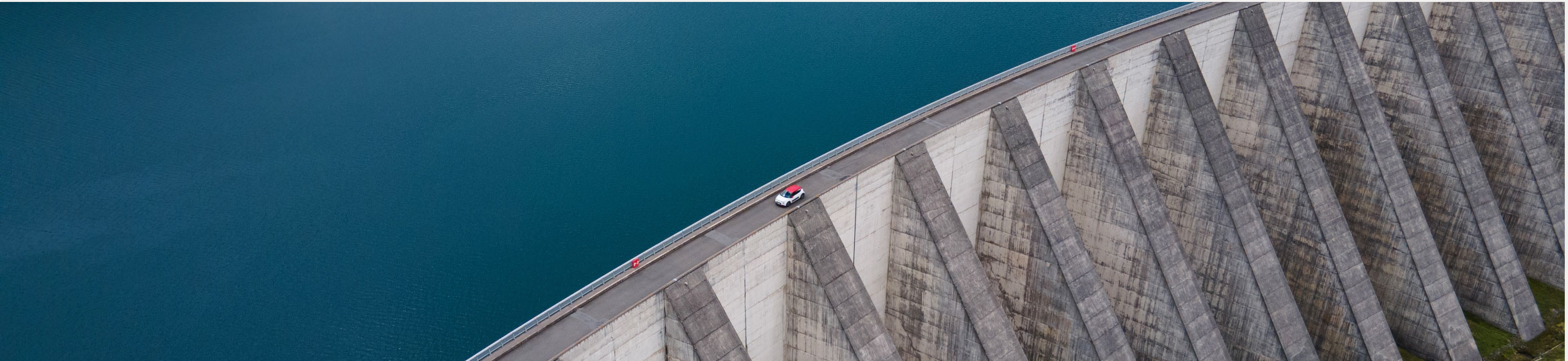
Brookfield

# Midyear Outlook: Seeking Resilience in Turbulent Times

Q3 2026



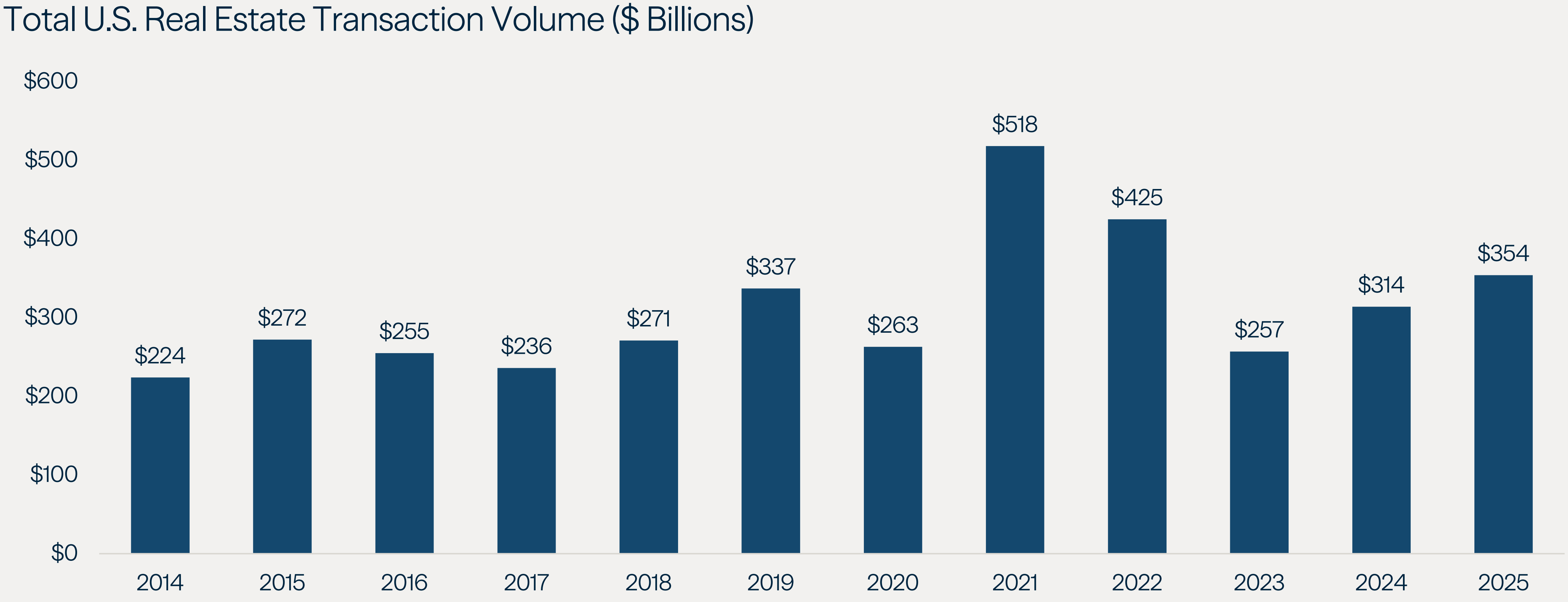
# Economic uncertainty prevails, but we remain constructive on the four core alternative asset classes at the midyear

## “You can’t predict, but you can prepare.” –Howard Marks

- Separating the Signal From the Noise in Private Credit
- How Private Equity Adapts to a Disrupted World
- Why Volatility Can Create Opportunities for Disciplined Infrastructure Investors
- Real Estate Recovery: Resilience Amid Volatility

