

Overview

As a fiduciary, Brookfield's Public Securities Group ("PSG" or "we") seeks to act in the best interest of our clients. Our portfolios seek to achieve the highest risk-adjusted returns possible through a high-conviction, fundamental bottom-up research and stock selection approach. Environmental, social and governance (ESG) considerations have become increasingly important to all stakeholders of an organization, including employees, customers, suppliers, regulators and investors. Across our organization, we adopt ESG considerations in various ways, namely integration, engagement, product customization and innovation, and communication. We outline our approach to each category in more detail below.

Sustainable Investment Committee

Our Sustainable Investment Committee guides our responsible investing efforts across these four areas. The committee consists of personnel across the organization, including the investment teams, investor relations and operations. The group is tasked with the promotion and enhancement of sustainable investment efforts across our strategies. To achieve these goals, the group meets regularly to discuss best practices with regard to ESG integration and engagement. The group also discusses trends in the marketplace and how they impact our efforts around product customization and innovation and communication.

Sustainable Investment Committee Statistics

7 Member Team	5 Investment Professionals	2 Non-Investment Representatives	100+ Years of Experience; 40+ Years with Brookfield
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Integration

Within PSG, we consider ESG factors in the context of their potential to strengthen or impair future cash flows and value creation. As noted, we are fundamental investors with a value bias; and we utilize quantitative and qualitative assessments (that include ESG analyses) to develop an outlook for long-term value creation among companies in our investment universe. Our investment teams leverage their analysis to identify additional risk factors and how it may affect—either directly or indirectly—the stakeholders and the communities in which they operate.

Many elements of ESG due diligence are embedded in our analytical framework, alongside traditional financial analyses. In-house and third-party research is incorporated into our valuation systems and investment processes. Research findings are also used as a guide to engage with management teams on ESG-related issues.

When deemed material to a company's valuation, ESG factors are considered in our assessment of a security's target price. As is the case with all our analyses, if we feel the risks or opportunities related to these ESG factors are not appropriately reflected in a security's price, we will adjust our target prices and thus our portfolio holdings accordingly. Since the inception of PSG's business, governance factors have been a particularly important part of our investment analysis, with the focus being on issues that may arise from the principal/agency relationship and the separation of management from ownership. In recent years, sustainability and social factors have become increasingly relevant to cash flow generation, reputational risk and overall investor sentiment. As a result, we have increased our efforts to incorporate these additional factors into our investment process.

Select sources of information for ESG analysis

Information Source	Examples
Company engagement	Management meetings and conferences
Company filings and reports	SEC filings (annual/quarterly reports, proxy statements, etc.), corporate sustainability reports
Media	Investment Traditional media outlets (newspapers and television), as well as social media posts
Third-party research	Bloomberg, GRESB, Green Street Advisors, Goldman Sachs, Morgan Stanley, MSCI, Sanford Bernstein, UBS, Wells Fargo

Engagement

Our investment staff is very well acquainted with the management teams of the companies in which we invest, holding hundreds of face-to-face meetings each year. We are regularly engaging with teams on all issues, including ESG practices.

We can also express our views related to these issues through proxy voting. It is the policy and practice of the Public Securities Group and its affiliates to vote proxies consistent with fiduciary duty, the PSG Proxy Voting Policy and Procedures, and the best interests of clients, in compliance with Rule 206(4)-6 under the Advisers Act. In most, if not all, cases the best interest of clients will mean that the proposals which maximize the value of portfolio securities will be approved. While economic benefit is of primary concern when voting proxies, PSG recognizes the increasing role of ESG issues in maximizing long-term shareholder value. PSG considers ESG issues including: gender equality, board diversity, ecology and sustainability, climate change, product safety, human rights, data security and privacy.

Product Customization and Innovation

As investor preferences evolve, we look to innovate and partner with clients to help match beliefs with investment solutions. We implement screening within specific portfolios based on client preferences. We also offer strategies that are more “sustainability-focused” by nature. One example is our Global Renewables and Infrastructure (GRSI) strategy, which invests in companies that own and operate renewable energy or sustainable infrastructure assets. Companies in which we invest are inherently focused on ESG- and sustainability-related outcomes, as many seek to drive environmental and societal change. We also work with regulatory and reporting agencies to obtain sustainability labels for strategy offerings, where applicable.

Additionally, Brookfield recently announced key hires to expand the firm’s efforts around impact investing. We work with our colleagues across the organization to identify opportunities within public markets.

Communication

We leverage the firm’s and investment professionals’ expertise to provide insights on real assets to help our clients make asset allocation decisions and navigate financial markets. ESG education and insights continue to be a growing topic of focus. We currently share our sustainable investing insights and opinions directly with clients and prospects as part of the investment due diligence process. But we are intent on increasing our education and perspectives on the topic with the marketplace through white papers, articles, videos, podcasts, events and conference participation, among others.