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**Brookfield Real Estate Income Trust, Inc. ("Brookfield REIT")
Q2 2025 Podcast Transcript
Recorded on July 23, 2025**

Introduction: Before we get started, it is our obligation to give you some important information.

Any comments made on this podcast may include forward looking statements. These statements that relate to future results and events are based on current expectations. Actual results in future periods may differ materially from those currently expected because of a number of risks, uncertainties and assumptions. The risks, uncertainties and assumptions that we believe are material are outlined in publicly accessible regulatory filings.

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.

A fund's investment objectives, risks, charges and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company, and it may be obtained by visiting www.brookfieldoaktree.com

Read the prospectus carefully before investing.

This podcast is for direct and indirect stockholders of Brookfield Real Estate Income Trust.

Dana Petitto (Dana): Hello everyone, and welcome to the next edition of our Manager Minute Podcast for Brookfield REIT for the quarter ended June 30th, 2025. We began this new podcast format earlier this year, making this our second episode, and we really appreciate the interest of those who have tuned in. My name is Dana Petitto. I'm a managing director in the real estate group at Brookfield Asset Management, and I serve as the chief operating officer and portfolio manager for Brookfield REIT, which is the organization's public non-listed real estate income trust.

On today's episode, I'm very excited to be joined by Lowell Baron, a longtime Brookfield veteran and newly named global CEO of our real estate business. Lowell, congratulations on your recent appointment as real estate CEO, and thanks so much for joining us this quarter on the Brookfield REIT Podcast.

Lowell Baron (Lowell): Thank you, and thank you so much for having me.

Dana: Great. So before we delve into an in-depth discussion with Lowell on the state of play in the real estate industry, both for Brookfield Asset Management Ltd. ("Brookfield") and the market in general, I'll first provide a quick summary of the quarterly performance and new activity and initiatives within Brookfield REIT. In Q2 2025, we generated a net total return of 1.1% on our Class I shares, a strong quarter in which we reported positive returns in each of the past 3 months.

Our annualized distribution rate on Class I shares of 6.8% is at the high end of our peer group. Notably, all of our distributions to stockholders since inception of the fund dating back to December, 2019, have been characterized as return of capital. On a tax equivalent basis, the annualized yield on Class I shares is nearly 11%. This is a highly attractive, stable source of recurring income, especially in consideration of a more volatile and uncertain bond and equity market.

The operating performance of our \$2.5 billion portfolio remains strong. As of June 30, portfolio occupancy stands at 95%. The weighted average lease term in our commercial portfolio is about eight years, and the in-place leases are backed by a roster of primarily investment grade credit tenants. In addition, most of these leases have annual rent increases built in. And in our residential portfolio, we continue to drive rent and ancillary rent revenue growth, while also reducing expenses by utilizing our adviser's best in class operating platforms in multifamily single family rental and student housing.

In the first half of this year, we've been very active on the acquisitions front, having deployed or committed to approximately \$230 million of capital into both real estate equity and credit investments that are expected to deliver core plus returns. Following last quarter's podcast where I spoke to Devin Barnwell, co-head of Brookfield's Global Logistics business about a recent transaction we closed and the logistics sector landscape more broadly. This quarter in June, Brookfield REIT acquired a 20% interest in a 3.6 million square foot portfolio of multi-tenant logistics buildings, strategically located across four Premier Sun Belt markets, allowing us to scale our logistics exposure while maintaining geographic and asset diversification. This portfolio carries 96% occupancy and a weighted average lease term of 2.7 years.

Shorter lease term logistics assets are more attractive in today's environment given pent-up rent growth due to strong demand and lack of new competitive supply being delivered. Additionally, it provides flexibility to further exit assets early upon realization of the in-place mark-to-market [rents]. As I mentioned, these are multi-tenanted buildings and are on the smaller side with an average building size of about 64,000 square feet. Supply growth in this particular segment of the industrial space is the tightest in the market. We estimate that the acquisition basis here was about a 25% discount to recent comparable market trades, a 40% discount to peak trades, and a 38% discount to replacement cost.

Based on in-place rents in the portfolio today, there is an embedded 29% mark-to-market rent opportunity, which we believe should result in strong appreciation. Despite our lower bid for the entire portfolio compared to some of the parts offers received by the seller, we were chosen for our reputation, ability to execute quickly and certainty of closing on the full portfolio. Following closing of this transaction, we now have a 16% sector allocation to logistics, which is an increase from 5% coming into 2025. With all of that covered, we'll turn to our guest speaker, Lowell Baron. Welcome again, Lowell.

Lowell: Thank you.

Dana: Coincidentally, you and I both joined Brookfield 20 years ago. For veterans like us, it's been remarkable how much the company has grown and evolved over those two decades. During this time, we've experienced several real estate cycles. Where would you say we are in the current market cycle and what brings you optimism today?

Lowell: Thanks, Dana. It's a good question and it's also a great opportunity for you to make us both feel pretty old.

Dana: It's true.

Lowell: Obviously, we've been through a number of cycles in those 20 years, and even before that, I'd seen a couple of cycles previous, and I'd say every one of them is different. They all feel different. In this one, I think we're pretty early on. If I was putting it to innings, I would say we're probably in the second inning, something like that, and pretty excited about it because if you think about where we are, number one, we've had a pretty significant repricing of assets. So asset values today are at a pretty healthy discount to where they were at the recent peak. We also are experiencing really good fundamentals.

