

Brookfield REIT Q1 2025 Podcast Transcript **Recorded on May 6, 2025**

Dana: Hello everyone and welcome to the inaugural Manager Minute Podcast for Brookfield REIT, for the quarter ended March 31st, 2025. This is a new format for us, so we really appreciate the interest of those who have downloaded the podcast or our streaming it. 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 semi-liquid, public non-traded real estate income trust.

Today I am thrilled to be joined by my fantastic colleague and friend, Devin Barnwell, a managing partner in our real estate group and co-head of our global logistics business. Devin, welcome to our podcast. We're honored to have you as our first guest.

Devin: Hi Dana. Thanks for inviting me to be here today.

Dana: So prior to drilling down a bit deeper into Brookfield's logistics real estate business with Devin, and in particular a recent acquisition we made in the sector, the agenda of these quarterly podcasts will also include a quick summary of performance of Brookfield REIT. So I'll start there.

The operating performance of our nearly \$2,500,000,000 portfolio remains strong. Occupancy stands at 96%. The weighted average lease term in our commercial portfolio is about eight years and the in-place leases represent 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 revenue growth, while also reducing expenses by utilizing our best-in-class operating platforms in multifamily single-family rental and student housing.

To summarize this, our investments are performing as we intended and are contributing income resulting in north of a 6.5% distribution for our investors.

As it relates to valuations however, recent returns have been impacted in select instances by the higher interest rate environment we find ourselves in and to a lesser extent the overall economic uncertainty we're currently experiencing.

Particularly in Q1, the REIT generated a net total return of negative 2.19%.

This result was primarily driven by an isolated to an external appraisal of one of our larger assets, the DreamWorks Animation Campus, in Glendale, California. Appraisers continue to take a conservative approach to current values and their conclusions rely on certain market assumptions, data and research, including cap rates of recent transactions, the ten-year treasury yield and the cost of debt financing, all of which remain elevated compared to prior points in this cycle. Additionally, transaction volume has remained muted particularly in this studio creative real estate sector. As a result, this property experienced a reduction in carrying value.

However, I want to stress that DreamWorks is performing exactly how we expected it would when we acquired it in 2021. The investment has consistently delivered strong operating results with contractual growing cash flows and it is 100% leased until 2035. Of further importance, the lease is guaranteed by NBC Universal, which carries an investment grade credit rating at further protection.

Additionally, we benefit from attractive financing on the property with a 3.2% fixed rate mortgage and four years of remaining term.

Prior to turning to our discussion with Devin, Brookfield REIT is an income oriented real estate investment strategy and we pay a monthly distribution, which yields 6.7% today, annually, for our I share class the highest amongst our peers.

100% of distributions have been characterized as return of capital, so that yield actually equates to north of 10% on a tax equivalent basis. With interest rates likely having peaked and a lack of new supply coupled with strong demand in our target sectors, we believe we may see capital appreciation on top of income yield moving forward.

We've recently deployed approximately \$150,000,000 of new capital into investments that are expected to deliver core plus returns, which is probably a great segue. So with that covered, we'll turn to our guest speaker.

Welcome Devin again. Devin, you've been with Brookfield for five and a half years now and currently lead our real estate logistics business. Can you give us a brief personal introduction and tell us a bit more about yourself?

Devin: Sure. I spent nearly the first 20 years of my career at Morgan Stanley in the real estate investing division, where I was primarily focused on asset management across sectors, but also had the opportunity to work on ground up development, REIT, take privates and overseeing operating companies. I moved to Brookfield in 2019 to oversee US operations for logistics, and at the time it was a sector I had noticed was really poised for market disruption due to changing supply chain pressures and consumer buying habits with the emergence of e-commerce. Of course, COVID arrived a few months later and the sector saw disruption beyond what I had envisioned. I moved into the head of portfolio management role 18 months later, which complimented both my experiences from Morgan Stanley and allowed me to continue to grow the logistics business organically here at Brookfield.

Dana: It's hard to believe that you started right after COVID because it feels like longer. Brookfield made its initial investment in the logistics sector about 13 years ago and since has really established itself amongst the global leaders in the industry. Maybe give us a sense of our scale and capabilities, around the globe.

Devin: Yeah, while we've been active investors in the logistics space since 2012, Brookfield's portfolio has grown tremendously since 2019, which is when we first established an integrated investing and operating platform following the sale of IDI and Gazeley. Today the global portfolio stands at more than \$25,000,000,000 in assets under management, with over 180,000,000 square feet across 17 countries. And we are one of only a few operators with a presence on five continents.

Dana: Yeah, you have a lot on your plate I'd say. Talk to us a bit about the state of logistics real estate today. It has certainly been one of the best performers amongst commercial sectors and has experienced tremendous growth, especially here, over the last decade, driven by factors including the proliferation of e-commerce, deglobalization and probably more recently, post-COVID, on-shoring and near-shoring, et cetera. Is this level of growth sustainable or has there been a leveling off?

