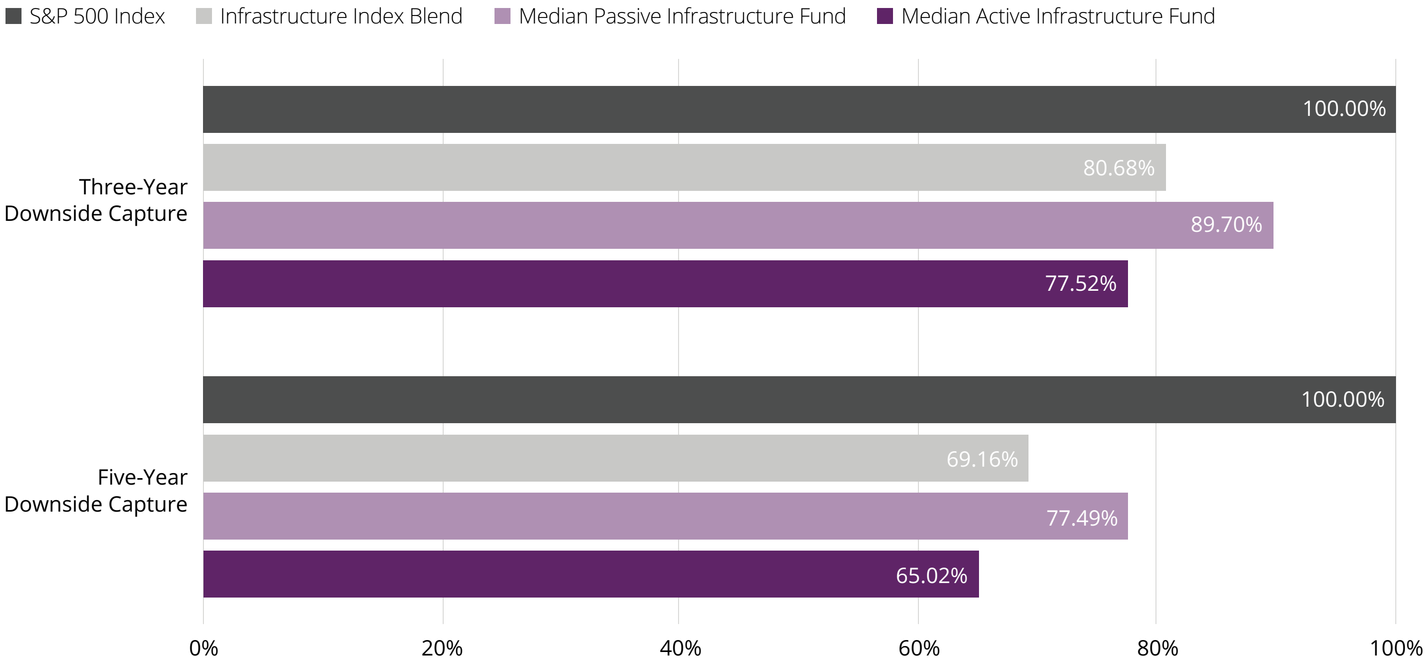
ACTIVE LISTED INFRASTRUCTURE FUNDS HAVE OUTPERFORMED PASSIVE EXPOSURES HISTORICALLY OVER THE SHORT TERM AND THE LONG TERM



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. **Past performance is not indicative of future results.**

Active managers can be defensive. Listed infrastructure exposures have historically performed relatively well vs. broader markets during down markets. We believe this is due to infrastructure companies' unique characteristics, including long-term contracted cash flows, monopolistic business models with high barriers to entry, and inelastic demand. Active managers, however, have historically been even more defensive during down markets, given their ability to be tactical. While passive exposures reflect their benchmarks regardless of market conditions, active managers can perform in-depth due diligence to determine which companies may provide the best risk-reward profile in a given market scenario and allocate accordingly.

ACTIVE FUNDS CAN BE MORE DEFENSIVE THAN PASSIVE EXPOSURES



As of July 31, 2022. Source: Morningstar. The analysis includes all mutual funds and ETFs in Morningstar's Infrastructure category. The median passive and active infrastructure funds represent the midpoint downside capture values 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. The downside capture percentage shows whether a given fund has outperformed—lost less than—a broad market benchmark during periods of market weakness, and if so, by how much. A figure less than 100% indicates that a fund has lost less than its benchmark in periods when the benchmark has been in the red. The downside capture percentage is calculated vs. the S&P 500. The Infrastructure Index Blend is an equal-weighted blend of the following indexes: the Dow Jones Brookfield Global Infrastructure Index, the Dow Jones Brookfield Global Infrastructure Composite Index, the FTSE Global Core Infrastructure 50/50 Index and the S&P Global Infrastructure Index. See disclosures for full index definitions. **Past performance is not indicative of future results. Indexes are unmanaged and cannot be purchased directly by investors.**

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.

RISK DISCLOSURES

There are risks involved with investing in Listed Infrastructure, including possible loss of principal. Infrastructure companies may be subject to a variety of factors that may adversely affect their business, including high interest costs, high leverage, regulation costs, economic slowdown, surplus capacity, increased competition, lack of fuel availability and energy conservation policies.

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INDEX DEFINITIONS

The Dow Jones Brookfield Global Infrastructure Composite Index is calculated and maintained by S&P Dow Jones Indexes and comprises infrastructure companies with at least 70% of their annual cash flows derived from owning and operating infrastructure assets, including master limited partnerships (MLPs). Data presented in this report reflect performance and characteristics of the index and not those of a Brookfield fund or composite. Brookfield is not involved in the management of the Dow Jones Brookfield Global Infrastructure Composite Index.

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 (MLPs). Brookfield has no direct role in the day-to-day management of any Brookfield-branded indexes.

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 S&P 500 Index is an equity index of 500 widely held, large-capitalization U.S. companies.

The S&P Global Infrastucture Index is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation and utilities.

CONTACT US

brookfield.com | publicsecurities.enquiries@brookfield.com