



Brookfield

BII – EU Sustainable Finance Disclosure Regulation

Date: 12/10/2023

The following information is intended only as a summary (which is required to be produced by article 10 of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") and investors should refer to the Brookfield Oaktree Wealth Solutions Alternative Funds S.A. SICAV-UCI Part II - Brookfield Infrastructure Income Fund¹ (the "**Fund**") private placement memorandum ("**Memorandum**") for the full terms of the Fund. In case of any discrepancy between this summary and the body of the Memorandum, the Memorandum prevails. Any investment decision in the Fund should be based on the full terms of the Fund and not on this summary. Unless otherwise defined herein, defined terms in this document shall have the meaning assigned to them in the Memorandum.

Product name:	Brookfield Infrastructure Income Fund
LEI Number:	N/A
Environmental or social characteristics of the financial product:	Certain of the Fund's investments (in whole or in part) seek to promote environmental and social characteristics, namely mitigating the impact of their operations on the environment and/or, where the opportunity allows, seek to invest in businesses that the Manager believes will support the transition to net zero; ensure the well-being and safety of employees; and uphold strong governance practices. For further detail please see section C of this summary document.

A. Summary

¹ Formerly BII Fund S.A. SICAV-RAIF

The Fund provides investors access to Brookfield's leading private infrastructure capabilities in a semi-liquid structure. The Fund has been designed to deliver strong risk-adjusted returns with a focus on yield. The Fund provides investors with exposure to private infrastructure assets by investing in both the equity and debt of high-quality infrastructure businesses.

Article 8 of the SFDR applies to alternative investment funds which “promote, among other characteristics, environmental or social characteristics, or a combination of those characteristics, provided that the companies in which the investments are made follow good governance practices”. LFE European Asset Management S. à r.l., the alternative investment fund manager of the Fund, ("**Manager**") considers that the Fund falls within the type of financial product identified by article 8 of the SFDR. Certain of the Fund's investments (in whole or in part) seek to promote environmental and social characteristics, namely mitigating the impact of their operations on the environment and/or, where the opportunity allows, seek to invest in businesses that the Manager believes will support the transition to net zero; ensure the well-being and safety of employees; and uphold strong governance practices. For further detail on these characteristics, please see section C of this summary document.

While the Manager considers that the Fund promotes environmental and social characteristics for the purposes of article 8 of the SFDR, the Fund does not:

- use a designated index as a reference benchmark (within the meaning of article 8(1)(b) of the SFDR);
- commit to making a minimum proportion of investments which qualify as "environmentally sustainable" under article 3 of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "**Taxonomy Regulation**"); or
- take into account the principal adverse impacts ("**PAIs**") on sustainability factors within the meaning of the SFDR.

As the relevant terms are defined in the SFDR, the Fund does not (1) commit to investing in a

"sustainable investment" (and so the Firm considers that the Fund is an Article 8 "Light" financial product), although the Fund is not restricted from doing so; and/or (2) have "sustainable investment" and/or "a reduction in carbon emissions" as its objective (within the meaning of article 9 of the SFDR).

The categories in the SFDR can be open to subjective interpretation, and the Firm's view on the appropriate classification may develop over time, including in response to statutory or regulatory guidance or changes in industry approach to classification.

B. No sustainable investment objective

This financial product promotes environmental or social characteristics, but does not have as its objective sustainable investment.

C. Environmental or social characteristics of the financial product

What are the environmental or social characteristics promoted by this financial product?

Certain of the Fund's investments (in whole or in part) seek to promote the following environmental and social characteristics and these are therefore deemed to be the Fund's promoted environmental and social characteristics (see section E of this summary document below). These are driven by Brookfield's core ESG principles, and are covered as part of initial and ongoing due diligence, having processes and procedures aimed at:

- Mitigating the impact of their operations on the environment and/or, where the opportunity allows, seeking to invest in businesses that the Manager believes will support the transition to net-zero
- Ensure the well-being and safety of employees
- Upholding strong governance practices

The Manager will make commercially reasonable efforts to ensure that the operations of the relevant assets are managed in a manner consistent with the characteristics listed above.