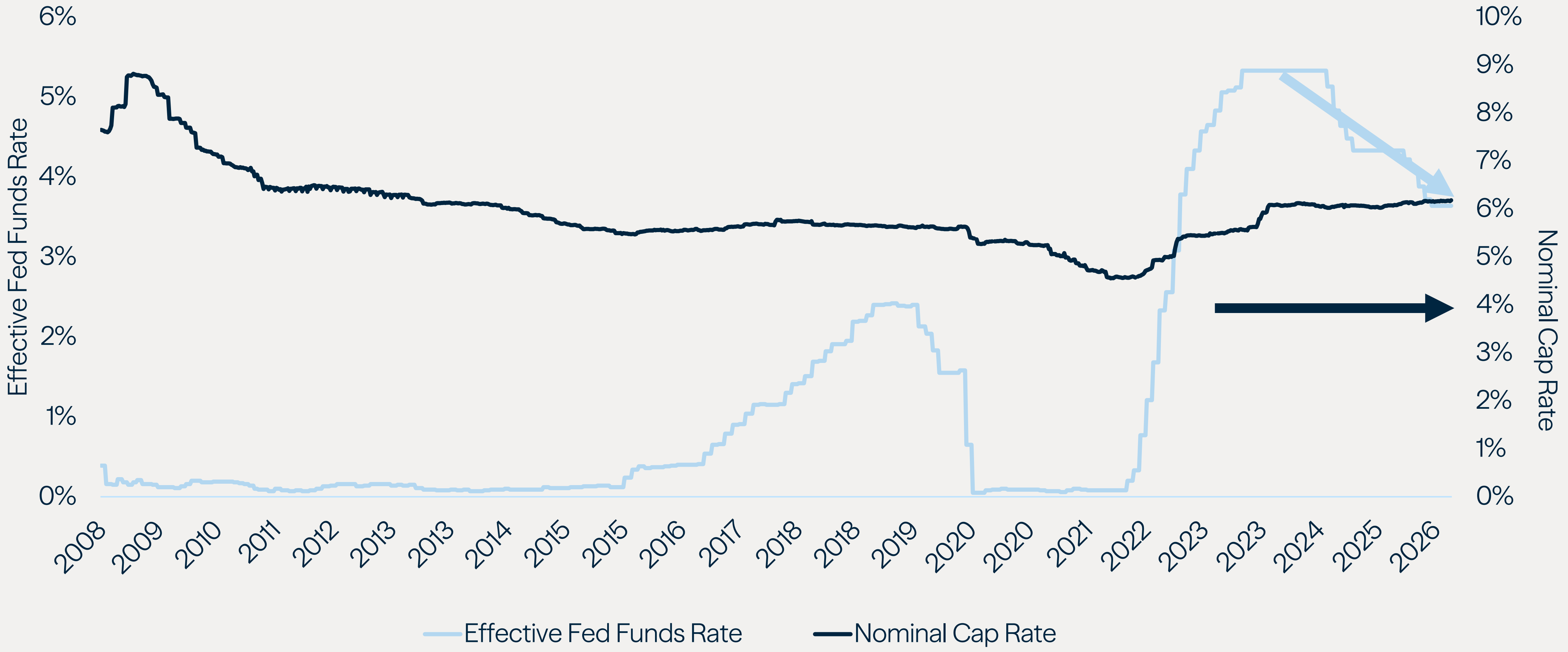
**Private real estate** may appear attractive and may maintain its recent momentum, supported by normalizing deal flow.

# Real estate deal flow is showing signs of recovery




Source: Green Street, as of March 2026.

