

Brookfield

Brookfield Real Estate Income Trust Inc.

7.9%

TOTAL RETURN SINCE
INCEPTION FOR CLASS I¹

97%

PORTFOLIO
OCCUPANCY

6.4%

DISTRIBUTION
RATE FOR CLASS I²

Q2 2024 Performance

We are pleased to report solid Q2 2024 performance, generating a total net return of 0.7% for stockholders (Class I shares). This quarter marked a positive shift in momentum fueled by new property acquisitions, increased subscriptions and a decline in redemptions. In June, we saw the lowest monthly redemptions since November 2023, and the first month in over a year in which subscriptions exceeded redemptions. This change reflects a renewed confidence that real estate markets have finally bottomed and compelling growth opportunities lie ahead.

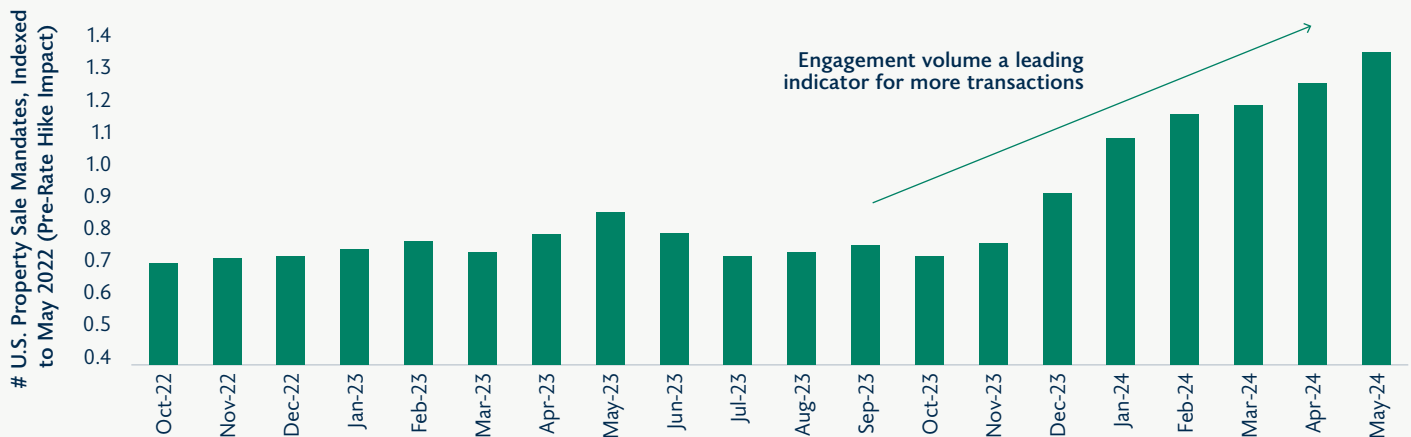
Our real estate credit portfolio, which we built up significantly in 2022 and 2023, has not only contributed to strong returns but has been an important source of liquidity to take advantage of the current market opportunity. Over the last 12 months, as interest rates peaked, we liquidated 45 loan positions and redeployed the proceeds into a number of exciting new investments. Our ability to leverage the expertise of Oaktree to help us time the credit market continues to be a differentiator for us in the industry. After reaching a peak of nearly 30%, liquid credit investments today comprise 15% of our Net Asset Value and will likely continue to trend down as we uncover opportunities to put more capital to work in attractively priced equity investment opportunities.

Why Real Estate? Why Now?

We believe we are currently in the most attractive real estate investment environment in the past decade, driven by three key factors:

- ① **Interest rates are stabilizing:** Inflation in the U.S. slowed significantly in the second quarter of 2024 and most commentators are now predicting interest rate cuts in the second half of the year. However, even without base rates coming down, financing spreads (the premium borrowers are required to pay over the risk-free rate) have narrowed dramatically over the past 6 months, reducing the cost of borrowing. This has led to a reopening of the capital markets and increased transaction activity.

Figure 1.1 Interest Rates Stabilizing, Leading to Increased Transaction Activity...

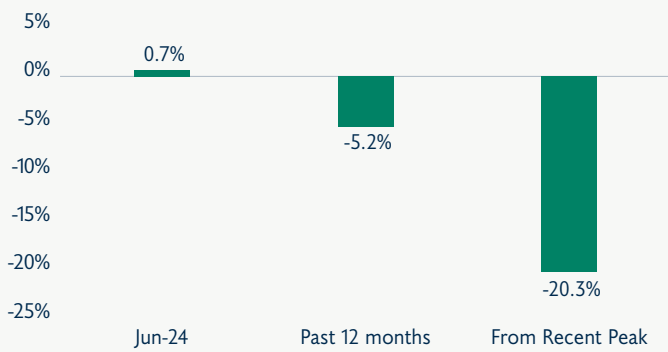


Source: JLL Research.

