

Opportunities Across the Alternatives Landscape

CONTENTS

2 Introduction	3 Private Credit: A Positive Outlook for Investors	5 Infrastructure: Leveraging the Benefits of Private Infrastructure Debt	7 Real Estate: At an Inflection Point?	9 Alts Market Dashboard
-------------------	---	--	---	-------------------------------

Introduction

Risk assets continued to rally in the second quarter of 2024, with major stock indexes reaching record highs. The equity rally has been largely driven by technology stocks, particularly those related to the artificial intelligence boom, albeit amid a relatively positive macro environment. Going forward, however, the outlook is less certain, with geopolitical and economic uncertainty on the horizon both in the U.S. and abroad.

Against that backdrop, in this issue of the *Alts Quarterly* we discuss the current environment and outlook for three alternative investments: private credit, infrastructure and real estate. We believe including alternative investments can help strengthen portfolios and make them more diversified by potentially enhancing returns, generating income, mitigating risk and hedging against inflation. But the case for alternative investments is bolstered by an attractive current environment and appealing outlooks.

Specifically, we explore:

- **Private credit:** Higher interest rates from a historical perspective, relatively low defaults and rising demand, particularly for leveraged buyout (LBO) financing suggest a positive outlook for the private credit markets ahead.
- **Infrastructure:** We explore the benefits of private infrastructure debt and discuss why we believe an allocation to private infrastructure debt can be a compelling allocation within portfolios.
- **Real estate:** We examine why we believe commercial real estate is at an inflection point and where we see opportunities, namely in rental and student housing.

In addition, our quarterly Alts Market Dashboard shares some data, market and investing insights that we find interesting from across the alternatives investing universe. Notable numbers include:

- +1 bps: Cap rates stabilized across most asset classes, with cap rates seeing the smallest quarter-over-quarter increase (+1 bps) since the current hiking cycle began in 2022.¹
- 53%: Digital Infrastructure continues to drive fundraising, accounting for over half of all infrastructure fundraising in 2023.²
- 120 bps: Spread between private credit and high yield bonds continues widening quarter over quarter as market prices in rate cuts heading into year-end.³

Private Credit: A Positive Outlook for Investors

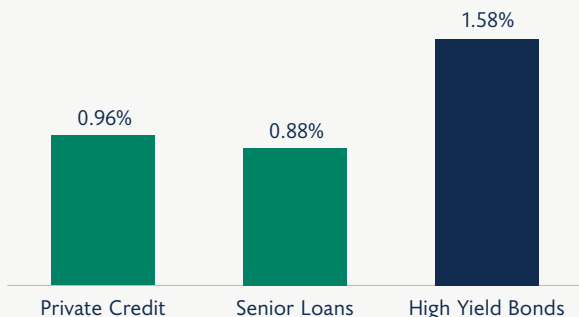
When 2024 began, there were widespread expectations that interest rates would decline this year. However, interest rates have not declined as much as originally anticipated, and are still considered relatively high in a historical context. This is poised to change in the coming months, as recent indicators suggest a deceleration in the labor market, providing the window for the Federal Reserve to lower interest rates. We believe Private Credit will continue to be an attractive asset class for two main reasons: even with rate cuts from the Federal Reserve, interest rates should stay higher than recent norms, ensuring ongoing income for investors. Additionally, these cuts should ease financial pressures on borrowers, providing support for continued low default rates.

Moreover, private credit default rates in the U.S., an indicator of financial pressure, remain modest despite elevated interest rates. Historically, private credit has typically exhibited a low credit loss rate.⁴ Over the last 10 years, for example, private credit had a loss rate of less than 1%, well below that of high yield (Figure 1). More recently, the trailing 12-month private credit default rate by issuer count (through March 20, 2024) stands at 2%, or 1.5% and 3.5% for sponsor-owned (in other words, owned by a private equity firm) and non-sponsor-owned borrowers (those not owned by a private equity firm), respectively.⁵

At the same time, demand remains robust for private credit as the flow of funding for deals continues to be strong. According to KBRA Analytics, which tracks direct lending deals, the first quarter of 2024 saw \$49.3 billion in U.S. direct lending volume, a 155% increase from the \$19.4 billion tracked a year ago. Despite the mixed signals present today stemming from a bifurcated U.S. economy, the better part of the first half of the year provided a moment of clarity around the economy which helped deal flow return to normal. We believe this could portend the potential for a bigger bump in the second half, unless current mixed signals evolve into bigger shocks. In addition, non-listed business development companies' (BDC) sales increased by 11.5% in the first three months of 2024 from the prior three-month period, according to Stanger Research.⁶

