



INTERIM REPORT TO UNITHOLDERS

2023 Q1 | FOR THE PERIOD ENDED March 31, 2023

Partners Value Investments LP (the “Partnership”) recorded net income of \$7.3 million for the three months ended March 31, 2023, compared to net income of \$10.0 million in the prior year quarter. The decrease in income was primarily driven by lower investment valuation gains on the trading portfolio offset by higher other investment income as a result of higher interest income and lower tax expenses during the period. Income of \$5.5 million was attributable to the Equity Limited Partners (\$0.08 per Equity LP unit) and income of \$1.7 million was attributable to Preferred Limited Partners.

The Partnership recorded a net book value of \$61.25 per unit as at March 31, 2023. This value is primarily driven by a higher market price of Brookfield Corporation and Brookfield Asset Management Ltd. common shares at the end of the quarter, which recovered some of the losses from the prior quarter.

A handwritten signature in black ink, appearing to read 'B. D. Lawson', with a horizontal line extending to the right.

Brian D. Lawson
Chief Executive Officer
May 24, 2023

FORWARD-LOOKING INFORMATION

This interim 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 include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would,” “likely” and “could.”

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

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements and information include, but are not limited to: the financial performance of Brookfield Corporation (formerly known as Brookfield Asset Management Inc.) and its affiliated entities, general economic conditions; the behavior of financial markets, including fluctuations in interest and foreign exchanges rates; limitations on the liquidity of our investments; the state of global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation; changes in tax laws; risks associated with the use of financial leverage and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada.

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 annual 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.

STATEMENTS OF FINANCIAL POSITION

As at (Thousands, US dollars)	(Unaudited) March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 114,907	\$ 185,722
Accounts receivable and other assets	75,398	31,270
Deferred tax asset	5,387	1,604
Investment in Brookfield Corporation ¹	4,358,030	4,149,188
Investment in Brookfield Asset Management Ltd. ²	998,872	934,183
Other investments carried at fair value	402,715	328,264
	<u>\$ 5,955,309</u>	<u>\$ 5,630,231</u>
Liabilities and equity		
Accounts payable and other liabilities	\$ 67,612	\$ 36,860
Corporate borrowings	221,225	220,711
Preferred shares ³	907,388	905,132
	<u>1,196,225</u>	<u>1,162,703</u>
Equity		
Equity Limited Partners	4,596,127	4,304,516
General Partner	1	1
Preferred Limited Partners	152,994	153,049
Non-controlling interests	9,962	9,962
	<u>4,759,084</u>	<u>4,467,528</u>
	<u>\$ 5,955,309</u>	<u>\$ 5,630,231</u>

- ¹ The investment in Brookfield Corporation (formerly known as Brookfield Asset Management Inc.) consists of 134 million Corporation shares with a quoted market value of \$32.59 per share as at March 31, 2023 (December 31, 2022 – \$31.46).
- ² The investment in Brookfield Asset Management Ltd. consists of 31 million Manager shares with a quoted market value of \$32.72 per share as at March 31, 2023 (December 31, 2022 – \$28.67).
- ³ Represents \$683 million of retractable preferred shares less \$12 million of unamortized issue costs as at March 31, 2023 (December 31, 2022 – \$680 million less \$13 million) and \$152 million of three series of preferred shares (December 31, 2022 – \$152 million) and \$84 million of three series of preferred shares (December 31, 2022 – \$84 million) of a subsidiary of the Partnership issued in December 2021.

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

For the three months ended March 31 (Thousands, except per unit amounts)	2023		2022	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$ 4,656,824	\$ 57.60	\$ 7,482,738	\$ 92.47
Net income ²	5,532		8,257	
Other comprehensive income (loss) ²	288,125		(492,897)	
Adjustment for impact of warrants ³	753		3,901	
Equity LP repurchases	(2,046)		(1,449)	
Net book value, end of period ^{1,4}	<u>\$ 4,949,188</u>	<u>\$ 61.25</u>	<u>\$ 7,000,550</u>	<u>\$ 86.54</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 and Preferred Limited Partners' equity, plus the value of consideration to be received on exercising of warrants, which as at March 31, 2023 was \$353 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 period ended March 31, 2023 was 66,120,849 (December 31, 2022 – 66,169,783). The diluted weighted average number of Equity Limited Partnership ("Equity LP") units available and outstanding during the three months ended March 31, 2023 was 80,828,055 (December 31, 2022 – 80,877,206); this includes the 14,707,206 Equity LP units (December 31, 2022 – 14,707,424) issued through the exercise of all outstanding warrants.
- ⁴ At the end of the period, the diluted Equity LP units outstanding were 80,804,967 (December 31, 2022 – 80,844,367).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis for the period ended March 31, 2023 is dated May 24, 2023.

