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FORWARD-LOOKING INFORMATION

This annual report contains "forward-looking information" and "forward-looking statements" within the meaning of Canadian provincial securities laws and any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include, but are not limited to, statements which reflect management's expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Partnership and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which are in turn based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. The estimates, beliefs and assumptions of the Partnership are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "foresee", "could", "estimate", "goal", "intend", "plan", "seek", "strive", "will", "may" and "should" and similar expressions.

Although we believe that such forward-looking statements are based upon reasonable estimates, beliefs and assumptions actual results may differ materially from the forward-looking statements.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, (i) catastrophic events, such as earthquakes, tornadoes, floods, wildfires, pandemics/epidemics, climate change, military conflict/war or terrorism/sabotage; (ii) fluctuations in the value of the Corporation and Manager Shares; (iii) the behavior of financial markets, including fluctuations in interest rates and foreign exchanges rate; (iv) financial leverage (v) liquidity limitations; (vi) lack of an ownership interest in the Corporation and Manager Shares; (vii) our ability to effectively use derivatives to hedge against foreign exchange rate fluctuations; (viii) failure of our information and technology systems; (ix) and other risks and factors detailed from time to time in our documents filed with securities regulators.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Certain statements included in this annual report may be considered a "financial outlook" for purposes of applicable Canadian securities laws, and as such, the financial outlook may not be appropriate for purposes other than this document. Forward-looking information is provided as of the date of this interim report or such other date specified herein and, except as required by law, the Partnership undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at (Thousands, US dollars)	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 199,856	\$ 185,722
Accounts receivable and other assets	31,416	31,270
Deferred tax asset	4,309	1,604
Investment in Brookfield Corporation ¹	4,853,261	4,149,188
Investment in Brookfield Asset Management Ltd. ²	1,237,554	934,183
Other investments carried at fair value	612,009	328,264
	<u>\$ 6,938,405</u>	<u>\$ 5,630,231</u>
Liabilities and equity		
Accounts payable and other liabilities	\$ 34,150	\$ 36,860
Corporate borrowings	225,789	220,711
Preferred shares ³	993,267	905,132
	<u>1,253,206</u>	<u>1,162,703</u>
Equity		
Equity Limited Partners	5,521,067	4,304,516
General Partner ⁴	—	1
Preferred Limited Partners	152,152	153,049
Non-controlling interests	11,980	9,962
	<u>5,685,199</u>	<u>4,467,528</u>
	<u>\$ 6,938,405</u>	<u>\$ 5,630,231</u>

- ¹ The investment in Brookfield Corporation (the "Corporation") consists of 121 million Corporation shares with a quoted market value of \$40.12 per share as at December 31, 2023 (December 31, 2022 – \$31.46).
- ² The investment in Brookfield Asset Management Ltd. (the "Manager") consists of 31 million Manager shares with a quoted market value of \$40.17 per share as at December 31, 2023 (December 31, 2022 – \$28.67).
- ³ Represents \$767 million of retractable preferred shares less \$10 million of unamortized issue costs as at December 31, 2023 (December 31, 2022 – \$681 million less \$13 million), \$236 million of three series of preferred shares (December 31, 2022 – \$152 million), and \$nil of three series of preferred shares (December 31, 2022 – \$84 million) of a subsidiary of the Partnership issued in December 2021.
- ⁴ In connection with the re-organization of Partners Value Investments LP on November 24, 2023, the General Partner's interest was reduced to \$1 from \$1 thousand in the prior year.

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

For the years ended December 31 (Thousands, except per unit amounts)	2023		2022	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of year ¹	\$ 4,656,824	\$ 57.60	\$ 7,482,738	\$ 92.47
Net income ²	5,368		1,114,558	
Other comprehensive income (loss) ²	1,443,806		(3,910,893)	
Adjustment for impact of warrants ^{1, 3}	(89,755)		(25,355)	
Re-organization ⁴	98,318		—	
Distribution ⁴	(327,850)		—	
Equity LP repurchases	(3,091)		(4,224)	
Net book value, end of year ⁵	<u>\$ 5,783,620</u>	<u>\$ 70.74</u>	<u>\$ 4,656,824</u>	<u>\$ 57.60</u>

- ¹ Calculated on a fully diluted basis. Net book value is a non-IFRS measure used by management to measure the value of an Equity LP unit on a fully diluted basis. It is equal to total equity less General Partner equity, Preferred Limited Partners' equity, non-controlling interests' equity plus the value of consideration to be received on exercising of warrants, which as at December 31, 2023 was \$263 million (December 31, 2022 – \$352 million).
- ² Attributable to Equity Limited Partners.
- ³ The basic weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the year ended December 31, 2023 was 66,482,755 (December 31, 2022 – 66,482,755). The diluted weighted average number of Equity Limited Partnership ("Equity LP") units available and outstanding during the year ended December 31, 2023 was 80,315,925 (December 31, 2022 – 80,315,925); this includes the 13,833,170 Equity LP units (December 31, 2022 – 13,833,170) issued through the exercise of all outstanding warrants.
- ⁴ As a result of the re-organization, the Partnership issued net equity of \$98 million and a distribution-in-kind of \$328 million of net assets to Equity Limited Partners.
- ⁵ At the end of the year, the diluted Equity LP units outstanding were 75,990,721 (December 31, 2022 – 80,844,367); this includes Equity LP units issued through the exercise of all outstanding warrants including 26,085,938 warrants held by partially-owned subsidiaries of the Partnership.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis for the year ended December 31, 2023 is dated March 28, 2024.

OVERVIEW

Partners Value Investments L.P. (the "Partnership") is a publicly listed partnership and is governed by the laws of Bermuda. The Partnership is an investment holding company with principal investments in approximately 121 million Class A Limited Voting Shares ("Corporation shares") of Brookfield Corporation (the "Corporation") and approximately 31 million Class A Limited Voting Shares ("Manager shares") of Brookfield Asset Management Ltd. (the "Manager"). These consolidated financial statements include the accounts of the Partnership's subsidiaries: Partners Value Investments Inc. ("PVII") and Partners Value Split Corp. ("Partners Value Split" or "PVS").

The Partnership was formed on October 25, 2023, in connection with a re-organization that was carried out by way of a statutory plan of arrangement pursuant to section 182 of the Business Corporations Act (Ontario) (the "Re-organization") with an effective date of November 24, 2023. Pursuant to the Re-organization, the Partnership succeeded its predecessor entity, similarly named Partners Value Investments LP (hereafter referred to as the "Prior Partnership"), which was terminated as part of the Re-organization. After its formation, the Partnership amended its authorized capital to include general partnership units, equity limited partnership units and class A preferred limited partnership units (Series 1, 2, 3 and 4), with the capital structure and unit terms being substantially the same as the Prior Partnership.

Accordingly, the Partnership is the successor of the Prior Partnership. The financial statements present the results of the Prior Partnership for the year ended December 31, 2022 and the period from January 1, 2023 until the effective date of the Re-organization on November 24, 2023, at which point the results presented are those of the Partnership.

The effect of the Re-organization was to, among other things, amalgamate Partners Limited, a private Ontario corporation and the majority holder of the equity limited partnership units of the Prior Partnership, with PVII and other related entities, under the newly formed Partnership. The Re-organization was undertaken in a number of steps whereby the Prior Partnership contributed its investments in PVII to Newco, a newly formed entity and wholly-owned subsidiary of the Prior Partnership. The share exchange between the Prior Partnership and Newco was a common control transaction and measured at carrying value. Upon completion of the share exchange, Newco transferred all of its equity interests to the Partnership. The share transfer between shareholders of Newco and the Partnership was a common ownership transaction and measured at carrying value. Subsequently, Partners Limited amalgamated with PVII and the other related entities, with shareholders of Partners Limited receiving equity limited partnership units as consideration for the net assets contributed by Partners Limited under the amalgamation. The amalgamation was a common control transaction and measured at carrying value.

As part of the Re-organization, the Partnership declared and paid a dividend-in-kind to its common shareholders of \$328 million via the distribution of Brookfield Reinsurance Ltd. ("BNRe") Class A exchangeable limited voting shares and class A-1 exchangeable non-voting shares (collectively, the "BNRe shares") and PVII Class A preferred shares, Series 1, as outlined in the plan of arrangement.

The Partnership is managed by its general partner, PVI Management Trust (the "General Partner"). Additional information on the Partnership and its public subsidiaries is available on SEDAR+ at www.sedarplus.ca.

RESULTS OF OPERATIONS

The Partnership recorded net income of \$15 million for the year ended December 31, 2023, compared to net income of \$1.1 billion in the prior year. The decrease in income was primarily driven by the absence of a non-recurring special dividend in the prior year and lower foreign currency gains and tax recoveries. Income of \$6 million was attributable to the Equity Limited Partners, \$8 million was attributable to Preferred Limited Partners, and \$1 million attributable to non-controlling interest. In connection with the Re-organization, the Partnership acquired a number of net assets which are majority fair valued through other comprehensive income. As a result, the incremental net assets from the re-organization had only a nominal impact on the Partnership's net income.

As at December 31, 2023, the market prices of a Corporation (NYSE/TSX: BN) and Manager (NYSE/TSX: BAM) share were \$40.12 and \$40.17, respectively (December 31, 2022 – \$31.46 and \$28.67, respectively).

The following table presents the details of the Partnership's net income for years ended December 31, 2023 and 2022:

For the years ended December 31 (Thousands, US dollars)	Year Ended	
	2023	2022
Investment income		
Dividends	\$ 85,114	\$ 1,120,641
Other investment income	11,802	6,694
	<u>96,916</u>	<u>1,127,335</u>
Expenses		
Operating expenses	(6,156)	(2,359)
Financing costs	(9,484)	(9,789)
Retractable preferred share dividends	(41,954)	(39,753)
	<u>(57,594)</u>	<u>(51,901)</u>
Other items		
Investment valuation (losses) gains	(6,237)	10,653
Amortization of deferred financing costs	(3,380)	(3,363)
Foreign currency (losses) gains	(10,435)	37,272
Current taxes expense	(1,270)	(19,990)
Deferred taxes (expense) recovery	(3,280)	21,439
Net income	<u>\$ 14,720</u>	<u>\$ 1,121,445</u>
Net income attributable to:		
Equity Limited Partners	\$ 5,368	\$ 1,114,558
General Partner	—	—
Preferred Limited Partner	8,072	6,887
Non-controlling interests	1,280	—
	<u>\$ 14,720</u>	<u>\$ 1,121,445</u>

Investment income consists of the following:

For the years ended December 31 (Thousands, US dollars)	2023		2022	
Dividends				
Brookfield Corporation	\$	36,467	\$	1,115,675
Brookfield Asset Management Ltd.		39,554		—
Other securities		9,093		4,966
		<u>85,114</u>		<u>1,120,641</u>
Other investment income		11,802		6,694
	\$	<u>96,916</u>	\$	<u>1,127,335</u>

During the year ended December 31, 2023, the Partnership recorded dividend income of \$36 million (December 31, 2022 – \$1.1 billion) from its investment in the Corporation, \$40 million (December 31, 2022 – \$nil) from its investment in the Manager and \$9 million (December 31, 2022 – \$5 million) from its other securities investments. Dividend income was lower in the current year as a result of the absence of a non-recurring special dividend in the prior year. Other investment income was higher during the year ended December 31, 2023, primarily due to higher interest earned on our loan assets and cash on deposit.