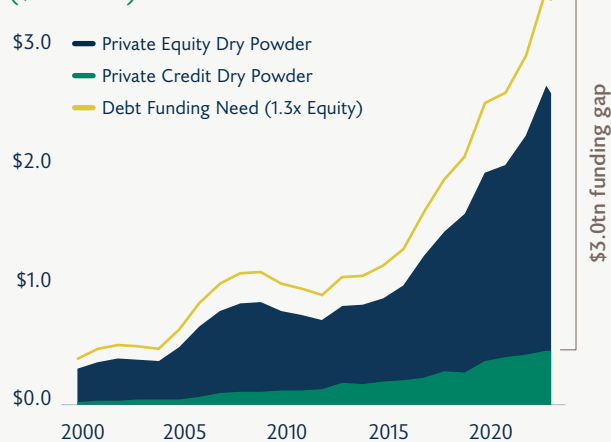
Meanwhile, on the supply side, LBO⁷ debt financing continues to face a significant funding gap at a time when private equity funds continue to hold record-high levels of capital available for such deals; what is often referred to as “dry powder” (Figure 2). As a result, the demand for debt financing has risen

Figure 1: Private Credit and Senior Loans Have Exhibited Less Than 1% Realized Credit Losses Over the Last 10 Years



Past performance does not guarantee future results. An investor cannot invest in an index. Data represents last 10 years ending December 31, 2023. Private Credit represented by Cliffwater Direct Lending Index. High Yield Bonds represented by the Bloomberg U.S. High Yield Index. Senior Loans represented by Morningstar LSTA U.S. Leveraged Loan Index. Source: JPMorgan Markets, Bloomberg, Morningstar, Cliffwater.

Figure 2: Significant Funding Gap for LBO Debt Financing (\$ trillions)



As of March 31, 2024, unless otherwise noted. Source: Preqin, Bloomberg, Pitchbook LCD.

meaningfully. The amount of debt funding needed to support the current level of private equity dry powder is estimated to be roughly \$2.9 trillion, assuming a debt-to-equity financing ratio of 1.3x.⁸

The bottom line: The following factors: relatively low defaults and rising demand, particularly for LBO financing suggest a positive outlook for the private credit markets for the near to medium term.



Infrastructure: Leveraging the Benefits of Private Infrastructure Debt

Infrastructure investing offers a range of potential benefits for investors, including diversification, income and risk mitigation. Although infrastructure consists of a wide range of the assets that underpin the global economy, from roads and bridges to data centers and renewable energy projects, they all share a set of common characteristics that contribute to the appeal of the asset class. For example, they offer essential services, have high barriers to entry, enjoy long operational lives, have contracted or regulated revenues tied to inflation, and typically have high operating margins.

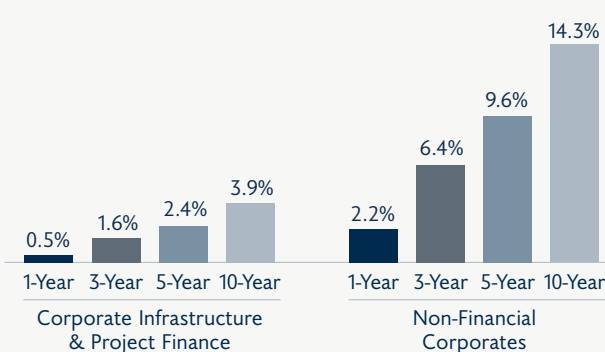
Investors can access these opportunities through both public and private equity markets – as well as through debt investments.

Private infrastructure debt emerged as a significant asset class alongside the rest of private credit following the 2008 Global Financial Crisis (GFC). Prior to that, the dominant financing sources for infrastructure lending had been banks, led mostly by international banks and their project finance groups. However, changes in the regulatory landscape after the GFC curtailed their appetite for this type of long-duration lending. These changes, coupled with the required investment across infrastructure, have opened up a significant need for private capital as a lender to owners and operators of these assets.