Devin: There's no question that the sector has outperformed, especially bolstered by the pandemic effect. But as I just mentioned, this was just an acceleration of trends that were already driving demand for logistics space that have continued to have positive influence on the sector, even as the market has normalized in the past two years. But those forces that drove demand also resulted in tremendous supply growth and we are working through the onslaught of new supply that delivered as a result of the COVID development boom. And currently have less than 2% of existing stocks slated to deliver in 2025, with the lowest new construction starts in years, due largely to the cost and availability of financing. Even so the market's relatively healthy in a historical context at around 6% national vacancy and supply should continue to remain balanced.

Dana: Okay, that's great. Great outlook for the sector. And maybe just switching gears from opportunities to challenges within the sector, this wouldn't be an objective interview if I didn't bring up the T word. So we're talking tariffs for those that couldn't guess. As we all know, it's a very fluid situation which changes by the day, if not some days by the hour. But what are you seeing thus far related to tariffs and the potential impact it may have on demand for industrial space?

Devin: It is definitely the topic du jour, but no one knows how this is going to play out. There are just too many unknowns. We do, however, continue to see green shoots of potential deals and softening of positions. And despite some shakiness in the economy as a result of that uncertainty, there's also positive news coming out like 177,000 new jobs added to the economy in April. So while I can't tell you how this tariff situation will be resolved, I can focus on the things I do know, which is the long-term fundamentals for the sector remain solid with continued e-commerce penetration accelerating. Retail sales grew 3.4% last year, while e-commerce sales grew 8%. Amazon recently announced a \$4,000,000,000 investment into their rural delivery network, which will help them more directly compete with Walmart in those markets.

And on-shoring was a trend we were seeing prior to the tariff announcement with US leasing requirements for manufacturing up 300%, from 2021 to 2024 over the pre-pandemic period. So with COVID exposing weakness in the supply chain coupled with the current tariff situation, I think on-shoring becomes less of a trend and more of a necessity for US businesses. So yes, there are uncertainties in the near term from this tariff situation that will cause some disruption and challenges, but the lack of new construction starts, which might even further slow down, if steel tariffs take effect, should keep supply in check and the overall fundamentals remain favorable, which should lead to strong future rent growth and long-term strength in the sector.

Dana: That's great. We obviously focus a lot on strong fundamentals and I think that's a testament to our performance over the past few years in the REIT in particular. And we have seen some deals and so maybe we can pivot there and spend a few minutes discussing the acquisition of the US Diversified Logistics Portfolio, which is the most recent property investment made by Brookfield REIT. It actually increased our sector allocation in logistics from 5% to 13% of our total asset value. This was a deal I was and am very excited about because of the opportunity to earn fairly high returns on top of continuous solid yields. So how did your team source this acquisition? What particularly did you like about the portfolio? And how are we doing?

Devin: So when we saw illiquidity for the largest portfolios, especially where sellers were faced with fun life constraints or debt maturities, we were able to leverage Brookfield scale and availability of capital to execute on a large light industrial transaction with a wholesale to retail strategy. But

because we were also seeing an appetite for smaller transactions in the market before even closing on the acquisition, we had identified buyers for non-strategic sub portfolios and through this sales strategy, we're able to curate a portfolio with the most attractive prospects for future value creation.

And there's a lot to like about light industrial real estate. Since 2020, bulk industrial supply has grown at more than 5% versus light industrial supply growing at less than 1.5% annually. Therefore, vacancy rates have been increasing for logistics assets across the US markets, but light industrial has only increased 40 basis points, while bulk industrial has increased 370 basis points nationally. This has led to continued rent growth for light industrial, even as bulk has slowed or even turned negative in certain markets where there are pockets of oversupply. And with multi-tenant leases and shorter waltz, the ability to mark those leases to market quickly is an advantage of light industrial.

Our team specific to this portfolio has been hard at work executing on the business plan. We've already seen tremendous results with over 600,000 square feet of leases signed since acquisition, achieving almost 11% premium to underwritten net effective rents. And we are a very active asset manager. So the team underwrote a targeted capital plan to bring to Brookfield's standards and has engaged with our tenants. So we are meeting their needs to ensure that they renew when their leases expire. Because in times of uncertainty it's important to understand not only market fundamentals and look for trends, but our focus should be on what we can control, operating assets in a best-in-class manner. And that is where Brookfield excels.

Dana: That's excellent. One last question. Can we do more deals like this?

Devin: Absolutely. We are currently looking at similar wholesale to retail strategy and we hope to be able to close on one very soon.

Dana: That's great. Well, Devin, thank you so much for joining our first podcast. Thanks to your team for all the hard work, especially on this recent acquisition. We're really excited about it. And thanks to our listeners, we hope you enjoyed this and we look forward to you listening in the future. Thanks so much.