For investments where the Manager does not have economic control or influence (including scenarios where the Fund makes an investment that is not an equity control investment), the Manager will seek to engage with the investee company to share its views or best practices.

By reference to the planned asset allocation of the Fund (below), other assets may not yet promote the environmental and social characteristics above and will therefore not be deemed to align with the environmental and social characteristics of the Fund.

The Manager will monitor the progress of these characteristics through the collection and monitoring of available metrics in relation to the Fund's sustainability indicators on a commercially reasonable efforts basis and (for equity investments) through engagement with portfolio companies. The output of this monitoring (and, where relevant, engagement) shall be reported by the Manager using narrative disclosure and/or quantitative data, as it shall determine in its discretion. The Manager will use commercially reasonable efforts to obtain the information necessary to report the sustainability indicators to investors, however it may not be practicable to do so in all instances across all investments, including where the Fund does not hold an equity control position (in which case, the Manager will decide on the appropriate course of action to take, which may include using third party or proxy data, in its complete discretion).

In the Manager's complete discretion, the Manager may, over time, choose to update the environmental and/or social characteristics of the Fund; and/or deem a proportion of Fund investments as promoting these new environmental and/or social characteristics; and/or adjust the planned asset allocation in respect of existing environmental and/or social characteristics of the Fund, in each case in order to reflect the Manager's view on or approach to the underlying investments at the relevant time. The effect of such an update may result in changes to the environmental and/or social characteristics promoted by the Fund and/or changes to the total number and/or percentage of investments which are considered to meet the environmental and social characteristics of the Fund (see section E of this summary document below).

The Manager reserves the right to amend or suspend these characteristics in its discretion where it is reasonable in certain circumstances, for example to comply with a legal or regulatory obligation.

For investments where the Manager does not have economic control or influence (including scenarios where the Fund makes an investment that is not an equity control investment), the Manager will seek to engage with the investee company to share its views or best practices.

D. Investment strategy

What investment strategy does this financial product follow?

The Fund provides investors access to Brookfield's leading private infrastructure capabilities in a semi-liquid structure. The Fund is managed by Brookfield's global infrastructure and renewable power business (collectively, "**Brookfield Infrastructure**"), one of the world's largest specialized investors in infrastructure. The Fund leverages Brookfield's broad investment and operating expertise developed over Brookfield's more than 100-year history of owning and operating long-life infrastructure assets.

The Fund has been designed to deliver strong risk-adjusted returns with a focus on yield. The Fund provides investors with exposure to private infrastructure assets by investing in both the equity and debt of high-quality infrastructure businesses. These assets generally provide essential services with inelastic demand, have high barriers to entry, and sustainable, long-term cash flows, often linked to inflation, among other attractive investment characteristics.

The Private Portfolio (as defined in the Memorandum) invests in opportunities sourced by Brookfield's infrastructure platform that meet the Fund's target investment objectives. The Fund seeks to be diversified by sector and geography and target regions and sectors in which Brookfield has established operations and significant expertise. The Fund primarily focuses on investment opportunities within Organisation for Economic Co-operation and Development countries and where Brookfield Infrastructure has a local operating presence. Additionally, the Fund targets sectors in which Brookfield has established operations and significant expertise – primarily the transport, renewable power, utilities, midstream and data sectors.

The majority of the Fund's private infrastructure equity investments are expected to be operational with limited development or greenfield exposure, while the Fund's private infrastructure debt investments are expected to be performing loans. To allow the Fund to offer monthly subscriptions and quarterly redemptions, the Fund has a Liquid Portfolio (as defined in the Memorandum), which will consist of public infrastructure securities—primarily the publicly traded debt of infrastructure companies.

What is the strategy used to meet the environmental or social characteristics promoted by the financial product?

As noted above, only certain investments will be deemed to contribute to the Fund's promoted environmental and social characteristics. The Manager will periodically report the number of investments that are aligned with the Fund's promoted environmental and social characteristics.