Investment valuation gains (losses) include unrealized gains and losses on the Partnership's investments (including financial derivatives) which are recorded at fair value and realized gains and losses on the disposition of the Partnership's investments. The amount will fluctuate depending on the Partnership's investment activities and performance. The current year's investment valuation gains were primarily driven by increases in the market value of the trading portfolio due to additional assets received from the re-organization and predominantly attributable to non-controlling interests.

Foreign currency gains (losses) represent net gains and losses arising from the impact of changes in the exchange rate on the book value Canadian dollar (“CAD”) denominated preferred shares issued by Partners Value Split Corp., corporate borrowings issued by Partners Value Investments Inc. and the realization of certain of foreign exchange contracts. The Partnership recorded foreign currency losses in the current quarter due to a weakening Canadian dollar of which the majority of the Partnership’s liabilities are denominated.

FINANCIAL POSITION

The Partnership’s total assets were \$6.9 billion at December 31, 2023 (December 31, 2022 – \$5.6 billion) and consist primarily of its \$4.9 billion investment in approximately 121 million Corporation shares (December 31, 2022 – \$4.1 billion), its \$1.2 billion investment in approximately 31 million Manager shares (December 31, 2022 – \$0.9 billion). The market price of a Corporation and Manager share were \$40.12 and \$40.17, respectively, as at December 31, 2023 compared to \$31.46 and \$28.67, respectively, as at December 31, 2022.

Investment Portfolio

As at (Thousands, US dollars)	Classification ¹	Number of Shares		Fair Value	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	12,276,297	\$ 54,460	\$ 386,212
Partners Value Split Corp		119,611,449	119,611,449	4,798,801	3,762,976
		120,968,883	131,887,746	\$ 4,853,261	\$ 4,149,188
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	2,681,112	\$ 36,358	\$ 76,868
Partners Value Split Corp		29,902,862	29,902,862	1,201,196	857,315
		30,807,960	32,583,974	\$ 1,237,554	\$ 934,183
Investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	2,243,203	\$ 78,234	\$ 39,413
Brookfield Reinsurance Ltd. ²	FVTOCI	7,582,263	—	303,554	—
				381,788	39,413
Other securities portfolio	FVTOCI	Various	Various	34,478	37,962
Other securities portfolio	FVTPL	Various	Various	195,743	250,889
				230,221	288,851
				\$ 612,009	\$ 328,264

¹ FVTOCI represents fair value through other comprehensive income and FVTPL represents fair value through profit and loss accounting classification. Changes in fair value of investments classified as FVTOCI are recorded in other comprehensive income, and changes in fair value of FVTPL are recorded in net income.

² Brookfield Reinsurance Ltd. (“BNRe”) includes 721,921 Class A shares and 6,860,342 Class A-1 shares.

Brookfield Corporation

Brookfield Corporation is a leading global investment firm focused on building long-term wealth for institutions and individuals around the world. This capital is allocated across three core businesses: asset management, insurance solutions and operating businesses. The Corporation is listed on the New York and Toronto Stock Exchanges under the symbol BN and BN.TO, respectively. The Partnership’s investment in Corporation represents approximately an 8% interest in Corporation.

On December 9, 2022, the Corporation and Manager jointly announced the completion of the public listing and distribution of a 25% interest in the Corporation’s asset management business, through the Manager. As a result of the special distribution, one Class A Manager share was received per four Class A Corporation shares.

During the year ended December 31, 2023, the Partnership acquired 2,750,164 shares of the Corporation at a weighted average price of \$32.74/share for total net consideration of \$90 million. In connection with the Re-organization, the Partnership also received 1,357,434 shares of the Corporation from Partners Limited. During the year, the Company exchanged on a 1-for-1 basis 15,026,461 shares of the Corporation for BNRe shares.

Brookfield Asset Management Ltd.

Brookfield Asset Management Ltd. is a leading global alternative asset manager with over \$900 billion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit as of December 31, 2023. The Manager is listed on the New York and Toronto Stock Exchanges under the symbol BAM and BAM.TO, respectively. The Partnership's investment in the Manager represents approximately an 8% interest in the Manager.

During the year, the Partnership also disposed of 2,056,112 shares of the Manager at a weighted average price of \$31.68/share for total proceeds of \$65 million and received 280,098 shares of the Manager from Partners Limited in connection with the Re-organization.

Brookfield Listed Affiliates

As at December 31, 2023, the Partnership holds investments in Brookfield listed affiliates: Brookfield Business Partners ("BBU") and BNRe. BBU owns business services and industrial operations with a focus on high-quality businesses that are low-cost procedures and/or benefit from high barriers to entry. BNRe operates a leading capital solutions business providing insurance and reinsurance services to individuals and institutions.

During the year ended December 31, 2023, the Company acquired 1,426,542 units of BBU at a weighted average price of \$17.41/unit for a total net consideration of \$25 million and received 28,576 shares in connection with the Re-organization.

In addition to the 15,026,461 BNRe shares received in the exchange, the Partnership also received 90,721 of BNRe shares as part of the Re-organization. The Partnership also distributed 7,497,619 BNRe shares with fair market value of \$257 million to Equity Limited Partners and 37,300 BNRe shares with fair market value of \$1 million to non-controlling interests.

Other Securities Portfolio

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The decrease in the portfolio is primarily due to the distributions received from private fund investments partially offset by addition of assets acquired in connection with the Re-organization.

Corporate Borrowings

As at (Thousands, US dollars)	Book Value	
	Dec. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 113,205	\$ 110,730
4.00% Corporate Bond – November 15, 2028	113,205	110,730
	226,410	221,460
Deferred financing costs ¹	(621)	(749)
	\$ 225,789	\$ 220,711

¹ Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

There were no debentures outstanding as at December 31, 2023 (December 31, 2022 – \$nil).

In addition to corporate borrowings, the Partnership has access to a revolving credit facility with a major Canadian financial institutional lender in the amount of CAD\$110 million (December 31, 2022 – CAD\$70 million) and was undrawn as of December 31, 2023 (December 31, 2022 – \$nil).

Deferred Taxes

The deferred taxes balance represents the potential tax liability or recoveries arising from the difference between the carrying value of net assets and the respective tax values. Changes in the deferred taxes balance are mainly related to changes in the market value of the Partnership's investments and foreign currency fluctuations.

Equity

As at December 31, 2023, unitholders' equity consisted of \$5.5 billion of Equity Limited Partner equity, \$152 million of Preferred Limited Partner equity, \$nil of General Partner equity and \$12 million of non-controlling interests (December 31, 2022 – \$4.3 billion of Equity Limited Partner equity, \$153 million of Preferred Limited Partner equity, \$1 thousand of General Partner equity and \$10 million of non-controlling interests). The increase in equity is primarily the result of comprehensive income driven by unrealized gains on the Brookfield shares and the overall investment portfolio as well as the addition of net assets attributable to non-controlling interests in connection with the Re-organization.

Preferred Shares

The preferred shares and units issued by the Partnership and its subsidiaries are comprised of the following:

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 113,192	\$ 110,717
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	113,145	110,671
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	113,205	110,730
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	113,205	110,730
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	130,186	127,340
4.45% Series 13 – May 31, 2029	6,000,000	6,000,000	113,205	110,730
Partners Value Investments LP Class A ¹				
4.00% Series 2 – December 14, 2026	3,156,867	2,031,867	78,922	50,797
4.00% Series 3 – December 14, 2031	3,156,867	2,031,867	78,922	50,797
4.00% Series 4 – December 14, 2036	3,157,491	2,032,491	78,937	50,812
Partners Value Investments Inc. Class A				
4.00% Series 1 – November 27, 2030	69,903,759	—	69,904	—
PVI SIB LP Class A ¹				
4.00% Series 1 – December 14, 2026	—	1,125,000	—	28,125
4.00% Series 2 – December 14, 2031	—	1,125,000	—	28,125
4.00% Series 3 – December 14, 2036	—	1,125,000	—	28,125
			1,002,823	917,699
Deferred financing costs ²			(9,556)	(12,567)
			<u>\$ 993,267</u>	<u>\$ 905,132</u>

¹ In connection with the Re-organization, the PVI SIB LP Class A Series 1, 2 and 3 preferred shares were cancelled and PVI SIB LP was dissolved. The Partnership issued Class A Series 2, 3 and 4 preferred limited partnership units, respectively, at the equivalent par value.

² Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

LIQUIDITY AND CAPITAL RESOURCES

The Partnership holds cash and cash equivalents totalling \$200 million and investments of \$6.7 billion as at December 31, 2023 (December 31, 2022 – \$186 million and \$5.4 billion). The Partnership has operating cash requirements of \$53 million (December 31, 2022 – \$50 million) in scheduled dividend and interest payments on its preferred shares and corporate borrowings, which are less than the expected regular distributions anticipated to be received from the Corporation, Manager and other securities held by the Partnership. The Partnership believes it has sufficient liquid assets, operating cash flow and financing alternatives to meet its obligations.

BUSINESS ENVIRONMENT AND RISKS

The Partnership's activities expose it to a variety of financial risks, including market risk (i.e., currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The following are risk factors relating to an investment in the units of the Partnership.

Catastrophic events (or combination of events), such as earthquakes, tornadoes, floods, wildfires, pandemics/epidemics, climate change, military conflict/war or terrorism/sabotage, could adversely impact the financial performance of Brookfield. The Partnership's investment portfolio is largely comprised of Corporation and Manager Shares.

Brookfield's operating businesses and managed assets could be exposed to effects of catastrophic events, such as severe weather conditions, natural disasters, major accidents, pandemics/epidemics, acts of malicious destruction, climate change, war/military conflict or terrorism, which could materially adversely impact its operations.

A local, regional, national or international outbreak of a contagious disease, such as COVID-19, which spreads across the globe at a rapid pace impacting global commercial activity and travel, or future public health crises, epidemics or pandemics, could materially and adversely affect Brookfield's results of operations and financial condition due to disruptions to commerce, reduced economic activity and other unforeseen consequences that are beyond Brookfield's control.

Natural disasters and ongoing changes to the physical climate in which Brookfield, its businesses and its managed assets operate may have an adverse impact on its business, financial position, results of operations or cash flows. Changes in weather patterns or extreme weather (such as floods, wildfires, droughts, hurricanes and other storms) may negatively affect Brookfield's operations or damage assets that it may own or develop. Further, rising sea levels could, in the future, affect the value of any low-lying coastal real assets that Brookfield may own or manage. Climate change may increase the frequency and severity of severe weather conditions and may change existing weather patterns in ways that are difficult to anticipate. Responses to these changes could result in higher costs, such as the imposition of new property taxes and increases in insurance rates or additional capital expenditures.