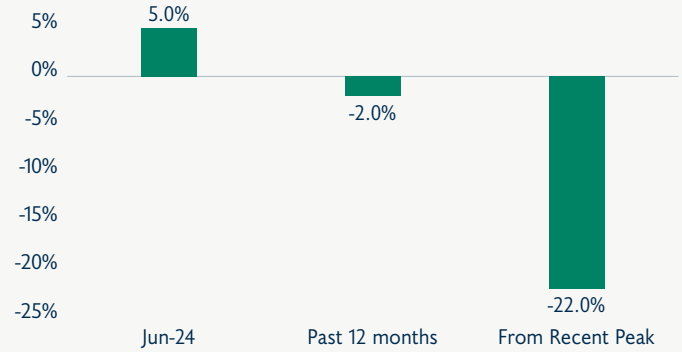
As a result of this, we are beginning to see some positive impact on real estate values. Green Street's Commercial Property Price Index, which measures pricing for institutional-quality commercial real estate, rose 0.7% in June and is up 1% year-to-date. Multifamily values rose 5% in the past month and are now up approximately 10% from a late 2023 trough.

Figure 1.2 ...And Positively Impacting Real Estate Values

Change in Commercial Property Values



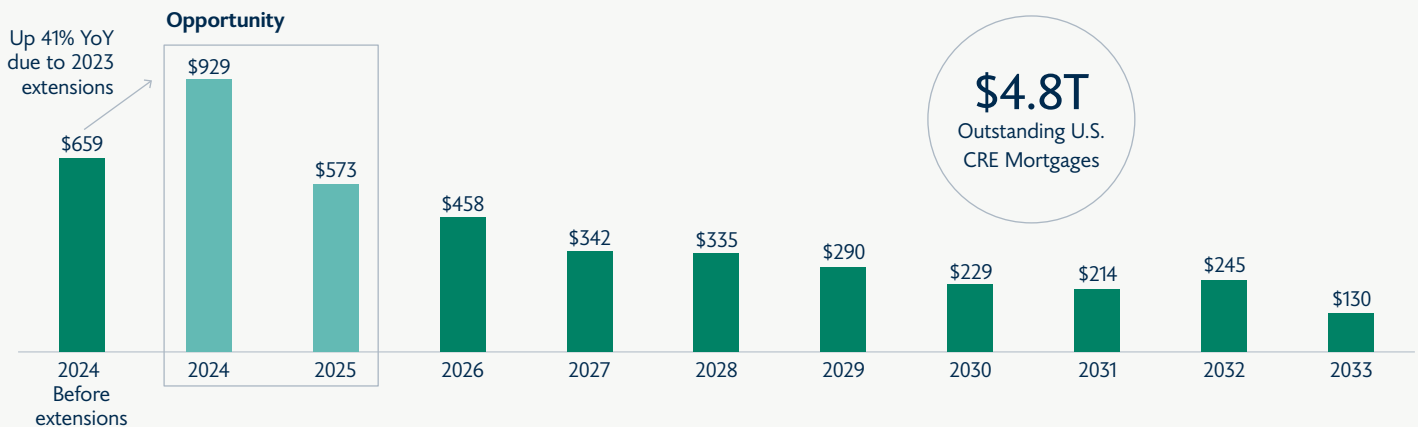
Change in Multifamily Values



Source: Green Street Commercial Property Price Index, July 03, 2024.

② **Liquidity is at a premium:** Despite this improvement in capital markets, many investors continue to sit on the sidelines. Undercapitalized owners who need to sell assets to repay maturing debt, or finance capital projects, find there are few buyers and many competing assets for sale.

Figure 2. U.S. CRE Debt Outstanding (\$B)