# Cap rates have stabilized in the current interest-rate environment

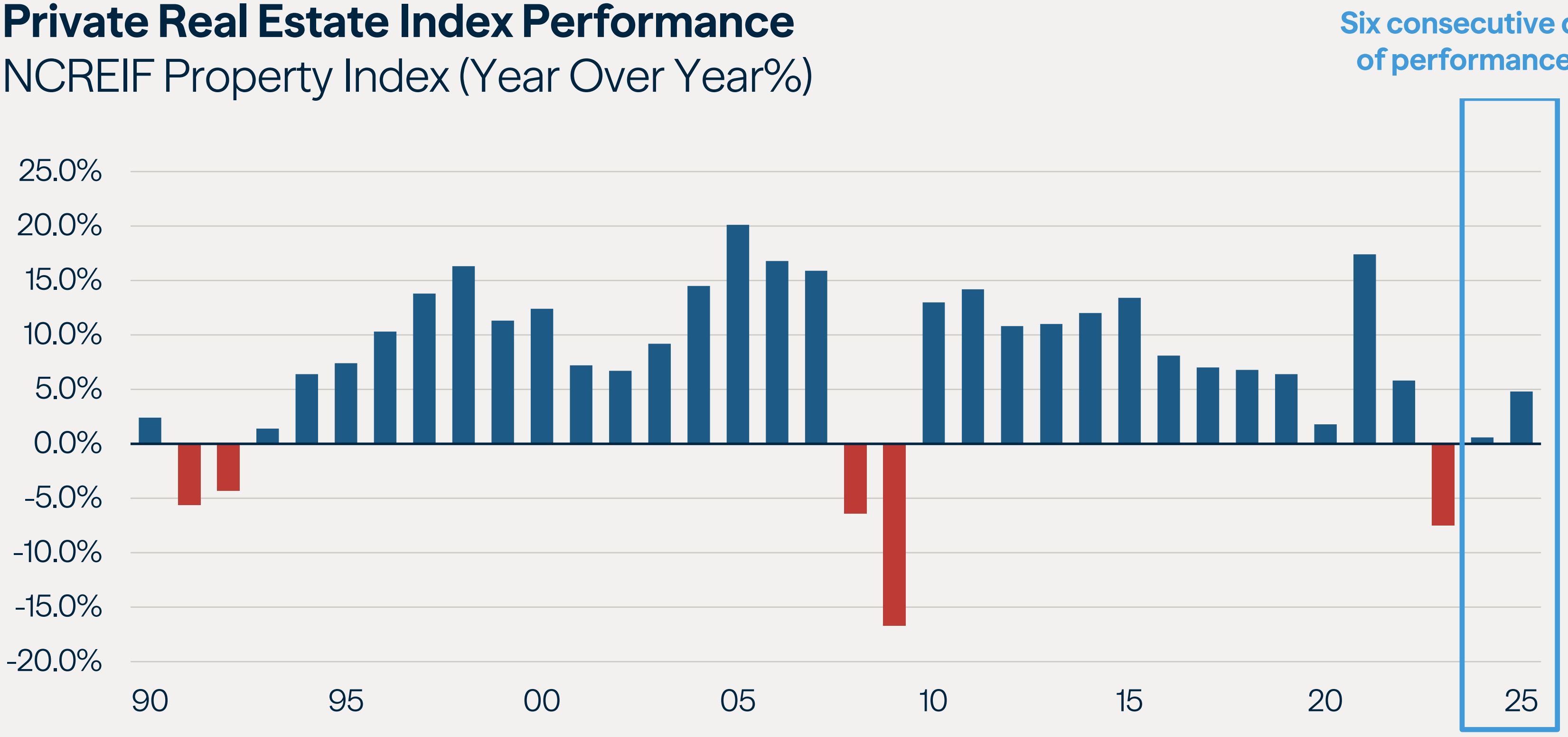



Source: Federal Reserve Bank of St. Louis, Green Street. As of March 2026.

# Signals suggest we are in the early stages of a new real estate cycle, which has historically coincided with long-term opportunities

## Private Real Estate Index Performance

NCREIF Property Index (Year Over Year%)





**Past performance does not guarantee future results.** There is no guarantee that investment objectives can be achieved. An investor cannot invest in an index. Please see Index Disclosures for index details. * Based on selected historical periods; not representative of all market cycles. The periods referenced are based on selected historical downturns and may not be representative of all market cycles. Private real estate represented by NCREIF Property Index; NFI-ODCE (U.S. indexes) as of December 2025. †Represents annual return in five years post-downturn
Source: National Council of Real Estate Investment Fiduciaries

**Private credit** has come under increased scrutiny, but we believe the current environment reflects cycle normalization, not systemic risk.

# We believe recent credit issues are mostly isolated and driven by higher rates, not broad contagion

**Rates**
Higher interest rates are increasing pressure on weaker borrowers

**Dispersion**
Bifurcated credit outcomes, based on the strength of the portfolio company

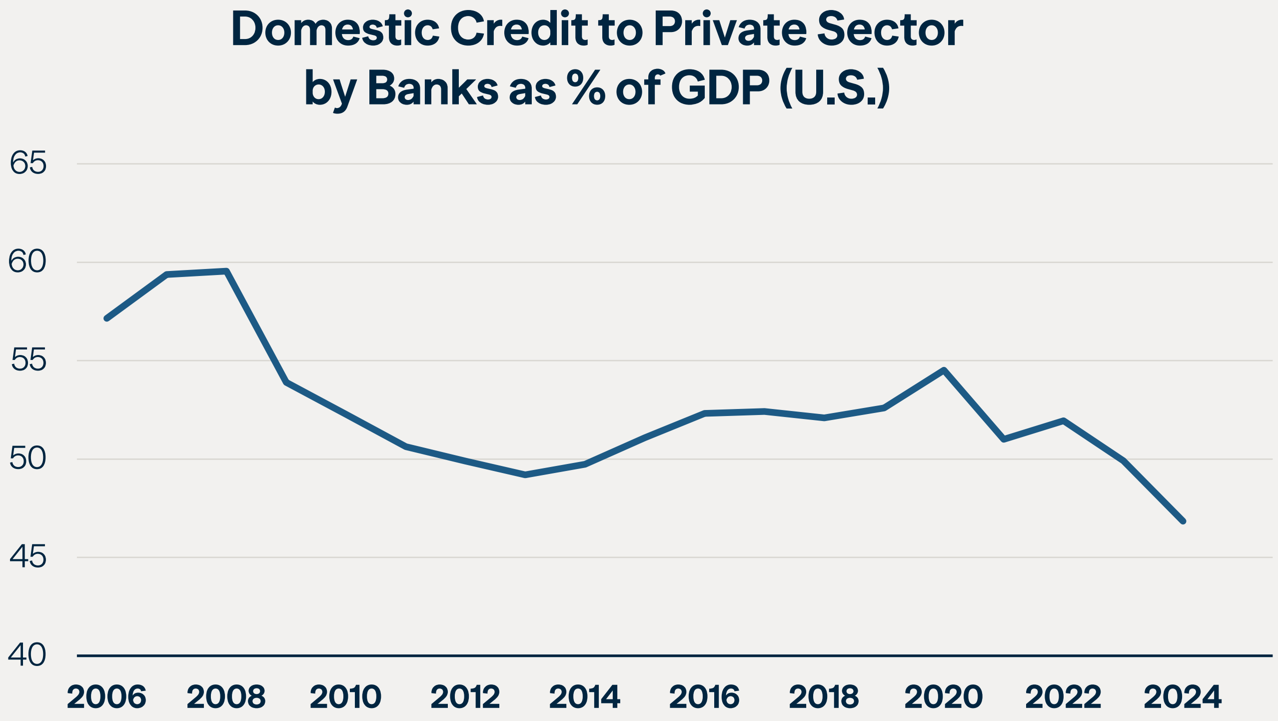
**Disruption**
AI-driven changes in sectors like software are accelerating the divergence between stronger and weaker companies

**Outcomes increasingly depend on manager selection and disciplined underwriting**

There can be no guarantee that the views and opinions expressed in this presentation will come to pass. The statements above reflect Oaktree's views and opinions as of the date hereof and not as of any future date. All expressions of opinion are subject to change without notice and are not intended to be a forecast of future events or results.