OVERVIEW

Partners Value Investments L.P. (the "Partnership") is a limited partnership under the laws of the province of Ontario. Its principal investments are an ownership interest in approximately 134 million Class A Limited Voting Shares ("Corporation shares") of Brookfield Corporation (formerly known as Brookfield Asset Management Inc., the "Corporation") and approximately 31 million Class A Voting Shares ("Manager shares") of Brookfield Asset Management Ltd., the ("Manager"). The Partnership's objective is to provide the Equity Limited Partners with capital appreciation and Preferred Limited Partners with income returns. Investment income, which includes dividends from its investment in Brookfield Corporation and Brookfield Manager shares and other securities, is principally dedicated to paying dividends on its financing obligations and Preferred LP units.

The Partnership's investment in the Corporation and the Manager are owned indirectly through its wholly owned subsidiaries – Partners Value Investments Inc. ("PVII") and Partners Value Split Corp. ("Partners Value Split"). Partners Value Split has publicly listed retractable preferred shares outstanding.

The Partnership also holds a portfolio of other securities including investments in limited partnership units of Brookfield Business Partners ("BBU"), shares of Brookfield Reinsurance Ltd. and a diversified portfolio of other securities.

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's web site at www.sedar.com.

RESULTS OF OPERATIONS

The Partnership generated net income of \$7 million for the quarter ended March 31, 2023, compared to \$10 million in the prior year quarter. The decrease in income was primarily driven by lower investment valuation gains on the trading portfolio offset by higher other investment income as a result of higher interest income and lower tax expenses during the period. Income of \$5.5 million was attributable to the Equity Limited Partners and income of \$1.7 million was attributable to Preferred Limited Partners.

As at March 31, 2023, the market prices of a Corporation (NYSE/TSX: BN) and Manager (NYSE/TSX: BAM) share were \$32.59 and \$32.72, respectively (December 31, 2022 – \$31.46 and \$28.67, respectively).

The following table presents the details of the Partnership's net income:

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

	2023	2022
Investment income		
Dividends	\$ 19,607	\$ 19,144
Other investment income	3,216	896
	<u>22,823</u>	<u>20,040</u>
Expenses		
Operating expenses	(584)	(865)
Financing costs	(2,300)	(2,467)
Retractable preferred share dividends	(10,316)	(8,413)
	<u>(13,200)</u>	<u>(11,745)</u>
Other items		
Investment valuation gains	2,242	16,683
Amortization of deferred financing costs	(842)	(766)
Current tax expense	(407)	(20,290)
Deferred tax expense	(1,358)	11,544
Foreign currency losses	(2,004)	(5,487)
Net income	<u>\$ 7,254</u>	<u>\$ 9,979</u>

Investment income consists of the following:

For the three months ended March 31

(Thousands, US dollars)

	2023	2022
Dividends		
Brookfield Corporation	\$ 8,640	\$ 18,247
Brookfield Asset Management Ltd.	9,632	—
Other securities	1,335	897
	<u>19,607</u>	<u>19,144</u>
Other investment income	3,216	896
	<u>\$ 22,823</u>	<u>\$ 20,040</u>

During the three months ended March 31, 2023, the Partnership recorded dividend income of \$8.6 million (March 31, 2022 - \$18.2 million) from its investment in Corporation, and \$9.6 million from its investment in Manager (March 31, 2022 - \$Nil) and \$1.3 million (March 31, 2022 - \$0.9 million) from its other securities investments. Other investment income was higher during the three months ended March 31, 2023 primarily due to higher interest earned on our loan assets and cash on deposit.

Investment valuation gains 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 quarter's investment valuation gains were lower than prior quarter due to prior quarter's gains include the realization of certain derivative positions within the trading portfolio.