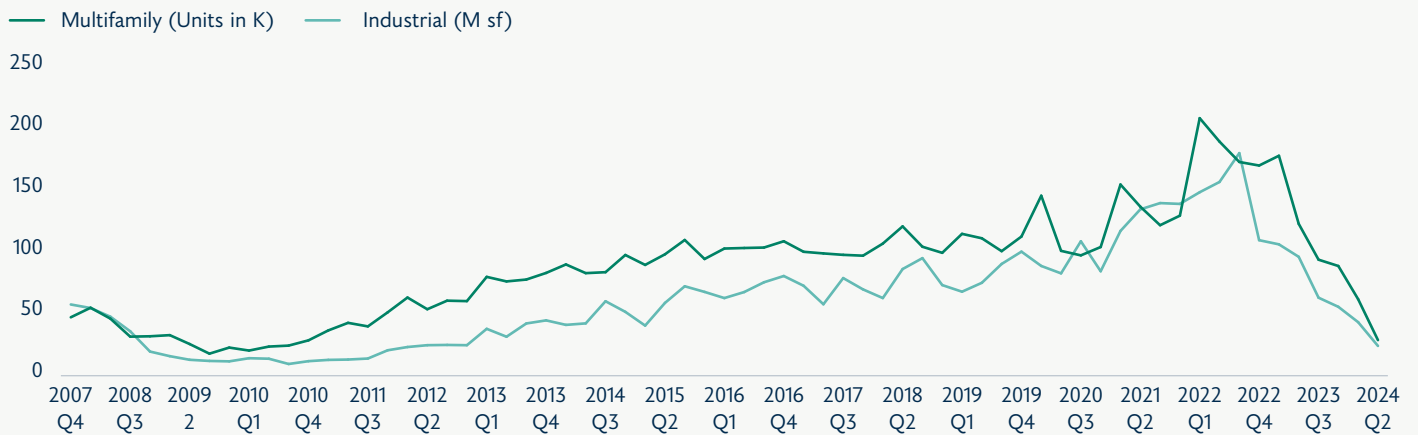


Source: MBA (Feb 2024). There is no assurance that such events or projections will occur, and actual outcomes may be significantly different than those shown here.

This means, investors with access to capital (like Brookfield REIT) should generally be able to select the very best assets without needing to compete on price with other buyers. A number of our recent property acquisitions came to us on an off-market basis, with counterparties seeking timely and certain execution.

③ **Long-term fundamentals** – Real Estate is a long-term business and while we have come through a relatively short period of volatility, longer term real estate fundamentals remain sound. Demand for rental housing and industrial warehouses remain robust while new construction starts are down more than 70% from their peaks (**Figure 3**). With construction costs up 20%+ from just a few years ago, rents will need to move meaningfully higher before any new supply enters the market. This provides a strong underpinning for the value of existing assets.

Figure 3. U.S. Construction Starts



Source: Costar Q2 2024.

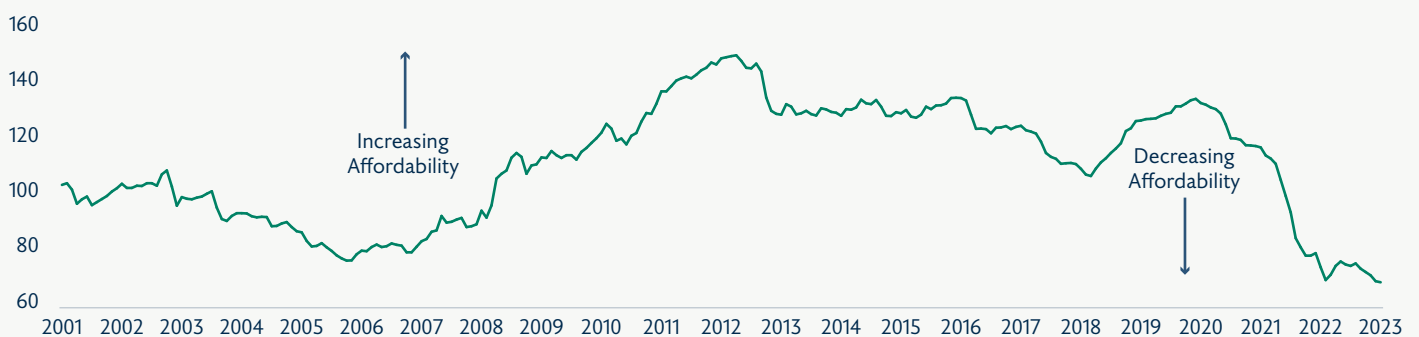
Capitalizing on Our Strong Position and Seizing Opportunities in the Current Environment

The combination of these three factors creates an opportunity to buy high-quality real estate at attractive values. With no unsatisfied repurchase requests to date and access to approximately \$400 million of liquidity, we believe we are well-positioned to capitalize on opportunities.

Rental housing continues to be a favored theme. As a result of inflated construction costs and increased mortgage rates, we believe the cost of home ownership vs. renting has never been more out of balance.