In relation to those investments that are used to attain the environmental and social characteristics promoted by the Fund:

- The Investment Committee ("**IC**") is central to investment decision making for the Fund. For every investment decision, the IC will receive an investment memorandum which will

either: (1) explain how the investment is in renewable power or other sectors or businesses that contribute to the transition to “net zero”, contributing to continued generation and development of clean energy generation; or (2) explain why the investment is not and justify how and why the investment otherwise meets the Fund's investment objectives.

- In addition to the above, the Manager utilizes negative screens as it contemplates potential investments for this part of the Fund. In respect of such investments, the Fund does not intend to invest in businesses whose primary business activities, and/or make loans secured by assets whose primary business activities, involve controversial weapons, production and/or upstream exploration of fossil fuels, military weapons or production of thermal coal* without an associated decarbonisation plan. This list is not exhaustive but depicts the negative screens expected to be adopted by the Fund in respect of the investments for this part of the Fund's portfolio. Whilst these screens seek to avoid investing in investments which would undermine the environmental and social characteristics of the product, the Manager does not consider that they are, by themselves, a means of attaining them.

*Refers to mining, producing, transporting, storing, burning or producing electricity using thermal coal.

What is the policy to assess good governance practices of the portfolio companies, including with respect to sound management structures, employee relations, remuneration of staff and tax compliance?

The Fund will consider the good governance practices of investee companies. The Fund considers "good governance" in accordance with established industry-wide standards, including (but not necessarily limited to) those good governance criteria established under the SFDR: sound management structures, employee remuneration, employee relations and tax compliance ("**Good Governance Standards**"). The nature and depth of the assessment depends on the nature, type and structure of the investment (including whether the Fund holds a control or non-control position) and other risk factors (such as the size, sector and geographic location of the investee company and whether the Fund holds or will hold an equity control position).

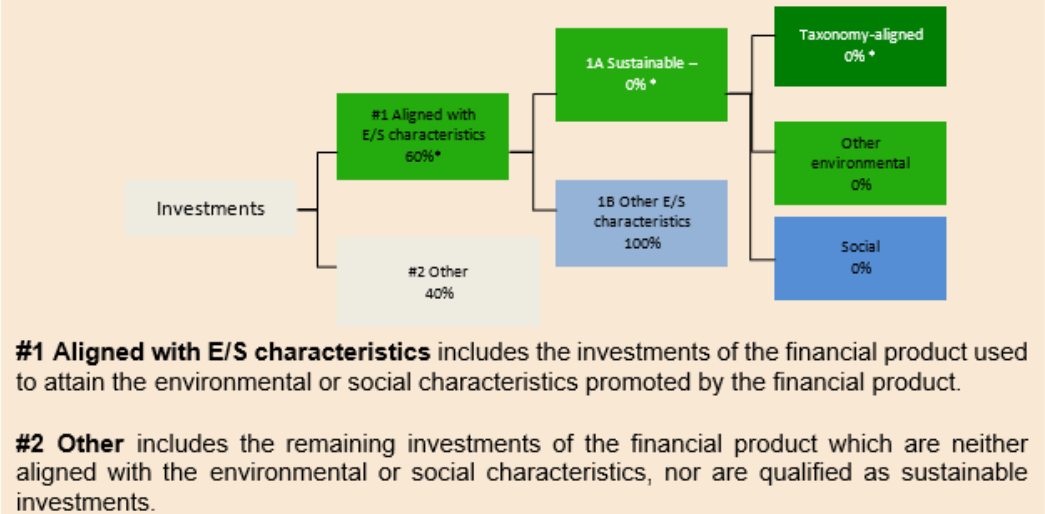
Information in respect of each of the following areas: sound management structures, employee relations, remuneration of staff and tax compliance will be sought and considered by the Manager in its absolute discretion. Assessment of Good Governance Standards may be achieved through a variety of due diligence, ongoing portfolio management practices and controls and/or by other means (in each case, to the extent relevant, dependent on the nature, type and structure of the investment, other risk factors and/or whether the Fund holds or will hold an equity control position in the investment).