This communication is for direct and indirect shareholders of Brookfield REIT only.

As of March 31, 2025. This sales and advertising literature does not constitute tax advice. Because each investor's tax position is different, you should consult with your tax advisor. Other investments may offer tax advantages. An accelerated depreciation schedule does not guarantee a profitable return on investment. A portion of REIT distributions may be tax deferred given the ability to characterize ordinary income as Return of Capital ("ROC"). ROC distributions reduce the stockholder's tax basis in the year the dividend is received, and generally defer taxes on that portion until the stockholder's stock is sold via redemption. Certain non-cash deductions, such as depreciation and amortization, lower the taxable income for REIT distributions. Investors should be aware that a REIT's ROC percentage may vary significantly in a given year and, as a result, the impact of the tax law and any related advantages may vary significantly from year to year. Brookfield REIT's return of capital was 100% in 2019, 2020, 2021, 2022 and 2023. This assumes the maximum effective tax rate on distributions is 0% and assumes the maximum ordinary tax bracket of 37%. Please note the effective tax rate is after the 20% reduction in rates introduced under the Tax Cuts and Jobs Act of 2017. The Tax Cuts and Jobs Act of 2017 is not applicable to capital gain dividends or certain qualified dividend income. It is only available for qualified REITs. The tax benefit is set to expire in 2026. There may be adverse legislative or regulatory tax changes. Brookfield REIT cannot guarantee that it will make distributions, and if it does it may fund such distributions from sources

other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and advances, and it has no limits on the amounts it may pay from such sources. Distributions may also be funded in significant part, directly or indirectly, from the deferral of certain investment advisory fees, that may be subject to repayment to Brookfield REIT Adviser LLC (the “Adviser”) and/or the reimbursement of certain operating expenses, that may be subject to repayment to its Adviser and its affiliates. For the portion of the Adviser’s management fee that is paid in stock, Brookfield REIT’s cash position would not be reduced by that amount at that time but will be reduced in a future period, when the Adviser requests the repurchase of its stock for cash and such request is granted. For organizational and offering expenses paid by the Adviser on behalf of the Issuer prior to July 6, 2023, the Issuer reimburses the Adviser ratably over 60 months and this practice may have a smoothing effect on the Issuer’s cash position and/or distribution payment amounts. Distributions are not guaranteed and may be sourced from non-income items. The illustrative example assumes \$100,000 investment and a maximum ordinary tax bracket of 37%. It does not include state taxes. Investors could be subject to state income tax in their state of residence which would lower the after tax distribution received by the investor. The illustrative example does not reflect the impact of increasing net operating income (“NOI”); an increasing NOI from higher rents would reduce the amount of ROC. Past performance is not indicative of future results. Tax-Equivalent Distribution Rate does not take into account other taxes that may be owed on an investment in Brookfield REIT 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.

All investment information can be provided to the investor upon request. The case study discussions are provided for informational purposes only and are intended to illustrate the investment process. Does not constitute a recommendation nor investment advice and should not be used as the basis for any investment decision. This is not a representation that an investment in the securities described were or will be profitable.

IMPORTANT INFORMATION

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.

The information contained herein is for educational and informational purposes only and does not constitute, and should not be construed as, an offer to sell, or a solicitation of an offer to buy, any securities or related financial instruments. This commentary discusses broad market, industry or sector trends, or other general economic or market conditions, and it is being provided on a confidential basis.

Views and opinions expressed are subject to change. This presentation is being made available for educational and informational purposes only and do not constitute, and should not be construed as, an offer to sell, or a solicitation of an offer to buy, any securities or related financial instruments in any jurisdiction. Further this communication does not constitute and should not be construed as are commendation or testimonial for any securities, related financial instruments, products or services of Brookfield Corporation ("Brookfield") and certain of its affiliates.

The case study discussions are provided for informational purposes only and are intended to illustrate the investment process. Does not constitute a recommendation nor investment advice and should not be used as the basis for any investment decision. This is not a representation that an investment in the securities described were or will be profitable.

This sales and advertising literature is neither an offer to sell nor a solicitation of an offer to buy securities. An offering is made only by the prospectus. This literature must be read in conjunction with the prospectus in order to fully understand all of the implications and risks of the offering of securities to which the prospectus relates. For more information on fees and expenses, and the risks of the offering, please see the prospectus. A copy of the prospectus must be made available to you in connection with any offering.