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. We recorded foreign currency losses in the current quarter due to a strengthening Canadian dollar of which the majority of the Partnership's liabilities are denominated.

FINANCIAL POSITION

The Partnership's total assets were \$6.0 billion at March 31, 2023 (December 31, 2022 - \$5.6 billion) and consist primarily of its \$4.4 billion investment in approximately 134 million Corporation shares (December 31, 2022 - \$4.1 billion) and its \$1 billion investment in approximately 31 million Manager shares (December 31, 2022 - \$0.9 billion). The market price of a Corporation and Manager share increased during the period and were \$32.59 and \$32.72, respectively, as at March 31, 2023 compared to \$31.46 and \$28.67, respectively, as at December 31, 2022.

Investment Portfolio

As at (Thousands, US dollars)	Classification	Number of Shares		Fair Value	
		Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		14,111,461	12,276,297	\$ 459,893	\$ 386,212
Partners Value Split Corp		119,611,449	119,611,449	3,898,137	3,762,976
		<u>133,722,910</u>	<u>131,887,746</u>	<u>\$ 4,358,030</u>	<u>\$ 4,149,188</u>
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		625,000	2,681,111	\$ 20,450	\$ 76,868
Partners Value Split Corp		29,902,862	29,902,862	978,422	857,315
		<u>30,527,862</u>	<u>32,583,973</u>	<u>\$ 998,872</u>	<u>\$ 934,183</u>
Investments classified as FVTOCI					
Brookfield Business Partners L.P. ¹	FVTOCI	2,875,370	2,243,203	\$ 54,331	\$ 39,413
Brookfield Reinsurance Ltd.	FVTOCI	915,000	—	30,177	—
				<u>84,508</u>	<u>39,413</u>
Other securities portfolio	FVTOCI	Various	Various	38,192	37,962
Other securities portfolio	FVTPL	Various	Various	280,015	250,889
				<u>318,207</u>	<u>288,851</u>
				<u>\$ 402,715</u>	<u>\$ 328,264</u>

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.

Brookfield Corporation

Brookfield Corporation is focused on deploying its capital on a value basis and compounding that capital over the long term. 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 quarter, the Partnership acquired 2,750,164 shares of the Corporation at a weighted average price of \$32.74/share for total net consideration of \$90.1 million. The Partnership also exchanged 1-for-1, 915,000 shares of the Corporation for Class A shares of Brookfield Reinsurance Ltd. ("BNRe").

Brookfield Asset Management Ltd.

Brookfield Asset Management Ltd. is a leading global alternative asset manager with approximately \$825 billion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit as of March 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 quarter, the Partnership disposed of 2,056,111 shares of the Manager at a weighted average price of \$31.68/share for total proceeds of \$65.1 million and recognized realized losses through other comprehensive income of \$0.7 million.

Brookfield Listed Affiliates

As at March 31, 2023, the Partnership holds an investment in one Brookfield listed affiliate that is managed by Brookfield: Brookfield Business Partners ("BBU"). 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.

During the quarter, the Partnership acquired 632,167 units of BBU at a weighted average price of \$17.20/unit for a total net consideration of \$11 million.

Other Securities Portfolio

The other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The increase in the portfolio since prior year is a result of additional investments made throughout the period partially offset by unrealized fair value losses.

Corporate Borrowings

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 110,970	\$ 110,730
4.00% Corporate Bond – November 15, 2028	110,970	110,730
	<u>221,940</u>	<u>221,460</u>
Deferred financing costs ¹	(715)	(749)
	<u>\$ 221,225</u>	<u>\$ 220,711</u>

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

There were no debentures outstanding as at March 31, 2023 (December 31, 2022 - \$Nil).

Deferred Taxes

The deferred taxes balance represents the potential tax liability or recovery 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 March 31, 2023, unitholders' equity consisted of \$4.6 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 (December 31, 2022 – \$4.3 billion of Equity Limited Partner equity, \$153.0 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 higher comprehensive income driven by unrealized gains on our Brookfield shares and our overall investment portfolio.