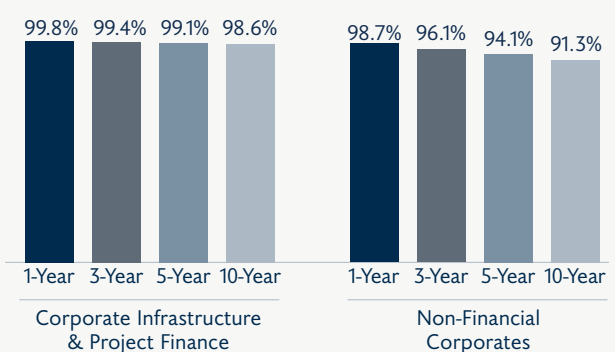
We believe an allocation to private infrastructure debt can be a compelling allocation within portfolios for three reasons:

- **Potential diversification benefits and incremental returns.** Because of the characteristics of the underlying assets mentioned above, infrastructure debt has the potential to offer diversification benefits to investment portfolios and attractive risk-adjusted returns.
- **Lower default rates.** Infrastructure debt generally has a lower incidence of default and higher recovery rates compared to non-financial corporate debt, according to a Moody’s analysis (see **Figure 3**). The cumulative five-year default rate for non-financial corporate debt has been 9.6%, while infrastructure corporates and project finance has been 2.4%. The inelastic demand for infrastructure services helps support the cash flows to service interest payments, while the essential nature of the underlying assets helps support the higher recovery rates if these assets do become distressed.

Figure 3: Overall Cumulative Default Rates



Overall Cumulative Recovery Rates



Source: Moody’s Infrastructure Default and Recovery Rates, 1983–2022.

- **Access to today's market opportunity:** We believe the world is in the midst of an infrastructure “super-cycle” marked by major efforts to modernize existing infrastructure, as well as invest in projects required as new technologies emerge. As a result, the need for private capital, for both debt and equity funding is only growing. According to Bloomberg, there is a need for \$200 trillion in investment over the next 30 years, primarily across what we have termed the “Three Ds”—digitalization, decarbonization and deglobalization.

The bottom line: When underwriting these investments, it's important for investors to consider the barriers to entry, growth plans, credit quality, and refinancing risks. We believe investors therefore can benefit from partnering with managers who have the requisite deep credit expertise, are able to deploy significant capital, which can reduce competition, and have a local presence in the markets they are investing in, which can facilitate direct deal sourcing. In our view, investors who do so will be best positioned to take advantage of the sector's attractive risk-adjusted returns and diversification benefits, while potentially earning a premium over loans made to similarly rated corporate debt.



Real Estate: At an Inflection Point

The Federal Reserve’s rate hikes, begun in March 2022 to combat high inflation, led to a historically rapid rise in interest rates. As a result of the high interest rate environment, financing became more expensive and challenging for commercial real estate markets. Consequently, real estate transaction volumes fell to a 10-year low as demand for assets fell dramatically. Property valuations felt a strong impact.

However, since the Fed and other global central banks halted interest rate hikes: rates have stabilized and are trending lower. The Fed’s goal had been to bring about a soft landing of the economy: lower inflation without harming growth. The good news is that it has been successful so far. The inflation rate is roughly three times lower than its peak in 2022, while economic growth remains steady.