# While recent credit issues highlight risks, we do not believe they signal systemic stress in private credit

- Direct lending risk has shifted from banks to alternative lenders
- Alternative lenders may operate with lower leverage and more flexible capital
- Banks retain exposure via BDC* financing, which is generally senior, secured, and may be supported by the junior capital beneath it

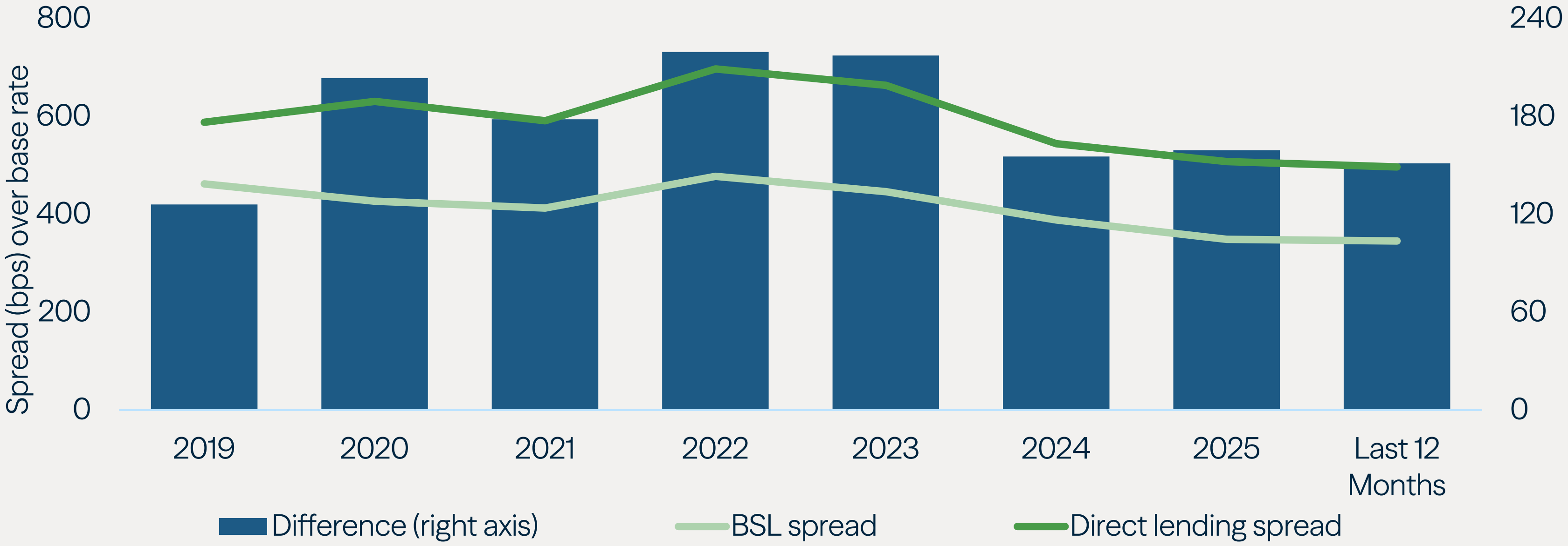



*Business Development Company (BDC): A type of closed-end investment company that is regulated by the Securities and Exchange Commission under the Investment Company Act of 1940 and that primarily invests in small and mid-sized companies (often privately held or founder-owned).
Source: World Bank, as of December 31, 2024, due to data availability.

# Wider spreads may improve the backdrop for private credit deployment

New private credit issuance has recently been priced at **wider spreads**, alongside modest improvements in **lender protections** and documentation.

**Private credit spreads remain elevated versus BSL markets**

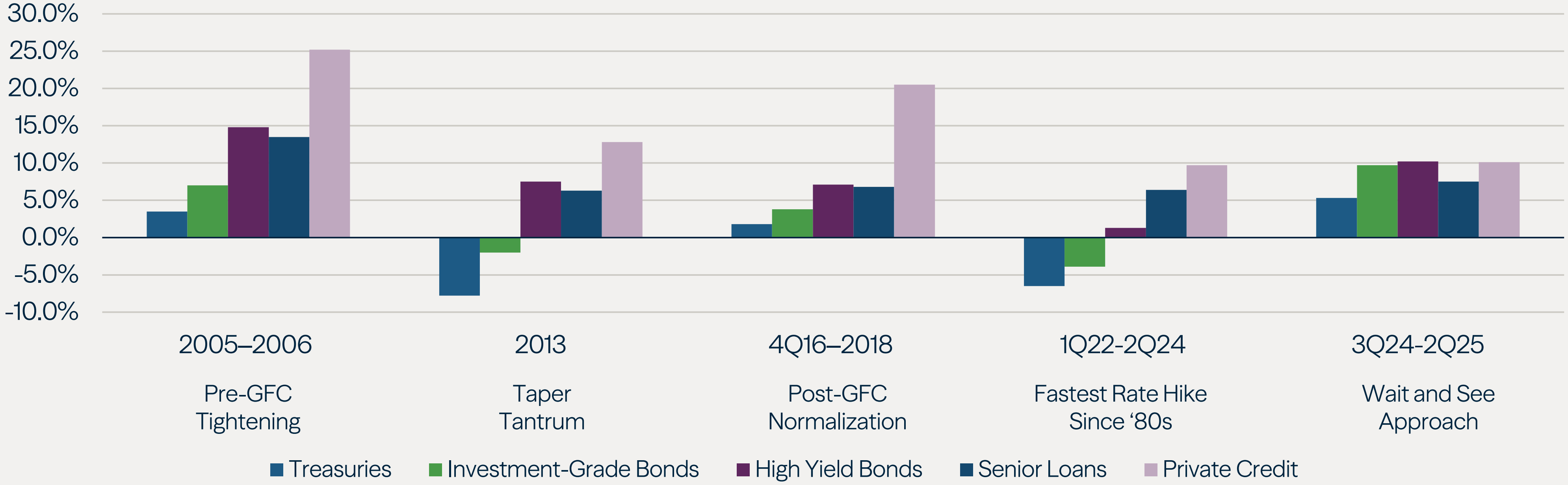



**Increasing dispersion may favor disciplined underwriting and selective deployment**

**Past performance does not guarantee future results.** Direct lending spread data reflect senior secured first-lien loans and unitranche facilities. Broadly syndicated loan (BSL) data reflect loans issued to all leveraged borrowers.
Source: Pitchbook LCD. As of April 30, 2026.