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	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 110,957	\$ 110,717
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	110,911	110,671
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	110,970	110,730
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	110,970	110,730
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	127,616	127,340
4.45% Series 13 – May 31, 2029	6,000,000	6,000,000	110,970	110,730
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	2,031,867	2,031,867	50,797	50,797
4.00% Series 3 – December 14, 2031	2,031,867	2,031,867	50,797	50,797
4.00% Series 4 – December 14, 2036	2,032,491	2,032,491	50,812	50,812
PVI SIB LP Class A				
4.00% Series 1 – December 14, 2026	1,125,000	1,125,000	28,125	28,125
4.00% Series 2 – December 14, 2031	1,125,000	1,125,000	28,125	28,125
4.00% Series 3 – December 14, 2036	1,125,000	1,125,000	28,125	28,125
			<u>919,175</u>	<u>917,699</u>
Deferred financing costs ¹			(11,787)	(12,567)
			<u>\$ 907,388</u>	<u>\$ 905,132</u>

¹ 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 \$115 million and investments of \$5.8 billion as at March 31, 2023 (December 31, 2022 – \$186 million and \$5.4 billion). The Partnership has operating cash requirements of \$51 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.

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.

Contractual Obligations

The Partnership's contractual obligations as of March 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	\$ 110,957	\$ —	\$ 110,957	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	110,911	—	—	110,911	—
Partners Value Split Class AA, Series 10 ¹	110,970	—	—	110,970	—
Partners Value Split Class AA, Series 11 ¹	110,970	—	110,970	—	—
Partners Value Split Class AA, Series 12 ¹	127,616	—	—	—	127,616
Partners Value Split Class AA, Series 13 ¹	110,970	—	—	—	110,970
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	110,970	—	—	110,970	—
Corporate Bonds due Nov 2028	110,970	—	—	—	110,970
	<u>\$ 1,141,115</u>	<u>\$ —</u>	<u>\$ 221,927</u>	<u>\$ 411,773</u>	<u>\$ 507,415</u>

Interest expense

Partners Value Split Class AA, Series 8 ¹	\$ 7,996	\$ 5,326	\$ 2,670	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	15,843	5,435	10,408	—	—
Partners Value Split Class AA, Series 10 ¹	20,421	5,216	10,432	4,773	—
Partners Value Split Class AA, Series 11 ¹	13,632	5,271	8,361	—	—
Partners Value Split Class AA, Series 12 ¹	27,613	5,615	11,230	10,768	—
Partners Value Split Class AA, Series 13 ¹	30,453	4,938	9,876	9,876	5,763
Partners Value Investments LP Class A, Series 2	7,532	2,032	4,064	1,436	—
Partners Value Investments LP Class A, Series 3	17,692	2,032	4,064	4,064	4,170
Partners Value Investments LP Class A, Series 4	27,853	2,032	4,064	4,064	9,795
PVI SIB LP Class A, Series 1	4,170	1,125	2,250	795	—
PVI SIB LP Class A, Series 2	9,795	1,125	2,250	2,250	7,532
PVI SIB LP Class A, Series 3	15,420	1,125	2,250	2,250	17,693
Corporate Bonds due Nov 2027	22,466	4,855	9,710	7,901	—
Corporate Bonds due Nov 2028	24,980	4,439	8,878	8,878	2,785
	<u>\$ 245,866</u>	<u>\$ 50,566</u>	<u>\$ 90,507</u>	<u>\$ 57,055</u>	<u>\$ 47,738</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:

(Thousands, US dollars, except per share amounts)	2023		2022					2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2		
Net income (loss) ^{1,2}	\$ 5,532	\$ 1,037,725	\$ 49,290	\$ 19,286	\$ 8,257	\$ (7,293)	\$ 8,025	\$ 26,771		
Basic net income (loss) per share	0.08	15.68	0.75	0.29	0.12	(0.10)	0.11	0.37		
Diluted net income (loss) per share	\$ 0.07	\$ 12.83	\$ 0.61	\$ 0.24	\$ 0.10	\$ (0.10)	\$ 0.09	\$ 0.30		

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

²Excluding the impacts of the 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.

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 March 31, 2023 (December 31, 2022 – less than \$1 million).

The Partnership owns 134 million shares of Corporation which amounted to \$4.4 billion (December 31, 2022 – \$4.1 billion), approximately 31 million shares of Manager which amounted to \$1 billion (December 31, 2022 – \$0.9 billion), and other Brookfield subsidiaries of \$189 million (December 31, 2022 – 176 million). The Partnership recorded dividend income from Brookfield entities of \$18.4 million (March 31, 2022 – \$18.3 million).