Figure 4: Inflation Has Slowed as a Result of an Aggressive Hiking Cycle

Consumer Price Index

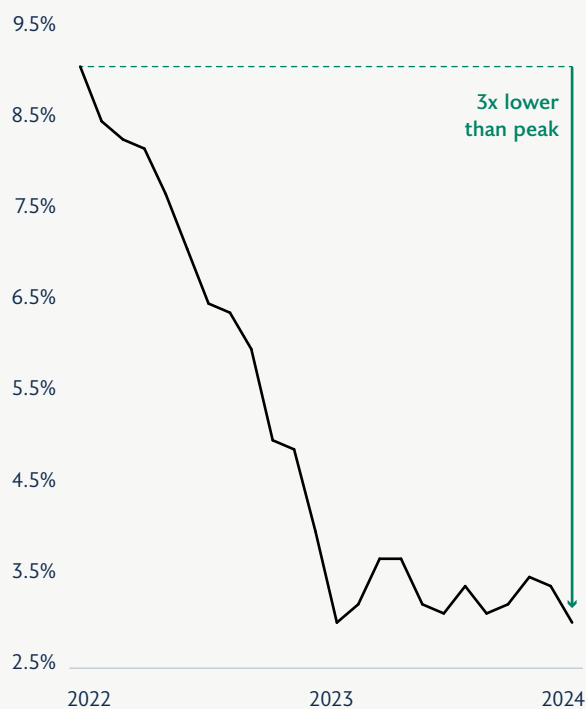
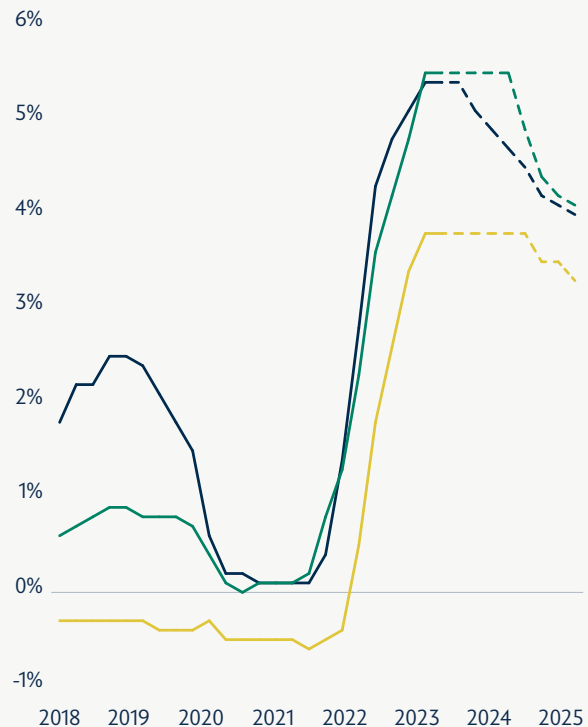


Figure 5: Global Interest Rates Are Stabilizing

U.K. U.S. Euro Area



Source: U.S. Bureau of Labor Statistics (LHS), Green Street (RHS) as of July 2024.

While rates are still high from a historical standpoint, a more stable interest rate environment is beginning to have an impact on commercial real estate markets. Commercial real estate lending has begun to return, after leveling off in 2023. The first quarter of 2024 saw \$108 billion worth of transactions as market participants began to gain comfort that property valuations were at or near a bottom.⁹ Debt capital issuance has also seen a strong revival, in the form of CMBS (Commercial Mortgage-Backed Securities) issuance, which has nearly tripled from the same point in 2023.¹⁰ All of this is a solid foundation for a recovery we believe is underway.

Meanwhile, real estate fundamentals have proved to be resilient across most sectors of real estate. A leading sector continues to be rental housing, particularly single-family rental and student housing, where there are large supply and demand imbalances. The U.S. is simply not building enough homes to keep pace with the demand of new household formations at a time when buying a home is much more unaffordable than it has been in the past. As for student housing, enrollment at top schools has increased rapidly over the past decade but construction of new purpose-built student housing has been constrained by lack of funding from schools and state budget cuts. The lack of supply has contributed to a healthy rate of rental growth, with 30% increases over the past decade, and has created an opportunity for private investment to develop and manage student housing.¹¹

The bottom line: We believe the real estate market outlook is at an inflection point and this is a great time to put capital to work in opportunities to acquire assets at an attractive basis. As shown below, many sectors are showing attractive discounts that have resilient fundamentals, including apartments, a key sector of rental housing, where there are strong discounts to peak pricing at -26%.¹² Over time, we believe there is potential for strong appreciation in high-quality real estate purchased now, especially once interest rates stabilize further and begin to decline.

Figure 6:
Discount to Peak: Recent Peak to Current Index
 March 2022 vs. May 2024
 (U.S. by Sector)



* Alternatives include self-storage, net lease, data center, manufactured housing, life sciences, gaming and single-family rental.
 Source: Greenstreet Commercial Property Price Index (June 2024).

Alts Market Dashboard

Below are some metrics to help investors interpret market conditions within various alternative asset classes. Brookfield and Oaktree believe the addition of both public and private alternatives can play an important role in an investor's portfolio.