Brookfield's commercial office strategy is concentrated in large metropolitan areas, some of which have been or may be perceived to be threatened by terrorist attacks or acts of war. Furthermore, many of such properties consist of high-rise buildings that may also be subject to this actual or perceived threat. The perceived threat of a terrorist attack or outbreak of war could negatively impact Brookfield's ability to lease office space in its real estate portfolio. Renewable power and infrastructure assets that are owned and managed by Brookfield, such as roads, railways, power generation facilities and ports, may also be targeted by terrorist organizations or in acts of war. Any damage or business interruption costs as a result of uninsured or underinsured acts of terrorism or war could result in a material cost to us and could adversely affect Brookfield's business, financial condition or results of operation. Adequate terrorism insurance may not be available at rates Brookfield believes to be reasonable in the future. These risks could be heightened by foreign policy decisions of the U.S. (where Brookfield has significant operations) and other influential countries or general geopolitical conditions.

Additionally, Brookfield's businesses and managed assets rely on free movement of goods, services and capital from around the globe. Any slowdown in international investment, business or trade as a result of catastrophic events could also have a material adverse effect on its business, financial position, results of operations or cash flows.

Fluctuations in Value of Investments

The value of the common shares may vary according to the value of the Corporation shares, Manager shares and other securities owned by the Partnership. The value of these investments may be influenced by factors not within the control of the Partnership, including the financial performance of Corporation, Manager and other investees, interest rates and other financial market conditions. As a result, the net asset value of the Partnership may vary from time to time. The future value of the common shares will be largely dependent on the value of the Corporation and Manager shares. A material adverse change in the business, financial conditions or results of operations of Corporation, Manager and other investees of the Partnership will have a material adverse effect on the common shares of the Partnership. In addition, the Partnership may incur additional financial leverage in order to acquire, directly or indirectly, additional securities issued by Corporation and Manager, which would increase both the financial leverage of the Partnership and the dependency of the future value of the common shares on the value of the Corporation and Manager shares.

Foreign Currency Exposure

Certain of the Partnership's other investments are denominated in currencies other than the United States dollar. Accordingly, the value of these assets may vary from time to time with fluctuations in the exchange rate relative to the United States dollar. In addition, these investments pay distributions and interest in other currencies. Strengthening of these currencies relative to the United States dollar could decrease the amount of cash available to the Partnership.

Leverage

The Partnership's assets are financed in part with the retractable preferred shares and corporate borrowings issued by our subsidiaries. This results in financial leverage that will increase the sensitivity of the value of the common shares to changes in the values of the assets owned by the Partnership. A decrease in the value of the Partnership's investments may have a material adverse effect on the Partnership's business and financial conditions.

Liquidity

The Partnership's liquidity requirements are typically limited to funding interest and dividend obligations on outstanding financial obligations. Holders of the Partnership's retractable preferred shares issued by the Partnership's subsidiaries have the ability to retract their shares. Debentures, as opposed to cash, can be issued to settle retractions of the preferred shares.

The Partnership maintains financial assets and credit facilities to fund liquidity requirements in the normal course, in addition to its investment in Corporation and Manager shares. The Partnership's policy is to hold the Corporation and Manager shares and not engage in trading, however shares are available to be sold to fund retractions and redemptions of preferred shares or common shares. The Partnership's ability to sell a substantial portion of the Corporation and Manager shares may be limited by resale restrictions under applicable securities laws that will affect when or to whom the Corporation or Manager shares may be sold. Accordingly, if and when the Partnership is required to sell either Corporation or Manager shares, the liquidity of such shares may be limited. This could affect the time it takes to sell the Brookfield shares and the price obtained by the Partnership for the shares sold.

No Ownership Interest

A direct investment in the Partnership's Equity LP Units does not constitute a direct investment in the Corporation and Manager shares or other securities held by the Partnership, and holders of Equity LP Units do not have any voting rights in respect of such securities.

Use of Derivatives for Hedging Purposes

The Partnership may, in the future, use derivatives for foreign currency hedging. The Partnership may hedge the Canadian-US dollar exchange rate and, in addition, may engage in interest rate hedging. Hedging using derivatives is intended to mitigate market or portfolio risk. There can be no assurance, however, that currency, market or interest hedging transactions will be effective. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It also precludes the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible to hedge against generally anticipated devaluations, as the Partnership may not be able to contract to sell the currency at a price above the devaluation level generally anticipated. There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Partnership to realize its profits or limit its losses by closing out positions. The Partnership is subject to the credit risk that its counterparty may be unable to meet its obligations. In addition, there is the risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Partnership has an open derivative position.

Security of our Information and Technology Systems

The Partnership's information technology systems face ongoing cybersecurity threats and attacks, which could result in the failure of such infrastructure. We may in the future be subject to cyber-terrorism or other cybersecurity risks or other breaches of information technology security, noting the increasing frequency, sophistication and severity of these kinds of incidents. In particular, our information technology systems may be subject to cyber terrorism intended to obtain unauthorized access to our proprietary information, personally identifiable information or to client or third-party data stored on our systems, destroy or disable our data, and/or that of our business partners, disclose confidential data in breach of data privacy legislation, destroy data or disable, degrade or sabotage our systems, through the introduction of computer viruses, cyber-attacks and other means. Such attacks could originate from a wide variety of sources, including internal actors or unknown third parties. Further, unauthorized parties may also gain physical access to our facilities and infiltrate our information systems or attempt to gain access to information and data. The sophistication of the threats continue to evolve and grow, including the risk associated with the use of emerging technologies, such as artificial intelligence and quantum computing, for nefarious purposes. We cannot predict what effects such cyber-attacks or compromises or shut-downs may have on our business and on the privacy of the individuals or entities affected, and the consequences could be material. Cyber incidents may remain undetected for an extended period, which could exacerbate these consequences. A significant actual or potential theft, loss, corruption, exposure, fraudulent, unauthorized or accidental use or misuse of investor, policyholder, employee or other personally identifiable or proprietary business data, whether by third parties or as a result of employee malfeasance or otherwise, non-compliance with our contractual or other legal obligations regarding such data or intellectual property or a violation of our privacy and security policies with respect to such data could result in significant remediation and other costs, fines, litigation and regulatory actions against us by governments, various regulatory organizations or exchanges, or affected individuals, in addition to significant reputational harm and/or financial loss, and it may not be possible to recover losses suffered from such incidents under our insurance policies.

In addition, our operating equipment may not continue to perform as it has in the past, and there is a risk of equipment failure due to wear and tear, latent defect, design or operator errors or early obsolescence, among other things.

A breach of our cyber security measures or the failure or malfunction of any of our computerized business systems, associated backup or data storage systems could cause us to suffer a disruption in one or more parts of our business and experience, among other things, financial loss, reputational damage, a loss of business opportunities, misappropriation or unauthorized release of confidential or personal information, damage to our systems and those with whom we do business, violation of privacy and other laws, litigation, regulatory penalties and remediation and restoration costs as well as increased costs to maintain our systems.

Contractual Obligations

The Partnership's contractual obligations as of December 31, 2023 are as follows:

	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
<i>(Thousands, US dollars)</i>					
Preferred shares and borrowings					
Partners Value Split Class AA, Series 8 ¹	\$ 113,192	\$ 113,192	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	113,145	—	113,145	—	—
Partners Value Split Class AA, Series 10 ¹	113,205	—	—	113,205	—
Partners Value Split Class AA, Series 11 ¹	113,205	—	113,205	—	—
Partners Value Split Class AA, Series 12 ¹	130,186	—	—	130,186	—
Partners Value Split Class AA, Series 13 ¹	113,205	—	—	—	113,205
Partners Value Investments LP Class A, Series 2	78,922	—	78,922	—	—
Partners Value Investments LP Class A, Series 3	78,922	—	—	—	78,922
Partners Value Investments LP Class A, Series 4	78,937	—	—	—	78,937
Partners Value Investments Inc. Class A, Series 1	69,904	—	—	—	69,904
Corporate Bonds due Nov 2027	113,205	—	—	113,205	—
Corporate Bonds due Nov 2028	113,205	—	—	113,205	—
	<u>\$ 1,229,233</u>	<u>\$ 113,192</u>	<u>\$ 305,272</u>	<u>\$ 469,801</u>	<u>\$ 340,968</u>
Interest expense					
Partners Value Split Class AA, Series 8 ¹	\$ 4,064	\$ 4,064	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	11,969	5,544	6,425	—	—
Partners Value Split Class AA, Series 10 ¹	16,809	5,321	10,642	846	—
Partners Value Split Class AA, Series 11 ¹	9,841	5,377	4,464	—	—
Partners Value Split Class AA, Series 12 ¹	23,838	5,728	11,456	6,654	—
Partners Value Split Class AA, Series 13 ¹	27,260	5,038	10,076	10,076	2,070
Partners Value Investments LP Class A, Series 2	9,315	3,157	6,158	—	—
Partners Value Investments LP Class A, Series 3	25,100	3,157	6,314	6,314	9,315
Partners Value Investments LP Class A, Series 4	40,885	3,157	6,314	6,314	25,100
Partners Value Investments Inc. Class A, Series 1	19,304	2,796	5,592	5,592	5,324
Corporate Bonds due Nov 2027	19,174	4,953	9,906	4,315	—
Corporate Bonds due Nov 2028	22,069	4,528	9,056	8,485	—
	<u>\$ 229,628</u>	<u>\$ 52,820</u>	<u>\$ 86,403</u>	<u>\$ 48,596</u>	<u>\$ 41,809</u>

1 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures due 2024, 2026, 2027, 2025, 2028, 2029 for the Series 8, 9, 10, 11, 12 and 13, respectively.

SUMMARY OF FINANCIAL INFORMATION

A summary of the eight recently completed quarters is as follows:

<i>(Thousands, US dollars, except per share amounts)</i>	2023				2022			
	Q4	Q3	Q2	Q1	Q4 ²	Q3	Q2	Q1
Net income (loss) ¹	\$ (7,293)	\$ 16,997	\$ (9,868)	\$ 5,532	\$ 1,037,725	\$ 49,290	\$ 19,286	\$ 8,257
Basic net income (loss) per share ³	(0.11)	0.25	(0.15)	0.08	15.35	0.73	0.29	0.12
Diluted net income (loss) per share ³	<u>(0.11)</u>	<u>\$ 0.22</u>	<u>\$ (0.15)</u>	<u>\$ 0.07</u>	<u>\$ 13.16</u>	<u>\$ 0.63</u>	<u>\$ 0.24</u>	<u>\$ 0.10</u>

1 Net income (loss) attributable to Equity LP unitholders.

2 Excluding the impacts of the \$1,042,687 one-time special distribution from Brookfield Corporation, net loss for the fourth quarter of 2022 was (\$4,962), \$0.07 basic net loss per share and \$0.07 diluted net loss per share.

3 Historical basic and diluted net income (loss) per share have been adjusted to reflect the impacts of the Re-organization retrospectively.

Net income (loss) includes dividends and interest on the Partnership's investment portfolio, in addition to valuation gains and losses relating to its investment portfolios and fluctuates accordingly with changes to foreign currencies relative to the United States dollar and equity markets. Also, included in net income (loss) are gains and losses on the disposition of investments. The variance in net income (loss) over the last eight quarters is primarily the result of valuation gains and unrealized losses on certain of the Partnership's investments, increases and decreases in the investment income earned from its investments, and the impact of foreign currencies.

RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Partnership for which the Partnership paid less than \$1 million for the year ended December 31, 2023 (December 31, 2022 – less than \$1 million).

The Partnership owns 121 million shares of Corporation which amounted to \$4.9 billion (December 31, 2022 – \$4.1 billion), approximately 31 million shares of Manager which amounted to \$1.2 billion (December 31, 2022 – \$0.9 billion), and other Brookfield subsidiaries of \$434 million (December 31, 2022 – \$176 million). The Partnership recorded dividend income from Brookfield entities of \$77 million (December 31, 2022 – \$1.1 billion, which included a \$1.0 billion non-recurring special distribution).

Effective March 31, 2023, the Partnership places cash on deposit with the Corporation. As at December 31, 2023, the net deposit with the Corporation was \$133 million (December 31, 2022 – \$nil) and the Partnership earned interest income of \$4 million for the funds on deposit for the year ended December 31, 2023 (December 31, 2022 – \$nil). Deposits bear interest at market rates.

CRITICAL ACCOUNTING ESTIMATES

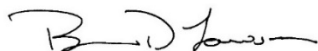
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. In the normal course of operations, the Partnership may execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions and the sale of assets. The nature of substantially all of the indemnification undertakings preclude the possibility of making a reasonable estimate of the maximum potential amount that the Partnership could be required to pay to third parties as the agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Partnership has not made any payments under such indemnification agreements and guarantees.

DISCLOSURE CONTROLS AND PROCEDURES

We maintain appropriate information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. The Chief Executive Officer and the Chief Financial Officer of the Partnership evaluated the effectiveness of disclosure controls and procedures (as defined in “National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings”) as at December 31, 2023, and have concluded that the disclosure controls and procedures are operating effectively.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

We maintain appropriate internal controls over financial reporting (as defined in “National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings”) and the Chief Executive Officer and the Chief Financial Officer have concluded that the internal controls as at December 31, 2023 have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has evaluated whether there were changes in our internal controls over financial reporting during the year ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting and has determined that there have been no such changes.



Brian D. Lawson
Chief Executive Officer
March 28, 2024

Independent Auditor's Report

To the Unitholders and the Board of Directors of
Partners Value Investments L.P.

Opinion

We have audited the consolidated financial statements of Partners Value Investments L.P. (the "Partnership"), which comprise the consolidated statements of financial position as at December 31, 2023 and 2022, and the consolidated statements of operations, comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Partnership as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Partnership in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Investments — Refer to Notes 2, 3 and 4 to the financial statements

Key Audit Matter Description

The Partnership's investment portfolio included the Partnership's investments in Brookfield Corporation, Brookfield Asset Management Ltd., Brookfield Reinsurance Ltd., and Brookfield Business Partners LP which made up the majority of the balance and are measured at fair value through other comprehensive income. The Partners accounted for the remainder of its investments, which include common shares, exchange traded funds, corporate bonds, preferred shares and interests in limited life funds at either fair value through other comprehensive or fair value through profit and loss. The Partnership measured its level 1 investments using quoted prices available in active markets whereas its investments in level 2 and 3 investments are measured using similar investments in active markets or the estimated net asset value.

We considered this a key audit matter due to the significance of the investments to the financial statements, and the significant audit effort required in performing audit procedures related to the investments.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to valuation of investments included the following, among others:

- Evaluated the fair value of publicly listed investments by comparing to third-party prices;
- Evaluated the appropriateness of the methodology used in the valuation of level 3 investments; and
- Evaluated the net asset value of the level 3 investments using internal and external information, including industry information, to assess the reasonability of unobservable market inputs.

Partners Limited Reorganization — Refer to Note 1 to the financial statements

Key Audit Matter Description

On November 24, 2023, the Partnership executed a reorganization that was carried out by way of a statutory plan of arrangement (the “Reorganization”). As part of the Reorganization, the Partnership’s wholly owned subsidiary, Partners Value Investment Inc (“PVII”) and other entities were amalgamated into a newly created entity. As a result, PVII recorded non-controlling interests through its’ consolidation of its’ non-wholly owned subsidiaries.

We considered the determination of the accounting treatment as a key audit matter due to the complex analysis and consideration of the Reorganization which resulted in significant audit effort including the need to involve technical accounting specialists.

How the Key Audit Matter Was Addressed in the Audit

With the assistance of technical accounting specialists, our audit procedures related to management's determination of the accounting treatment of the Reorganization included the following, among others:

- Assessing the information in the Reorganization agreements to understand and evaluate that all components were identified;
- Evaluating management's determination of the accounting treatment of the Reorganization by analyzing specific facts and circumstances against relevant accounting guidance.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor’s report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Partnership's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Partnership or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Partnership's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Partnership to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Robert Rourke.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
March 28, 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at (Thousands, US dollars)	Note	December 31, 2023	December 31, 2022
Assets			
Cash and cash equivalents		\$ 199,856	\$ 185,722
Accounts receivable and other assets	12	31,416	31,270
Deferred tax asset	9	4,309	1,604
Investment in Brookfield Corporation	3	4,853,261	4,149,188
Investment in Brookfield Asset Management Ltd.	3	1,237,554	934,183
Other investments carried at fair value	3	612,009	328,264
		<u>\$ 6,938,405</u>	<u>\$ 5,630,231</u>
Liabilities and equity			
Accounts payable and other liabilities	12	\$ 34,150	\$ 36,860
Corporate borrowings	5	225,789	220,711
Preferred shares	6	993,267	905,132
		<u>1,253,206</u>	<u>1,162,703</u>
Equity			
Equity Limited Partners	7	5,521,067	4,304,516
General Partner	7	—	1
Preferred Limited Partners	7	152,152	153,049
Non-controlling interests	7	11,980	9,962
		<u>5,685,199</u>	<u>4,467,528</u>
		<u>\$ 6,938,405</u>	<u>\$ 5,630,231</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

For the years ended December 31
(Thousands, US dollars)

	Note	2023	2022
Investment income			
Dividends	3	\$ 85,114	\$ 1,120,641
Other investment income		11,802	6,694
		<u>96,916</u>	<u>1,127,335</u>
Expenses			
Operating expenses		(6,156)	(2,359)
Financing costs		(9,484)	(9,789)
Retractable preferred share dividends		(41,954)	(39,753)
		<u>(57,594)</u>	<u>(51,901)</u>
Other items			
Investment valuation (losses) gains		(6,237)	10,653
Amortization of deferred financing costs		(3,380)	(3,363)
Foreign currency (losses) gains		(10,435)	37,272
Current taxes expense	9	(1,270)	(19,990)
Deferred taxes (expense) recovery	9	(3,280)	21,439
Net income		<u>\$ 14,720</u>	<u>\$ 1,121,445</u>
Basic net income per unit¹	8	<u>\$ 0.08</u>	<u>\$ 16.76</u>
Diluted net income per unit¹	8	<u>\$ 0.07</u>	<u>\$ 13.88</u>
Net Income attributable to:			
Equity Limited Partners		\$ 5,368	\$ 1,114,558
General Partner		—	—
Preferred Limited Partner		8,072	6,887
Non-controlling interests		1,280	—
		<u>\$ 14,720</u>	<u>\$ 1,121,445</u>

1 The net income per share calculation for December 31, 2022 reflects the adjusted basic and diluted share count following the re-organization. Refer to Note 8 – Net Income Per Unit for details.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31
(Thousands, US dollars)

	2023	2022
Net income	<u>\$ 14,720</u>	<u>\$ 1,121,445</u>
Items that may be reclassified to net income		
Realized and unrealized losses on securities measured at fair value through other comprehensive income	(1,078)	(1,955)
Items that may not be reclassified to net income		
Realized and unrealized gains (losses) on securities measured at fair value through other comprehensive income	1,439,131	(3,912,773)
Income taxes	5,753	3,835
Other comprehensive income (loss)	<u>1,443,806</u>	<u>(3,910,893)</u>
Comprehensive income (loss)	<u>\$ 1,458,526</u>	<u>\$ (2,789,448)</u>

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the year ended December 31, 2023 (Thousands, US dollars)	Equity Limited Partners							
	Capital	Retained Earnings	Accumulated Other Comprehensive Income	Equity Limited Partners	General Partner	Preferred Limited Partners	Non-Controlling Interests	Total Equity
Balance, beginning of year	\$ 1,445,100	\$ 1,330,691	\$ 1,528,725	\$ 4,304,516	\$ 1	\$ 153,049	\$ 9,962	\$ 4,467,528
Net income	—	5,368	—	5,368	—	8,072	1,280	14,720
Other comprehensive income	—	—	1,443,806	1,443,806	—	—	—	1,443,806
Comprehensive income	—	5,368	1,443,806	1,449,174	—	8,072	1,280	1,458,526
Distribution (Note 7)	—	(327,850)	—	(327,850)	—	(8,072)	(1,280)	(337,202)
Re-organization (Note 7)	98,318	—	—	98,318	(1)	(827)	2,018	99,508
Normal-course issuer bid	(3,091)	—	—	(3,091)	—	(70)	—	(3,161)
Balance, end of year	\$ 1,540,327	\$ 1,008,209	\$ 2,972,531	\$ 5,521,067	\$ —	\$ 152,152	\$ 11,980	\$ 5,685,199

For the year ended December 31, 2022 (Thousands, US dollars)	Equity Limited Partners							
	Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Equity Limited Partners	General Partner	Preferred Limited Partners	Non-Controlling Interests	Total Equity
Balance, beginning of year	\$ 1,449,324	\$ 216,133	\$ 5,439,618	\$ 7,105,075	\$ 1	\$ 153,054	\$ —	\$ 7,258,130
Net income	—	1,114,558	—	1,114,558	—	6,887	—	1,121,445
Other comprehensive loss	—	—	(3,910,893)	(3,910,893)	—	—	—	(3,910,893)
Comprehensive income (loss)	—	1,114,558	(3,910,893)	(2,796,335)	—	6,887	—	(2,789,448)
Distribution	—	—	—	—	—	(6,887)	—	(6,887)
Re-organization	—	—	—	—	—	—	9,962	9,962
Normal-course issuer bid	(4,224)	—	—	(4,224)	—	(5)	—	(4,229)
Balance, end of year	\$ 1,445,100	\$ 1,330,691	\$ 1,528,725	\$ 4,304,516	\$ 1	\$ 153,049	\$ 9,962	\$ 4,467,528

The accompanying notes are an integral part of the financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31
(Thousands, US dollars)

	Note	2023	2022
Cash flow from operating activities			
Net income		\$ 14,720	\$ 1,121,445
Add (deduct) non-cash items:			
Investment valuation losses (gains)		6,237	(10,653)
Unrealized foreign exchange losses (gains)		10,435	(37,272)
Amortization of deferred financing costs		3,380	3,363
Non-cash dividend received	10	—	(1,042,687)
Deferred taxes		4,550	(1,449)
		<u>39,322</u>	<u>32,747</u>
Changes in working capital and foreign currency		<u>(8,203)</u>	<u>20,363</u>
		<u>31,119</u>	<u>53,110</u>
Cash flow used in and from investing activities			
Purchase of securities		(387,667)	(253,183)
Sale of securities		380,961	198,895
		<u>(6,706)</u>	<u>(54,288)</u>
Cash flow used in and from financing activities			
Common shares redeemed		(3,091)	(4,224)
Preferred shares (redeemed) issued		(70)	116,618
Distribution to preferred unit holders		(8,072)	(6,887)
Contributions from non-controlling interests		—	9,962
		<u>(11,233)</u>	<u>115,469</u>
Cash and cash equivalents			
Change in cash and cash equivalents		13,180	114,291
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies		954	(9,273)
Balance, beginning of year		185,722	80,704
Balance, end of year		<u>\$ 199,856</u>	<u>\$ 185,722</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS OPERATIONS

Partners Value Investments L.P. (the “Partnership”) is a publicly listed partnership and is governed by the laws of Bermuda. The Partnership is an investment holding company with principal investments in approximately 121 million Class A Limited Voting Shares (“Corporation shares”) of Brookfield Corporation (the “Corporation”) and approximately 31 million Class A Limited Voting Shares (“Manager shares”) of Brookfield Asset Management Ltd. (the “Manager”). These consolidated financial statements include the accounts of the Partnership’s subsidiaries: Partners Value Investments Inc. (“PVII”) and Partners Value Split Corp. (“Partners Value Split” or “PVS”).