E. Proportion of investments

Insert the information referred to in article 14 of Commission Delegated Regulation (EU) 2022/1288 and distinguish between direct exposures in investee entities and all other types of exposures to those entities

Article 14 of Commission Delegated Regulation (EU) 2022/1288 (the "SFDR RTS") refers to the template pre-contractual disclosures required pursuant to article 8(1), (2) and (2a) of the SFDR (in the format of the template set out in Annex II of the SFDR RTS). These are contained as an annex to the Memorandum.

Please refer to the diagram below, which sets out how the asset allocation is displayed in Annex II of the SFDR RTS, as completed in respect of the Fund.



The Fund is subject to diversification and other investment restrictions, as set out in section VI ("*Investment Information*") in the Memorandum.

* The asset allocation above specifies the long-term percentage of Fund investments that the Manager plans to align with the Fund's environmental and social characteristics (itself based on the planned allocation to investments of the same types invested in by relevant funds following the same investment strategy, and those relevant funds' associated SFDR classifications). The Fund does not commit to making a minimum proportion of sustainable investments or Taxonomy aligned investments (accordingly the Fund does not commit to making a minimum proportion of Taxonomy aligned fossil gas and/or nuclear energy related investments) – and these have therefore been specified as zero per cent in the asset allocation chart. Other figures have been inputted into the asset allocation chart accordingly. The relevant percentages are calculated as a percentage of the capital invested by the Fund. The actual percentages of investments in the Fund's Portfolio that align with the Fund's environmental and social characteristics may vary over time, and may be higher or lower than the planned investment allocation. The percentage of investments in the Fund's Portfolio that align with the environmental and social characteristics of the Fund at any given time may be lower than the planned investment allocation figure, for example owing to the rate at which capital is deployed and re-deployed; the realisation of investments and re-investment those proceeds; the potential for investments which are aligned with the Fund's environmental and social characteristics to be subject to changes in circumstances or status; any situation involving a wind-down of the Fund; and a change in classification for a relevant fund which follows a similar investment strategy. The Manager retains sole and absolute discretion with regards to the timing and manner of the acquisition and disposal of investments for the Fund and, where a qualification applies, will not undertake such activity solely with the purpose of maintaining the percentages outlined above.

For the purposes of this section E, no distinction is made between direct exposures in investee entities and all other types of exposures to those entities.

The Fund may utilize financial instruments such as forward contracts, options, warrants, swaps (including credit default swaps and total return swaps), caps, collars, floors and other derivatives to seek to hedge against fluctuations in the relative values of their assets as a result of changes in currency exchange rates, market interest rates and public security prices. Such investments are not included in the planned asset allocation diagram above.

F. Monitoring of environmental or social characteristics

What sustainability indicators are used to measure the attainment of the environmental or social characteristics promoted by this financial product?

The Manager will use the following sustainability indicators to measure the attainment of the Fund's environmental and social characteristics. These sustainability indicators shall be monitored and reported using data and calculations as the Manager may reasonably determine from time to time:

- **Proportion of investments that are aligned with the Fund's environmental and social characteristics:** As noted above, only certain investments will be deemed to contribute to the Fund's promoted environmental and social characteristics. The Manager will periodically report the number of investments that are aligned (in whole or in part) with the Fund's promoted environmental and social characteristics. Where the Fund makes an investment that is not an equity control investment, the Manager will seek to engage with the investee company to share its values or best practices, and such investments may still be deemed to align with the Fund's environmental and social characteristics.

