

Partners Value Investments LP Announces 2017 First Quarter Results

TORONTO, May 30, 2017 – Partners Value Investments LP (the “Partnership”) announced today its financial results for the three months ended March 31, 2017. All amounts are stated in US dollars.

The Partnership recorded an increase in net book value during the first quarter of \$288 million (\$3.91 per unit) to \$2.3 billion (\$30.87 per unit). The increase is primarily due to unrealized gains on the Partnership’s investment portfolio and an increase in the quoted market price of Brookfield Asset Management common shares. The market price of a Brookfield share increased from \$32.96 per share at December 31, 2016 to \$36.46 per share at March 31, 2017.

Net income for the quarter was \$19 million, of which \$13 million was attributable to the Equity Limited Partners (\$0.18 per Equity LP unit), down from \$21 million in the prior year quarter. This decrease was due to foreign exchange losses compared to foreign exchange gains in the prior year quarter, partially offset by increased investment income and valuation gains.

Consolidated Statements of Operations

*For the three months ended March 31
(Thousands, US dollars)*

	2017	2016
Investment income		
Dividends	\$18,216	\$14,660
Other investment income	1,394	1,352
	19,610	16,012
Expenses		
Operating expenses	(1,118)	(1,182)
Financing costs	(781)	(90)
Retractable preferred share dividends	(6,358)	(6,232)
	11,353	8,508
Other items		
Investment valuation gains (losses)	12,582	241
Amortization of deferred financing costs	(473)	(416)
Change in value of fund unit liability	—	406
Income taxes	(2,812)	(6,629)
Foreign currency gains (losses)	(1,578)	18,850
Net income (loss)	\$19,072	\$20,960
Net income (loss) attributable to:		
Partners Value Investments Inc.	—	\$20,960
Equity Limited Partners	13,443	—
General Partner	—	—
Preferred Limited Partners	5,629	—
	\$19,072	\$20,960

Financial Profile and Net Book Value

The Partnership’s principal investment is its interest in 86 million Class A Limited Voting Shares (“Brookfield shares”) of Brookfield Asset Management Inc. (“Brookfield”), representing a 9% fully-diluted interest as at March 31, 2017. In addition, the Partnership owns a diversified investment portfolio of marketable securities.

The information in the following table shows the changes in net book value:

*For the three months ended March 31
(Thousands, US dollars, except per unit amounts)*

	2017		2016 ^b	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$1,982,394	\$26.96	\$2,260,264	\$30.73
Net income ^{2,3}	13,443	0.18	20,960	0.28
Other comprehensive income ^{2,3}	274,558	3.73	76,491	1.05
Net book value, end of period ^{1,4}	\$2,270,395	\$30.87	\$2,357,715	\$32.06

- 1) Net book value per unit is non-IFRS measure.
- 2) Attributable to Equity Limited Partners and Partners Value Investments Inc.
- 3) The weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the three months ended March 31, 2017 was 73,541,371 (2016 – 73,546,899).
- 4) As at March 31, 2017, there were 73,541,131 (December 31, 2016 – 73,541,531) Equity LP units issued and outstanding.
- 5) The three months ended March 31, 2016 was prior to the reorganization, which decreased the net book value attributable to Equity LP unitholders.

The information in the following table has been extracted from the Partnership's Statement of Financial Position:

Consolidated Statements of Financial Position

As at (Thousands, US dollars, except per unit amounts)	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	\$20,778	\$5,971
Investments		
Brookfield Asset Management Inc. ¹	3,127,341	2,829,156
Other securities	725,414	612,734
Accounts receivable and other assets	9,038	20,881
	\$3,882,571	\$3,468,742
Liabilities and Equity		
Accounts payable and other liabilities	\$201,623	\$124,820
Preferred shares ²	526,466	521,155
Deferred taxes ³	384,184	340,470
	1,112,273	986,445
Equity		
Equity Limited Partners	2,270,395	1,982,394
General Partner	1	1
Preferred Limited Partners	499,902	499,902
	\$3,882,571	\$3,468,742
Net book value per Equity LP unit ^{4,5}	\$30.87	\$26.96

1) The investment in Brookfield Asset Management Inc. consists of 86 million Brookfield shares with a quoted market value of \$36.46 per share as at March 31, 2017 (December 31, 2015 – \$32.96).

2) Represents \$533 million of retractable preferred shares less \$7 million of unamortized issue costs as at March 31, 2017 (December 31, 2015 – \$529 million less \$8 million).

3) The deferred tax liability represents the potential future income tax liability of the Partnership recorded for accounting purposes based on the difference between the carrying values of the Partnership's assets and liabilities and their respective tax values, as well as giving effect to estimated capital and non-capital losses.

4) As at March 31, 2017, there were 73,541,131 (December 31, 2016 – 73,541,531) Equity LP units issued and outstanding.

5) Net book value per unit is a non-IFRS measure. Net book value is equal to total equity less General Partner equity and Preferred Limited Partners' equity.

For further information, contact Investor Relations at ir@pvii.ca or 647-503-6516

Note: This news release contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. The words "potential" and "estimated" and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify forward-looking information. Forward-looking information in this news release includes statements with regard to the Partnership's potential future income taxes.

Although the Partnership believes that its anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond its control, which may cause the actual results, performance or achievements of the Partnership to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements and information include, but are not limited to: the financial performance of Brookfield Asset Management Inc., the impact or unanticipated impact of general economic, political and market factors; the behavior of financial markets, including fluctuations in interest and foreign exchanges rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation; changes in tax laws, catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts; and other risks and factors detailed from time to time in the Partnership's documents filed with the securities

regulators in Canada.

The Partnership cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on the Partnership's forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, the Partnership undertakes no obligation to publicly update or revise any forward-looking statements and information, whether written or oral, that may be as a result of new information, future events or otherwise.