The Partnership was formed on October 25, 2023, in connection with a re-organization that was carried out by way of a statutory plan of arrangement pursuant to section 182 of the Business Corporations Act (Ontario) (the “Re-organization”) with an effective date of November 24, 2023. Pursuant to the Re-organization, the Partnership succeeded its predecessor entity, similarly named Partners Value Investments LP (hereafter referred to as the “Prior Partnership”), which was terminated as part of the Re-organization. After its formation, the Partnership amended its authorized capital to include general partnership units, equity limited partnership units and class A preferred limited partnership units (Series 1, 2, 3 and 4), with the capital structure and unit terms being substantially the same as the Prior Partnership.

Accordingly, the Partnership is the successor of the Prior Partnership. The financial statements present the results of the Prior Partnership for the year ended December 31, 2022 and the period from January 1, 2023 until the effective date of the Re-organization on November 24, 2023, at which point the results presented are those of the Partnership.

The effect of the Re-organization was to, among other things, amalgamate Partners Limited, a private Ontario corporation and the majority holder of the equity limited partnership units of the Prior Partnership, with PVII and other related entities, under the newly formed Partnership. The Re-organization was undertaken in a number of steps whereby the Prior Partnership contributed its investments in PVII to Newco, a newly formed entity and wholly-owned subsidiary of the Prior Partnership. The share exchange between the Prior Partnership and Newco was a common control transaction and measured at carrying value. Upon completion of the share exchange, Newco transferred all of its equity interests to the Partnership. The share transfer between shareholders of Newco and the Partnership was a common ownership transaction and measured at carrying value. Subsequently, Partners Limited amalgamated with PVII and the other related entities, with shareholders of Partners Limited receiving equity limited partnership units as consideration for the net assets contributed by Partners Limited under the amalgamation. The amalgamation was a common control transaction and measured at carrying value.

As part of the Re-organization, the Partnership declared and paid a dividend-in-kind to its common shareholders of \$328 million via the distribution of Brookfield Reinsurance Ltd. (“BNRe”) Class A exchangeable limited voting shares and class A-1 exchangeable non-voting shares (collectively, the “BNRe shares”) and PVII Class A preferred shares, Series 1, as outlined in the plan of arrangement.

The Partnership is managed by its general partner, PVI Management Trust (the “General Partner”). The registered office of the Partnership is 73 Front Street, 5th Floor, Hamilton HM 12, Bermuda.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements are prepared on a going concern basis. These financial statements were authorized for issuance by the Board of Directors of the Partnership on March 28, 2024.

b) Basis of Consolidation

The consolidated financial statements include the accounts of the Partnership and its consolidated subsidiaries, which are the entities over which the Partnership has control. An investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Non-controlling interests in the equity of the Partnership’s subsidiaries held by others are shown separately in equity in the consolidated statements of financial position. Intercompany transactions within the Partnership have been eliminated.

c) Basis of Presentation

Cash and Cash Equivalents

Cash and cash equivalents are recorded at amortized cost and include cash on deposit with financial institutions.

Income Taxes

The current income tax expense is determined based on the enacted or substantively enacted tax rates at each balance sheet date. The deferred income tax is recorded using the liability method of tax allocation in accounting for income taxes. Under this method, deferred tax assets and liabilities are determined based on unused income tax losses and temporary differences between the carrying amount and tax bases of assets and liabilities, when the benefit is probable to be realized and measured using the tax rates and laws substantively enacted at the balance sheet date.

Accounts Receivable and Other Assets

Accounts receivables are classified and measured at amortized cost, which approximates the fair value. Other assets also include certain derivative assets which are held for trading and classified as fair value through profit or loss and are recorded at their fair value.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities balances are classified at amortized cost. Other liabilities also include certain derivative liabilities which are held for trading and classified as fair value through profit or loss and are recorded at their fair value.

Investment in Brookfield Corporation and Brookfield Asset Management Ltd.

The Partnership accounts for its investment in Brookfield Corporation (the “Corporation”) and Brookfield Asset Management Ltd. (the “Manager”) at fair value through other comprehensive income (“FVTOCI”).

Other Investments Carried at Fair Value

The Partnership accounts for its investments in Brookfield Business Partners LP (“BBU”), Brookfield Reinsurance Ltd. (“BNRe”), and other Corporation investments at FVTOCI. In addition, the Partnership recognizes certain investments in preferred shares and debt securities as FVTOCI. Unrealized gains and losses of equity securities recognized in other comprehensive income are not recycled to the consolidated statements of operations upon disposition.

The Partnership accounts for the remainder of its marketable securities portfolio including common shares, exchange traded funds and certain legacy investments as fair value through profit or loss (“FVTPL”).

Investment Income

Dividend income is recognized on the ex-dividend date and interest income is recognized as earned.

Preferred Shares

The Partnership’s preferred shares are measured at amortized cost.

Corporate Borrowings

The Partnership’s corporate borrowings are measured at amortized cost.

Deferred Financing Costs

Deferred financing costs incurred in connection with the issuance of the retractable preferred shares and corporate borrowings are amortized using the effective interest rate method over the life of the related series of preferred shares issued by the subsidiaries of the Partnership.

Recognition/Derecognition of Financial Assets and Financial Liabilities

The Partnership recognizes financial assets and financial liabilities designated as trading securities on the trade date. The Partnership derecognizes financial liabilities when, and only when, the Partnership’s obligations are discharged, cancelled, or expired.

Foreign Currencies

The functional currency of the Partnership and each of its subsidiaries is determined using the currency of the primary economic environment in which that entity operates. The functional and presentation currency of the Partnership is the United States dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

Common Control Transactions

Transactions which occurred between common shareholders or those transactions through which the same party controls before and after (“common control transactions”) fall outside the scope of IFRS 3, Business Combinations, and as such management has used judgement to determine an appropriate policy. The Partnership has elected to account for assets and liabilities acquired in common control transactions at the predecessor’s carrying value. Differences between the consideration given and the assets and liabilities received are recorded directly in equity.

c) Critical Judgments and Estimates

The preparation of financial statements requires the Partnership to make critical judgments, estimates and assumptions that affect the carried amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses recorded during the year. Actual results could differ from those estimates. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Partnership believes will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements. The estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements include the following:

Level of Control

When determining the appropriate basis of accounting for the Partnership’s investments, the Partnership uses the following critical assumptions and estimates: the degree of control or influence that the Partnership exerts over the investment and the amount of benefit that the Partnership receives relative to other investors.

Other critical estimates and judgments utilized in the preparation of the Partnership’s financial statements include the assessment of the ability to utilize tax losses and other tax assets.

Fair Value of Financial Instruments

IFRS establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring financial instruments at fair value. Market price observability is affected by a number of factors, including the type of financial instrument, the characteristics specific to the financial instrument and the state of the marketplace, including the existence and transparency of transactions between market participants. Financial instruments with readily available quoted prices in active markets generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Financial instruments measured and reported at fair value are classified and disclosed based on the observability of inputs used in the determination of fair values, as follows:

- Level I — Quoted prices are available in active markets for identical financial instruments as of the reporting date. The types of financial instruments in Level I include listed equities and mutual funds with quoted prices.
- Level II — Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies.
- Level III — Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instrument. The inputs into the determination of fair value require significant management judgment or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the determination of which category within the fair value hierarchy is appropriate for any given financial instrument is based on the lowest level of input that is significant to the fair value measurement. The Partnership’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Level II Valuation Technique

Financial instruments classified within Level II of the fair value hierarchy are comprised of the Partnership's derivative liabilities and certain investments held through FVTPL. These investments are fair valued using other valuation methodologies such as correlation with market data at the measurement date.

Level III Valuation Techniques

Fair valued assets that are included in this category are certain equity securities carried at fair value which are not traded in an active market and measured using estimated net asset value.

d) Recently Adopted Accounting Standards

The Partnership has applied new and revised standards issued by IASB that are effective for the period beginning on or after January 1, 2023. The new standards were applied as follows:

i. Amendments to IAS 1 – Presentation of Financial Statements ("IAS 1")

The amendments clarify the requirement for companies to identify and disclose their material accounting policies instead of their significant accounting policies. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2023.

The adoption did not have a significant impact on the Partnership's financial reporting.

ii. International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

In May 2023, the IASB issued amendments to IAS 12 "Income Taxes" to give entities temporary mandatory relief from accounting for deferred taxes arising from Organization for Economic Co-operation and Development's ("OECD") international tax reform. The amendments are effective immediately upon their issue and retrospectively in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" except for some targeted disclosure requirements which become effective for annual reporting periods beginning on or after January 1, 2023. The Partnership has applied the temporary exception to recognizing and disclosing information about deferred tax assets and liabilities related to Global AntiBase Erosion ("Pillar Two") income taxes.

e) Future Changes in Accounting Standards

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current ("IAS 1")

The amendments clarify how to classify debt and other liabilities as current or non-current. The amendments to IAS 1 apply to annual reporting periods beginning on or after January 1, 2024.

The Partnership is currently assessing the impact of these amendments.

3. INVESTMENT PORTFOLIO

The Partnership's investment portfolio consists of the following:

As at (Thousands, US dollars)	Classification ¹	Number of Shares		Fair Value	
		Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	12,276,297	\$ 54,460	\$ 386,212
Partners Value Split Corp		119,611,449	119,611,449	4,798,801	3,762,976
		<u>120,968,883</u>	<u>131,887,746</u>	<u>\$ 4,853,261</u>	<u>\$ 4,149,188</u>
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	2,681,112	\$ 36,358	\$ 76,868
Partners Value Split Corp		29,902,862	29,902,862	1,201,196	857,315
		<u>30,807,960</u>	<u>32,583,974</u>	<u>\$ 1,237,554</u>	<u>\$ 934,183</u>
Investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	2,243,203	\$ 78,234	\$ 39,413
Brookfield Reinsurance Ltd. ²	FVTOCI	7,582,263	—	303,554	—
				<u>381,788</u>	<u>39,413</u>
Other securities portfolio	FVTOCI	Various	Various	34,478	37,962
Other securities portfolio	FVTPL	Various	Various	195,743	250,889
				<u>230,221</u>	<u>288,851</u>
				<u>\$ 612,009</u>	<u>\$ 328,264</u>

¹ Changes in fair value of investments classified as FVTOCI are recorded in other comprehensive income, and changes in fair value of FVTPL are recorded in net income.