For those investments that are aligned (in whole or in part) with the Fund's environmental and social characteristics, depending on whether the investment is an equity or debt investment, the following sustainability indicators shall be monitored and reported:

- **Environmental indicators:**
 - Equity: Exposure to fossil fuels and renewable energy sectors, and measurement of our controlled businesses' greenhouse gas emissions on a scope 1 and 2 basis, by sector.
 - Debt: Exposure to fossil fuels and renewable energy sectors, and measurement of sponsor's greenhouse gas emissions on a Scope 1 and Scope 2 basis, on a commercially reasonable efforts basis, by sector.
- **Social indicators:**
 - Equity: Striving to establish and maintain the highest health and safety standards with the aim of achieving the target of zero serious safety incidents.
 - Debt: Engagement with sponsors to understand ongoing maintenance and implementation of the highest health and safety standards with the aim of achieving the target of zero serious safety incidents.

- **Governance indicators:**
 - Equity: Achieve high level of engagement on governance policies and strive to achieve zero material cybersecurity and anti-bribery and corruption (ABC) incidents.
 - Debt: Achieve engagement on governance policies and strive to encourage borrowers to achieve zero material cybersecurity and ABC incidents.

The output of this monitoring (and, where relevant, engagement) is reported by the Manager using narrative disclosure and/or quantitative data, as it determines in its discretion. The Manager uses commercially reasonable efforts to obtain the information necessary to report the sustainability indicators to investors, however it may not be practicable to do so in all instances across all investments, including where the Fund does not hold an equity control position (in which case, the Manager will decide on the appropriate course of action to take, which may include using third party or proxy data, in its complete discretion).

Further ESG-related key performance indicators may be provided to investors over time although these may or may not be classified as 'sustainability indicators' for these purposes, in the Manager's discretion.

How are the environmental or social characteristics and the sustainability indicators monitored throughout the lifecycle of the financial product and what are the related internal/external control mechanisms?

The Manager will monitor the progress of the sustainability indicators through the collection and monitoring of available metrics on a commercially reasonable efforts basis and (for equity investments) through engagement with the portfolio company. The internal and external control mechanisms are as set out in sections G and H of this summary document below.

G. Methodologies

What is the methodology to measure the attainment of the environmental or social characteristics promoted by the financial product using the sustainability indicators?

Attainment of the environmental and social characteristics promoted by the Fund is measured using the sustainability indicators. As noted above, the output of the sustainability indicators is reported by the Manager using narrative disclosure and/or quantitative data, as determined in the Manager's discretion. The Manager uses such methodology as it considers to be appropriate at the relevant time, in its complete discretion.

The Manager calculates the proportion of investments that are aligned with the Fund's environmental and social characteristics by considering the investments it has made at the relevant time and applying its reasonable discretion. The Manager may (where appropriate) take into account the environmental and/or social characteristics of other funds that the Fund is invested alongside, or funds that the Fund has acquired an investment from, in determining whether an investment is aligned with the Fund's environmental and social characteristics.

In circumstances where it is appropriate to do so, the Fund may require or request that wholly owned or controlled portfolio investments report data to it in order to support the measurement of relevant sustainability indicators.

Where the sustainability indicator relates to engagement, the Manager may (in its discretion) take into account both the quantity and the quality of engagements made by Brookfield Infrastructure in the context of the investment.

H. Data sources and processing

What are the data sources used to attain each of the environmental or social characteristics including the measures taken to ensure data quality, how data is processed and the proportion of data that is estimated?

The Manager will use commercially reasonable efforts to obtain the information necessary to report the sustainability indicators to investors. Where data is obtained or generated internally, the Manager shall take such steps as it considers practical and appropriate to ensure data quality. This data is not expected to be estimated.

In circumstances where it is appropriate to do so, the Fund may require or request for wholly owned or controlled investments to report data to it in order to support the measurement of relevant sustainability indicators. This data may be based on estimates and/or qualitative assessments made by the relevant portfolio company and/or be subject to any scoping principles, assumptions and/or other qualifications adopted during the self-assessment process. The Manager will subject data received to an overall "sense check" and, where the Manager becomes aware that information is unavailable, incomplete or materially inaccurate, it will take such steps as it considers practical and appropriate in order to ensure data quality (which may include using third party or proxy data, in its complete discretion).