Figure 4. U.S. Housing Affordability at Historic Lows

Goldman Sachs Housing Affordability Index



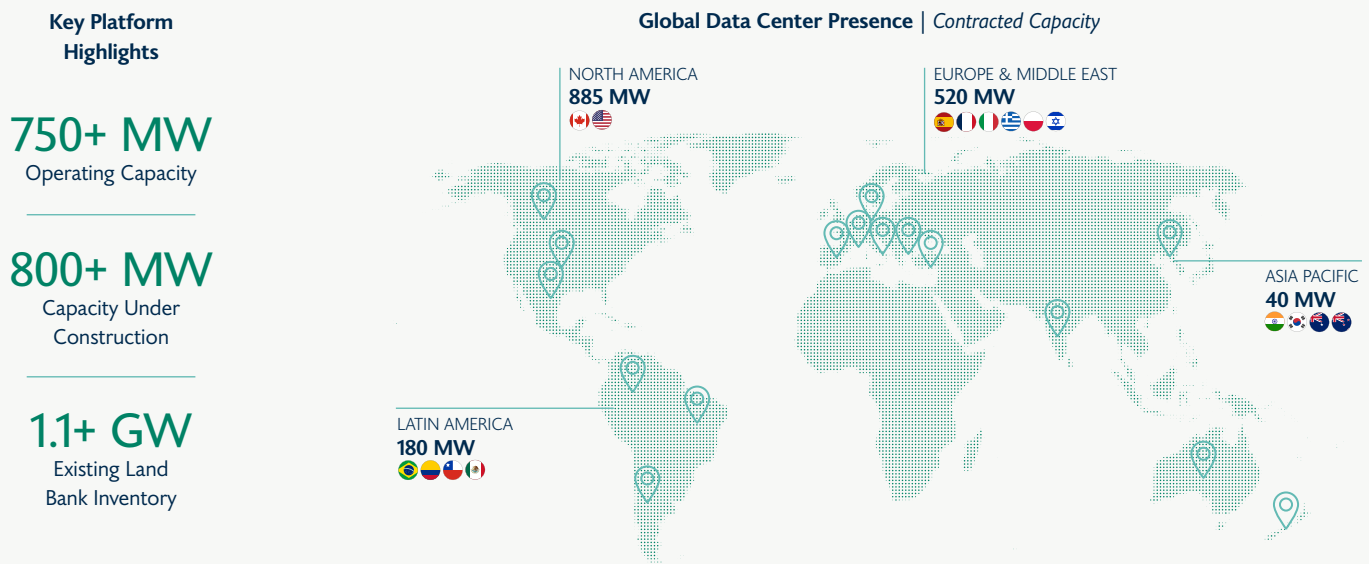
Source: Goldman Sachs Research as of September 2023.

At the same time, supply remains in check, and construction starts are at their lowest in over a decade, which will lead to higher rents in the future. Brookfield REIT has a broad exposure to rental housing including traditional multifamily, student housing and single family housing, and we further expanded our footprint this quarter with three acquisitions totaling more than \$150 million:

- **Reflection**, a 741-bed high-rise student housing property in Atlanta, GA, that offers units ranging from one to four bedrooms, and features an impressive array of resident amenities, including a state-of-the-art fitness center and yoga studio, luxury pool with jumbotron television, game room, podcast studio, and several common areas for studying and socializing. The property benefits from a strong supply/demand dynamic at neighboring Georgia State University, the largest university in the state with current enrollment of approximately 50,000 students.
- **Cannondale Court**, a community of 89 newly built townhomes within walking distance of desirable restaurants, stores, and other retailers in fast-growing Chattanooga, TN. Several large corporate employers have recently added new jobs in the region – notably Volkswagen’s recent addition of 1,000 new jobs at their flagship U.S. electric vehicle plant, which now houses approximately 5,500 employees.
- **Timber Leaf**, a recently developed community of 92 homes from a national homebuilder in south Birmingham, AL which will benefit from nearly 2,000 jobs being created following the completion of nearby UAB Medical West Hospital development and the \$1.1 billion Smucker’s manufacturing facility.

Another sector in focus for Brookfield REIT is data centers. The combination of increased mobile working, e-commerce, cloud-based computing, and Artificial Intelligence has led to an explosion in demand for data warehouses to house mission-critical IT infrastructure. Brookfield is one of the largest owners and operators of data centers in the world with operations on 4 continents totaling 750MW of operating capacity and a further 800MW currently under construction.

Figure 5. Opportunities in New Sectors like Data Centers, Where Brookfield is One of the Largest Global Owners and Operators



Source: Brookfield.

These data centers are 100% leased on a long-term basis to some of the largest hyperscale customers in the world and provide attractive margins with built-in annual rent increases. We anticipate there will be a number of opportunities for Brookfield REIT to invest in this exciting asset class and that data centers will become a meaningful component of our portfolio in the future.