# Private credit performance has historically shown resilience across market cycles

## Total Return % in the Last Five Interest-Rate Cycles




**Past performance is not indicative of future results**. Performance shown across selected interest-rate cycles; results vary across periods and market conditions. Chart shows performance over last five interest-rate cycles through June 2025. Treasuries are represented by FTSE 10-Year Treasury Benchmark Index. Investment-Grade Bonds are represented by ICE BofA Global Corporate Bond Index. High-Yield Bonds are represented by ICE BofA U.S. High-Yield Index. Senior Loans are represented by S&P UBS Leveraged Loan Index. Private Credit is represented by Cliffwater Direct Lending Index (data since index inception in 2005; as of June 30, 2025). Reflects cumulative returns. Indexes are unmanaged, and an investor cannot invest directly in an index.

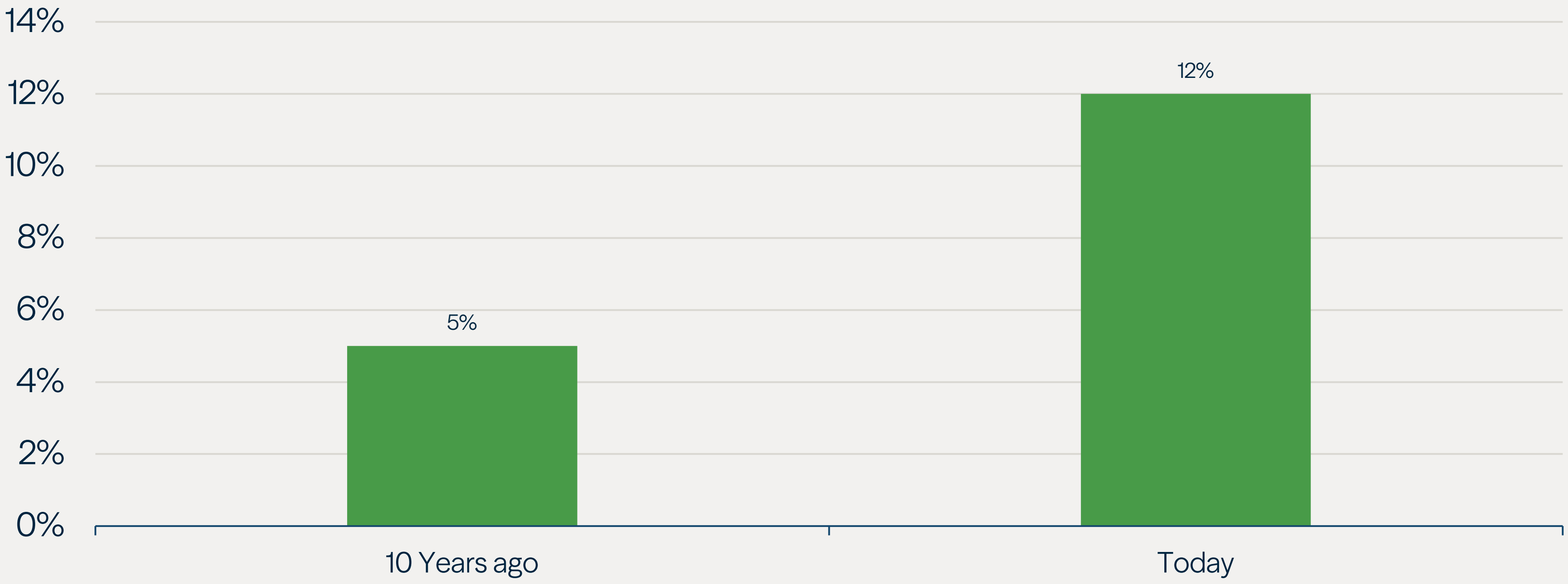
Source: Cliffwater, ICE BofA, LSEG, Morningstar, S&P Global. As of June 30, 2025.

**Private equity** returns are relying more on earnings growth than on market tailwinds, which means operational improvements are even more crucial.

# Less forgiving markets are raising the bar for General Partners

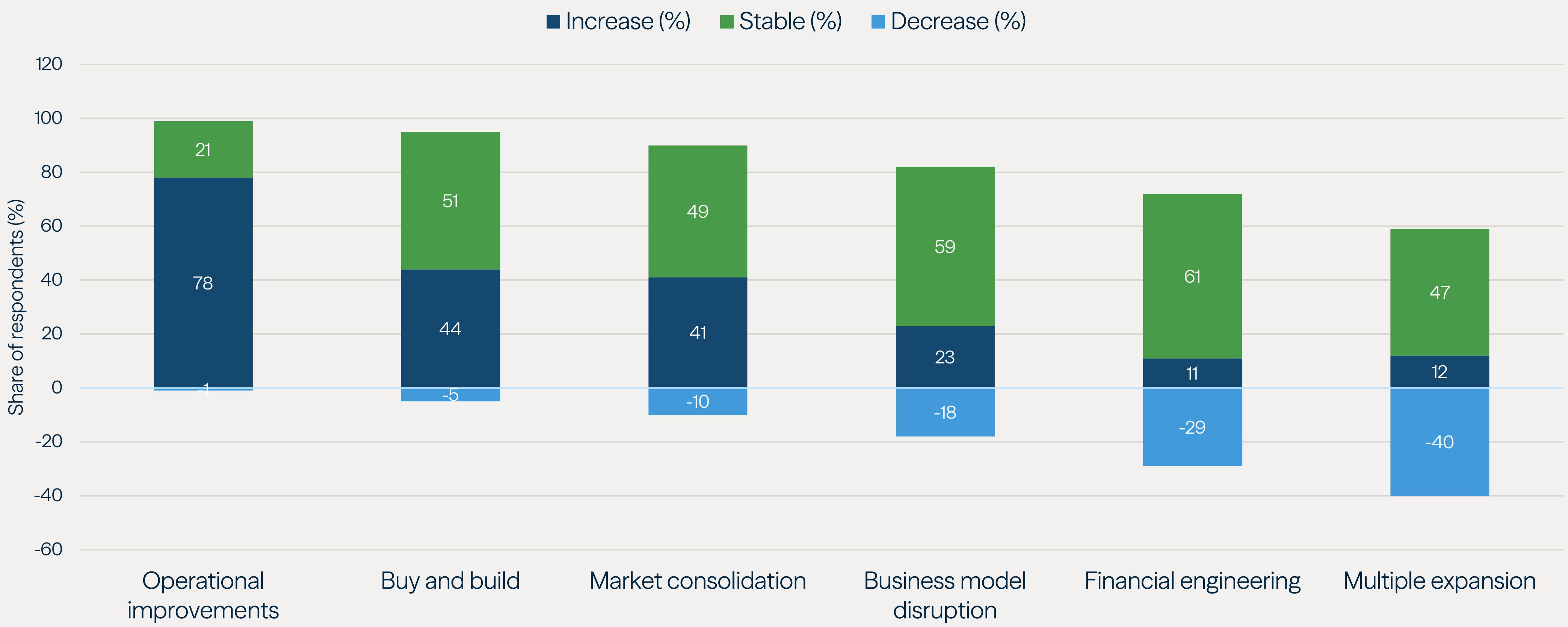
## In an illustrative five-year model, the required growth rate has more than doubled