Summary of Risk Factors

An investment in shares of common stock of Brookfield Real Estate Income Trust Inc. ("Brookfield REIT") involves a high degree of risk. These securities should only be purchased if you can afford to lose your complete investment. Please read the prospectus for a description of the material risks associated with an investment in Brookfield REIT. These risks include but are not limited to the following:

- Brookfield REIT has a limited operating history, and its operating history should not be relied upon due to the changes to its business resulting from the adviser transition, including the engagement of Brookfield REIT Adviser LLC (the "Adviser") and Brookfield Oaktree Wealth Solutions LLC and the changes to Brookfield REIT's board of directors, executive officers and investment portfolio. There is no assurance that Brookfield REIT will be able to successfully achieve its investment objectives.
- Brookfield REIT has only made limited investments to date and you will not have the opportunity to evaluate its future investments before Brookfield REIT makes them.
- Since there is no public trading market for shares of Brookfield REIT's common stock, repurchase of shares by it will likely be the only way to dispose of your shares. Brookfield REIT's share repurchase plan will provide stockholders with the opportunity to request that it

repurchase their shares on a monthly basis, but Brookfield REIT is not obligated to repurchase any shares and may choose to repurchase only some, or even none, of the shares that have been requested to be repurchased in any particular month in its discretion. In addition, repurchases will be subject to available liquidity and other significant restrictions. Further, Brookfield REIT's board of directors may modify or suspend the share repurchase plan if it deems such action to be in our best interest and the best interest of stockholders. As a result, the shares should be considered as having only limited liquidity and at times may be illiquid.

- Brookfield REIT cannot guarantee that it will make distributions, and if it does, it may fund such distributions from sources other than cash flow from operations, and there are no limits on the amounts Brookfield REIT may pay from such sources. Brookfield REIT believes that the likelihood that it pays distributions from sources other than cash flow from operations, will be higher in the early stages of the offering.
- The purchase and repurchase price for shares of Brookfield REIT common stock will generally be based on its prior month's net asset value (NAV) (subject to material changes as described in the prospectus) and will not be based on any public trading market. While there will be independent annual appraisals of Brookfield REIT's properties, the appraisal of properties is inherently subjective, and its NAV may not accurately reflect the actual price at which its assets could be liquidated on any given day.
- Brookfield REIT has no employees and is dependent on the Adviser to conduct its operations. The Adviser will face conflicts of interest as a result of, among other things, the allocation of investment opportunities among Brookfield REIT and other Brookfield funds and accounts, the allocation of time of its investment professionals and the substantial fees that Brookfield REIT will pay to the Adviser.
- This is a "best efforts" offering. If Brookfield REIT is not able to raise a substantial amount of capital in the near term, its ability to achieve its investment objectives could be adversely affected.
- Principal and interest payments on any borrowings will reduce the amount of funds available for distribution or investment in additional real estate assets. Borrowing also increases the risk of loss and exposure to negative economic effects.
- There are limits on the ownership and transferability of Brookfield REIT's shares.
- If Brookfield REIT fails to maintain its qualification as a REIT and no relief provisions apply, its NAV and cash available for distribution to stockholders could materially decrease as a result of being subject to corporate income tax.
- Investing in commercial real estate assets involves certain risks, including but not limited to Brookfield REIT's tenants' inability to pay rent; increases in interest rates and lack of availability of financing; tenant turnover and vacancies; and changes in supply of or demand for similar properties in a given market.
- Brookfield REIT's operating results will be affected by global and national economic and market conditions generally and by the local economic conditions where its properties are located, including changes with respect to rising vacancy rates or decreasing market rental rates; fluctuations in the average occupancy; inability to lease space on favorable terms;

bankruptcies, financial difficulties or lease defaults by its tenants; and changes in government rules, regulations and policies, such as property taxes, zoning laws, limitations on rental rates, and compliance costs with respect to environmental and other laws.

- The novel coronavirus (“COVID-19”) may have an adverse impact on Brookfield REIT’s NAV, results of operations, cash flows and fundraising, ability to source new investments, obtain financing, pay distributions to stockholders and satisfy repurchase requests, among other factors.

The information contained herein may not be copied, reproduced, republished, posted, transmitted, distributed, disseminated or disclosed, in whole or in part, to any other person in anyway without the prior written consent of Brookfield.

FORWARD-LOOKING STATEMENTS

Information herein contains, includes or is based on forward-looking statements. 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,” “seek” 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.

You should carefully review the “Risk Factors” section of the prospectus for a discussion of the risks and uncertainties that Brookfield REIT believes are material to its business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, Brookfield REIT does not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Information herein may contain, include or be based upon forward-looking statements with the meaning of the federal securities laws, specifically Section 21E of the Securities Exchange Act of 1934, as amended.

©2025 Brookfield Corporation; ©2025 Brookfield Asset Management Ltd.; ©2025 Oaktree Capital Management, L.P.; ©2025 Brookfield Oaktree Wealth Solutions LLC; & ©2025 Brookfield Public Securities Group LLC. Brookfield Oaktree Wealth Solutions LLC and Brookfield Public Securities Group LLC are an indirect majority owned subsidiary of Brookfield Corporation

B-735564