The Manager does not expect to perform analysis to confirm conformity of investments to the EU Taxonomy. To the extent that the Fund may report that a proportion of investments are Taxonomy-aligned, those figures may be derived from public disclosures and/or equivalent information directly obtained from portfolio companies. In some circumstances complementary assessments and estimates based on information from other sources may also be used.

No proportion of estimated data has been set by the Fund.

The Manager processes the data by, amongst other things, running calculations to establish the performance of its sustainability indicators and the other disclosure points required under the SFDR.

I. Limitations to methodologies and data

What are the limitations to the methodologies and data sources? (Including how such limitations do not affect the attainment of the environmental or social characteristics and the actions taken to address such limitations)

The Manager will use commercially reasonable efforts to obtain the information necessary to report the sustainability indicators to investors, however it may not be practicable to do so in all instances across all investments, including where the Fund does not hold an equity control position (in which

case, the Manager will decide on the appropriate course of action to take, which may include using third party or proxy data, in its complete discretion).

Consequently, without prejudice to the risks identified in the relevant sections of the Memorandum concerning ESG risks, the primary limitation is that the Manager is reliant on data obtained from portfolio investments and/or other third parties, and some of that data may itself be reliant on estimates, qualitative assessments and/or any limitations in the self-review or data collection processes.

These limitations are not considered to materially limit the monitoring or attainment of the Fund's promoted characteristics as self-reported data is usually provided by portfolio companies in a timely fashion and information obtained from third parties is typically provided pursuant to a contract specifying minimum quality standards. Where the Manager becomes aware that information is incomplete or materially inaccurate, it will take such steps as it considers practical and appropriate in order to ensure data quality.

J. Due diligence

What is the due diligence carried out on the underlying assets and what are the internal and external controls in place?

Before making investments for the Fund, the Manager will typically conduct due diligence that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment.

Following this phase, the Manager performs a deeper due diligence on the potential investment with support from internal experts and, when needed, third-party consultants. Brookfield's investment teams use Brookfield's ESG Due Diligence Protocol, which includes guidance on various ESG considerations including the engagement guide published by SASB to assist with the identification of material ESG factors when conducting due diligence. While ESG considerations will vary depending on the type of business, geographic location and sector of the potential investment, the ESG Due Diligence Protocol offers consideration for environmental, social and governance matters, and assists teams in completing a mandatory disclosure section that must be included in all investment committee memorandums.

Further, for those investments which are used to attain the Fund's promoted environmental or social characteristics, and as outlined in more detail above, the Investment Committee ("IC") is central to investment decision making for the Fund. For every investment decision, the IC will receive an investment memorandum which will either: (1) explain how the investment is in renewable power or other sectors or businesses that contribute to the transition to "net zero", contributing to continued generation and development of clean energy generation; or (2) explain why the investment is not and justify how and why the investment otherwise meets the Fund's investment objectives. Please refer to section C of Part IV ("*Environmental, Social and Governance (ESG) Management*") of the Memorandum for full details of the integration of ESG considerations into the Manager's due diligence process. For more information on Brookfield's approach to due diligence generally, please refer to section C of Part III ("*Investment Process – Private Infrastructure Investments*") of the Memorandum.

K. Engagement policies

Is engagement part of the environmental or social investment strategy? If so, what are the engagement policies? (Including any management procedures applicable to sustainability-related controversies in portfolio companies)

Engagement forms part of the Fund's strategy and is a core part of the attainment of the Fund's environmental and social promoted characteristics and ongoing monitoring of the Fund's sustainability indicators. Please refer to section F of this summary document above for more details.

The Manager does not maintain specific management procedures in respect of sustainability-related controversies in investee companies. Sustainability-related controversies in investee companies will be taken into account where they cause an actual or potential material negative impact on the value of an investment and, in such cases, the Manager shall follow the procedures set out in its sustainability risk policies. More information about the Manager's approach to the integration of sustainability risks can be found in the "*Integration of Sustainability Risks*" section of Part XV "*Regulatory and Tax Considerations*" in the Memorandum.