Annual EBITDA Growth Required to Achieve a 20% IRR and 2.5x MOIC Over a Five-Year Hold




For illustrative purposes The analysis shown is for illustrative purposes only and is based on a simplified set of assumptions, including entry and exit multiples, leverage, financing costs, and a five-year holding period. It is intended to demonstrate the relationship between EBITDA growth and potential return outcomes in a hypothetical scenario and does not represent actual investment results.
The return metrics presented, including internal rate of return (IRR) and multiple of invested capital (MOIC), are hypothetical, are not guarantees of future performance, and actual results may vary significantly depending on market conditions, company performance, financing terms, and the timing of investment and exit. There can be no assurance that similar results will be achieved.
EBITDA refers to earnings before interest, taxes, depreciation and amortization and is a measure of operating performance that does not represent cash flow. IRR reflects the annualized rate of return based on the timing of cash flows, while MOIC represents total value relative to invested capital and does not reflect the timing of returns. Results are highly sensitive to underlying assumptions, and small changes in inputs may lead to materially different outcomes.
Source: Bain & Company, as of February 2026.

# Expected change in relevance of value-creation levers over the next 12 months



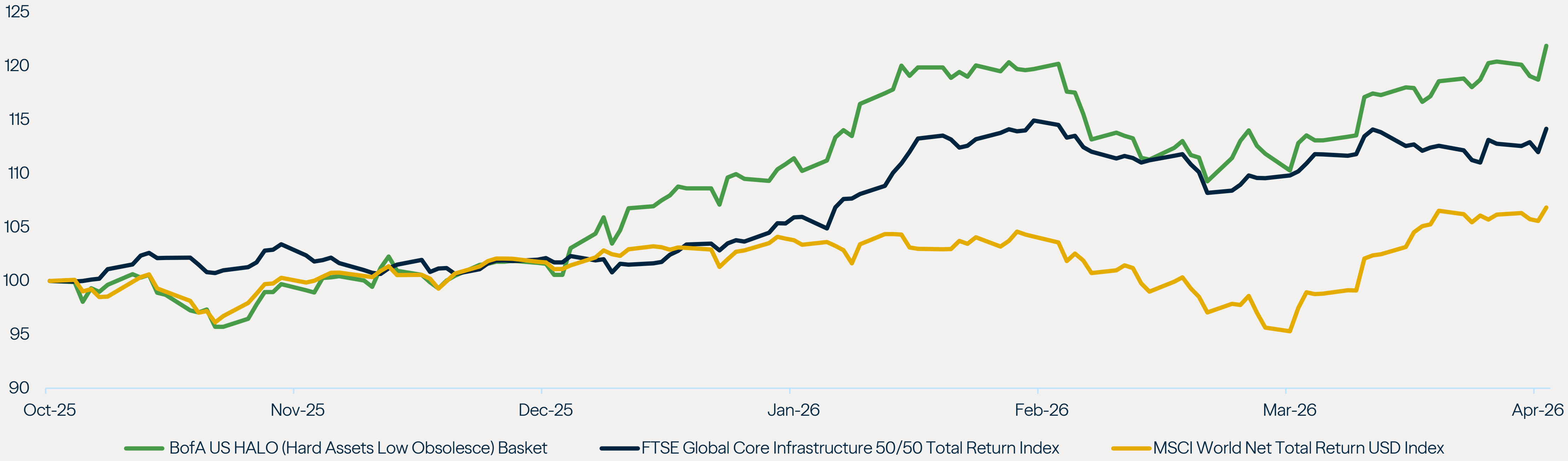

Source: Simon-Kucher, *Private Equity Value Creation Study 2025* (n=114). Survey question was related to the impact of different value-creation drivers on equity stories over the past 12–24 months and the expected change in relevance of these factors over the next 12 months.

**Infrastructure** has historically exhibited stable performance and lower volatility relative to equities during certain market disruptions.