<p>Credit</p>	<p>■ Private Credit ■ High Yield</p> <p>Annualized return (%)</p> <table border="1"> <thead> <tr> <th>Horizon</th> <th>Private Credit (%)</th> <th>High Yield (%)</th> </tr> </thead> <tbody> <tr> <td>1-Year</td> <td>12.5%</td> <td>11.0%</td> </tr> <tr> <td>5-Year</td> <td>9.2%</td> <td>4.0%</td> </tr> <tr> <td>10-Year</td> <td>8.9%</td> <td>4.4%</td> </tr> </tbody> </table>	Horizon	Private Credit (%)	High Yield (%)	1-Year	12.5%	11.0%	5-Year	9.2%	4.0%	10-Year	8.9%	4.4%	<p>\$15.6B Deal volume Q1 2024</p> <p>-58.0% 1-year change</p>	<p>11.72% Direct lending yield Q1 2024</p> <p>+72 bps YTD change</p>	<p>7.69% High-yield yield Q1 2024</p> <p>-48 bps YTD change</p>	<p>\$449B Dry powder Q1 2024</p> <p>+5.3% YTD change</p>	<ul style="list-style-type: none"> Private Credit defaults and loan losses have crept up but remain below historical averages and broadly syndicated loan default levels Spread between private/public yield continues widening
Horizon	Private Credit (%)	High Yield (%)																
1-Year	12.5%	11.0%																
5-Year	9.2%	4.0%																
10-Year	8.9%	4.4%																
<p>Infrastructure</p>	<p>■ Private Infra. ■ Public Infra.</p> <p>Annualized return (%)</p> <table border="1"> <thead> <tr> <th>Horizon</th> <th>Private Infra. (%)</th> <th>Public Infra. (%)</th> </tr> </thead> <tbody> <tr> <td>1-Year</td> <td>10.2%</td> <td>4.1%</td> </tr> <tr> <td>5-Year</td> <td>12.0%</td> <td>4.6%</td> </tr> <tr> <td>10-Year</td> <td>11.0%</td> <td>6.4%</td> </tr> </tbody> </table>	Horizon	Private Infra. (%)	Public Infra. (%)	1-Year	10.2%	4.1%	5-Year	12.0%	4.6%	10-Year	11.0%	6.4%	<p>\$58.8B Deal volume Q1 2024</p> <p>-22.9% 1-year change</p>	<p>3.51% Public infrastructure yield Q1 2024</p> <p>-18 bps YTD change</p>	<p>9.82x Public average EV/EBITDA multiple Q1 2024</p> <p>+0.2x YTD change</p>	<p>\$361B Dry powder Q1 2024</p> <p>+3.6% YTD change</p>	<ul style="list-style-type: none"> Digital Infrastructure continues to drive fundraising, accounting for 53% of all infrastructure fundraising in 2023 Public yields and valuations remained steady, despite elevated interest rates
Horizon	Private Infra. (%)	Public Infra. (%)																
1-Year	10.2%	4.1%																
5-Year	12.0%	4.6%																
10-Year	11.0%	6.4%																
<p>Private Equity</p>	<p>■ Private Equity ■ Public Equity</p> <p>Annualized return (%)</p> <table border="1"> <thead> <tr> <th>Horizon</th> <th>Private Equity (%)</th> <th>Public Equity (%)</th> </tr> </thead> <tbody> <tr> <td>1-Year</td> <td>6.7%</td> <td>25.7%</td> </tr> <tr> <td>5-Year</td> <td>15.7%</td> <td>12.6%</td> </tr> <tr> <td>10-Year</td> <td>14.1%</td> <td>10.0%</td> </tr> </tbody> </table>	Horizon	Private Equity (%)	Public Equity (%)	1-Year	6.7%	25.7%	5-Year	15.7%	12.6%	10-Year	14.1%	10.0%	<p>\$596.0B Deal volume Q1 2024</p> <p>+72.0% 1-year change</p>	<p>89.7% Average secondary pricing Q4 2023</p> <p>+7.0% 1-year change</p>	<p>9.00x Median EV/ EBITDA Deal Multiple Q1 2024</p> <p>-0.9x 1-year change</p>	<p>\$2,696B Dry powder Q1 2024</p> <p>+1.3% YTD change</p>	<ul style="list-style-type: none"> Secondary deal activity is on pace for a record high as LPs seek liquidity amid slower fund distributions and higher secondary pricing Overall deal activity has improved to levels not seen since the current hiking cycle began in 2022
Horizon	Private Equity (%)	Public Equity (%)																
1-Year	6.7%	25.7%																
5-Year	15.7%	12.6%																
10-Year	14.1%	10.0%																
<p>Real Estate</p>	<p>■ Private Real Estate ■ Public Real Estate</p> <p>Annualized return (%)</p> <table border="1"> <thead> <tr> <th>Horizon</th> <th>Private Real Estate (%)</th> <th>Public Real Estate (%)</th> </tr> </thead> <tbody> <tr> <td>1-Year</td> <td>-4.1%</td> <td>8.6%</td> </tr> <tr> <td>5-Year</td> <td>7.1%</td> <td>0.7%</td> </tr> <tr> <td>10-Year</td> <td>8.9%</td> <td>4.0%</td> </tr> </tbody> </table>	Horizon	Private Real Estate (%)	Public Real Estate (%)	1-Year	-4.1%	8.6%	5-Year	7.1%	0.7%	10-Year	8.9%	4.0%	<p>\$37.1B Deal volume Q1 2024</p> <p>+21.2% 1-year change</p>	<p>7.2% Average cap rates Q1 2024</p> <p>+1 bps 1-year change</p>	<p>3.9% 1-year net operating income growth Q1 2024</p> <p>+0.9% vs. historical average</p>	<p>\$394B Dry powder Q1 2024</p> <p>-2.1% YTD change</p>	<ul style="list-style-type: none"> Cap rates stabilized across most asset classes, with cap rates seeing the smallest quarter-over-quarter increase since the current hiking cycle began in 2022 Net income growth continues to exceed historical averages
Horizon	Private Real Estate (%)	Public Real Estate (%)																
1-Year	-4.1%	8.6%																
5-Year	7.1%	0.7%																
10-Year	8.9%	4.0%																