So if you think about just simple supply and demand for real estate, which is what it all comes down to, we're in a place where there's a lot less new supply happening. Construction starts are way down, and demand for the asset classes that we're investing in is very strong. Probably one of the most important points to look at, and you just mentioned it on the industrial portfolio you just bought, is thinking about values today versus replacement costs. And when you can buy high quality industrial like we're doing at almost 40% below replacement cost, that's a really great starting point, and it's something you typically would see only really in the early innings of a recovery.

Dana: Yeah. That's right, and we are really excited about that acquisition, and it follows suit characteristically to the one that we spoke about last quarter. So we've been very active in multifamily and in logistics, which are two sectors, which I think have a lot of tailwinds going for them right now, especially given the lack of new supply as you just mentioned. So what, if any, are some concerns you might have today?

Lowell: Yeah. Look, I think the place that everyone probably would point to is geopolitical risk. It's obviously very difficult to underwrite or to predict, but it certainly feels like we're in an incredibly volatile world. You never know what the headline might be the next day. The good thing is what we're doing, investing in real estate, real estate's a long-term game. We invest in assets that we're going to hold for a longer period of time, and so just being in a place where the fundamentals are good and where the starting basis is so good, as we talked about relative to replacement cost, just lets us have the ability to see through that near-term uncertainty and volatility and recognize that we're buying assets that we're going to hold through this. And when we get to the point where we're looking to exit assets, some of these headlines that everyone's talking about now, are going to be things we probably have fully forgotten and won't really matter.

Dana: The noise sometimes clouds the long-term goal here, and that's something we try to stress when we're sitting in front of our investor base.

Lowell: And it also creates the opportunity, I would say. A lot of people do react to that noise, and so it creates the opportunity to then, for us, when we think with a longer term outlook, it creates for us the opportunity to go buy from others that may have weaker hands and need that liquidity and aren't ready to ride through a bit of volatility.

Dana: And that's exactly what we started to see last year, so couldn't agree more. When we think about fundraising and the potential there, so historically, our sponsored private real estate funds

have catered more toward institutional investors and the size of those funds has grown significantly over the last 15 years or so. How much runway, in your view, do you think there is for growth within private wealth for incremental allocations to private real estate and other alts moving away from more traditional equity bond portfolios?

Lowell: Yeah. This is obviously a very timely question. It's something we're seeing and hearing about in the news quite a bit too. I think we're still early in that as well, and there's going to be significant growth in private wealth, getting access to private real estate. I think private real estate has probably an important place in most investors' allocations of how they invest their portfolios. So giving people broader and easier access to that is a good thing. One of the interesting things I think about, because this question comes up and people ask, does it make sense to give people that kind of allocation? Does it fit in with their risk profile? It's interesting.

We have, as you mentioned, most of our investors in our broader portfolio, our institutional real estate investors, their large institutions, but if you actually think about who they are, a lot of them are big pensions. They're essentially investing the pensions of firefighters and teachers who are therefore getting access to private real estate just through their pensions. And really the question to ask is why should they be getting access to that and earning those higher returns with lower risk, and not everybody else in their 401(K). It should be something that's available to anybody, and especially with their longer term capital that's sitting there that needs to grow for their retirements. We should be able to get everyone access to it and make sure that people invest to the right amount, have the right allocation to it, but it should be a great part of their portfolio.

Dana: Yeah. There's a lot of runway there with individual investors exposing themselves more to alternatives. That's definitely what we've seen. When we speak with financial advisors and their clients, we often tout the benefits of Brookfield's owner operator model and the capabilities given Brookfield's historical roots as a vertically integrated real estate investor, which began before you and I started here, almost 30 years ago on the balance sheet. I know how that goes in the private sector with some of the clients that I'm speaking to. How does that resonate with our largest institutional LPs that have done repeat? And I guess in your view, and based on your tenure, would you say that this has had a material impact on our returns and ability to outperform?

Lowell: Yeah. So when I sit with our institutional investors, I'd say there's a number of things that we point out as differentiators. Some of those are things like the scale of our business or the amount of experience and the history of our business, how long we've been doing it for, but probably the thing that is the most interesting to them that really they view as the true differentiator is our operating capabilities. And it's about having full service operating platforms in all of the sectors, in all the markets that we're investing in. Our 30,000 Brookfield operating employees are incredibly powerful and people understand and recognize that, and I would say it's more than just people recognizing it, but to your point, how does it come through in our returns? Really everything that we're buying has a business plan attached to it.

So we are operations led in what we buy and then operations led and how we generate our returns. It's not about financial leverage creating the returns. It's not about multiple expansion that we're relying on to create returns. It's literally just about what are we doing with the assets, how do we grow occupancy, how do we grow rent, how do we manage expenses? And bottom line is we just need to grow our cash flows, and if you grow your cash flows of your real estate, you're growing those values. So that turns into, for us, I think probably most importantly, consistency of returns. So

across cycles, we can create those kinds of returns, whether it's an up cycle or a down cycle, and it just makes it. So what we're doing is actually quite simple. We're just out executing prescribed business plans in every asset and growing our cash flow. Once we've done that, we can go and sell the asset and make a good return.

Dana: Yeah. That's great. Well, Lowell, thank you. I think we covered a lot of ground and we really appreciate your insights, your knowledge, your look to the future and being in that second inning with a lot of way to go. So thanks for joining me. To our listeners, thanks for tuning in. We really appreciate your support and look forward to updating you in a few months on the next Manager Minute for Q3. Thanks so much.

As of June 30, 2025.

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when the investor redeems their shares. Upon redemption, the investor may be subject to higher capital gains taxes as a result of a depreciating cost basis due to the return of capital portion of distributions.

Brookfield REIT Class S and Class D shares monthly net distributions were \$0.0523 and \$0.0574, and monthly net distribution rates were 5.9% and 6.4%, respectively.

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