# Global listed infrastructure: Performance amid broader downturn

## Listed infrastructure may serve as a stabilizing allocation within diversified portfolios

Cumulative Total Return - Six Months Ended April 30, 2026
Indexed to 100 as of October 31, 2025



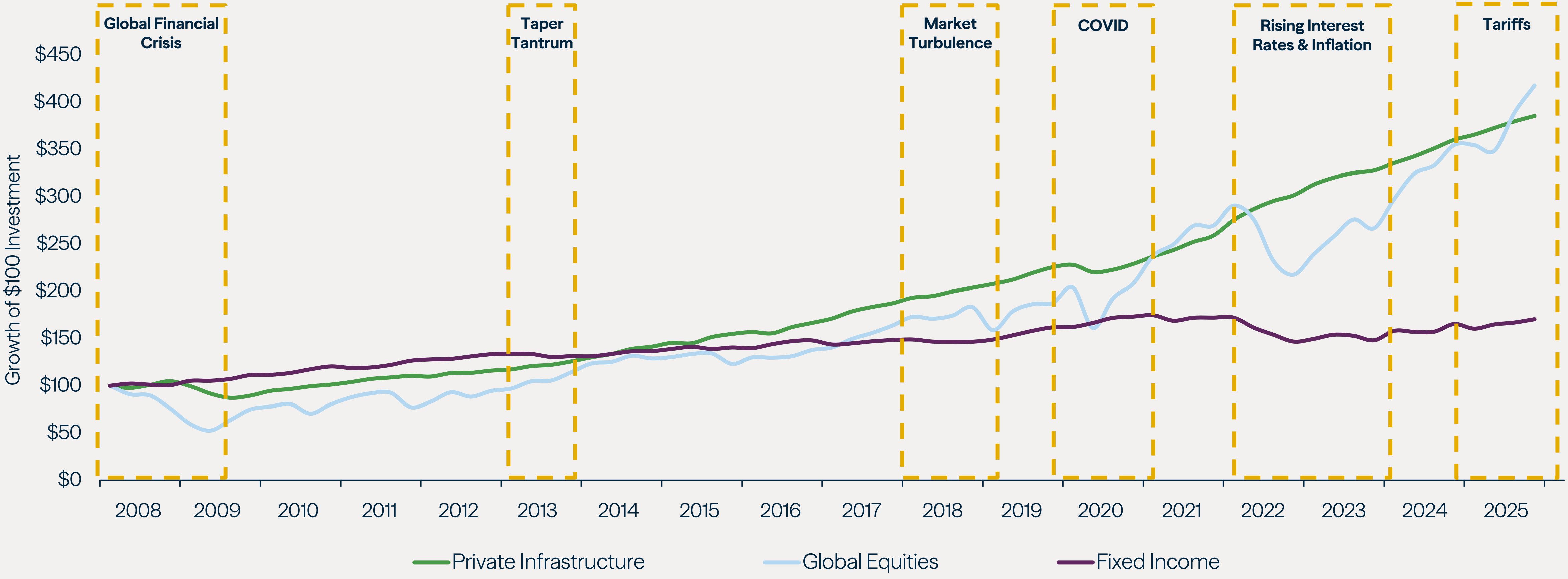

*The BofA HALO basket includes companies with durable tangible assets and low disruption risk. It screens real asset industries with low price elasticity for high ROIC FCF yield and EBITDA margin. The basket is signal weighted by fundamentals and rebalanced annually.*

The FTSE Global Core Infrastructure 50/50 Index gives participants an industry-defined interpretation of infrastructure and adjusts the exposure to certain infrastructure subsectors. The constituent weights are adjusted as part of the semi-annual review according to three broad industry sectors: 50% Utilities; 30% Transportation, including capping of 7.5% for railroads/railways; and a 20% mix of other sectors including pipelines, satellites and telecommunication towers. Company weights within each group are adjusted in proportion to their investable market capitalization.

The MSCI World Index is a free-float-adjusted market-capitalization-weighted index that is designed to measure the equity market performance of developed markets.

As of April 30, 2026. Source: Bloomberg Illustrative performance over a recent period; results may different in other market conditions..

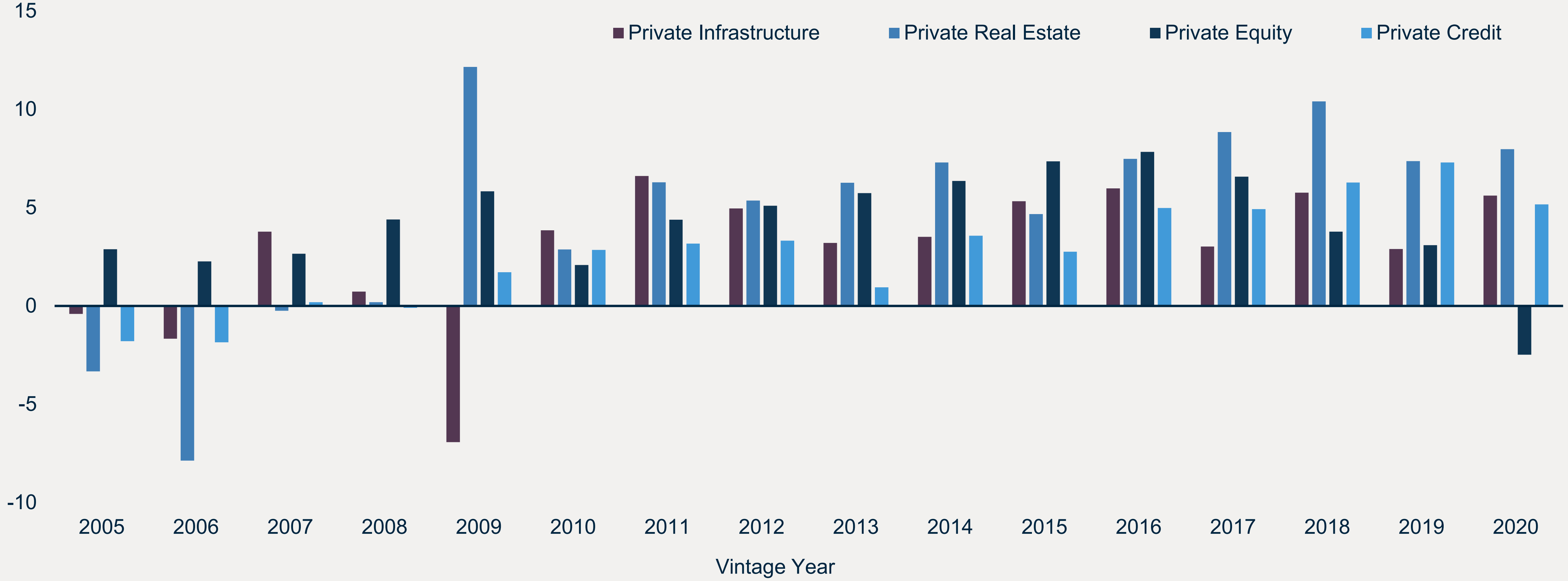
# Private infrastructure has historically exhibited lower volatility than public equities