Past performance does not guarantee future results. The indexes are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. Private Credit reflects Cliffwater Direct Lending Index; High Yield reflects ICE BofA US High Yield Index; Private Infrastructure reflects Preqin Infrastructure Index; Public Infrastructure reflects FTSE Global Core Infrastructure 50/50 Index; Private Equity reflects Preqin Private Equity Index; Public Equity reflects MSCI World Index; Private Real Estate reflects Preqin Real Estate Index; Public Real Estate reflects FTSE EPRA Nareit Developed Index.

Performance except for Private Credit, Deal Volume and Dry Powder data from Preqin are preliminary as of March 31, 2024 and are subject to revision, reflecting the Preqin Private Credit, Infrastructure, Private Equity, and Real Estate indices, respectively.

Source: Bloomberg, Cliffwater, PEFOX Research, Preqin data (unless otherwise noted) as of March 31, 2024, the latest available for private market indices shown.

Deal volume refers to the cumulative value of deals that transacted during a specified time period. Net operating income (NOI) is a calculation used to analyze the profitability of income-generating real estate investments. NOI equals all revenue from the property, minus all reasonably necessary Pitchbook operating expenses.

ENDNOTES

¹ Green Street, Q1 2024.

² Pitchbook, Q2 2024.

³ Cliffwater, Bloomberg.

⁴ The credit loss rate is generally the percentage loss incurred per \$100 lent out.

⁵ KBRA Direct Lending Deals Default Report, as of March 22, 2024.

⁶ The Stanger Report, Stanger Research, March 31, 2024.

⁷ An acquisition of a portfolio company utilizing high levels of debt. Leverage levels can be as high as 90%, with the remainder funded by equity. In an LBO, assets of the portfolio company are often used as debt collateral to support the acquisition.

⁸ Preqin, as of December 31, 2023.

⁹ Source: FRED Commercial Real Estate Loans, All Commercial Banks.

¹⁰ Source: Green Street.

¹¹ Source: CoStar.

¹² Source: Green Street.

A WORD ABOUT RISK

Investments in real estate-related instruments may be affected by economic, legal or environmental factors that affect property values, rents or occupancies of real estate. 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.

Alternative investments often are speculative and include a high degree of risk. Investors could lose all or a substantial amount of their investment. High-yield bonds are subject to interest rate risk. When interest rates rise, bond prices fall; generally, the longer a bond's maturity, the more sensitive it is to this risk. Yields are subject to change with economic conditions. Yield is only one factor that should be considered when making an investment decision.