Outlook

Looking ahead, we see both opportunities to invest on a deep value basis in sectors with strong long-term fundamentals such as rental housing, as well as new and exciting high-growth sectors including datacenters. While we continue to make prudent investment decisions, we are optimistic that some green shoots are beginning to emerge – and believe that interest rates have peaked, real estate values have bottomed and Brookfield REIT is well positioned with access to plenty of liquidity.

We thank you for your continued investment and support.

This communication is for stockholder use only and is not an offer to sell or a solicitation of an offer to buy any securities.

Total Returns as of June 30, 2024¹

	YTD	1-Year	3-Year	Since Inception	Distribution Rate ²
Class D No Sales Load	-1.61%	-4.93%	N/A	-3.65%	6.06%
Class D With Sales Load	-3.07%	-6.34%	N/A	-4.34%	
Class S No Sales Load	-2.21%	-6.04%	5.61%	6.81%	5.60%
Class S With Sales Load	-5.51%	-9.21%	4.41%	6.01%	
Class I	-1.72%	-5.14%	6.46%	7.87%	6.37%

Past performance is historical and not a guarantee of future results.

¹ Total Return is calculated as the percent change in the net asset value (NAV) per share from the beginning of the applicable period plus the amount of any net distribution per share declared in the period. Total return is not a measure used under GAAP in the United States. Returns greater than one year are annualized. All returns shown assume reinvestment of distributions pursuant to Brookfield REIT's distribution reinvestment plan, are derived from unaudited financial information, and are net of all Brookfield REIT expenses, including general and administrative expenses, transaction-related expenses, management fees, performance fees and share-class-specific fees, but exclude the impact of early repurchase deductions on the repurchase of shares that have been outstanding for less than one year. Past performance is historical and not a guarantee of future results. Class D and Class S shares listed as "With Sales Load" reflect the returns after the maximum up-front selling commission and dealer manager fees. Class D and Class S shares listed as "No Sales Load" exclude up-front selling commissions and dealer manager fees. The returns have been prepared using unaudited data and valuations of the underlying investments in the Brookfield REIT portfolio, which are estimates of fair value and form the basis for Brookfield REIT's NAV. Valuations based upon unaudited reports from the underlying investments may be subject to later adjustments, may not correspond to realized value, and may not accurately reflect the price at which assets could be liquidated. Please refer to Brookfield REIT's annual and quarterly reports filed with the SEC, which are available at BrookfieldREIT.com, for a full reconciliation of NAV to GAAP measures. For information on how Brookfield REIT calculates NAV, see the "Net Asset Value Calculation and Valuation Guidelines" section of Brookfield REIT's prospectus.

² Distribution Rate reflects the current month's distribution annualized and divided by the prior month's NAV. NAV-based calculations involve significant professional judgment. The calculated value of Brookfield REIT's assets and liabilities may differ from actual realizable value or future value, which would affect the NAV as well as any returns derived from that NAV, and ultimately the value of your investment. As return information is calculated based on NAV, return information presented will be impacted should the assumptions on which NAV was determined prove to be different. There is no assurance Brookfield REIT will pay distributions in any particular amount, if at all. Any distributions Brookfield REIT makes will be at the discretion of the Brookfield REIT board of directors. Brookfield REIT may fund any distributions from sources other than cash flow from operations, including, without limitation, the sale of assets, borrowings, return of capital or offering proceeds, and Brookfield REIT has no limits on the amounts Brookfield REIT may pay from such sources. Brookfield REIT cannot guarantee that it will make distributions. 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.


FORWARD-LOOKING STATEMENTS

Statements contained in this letter that are not historical facts are based on our current expectations, estimates, projections, opinions or beliefs. Such statements are not facts and involve known and unknown risks, uncertainties and other factors. Stockholders should not rely on these statements as if they were fact. Certain information contained in this letter constitutes "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "should," "expect," "anticipate," "project," "target," "estimate," "intend," "continue," "forecast" or "believe" or the negatives thereof or other variations thereon or other comparable terminology. Due to various risks and uncertainties, including those described in our annual and quarterly reports filed with the SEC, actual events or results or our actual performance may differ materially from those reflected or contemplated in such forward-looking statements.

No representation or warranty is made as to future performance or such forward-looking statements. In light of the significant uncertainties inherent in these forward-looking statements, the inclusion of this information should not be regarded as a representation by us or any other person or entity that our objectives and plans, which we consider to be reasonable, will be achieved. Stockholders should carefully review the "Risk Factors" section of our annual and quarterly reports filed with the SEC for a discussion of the risks and uncertainties that we believe are material to our business, operating results, prospects and financial condition. Except as otherwise required by federal securities laws, we do not undertake to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by law.

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