**Performance data quoted represent past performance; past/prior performance does not guarantee, and is not indicative of, future results.** Illustrative index-based analysis. Private Infrastructure represented by Preqin Infrastructure Index, Global Equities by MSCI World Index and Fixed Income by Bloomberg Global Aggregate Bond Index. Preqin Infrastructure Index data as of September 30, 2025, due to latest data available. See disclosures for full index definitions. The indexes are unmanaged and cannot be purchased directly by investors. Index performance is shown for illustrative purposes only and does not predict or depict the performance of any investment. There may be limitations to the data provided given limited coverage, reporting lag and different valuation methodologies. Further, private infrastructure funds that are included in the index choose to self-report. Thus, the index is not representative of the entire private infrastructure universe and may be skewed toward those funds that generally have higher performance. Over time, funds included and excluded based on performance, may result in a "survivorship bias" that can result in a further misrepresentation of performance. he index is not representative of the entire private infrastructure universe, may be influenced by the underlying investments or vehicles included in the index, and does not reflect the performance of any Brookfield funds or other actual investment products. Comparisons to public equities may not reflect differences in liquidity, valuation methodology, or risk. Past performance does not guarantee future results.
Source: Bloomberg, MSCI, Preqin. As of December 31, 2025, unless otherwise noted.

We believe alternative investments can play a complementary role in portfolios, offering additional diversification, potential income, and access to long-term investment opportunities.

# Private index return premium vs. public market equivalent by vintage year




**Past performance does not guarantee future results.** Private Infrastructure represented by Cambridge Associates Private Infrastructure Index, Private Real Estate represented by Cambridge Associates Private Real Estate Index, Private Equity represented by Cambridge Associates U.S. and ex U.S. Private Equity Index, and Private Credit represented by Cambridge Associates U.S. and ex U.S. Private Credit Index. Source: Cambridge Associates, as of December 31, 2023. Private equity investments involve significant risks including illiquidity, long lock-up periods, higher fees, and potential for substantial or total loss of capital. Private equity is speculative, requires long investment horizons, and may not be suitable for all investors. Public market equivalent refers to A methodology used to compare the performance of a private market investment to a comparable public market investment over the same time period, taking into account the timing of contributions and distributions.

# Index Disclosures

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**Index Definitions**

**The Cliffwater Direct Lending Index (CDLI)** seeks to measure the unlevered, gross-of-fee performance of U.S. middle market corporate loans, as represented by the asset-weighted performance of the underlying assets of business development companies (BDCs), including both exchange-traded and unlisted BDCs, subject to certain eligibility requirements.

**The Bloomberg U.S. High Yield Index (Bloomberg High Yield Bond)** covers the universe of fixed-rate, non-investment-grade debt. Eurobonds and debt issues from countries designated as emerging markets (sovereign rating of Baa1/BBB+/BBB+ and below using the middle of Moody's, S&P and Fitch) are excluded, but Canadian and global bonds (SEC registered) of issuers in non-EMG countries are included.

**The Morningstar LSTA U.S. Leveraged Loan 100 Index** is a market-value-weighted index designed to measure the performance of the U.S. leveraged loan market. The index consists of 100 loan facilities drawn from a larger benchmark – the Morningstar LSTA U.S. Leveraged Loan Index.

**The MSCI World Index** captures large- and mid-cap representation across 23 developed markets. The index covers approximately 85% of the free float-adjusted market capitalization in each country.

**NCREIF Property Index (NPI)** is a widely used benchmark that measures the performance of institutional-quality commercial real estate investments in the United States.

**The S&P 500 Index** is an equity index of 500 widely held, large-capitalization U.S. companies.

**Preqin Indexes**

**The Preqin Private Credit Index** captures in an index the return earned by investors on average in their private credit portfolios, based on the actual amount of money invested in private capital partnerships. Historical data points are not recalculated as time passes, except for the latest two quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

**The Preqin Private Equity Index** captures in an index the return earned by investors on average in their private equity portfolios, based on the actual amount of money invested in private capital partnerships. Historical data points are not recalculated as time passes, except for the latest two quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

**The Preqin Infrastructure Index** captures the average returns earned by investors in their infrastructure portfolios, based on the actual amount of money invested.

**The Preqin Private Real Estate Index** captures in an index the return earned by investors on average in their private real estate portfolios, based on the actual amount of money invested in private capital partnerships. Historical data points are not recalculated as time passes, except for the latest two-quarters available, which are preliminary. The preliminary quarters are finalized at a three-quarter lag coinciding with the full constituency for the as-at date being met. The universe of funds for each quarterly point in the index may change over time depending on data availability.

# Important Information

**A Word About Risk**

Alternative investments are complex, speculative investment vehicles and are not suitable for all investors. An investment in an alternative investment entails a high degree of risk, and no assurance can be given that any alternative investment fund's investment objectives will be achieved or that investors will receive a return of their capital.

As an asset class, private credit encompasses of a large variety of different debt instruments. While each has its own risk and return profile, private credit assets generally have increased risk of default, due to their typical opportunistic focus on companies with limited funding options, in comparison to their public equivalents.

Because private credit usually involves lending to below-investment-grade or non-rated issuers, yield on private credit assets is increased in return for taking on increased risk.

Investments in real estate-related instruments may be affected by economic, legal, or environmental factors that affect property values, rents or occupancies of real estate.

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