The information in this publication is not and is not intended as investment advice, an indication of trading intent or holdings, or prediction of investment performance. Diversification does not guarantee a profit or protect against loss. Views and information expressed herein are subject to change at any time. Brookfield disclaims any responsibility to update such views and/or information. This information is deemed to be from reliable sources; however, Brookfield does not warrant its completeness or accuracy.

Opinions expressed herein are current opinions of Brookfield, including its subsidiaries and affiliates, and are subject to change without notice. Brookfield, including its subsidiaries and affiliates, assumes no responsibility to update such information or to notify clients of any changes. Any outlooks, forecasts or portfolio weightings presented herein are as of the date appearing on this material only and are also subject to change without notice. Past performance is not indicative of future performance, and the value of investments and the income derived from those investments can fluctuate.

FORWARD-LOOKING STATEMENTS

Information herein contains, includes or is based on 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. It is not intended to provide an overview of the terms applicable to any products sponsored by Brookfield Corporation and its affiliates (together, "Brookfield"). Information and views are subject to change without notice. Some of the information provided herein has been prepared based on Brookfield's internal research, and certain information is based on various assumptions made by Brookfield, any of which may prove to be incorrect. Brookfield may not have verified (and disclaims any obligation to verify) the accuracy or completeness of any information included herein, including information that has been provided by third parties, and you cannot rely on Brookfield as having verified any of the information.

The information provided herein reflects Brookfield's perspectives and beliefs as of the date of this commentary.

INDEX PROVIDER DISCLAIMER

The quoted indexes within this publication are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be material factors relevant to any such comparison, such as differences in volatility and regulatory and legal restrictions between the indexes shown and any investment in a Brookfield strategy, composite or fund. Brookfield obtained all index data from third-party index sponsors and believes the data to be accurate; however, Brookfield makes no representation regarding its accuracy. Indexes are unmanaged and cannot be purchased directly by investors.

Brookfield does not own or participate in the construction or day-to-day management of the indexes referenced in this document. The index information provided is for your information only and does not imply or predict that a Brookfield product will achieve similar results. This information is subject to change without notice. The indexes referenced in this document do not reflect any fees, expenses, sales charges or taxes. It is not possible to invest directly in an index. The index sponsors permit use of their indexes and related data on an "as is" basis, make no warranties regarding same, do not guarantee the suitability, quality, accuracy, timeliness and/or completeness of their index or any data included in, related to or derived therefrom, and assume no liability in connection with the use of the foregoing. The index sponsors have no liability for any direct, indirect, special, incidental, punitive, consequential or other damages (including loss of profits). The index sponsors do not sponsor, endorse or recommend Brookfield or any of its products or services. Unless otherwise noted, all indexes are total-return indexes.

INDEX DEFINITIONS

The Preqin Infrastructure Index captures in an index the return earned by investors on average in their private infrastructure portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

The Preqin Real Estate Index captures in an index the return earned by investors on average in their private real estate portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

The Preqin Private Equity Index captures in an index the return earned by investors on average in their private equity portfolios, based on the actual amount of money invested in private capital partnerships. Each data point is individually calculated from the pool of closed-end funds for which comprehensive performance data is held, as of both the start and end of the quarter.

The Cliffwater Direct Lending Index (CDLI) seeks to measure the unlevered, gross of fee performance of U.S. middle market corporate loans, as represented by the asset-weighted performance of the underlying assets of Business Development Companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.




The FTSE EPRA Nareit Developed Real Estate Index is an unmanaged market-capitalization-weighted total-return index that consists of publicly traded equity REITs and listed property companies from developed markets.

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 ICE BofA US High Yield Index tracks the performance of U.S.-dollar-denominated below-investment-grade corporate debt publicly issued in the U.S. domestic market. The ICE BofA Merrill Lynch Global High Yield European Issuers Non-Financial 3% Constrained Ex Russia Index is a sub-index that contains all securities in the broader index except those from financial issuers or with Russia as their country of risk but caps issuer exposure at 3%. The index is rebalanced monthly. The index is USD hedged.

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.

Contact Us

-  brookfieldoaktree.com
-  info@brookfieldoaktree.com
-  +1 855-777-8001