² Brookfield Reinsurance Ltd. includes 721,921 Class A shares and 6,860,342 Class A-1 shares.

On December 9, 2022, the Corporation completed a 25% special distribution of its asset management business. As a result of the special distribution, shareholders of the Corporation received one Class A and Class B Manager share per every four Class A and Class B Corporation shares held. The Partnership's investment in Class A Limited Voting Shares of Corporation as of December 31, 2023, represents an 8% equity interest (December 31, 2022 – 8%). The Partnership's investment in Class A Limited Voting Shares of Manager as of December 31, 2023 represents an 8% equity interest (December 31, 2022 – 8%).

During the year ended December 31, 2023, the Partnership acquired 2,750,164 shares of the Corporation at a weighted average price of \$32.74/share for total net consideration of \$90 million. In connection with the Re-organization, the Partnership also received 1,357,434 shares of the Corporation from Partners Limited. During the year, the Company exchanged on a 1-for-1 basis 15,026,461 shares of the Corporation for BNRe shares.

The Partnership also disposed of 2,056,112 shares of the Manager at a weighted average price of \$31.68/share for total proceeds of \$65 million and received 280,098 shares of the Manager from Partners Limited in connection with the Re-organization.

The Partnership acquired 1,426,542 units of BBU at a weighted average price of \$17.41/unit for a total net consideration of \$25 million and received 28,576 shares in connection with the Re-organization.

In addition to the 15,026,461 BNRe shares received in the exchange, the Partnership also received 90,721 of BNRe shares as part of the Re-organization. The Partnership also distributed 7,497,619 BNRe shares with fair market value of \$257 million to Equity Limited Partners and 37,300 BNRe shares with fair market value of \$1 million to non-controlling interests.

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The decrease in the portfolio is primarily due to the distributions received from private fund investments partially offset by addition of assets acquired in connection with the Re-organization.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined by reference to a price within a bid-ask spread that is deemed most appropriate.

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation of these assets and liabilities and are as follows:

- Level 1 Quoted prices available in active markets for identical investments as of the reporting date.
- Level 2 Pricing inputs other than quoted market prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair values are determined through the use of models or other valuation methodologies.
- Level 3 Pricing inputs are unobservable for the instrument and includes situations where there is little, if any, market activity for the instrument. The inputs into the determination of fair value require significant management estimation. Fair valued assets that are included in this category are certain equity securities carried at fair value which are not traded in an active market and measured using estimated net asset value.

The fair value hierarchical level associated with the Partnership's financial assets and liabilities measured at fair value consists of the following:

As at (Thousands, US dollars)	December 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Corporation	\$ 4,853,261	\$ —	\$ —	\$ 4,149,188	\$ —	\$ —
Brookfield Asset Management Ltd.	1,237,554	—	—	934,183	—	—
Investments classified as FVTOCI	416,266	—	—	77,375	—	—
Investments classified as FVTPL	79,172	3,252	113,319	87,061	1,633	162,195
Derivative liabilities ¹	—	(11,424)	—	—	(16,211)	—
	<u>\$ 6,586,253</u>	<u>\$ (8,172)</u>	<u>\$ 113,319</u>	<u>\$ 5,247,807</u>	<u>\$ (14,578)</u>	<u>\$ 162,195</u>

1 Presented within accounts payable and other on the Consolidated Statements of Financial Position.

The following table presents the changes in the Level 3 investments which are made up of a portfolio of private fund investments valued using the fund provided capital account statements for the years ended December 31, 2023 and December 31, 2022:

As at (Thousands, US dollars)	December 31, 2023	December 31, 2022
Opening Balance	\$ 162,195	\$ 153,441
Contributions	55,889	8,653
Distributions	(99,742)	(2,961)
Investment valuation (losses) gains ¹	(5,213)	101
Other investment income	190	2,961
Ending Balance	<u>\$ 113,319</u>	<u>\$ 162,195</u>

1 There was \$0.4 million realized gains or losses included in investment valuation gains or losses from Level 3 investments for the year ended December 31, 2023 (December 31, 2022 – \$nil).

The fair value of preferred shares and corporate borrowings treated as a financial liability is \$1.2 billion as at December 31, 2023 (December 31, 2022 – \$1.1 billion).

As at December 31, 2023, a cumulative pre-tax gain of \$5.2 billion (December 31, 2022 – \$3.5 billion) has been recognized for financial instruments measured under fair value through other comprehensive income, over their historical cost amounts.

All financial assets have a carrying value equal to their fair value. During the years ended December 31, 2023 and 2022, there were no transfers between Level 1, 2 or 3.

5. CORPORATE BORROWINGS

As at (Thousands, US dollars)	Book Value	
	Dec. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 113,205	\$ 110,730
4.00% Corporate Bond – November 15, 2028	113,205	110,730
	<u>226,410</u>	<u>221,460</u>
Deferred financing costs ¹	(621)	(749)
	<u>\$ 225,789</u>	<u>\$ 220,711</u>

1 Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

In addition to Partnership's corporate borrowings, the Partnership also has access to a C\$110 million revolving credit facility with a major Canadian financial institution which was undrawn as at December 31, 2023 (December 31, 2022 – \$nil).

6. PREFERRED SHARES

The preferred shares and units issued by the Partnership and its subsidiaries are comprised of the following:

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 113,192	\$ 110,717
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	113,145	110,671
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	113,205	110,730
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	113,205	110,730
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	130,186	127,340
4.45% Series 13 - May 31, 2029	6,000,000	6,000,000	113,205	110,730
Partners Value Investments LP Class A ¹				
4.00% Series 2 – December 14, 2026	3,156,867	2,031,867	78,922	50,797
4.00% Series 3 – December 14, 2031	3,156,867	2,031,867	78,922	50,797
4.00% Series 4 – December 14, 2036	3,157,491	2,032,491	78,937	50,812
Partners Value Investments Inc Class A				
4.00% Series 1 – November 27, 2030	69,903,759	—	69,904	—
PVI SIB LP Class A ¹				
4.00% Series 1 – December 14, 2026	—	1,125,000	—	28,125
4.00% Series 2 – December 14, 2031	—	1,125,000	—	28,125
4.00% Series 3 – December 14, 2036	—	1,125,000	—	28,125
			<u>1,002,823</u>	<u>917,699</u>
Deferred financing costs ²			(9,556)	(12,567)
			<u>\$ 993,267</u>	<u>\$ 905,132</u>

1 In connection with the Re-organization, the PVI SIB LP Class A Series 1, 2 and 3 preferred shares were cancelled and PVI SIB LP was dissolved. The Partnership issued Class A Series 2, 3 and 4 preferred limited partnership units, respectively, at the equivalent par value.

2 Deferred financing costs are amortized over the term of the borrowing using the effective interest method.

Partners Value Split

Partners Value Split is authorized to issue an unlimited number of Class A preferred shares and Class AA preferred shares. The Board of Directors of Partners Value Split have the authority to fix the number of shares that will form each series and determine the rights, restrictions and conditions attached to each series. Any new series will be issued for a price of CAD\$25.00 per share and the proceeds are to be used to finance the retraction or redemption of outstanding preferred shares without necessitating the sale of Class AA shares or facilitating the acquisition of additional Class AA shares.

Retraction

The Company's preferred shares may be surrendered for retraction at the option of the holders of the respective preferred shares. The details of the retraction feature for each respective class of preferred shares are as follows:

PVS Class AA Series 8, 9, 10, 11, 12 and 13	May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net asset value per unit; and (ii) CAD \$25.00. Retraction consideration will be a number of Partners Value Split Series 6, 7, 8, 9, 10 and 11 debentures, respectively, determined by dividing the holder's aggregate preferred share Retraction Price by CAD\$25.00.
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Debentures

The details of each respective class of the Partnership's debentures are as follows:

PVS Series 8	The Series 6 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on September 30, 2024. Holders of the Series 6 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.90% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 6 debentures can be redeemed by the Partnership at any time. The Series 6 debentures may not be retracted.
PVS Series 9	The Series 7 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 28, 2026. Holders of the Series 7 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.00% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 7 debentures can be redeemed by the Partnership at any time. The Series 7 debentures may not be retracted.
PVS Series 10	The Series 8 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 28, 2027. Holders of the Series 8 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.80% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 8 debentures can be redeemed by the Partnership at any time. The Series 8 debentures may not be retracted.
PVS Series 11	The Series 9 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on October 31, 2025. Holders of the Series 9 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.85% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 9 debentures can be redeemed by the Partnership at any time. The Series 9 debentures may not be retracted.
PVS Series 12	The Series 10 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 29, 2028. Holders of the Series 10 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 10 debentures can be redeemed by the Partnership at any time. The Series 10 debentures may not be retracted.
PVS Series 13	The Series 11 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on May 31, 2029. Holders of the Series 11 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 11 debentures can be redeemed by the Partnership at any time. The Series 11 debentures may not be retracted.

Redemption

The Company's preferred shares may be redeemed at the option of the Company. The details of the redemption feature for each respective class of preferred shares are as follows:

PVS Series 8	May be redeemed by the Company at any time on or after September 30, 2022, and prior to September 30, 2024, (the "Series 8 Redemption Date") at a price which until September 30, 2023, will equal CAD\$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on September 30, 2023. All Class AA Series 8 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD\$25.00 plus any accrued and unpaid dividends, and the net assets per unit.
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The Company may redeem Class AA, Series 8 senior preferred shares prior to September 30, 2022 for CAD\$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 8 senior preferred shares prior to the Series 8 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 9

May be redeemed by the Company at any time on or after February 28, 2024, and prior to February 28, 2026, (the "Series 9 Redemption Date") at a price which until February 28, 2025, will equal CAD\$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2025. All Class AA Series 9 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD\$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 9 senior preferred shares prior to February 28, 2024 for CAD\$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 9 senior preferred shares prior to the Series 9 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 10

May be redeemed by the Company at any time on or after February 28, 2025, and prior to February 28, 2027, (the "Series 10 Redemption Date") at a price which until February 28, 2026, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2026. All Class AA Series 10 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 10 senior preferred shares prior to February 28, 2025 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 10 senior preferred shares prior to the Series 10 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 11

May be redeemed by the Company at any time on or after October 31, 2023, and prior to October 31, 2025, (the "Series 11 Redemption Date") at a price which until October 31, 2024, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on October 31, 2024. All Class AA Series 11 senior preferred shares outstanding on the Series 11 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 11 senior preferred shares prior to October 31, 2023 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 11 senior preferred shares prior to the Series 11 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 12 May be redeemed by the Company at any time on or after February 28, 2026, and prior to February 29, 2028, (the “Series 12 Redemption Date”) at a price which until February 28, 2027, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2027. All Class AA Series 12 senior preferred shares outstanding on the Series 12 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 12 senior preferred shares prior to February 28, 2026 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 12 senior preferred shares prior to the Series 12 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

PVS
Series 13 May be redeemed by the Company at any time on or after May 31, 2027, and prior to May 31, 2029, (the “Series 13 Redemption Date”) at a price which until May 31, 2028, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on May 31, 2028. All Class AA Series 13 senior preferred shares outstanding on the Series 13 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 13 senior preferred shares prior to May 31, 2027 for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 13 senior preferred shares prior to the Series 13 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

Partners Value Investments Inc.

Retraction

PVII
Series 1 The Preferred Shares may be surrendered for retraction at any time.

The “Preferred Share Retraction Price” will be equal to \$1.00 per share. A holder retracting Preferred Shares will receive, as payment for such Preferred Shares, a number of notes (the “Notes”) determined by dividing the holder’s aggregate Preferred Share Retraction Price by \$1.00, being the principal amount of the Notes. The Notes will be issued by, at the Company’s option in respect of each retraction, either the Company or, if agreed to by Partners Value Investments L.P. (“PVI LP”), PVI LP. Any U.S. holders retracting Preferred Shares would be required to demonstrate that they are “accredited investors” under U.S. securities laws in order to receive the Notes.

The Notes will be issued by the Company or, if agreed to by PVI LP, PVI LP. The Notes will have a principal amount of \$1.00 per Note and will mature on the Redemption Date. Holders of the Notes will be entitled to receive quarterly fixed interest payments at a rate of 4.10%, being the 4% dividend rate on the Preferred Shares plus a 0.10% spread per annum. Interest will be paid by the issuer on or about the nth day of January, April, July, and October in each year. The Notes shall be redeemable by the Company at any time upon payment of the outstanding principal amount together with any accrued and unpaid interest thereon.

Redemption

PVII
Series 1 The Company must redeem the Series 1 Preferred Shares on the 7th anniversary of the issue date (“Redemption Date”), by the payment of an amount in cash for each Series 1 Preferred share so redeemed equal to US\$1.00 per Series 1 Preferred Share together with all accrued and unpaid Series 1 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Company) (the “Redemption Price”).

7. EQUITY

The Partnership is authorized to issue the following classes of partnership units: (i) the GP Units; (ii) Equity LP Units; and (iii) Preferred LP Units, issuable in one or more classes and in one or more series, which, other than the GP Units, represent limited partnership interests in the Partnership.

Equity Limited Partners

The Equity LP Units are non-voting limited partnership interests in the Partnership. Holders of the Equity LP Units are not entitled to the withdrawal or return of capital contributions in respect of the Equity LP Units, except to the extent, if any, that distributions are made to such holders or upon the liquidation of the Partnership. A holder of Equity LP Units does not have priority over any other holder of Equity LP Units, either as to the return of capital contributions or as to profits, losses or distributions. In addition, holders of the Equity LP Units do not have any right to have their units redeemed by the Partnership.

In connection with the Re-organization, approximately 7.5 million shares of BNRe valued at \$257 million and approximately 71 million shares of PVII retractable preferred shares valued at \$71 million were distributed-in-kind to Equity LP unitholders. In addition, approximately 3.8 million Equity LP units valued at \$98 million were net issued. During the year, the Partnership generated \$1,449 million of net comprehensive income attributable to the Equity Limited Partners.

General Partner

The GP Units are a general partnership interest in the Partnership and one GP Unit has been issued to and is held by the General Partner. The General Partner has the full power and authority to make all decisions on behalf of the Partnership. The Partnership can acquire and sell assets and carry on such business as the General Partner determines from time to time, and can borrow money, guarantee obligations of others, and grant security on its assets from time to time, in each case as the General Partner determines. The General Partner is required to exercise its power and carry out its functions honestly and in good faith and shall exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, the General Partner does not have any right to have their GP units redeemed by the Partnership.

In connection with the Re-organization, the General Partner's book value was reduced to \$1 from \$1 thousand in the prior year.

Preferred Limited Partners

The Class A Preferred LP Units are non-voting limited partnership interests in the Partnership. Holders of the Series 1 Preferred LP Units are entitled to receive fixed cumulative preferential distributions, as and when declared by the General Partner, payable quarterly on the last day of January, April, July and October in each year at an annual rate equal to US\$1.125 per Series 1 Preferred LP Unit (4.5% on the initial par value of US\$25) less any amount required by law to be deducted and withheld. In addition, the Preferred LP Units do not have any right to have their units redeemed by the Partnership.

During the year, the Partnership repurchased 2,986 units for \$0.1 million. In connection with the Re-organization, 32,856 units were net cancelled by the Partnership representing a \$0.8 million reduction to book value. During the year, the Partnership generated \$8 million of net comprehensive income attributable to the Preferred Limited Partners which was in turn distributed to the unitholders.

As at (Thousands, US dollars)	Shares Outstanding ²		Book Value	
	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2023	Dec. 31, 2022
Equity				
Equity Limited Partners	69,903,749	66,137,061	\$ 5,521,067	\$ 4,304,516
General Partner ¹	1	1	—	1
Preferred Limited Partners	6,086,075	6,121,917	152,152	153,049
Non-controlling interests	—	—	11,980	9,962
			<u>\$ 5,685,199</u>	<u>\$ 4,467,528</u>

¹ In connection with the Re-organization, the General Partner's book value was reduced to \$1 from \$1 thousand in the prior year.

² Excludes shares held by consolidated subsidiaries.

Non-controlling interests

When the Partnership does not own 100% the equity in a consolidated subsidiary, the non-controlling equity interest is disclosed in the consolidated statements of financial positions and consolidated statements of changes in equity as a separate component of total equity.

In connection with the Re-organization, \$2 million of net assets attributable to non-controlling interests were consolidated into the Partnership. During the year ended December 31, 2023, 37,300 BNRe shares fair valued of \$1 million were distributed to non-controlling interests and recorded \$1 million of net income (December 31, 2022 – \$nil).

8. NET INCOME PER UNIT

Net income per unit is calculated based on the basic and diluted weighted average number of outstanding units during the year and net income attributable to Equity Limited Partners. For the year ended December 31, 2023, the weighted average number of basic outstanding units were 66,482,755 (December 31, 2022 – 66,482,755) and 80,315,925 on a fully diluted basis (December 31, 2022 – 80,315,925); this includes the 13,833,170 Equity LP units that can be issued through the future exercise of all outstanding warrants of a subsidiary of the Partnership (December 31, 2022 – 13,833,170). December 31, 2022 figures have been re-casted to reflect the impacts of the Re-organization in accordance with IAS 33. Prior to the Re-organization, weighted average and diluted shares as at December 31, 2022 were 66,169,783 and 80,877,206, respectively, which includes 14,707,424 Equity LP units that can be issued through future exercise of all outstanding warrants of as subsidiary of the Partnership.

9. INCOME TAXES

The major components of income tax expense include the following:

For the years ended December 31
(Thousands, US dollars)

	2023	2022
Current income tax expenses (recovery)	\$ 1,270	\$ 19,990
Deferred tax (recovery) expense	3,280	(21,439)
Total income tax (recovery) expense	<u>\$ 4,550</u>	<u>\$ (1,449)</u>

The Partnership's statutory income tax rate has remained consistent at 39.5% throughout both of 2023 and 2022.

The Partnership's effective tax rate is different from the Partnership's statutory income tax rate for the years ended December 31 due to the differences set out below:

For the years ended December 31
(Thousands, US dollars)

	2023	2022
Statutory income tax rate	39.5%	39.5%
Income tax expense at statutory rate	\$ 32,322	\$ 442,399
Increases (reductions) in income tax expense resulting from:		
Non-taxable dividends	(56,534)	(460,232)
Income subject to different tax rates	993	(3,445)
Non-deductible expenses	14,011	13,609
Other	13,758	6,220
Income tax (recovery) expense	<u>\$ 4,550</u>	<u>\$ (1,449)</u>

Deferred income tax assets and liabilities relate to the following:

As at

(Thousands, US dollars)

	Dec. 31, 2023	Dec. 31, 2022
Non-capital losses	\$ —	\$ 2,731
Difference in basis	4,309	(1,127)
Net deferred tax assets/(liabilities)	<u>\$ 4,309</u>	<u>\$ 1,604</u>
Deferred tax assets	\$ —	\$ 2,731
Deferred income tax liabilities	4,309	(1,127)
Net deferred tax assets/(liabilities)	<u>\$ 4,309</u>	<u>\$ 1,604</u>

The movements of deferred income tax balances are as follows:

(Thousands, US dollars)	Dec. 31, 2022	Recognized in			Dec. 31, 2023
		Income	Equity ¹	OCI ²	
Deferred tax assets related to non-capital losses	\$ 2,731	\$ (2,731)	\$ —	\$ —	\$ —
Deferred liabilities related to differences in tax and book basis, net	(1,127)	(549)	—	5,985	4,309
	<u>\$ 1,604</u>	<u>\$ (3,280)</u>	<u>\$ —</u>	<u>\$ 5,985</u>	<u>\$ 4,309</u>

(Thousands, US dollars)	Dec. 31, 2021	Recognized in			Dec. 31, 2022
		Income	Equity ¹	OCI ²	
Deferred tax assets related to non-capital losses	\$ 397	\$ 2,538	\$ —	\$ (204)	\$ 2,731
Deferred liabilities related to differences in tax and book basis, net	(23,827)	18,901	—	3,799	(1,127)
	<u>\$ (23,430)</u>	<u>\$ 21,439</u>	<u>\$ —</u>	<u>\$ 3,595</u>	<u>\$ 1,604</u>

1 Recorded in accumulated other comprehensive income.

2 Includes the impact of foreign currency translation.

A subsidiary of the Partnership and its subsidiaries have \$38 million (2022 – \$28 million) of non-capital losses which expire after 2030. The benefit of these losses have not been recorded in these financial statements.

10. RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Partnership for which the Partnership paid less than \$1 million for the year ended December 31, 2023 (December 31, 2022 – less than \$1 million).

The Partnership owns 121 million shares of Corporation which amounted to \$4.9 billion (December 31, 2022 – \$4.1 billion), approximately 31 million shares of Manager which amounted to \$1.2 billion (December 31, 2022 – \$0.9 billion), and other Brookfield subsidiaries of \$434 million (December 31, 2022 – \$176 million). The Partnership recorded dividend income from Brookfield entities of \$77 million (December 31, 2022 – \$1.1 billion, which included a \$1.0 billion non-recurring special distribution).

Effective March 31, 2023, the Partnership places cash on deposit with the Corporation. As at December 31, 2023, the net deposit with the Corporation was \$133 million (December 31, 2022 – \$nil) and the Partnership earned interest income of \$4 million for the funds on deposit for the year ended December 31, 2023 (December 31, 2022 – \$nil). Deposits bear interest at market rates.

11. RISK MANAGEMENT

The Partnership's activities expose it to a variety of financial risks, including credit risk, market risk (i.e., foreign currency risk, interest rate risk, and other price risk), and liquidity risk. The following are risk factors relating to an investment in the units of the Partnership.

Credit Risk

The Partnership has no material counterparty risk as at December 31, 2023 and 2022, due to all counterparties being large financial institutions dealing with the Partnership's prime brokerage accounts.

Market Risk

a) Foreign Currency Risk

A significant portion of the investments at fair value may be comprised of non-U.S. dollar denominated securities which, along with the Canadian dollar preferred shares and corporate bonds, the Partnership opportunistically looks to hedge. The use of hedges through derivative transactions involves special risks, including the possible default by the other party to the transaction, illiquidity and the risk that the use of hedges could result in losses greater than if hedging had not been used. The hedging arrangements may have the effect of limiting or reducing total returns of the Partnership in circumstances where foreign currencies appreciate in value more than the U.S. dollar over the relevant period. To the extent that portions of the portfolio are not hedged in circumstances where the U.S. dollar appreciates more than foreign currencies, the returns to the Partnership may be adversely impacted. As at December 31, 2023, an appreciation (depreciation) of \$0.01 in the United States dollar relative to other currencies, all else being equal, will decrease (increase) the Partnership's results of investment operations by \$10 million (December 31, 2022 – \$10 million).

The following table summarizes the Partnership's exposure to currency risks:

As at December 31, 2023 (Thousands)	Investments at Fair Value	Cash	Other Net Assets	Foreign Currency Contracts	Total	Net Asset %
U.S. dollar	\$ 6,587,587	\$ 168,829	\$ (309,357)	\$ (11,424)	\$ 6,435,635	113.2%
Canadian dollar	115,237	31,027	(896,700)	—	(750,436)	(13.2%)
Total net assets	<u>\$ 6,702,824</u>	<u>\$ 199,856</u>	<u>\$ (1,206,057)</u>	<u>\$ (11,424)</u>	<u>\$ 5,685,199</u>	<u>100.00%</u>

b) Interest Rate Risk

The Partnership's preference shares and corporate borrowings are fixed rate and the Partnership has negligible floating rate assets or liabilities. Accordingly, changes in the interest rates do not have an impact on net income or other comprehensive income.

c) Market Price Risk

The value of the Class A Shares and the Partnership's other securities are exposed to variability in fair value due to movements in equity prices. As a result, the fair value of the Partnership's investment portfolio may vary from time to time. The Partnership records these investments at fair value. For the year ended December 31, 2023, a 1% increase (decrease) in the market price of the Corporation and the Manager and other investments, all else being equal, would increase (decrease) the carrying value of our investments by \$67 million (December 31, 2022 – \$54 million), which would have resulted in an increase (decrease) to other comprehensive income and the consolidated statement of operations of \$66 million (December 31, 2022 – \$53 million) and \$1 million (December 31, 2022 – \$1 million) on a pre-tax basis, respectively.

d) Liquidity Risk

The Partnership's retractable preference shares expose the Partnership to liquidity risk to fund retractions and redemptions as well as dividend and interest obligations. The Partnership endeavors to maintain dividend income within the subsidiary that issued the preference shares that exceeds the projected dividend obligations and expects to be able to continue to achieve this objective based on current circumstances. Management expects to fund any retraction obligations through a combination of ongoing cash flow, the proceeds from any new financings and proceeds from the sale of securities.

The Partnership's contractual obligations as of December 31, 2023 are as follows:

	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
<i>(Thousands, US dollars)</i>					
Preferred shares and borrowings					
Partners Value Split Class AA, Series 8 ¹	\$ 113,192	\$ 113,192	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	113,145	—	113,145	—	—
Partners Value Split Class AA, Series 10 ¹	113,205	—	—	113,205	—
Partners Value Split Class AA, Series 11 ¹	113,205	—	113,205	—	—
Partners Value Split Class AA, Series 12 ¹	130,186	—	—	130,186	—
Partners Value Split Class AA, Series 13 ¹	113,205	—	—	—	113,205
Partners Value Investments LP Class A, Series 2	78,922	—	78,922	—	—
Partners Value Investments LP Class A, Series 3	78,922	—	—	—	78,922
Partners Value Investments LP Class A, Series 4	78,937	—	—	—	78,937
Partners Value Investments Inc. Class A, Series 1	69,904	—	—	—	69,904
Corporate Bonds due Nov 2027	113,205	—	—	113,205	—
Corporate Bonds due Nov 2028	113,205	—	—	113,205	—
	<u>\$ 1,229,233</u>	<u>\$ 113,192</u>	<u>\$ 305,272</u>	<u>\$ 469,801</u>	<u>\$ 340,968</u>
Interest expense					
Partners Value Split Class AA, Series 8 ¹	\$ 4,064	\$ 4,064	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	11,969	5,544	6,425	—	—
Partners Value Split Class AA, Series 10 ¹	16,809	5,321	10,642	846	—
Partners Value Split Class AA, Series 11 ¹	9,841	5,377	4,464	—	—
Partners Value Split Class AA, Series 12 ¹	23,838	5,728	11,456	6,654	—
Partners Value Split Class AA, Series 13 ¹	27,260	5,038	10,076	10,076	2,070
Partners Value Investments LP Class A, Series 2	9,315	3,157	6,158	—	—
Partners Value Investments LP Class A, Series 3	25,100	3,157	6,314	6,314	9,315
Partners Value Investments LP Class A, Series 4	40,885	3,157	6,314	6,314	25,100
Partners Value Investments Inc. Class A, Series 1	19,304	2,796	5,592	5,592	5,324
Corporate Bonds due Nov 2027	19,174	4,953	9,906	4,315	—
Corporate Bonds due Nov 2028	22,069	4,528	9,056	8,485	—
	<u>\$ 229,628</u>	<u>\$ 52,820</u>	<u>\$ 86,403</u>	<u>\$ 48,596</u>	<u>\$ 41,809</u>

¹ Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures due 2024, 2026, 2027, 2025, 2028, 2029 for the Series 8, 9, 10, 11, 12 and 13, respectively.

The Partnership's contractual obligations as of December 31, 2022 are as follows:

	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
<i>(Thousands, US dollars)</i>					
Preferred shares and borrowings					
Partners Value Split Class AA, Series 8 ¹	\$ 110,717	\$ —	\$ 110,717	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	110,671	—	—	110,671	—
Partners Value Split Class AA, Series 10 ¹	110,730	—	—	110,730	—
Partners Value Split Class AA, Series 11 ¹	110,730	—	110,730	—	—
Partners Value Split Class AA, Series 12 ¹	127,340	—	—	—	127,340
Partners Value Split Class AA, Series 13 ¹	110,730	—	—	—	110,730
Partners Value Investments LP Class A, Series 2	50,797	—	—	50,797	—
Partners Value Investments LP Class A, Series 3	50,797	—	—	—	50,797
Partners Value Investments LP Class A, Series 4	50,812	—	—	—	50,812
PVI SIB LP Class A, Series 1	28,125	—	—	28,125	—
PVI SIB LP Class A, Series 2	28,125	—	—	—	28,125
PVI SIB LP Class A, Series 3	28,125	—	—	—	28,125
Corporate Bonds due Nov 2027	110,730	—	—	110,730	—
Corporate Bonds due Nov 2028	110,730	—	—	—	110,730
	<u>\$ 1,139,159</u>	<u>\$ —</u>	<u>\$ 221,447</u>	<u>\$ 411,053</u>	<u>\$ 506,659</u>
Interest expense					
Partners Value Split Class AA, Series 8 ¹	\$ 9,289	\$ 5,314	\$ 3,975	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	17,131	5,423	10,846	862	—
Partners Value Split Class AA, Series 10 ¹	21,643	5,204	10,408	6,031	—
Partners Value Split Class AA, Series 11 ¹	14,887	5,260	9,627	—	—
Partners Value Split Class AA, Series 12 ¹	28,921	5,603	11,206	11,206	906
Partners Value Split Class AA, Series 13 ¹	31,587	4,927	9,854	9,854	6,952
Partners Value Investments LP Class A, Series 2	8,028	2,032	4,064	1,932	—
Partners Value Investments LP Class A, Series 3	18,188	2,032	4,064	4,064	8,028
Partners Value Investments LP Class A, Series 4	28,355	2,032	4,064	4,064	18,194
PVI SIB LP Class A, Series 1	4,445	1,125	2,250	1,070	—
PVI SIB LP Class A, Series 2	10,070	1,125	2,250	2,250	4,445
PVI SIB LP Class A, Series 3	15,698	1,125	2,250	2,250	10,073
Corporate Bonds due Nov 2027	23,596	4,844	9,688	9,064	—
Corporate Bonds due Nov 2028	26,016	4,429	8,858	8,858	3,871
	<u>\$ 257,854</u>	<u>\$ 50,475</u>	<u>\$ 93,404</u>	<u>\$ 61,505</u>	<u>\$ 52,469</u>

¹ Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures due 2024, 2026, 2027, 2028, 2029 for the Series 8, 9, 10, 11, 12 and 13, respectively.

The maturity date of other accounts payable balances is less than one year.

12. ACCOUNTS RECEIVABLE, OTHER ASSETS, ACCOUNTS PAYABLE, AND OTHER LIABILITIES

Accounts receivable and other assets consists of the following:

As at

<i>(Thousands, US dollar)</i>	December 31, 2023	December 31, 2022
Investment income receivable and other	<u>\$ 31,416</u>	<u>\$ 31,270</u>

Accounts payable and other liabilities consists of the following:

As at

(Thousands, US dollar)

	December 31, 2023	December 31, 2022
Derivative liabilities	\$ 11,424	\$ 16,211
Taxes payable	253	13,295
Other	22,473	7,354
	<u>\$ 34,150</u>	<u>\$ 36,860</u>

13. CAPITAL MANAGEMENT

As at December 31, 2023, the capital base managed by the Partnership consisted of equity with a carrying value of \$5.7 billion (December 31, 2022 – \$4.4 billion), \$993 million (December 31, 2022 – \$905 million) of retractable fixed rate preferred shares issued by its subsidiaries as well as and \$226 million (December 31, 2022 – \$221 million) of corporate borrowings issued by PVII. The Partnership has complied with all covenants, which are limited, and is not subject to any externally imposed capital requirements.

14. INVESTMENT VALUATION GAINS AND LOSSES

Investment valuation losses and gains consists of realized gains of \$1 million (December 31, 2022 – realized gains of \$19 million) and unrealized losses of \$7 million (December 31, 2022 – unrealized losses of \$8 million) attributable to assets within the trading portfolio held through profit and loss.

CORPORATE INFORMATION

TRUSTEES

Frank N.C. Lochan^{1,2}
Chairman

Danesh Varma^{1,2}
Corporate Director

James Bodi^{1,2}
Corporate Director

1. Member of the Audit Committee

2. Member of the Corporate Governance Committee

OFFICERS

Frank N.C. Lochan
Chairman

Brian D. Lawson
Chief Executive Officer

Jason Weckwerth
Chief Financial Officer

Kunal Dusad
Senior Vice President

Allison Smith
Corporate Secretary

James Bodi
Managing Director

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EXCHANGE LISTING

TSX Venture Exchange Stock Symbol:

Equity LP units	PVF.UN
Preferred LP units	PVF.PR.U
PVI warrants	PVF.WT