The Partnership places cash on deposit with the Corporation. As at March 31, 2023, the net deposit with the Corporation was \$38 million (December 31, 2022 - \$nil) and the Partnership earned interest income of \$11 thousand for the funds on deposit for the three months ended March 31, 2023 (December 31, 2022 - \$nil). Deposits bear interest at market rates.

CRITICAL ACCOUNTING ESTIMATES

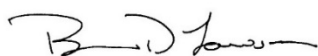
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues 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 precludes 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 March 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 March 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 period ended March 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
May 24, 2023

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>As at</i>		<i>(Unaudited)</i>	
<i>(Thousands, US dollars)</i>		March 31,	December 31,
	Note	2023	2022
Assets			
Cash and cash equivalents		\$ 114,907	\$ 185,722
Accounts receivable and other assets		75,398	31,270
Deferred tax asset		5,387	1,604
Investment in Brookfield Corporation	3	4,358,030	4,149,188
Investment in Brookfield Asset Management Ltd.	3	998,872	934,183
Other investments carried at fair value	3	402,715	328,264
		<u>\$ 5,955,309</u>	<u>\$ 5,630,231</u>
Liabilities and equity			
Accounts payable and other liabilities		\$ 67,612	\$ 36,860
Corporate borrowings	5	221,225	220,711
Preferred shares	6	907,388	905,132
		<u>1,196,225</u>	<u>1,162,703</u>
Equity			
Equity Limited Partners	7	4,596,127	4,304,516
General Partner	7	1	1
Preferred Limited Partners	7	152,994	153,049
Non-controlling interests	7	9,962	9,962
		<u>4,759,084</u>	<u>4,467,528</u>
		<u>\$ 5,955,309</u>	<u>\$ 5,630,231</u>

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

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	Note	2023	2022
Investment income			
Dividends		\$ 19,607	\$ 19,144
Other investment income		3,216	896
		<u>22,823</u>	<u>20,040</u>
Expenses			
Operating expenses		(584)	(865)
Financing costs		(2,300)	(2,467)
Retractable preferred share dividends		(10,316)	(8,413)
		<u>(13,200)</u>	<u>(11,745)</u>
Other items			
Investment valuation gains		2,242	16,683
Amortization of deferred financing costs		(842)	(766)
Current tax expense		(407)	(20,290)
Deferred tax recovery		(1,358)	11,544
Foreign currency losses		(2,004)	(5,487)
Net income		<u>\$ 7,254</u>	<u>\$ 9,979</u>
Basic net income per unit	8	<u>\$ 0.08</u>	<u>\$ 0.12</u>
Diluted net income per unit	8	<u>\$ 0.07</u>	<u>\$ 0.10</u>
Net income attributable to:			
Equity Limited Partners		\$ 5,532	\$ 8,257
General Partner		—	—
Preferred Limited Partners		1,722	1,722
Non-controlling interests		—	—
		<u>\$ 7,254</u>	<u>\$ 9,979</u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	2023	2022
Net income	<u>\$ 7,254</u>	<u>\$ 9,979</u>
Items that may be reclassified to net income		
Realized and unrealized losses on fair value of securities through other comprehensive income securities	(11)	(858)
Items that may not be reclassified to net income		
Realized and unrealized gains on fair value of securities through other comprehensive income securities	283,006	(495,171)
Income tax recovery	5,130	3,132
Other comprehensive income (loss)	<u>288,125</u>	<u>(492,897)</u>
Comprehensive income (loss)	<u>\$ 295,379</u>	<u>\$ (482,918)</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity Limited Partners							
(Unaudited) For the three months ended March 31, 2023 (Thousands, US dollars)	Capital	Retained Earnings	Accumulated Other Comprehensive Income	Equity Limited Partners	General Partner	Preferred Limited Partners	Non-Controlling Interests	Total Equity
Balance, beginning of period	\$ 1,445,100	\$ 1,330,691	\$ 1,528,725	\$ 4,304,516	\$ 1	\$ 153,049	\$ 9,962	\$ 4,467,528
Net income	—	5,532	—	5,532	—	1,722	—	7,254
Other comprehensive income	—	—	288,125	288,125	—	—	—	288,125
Comprehensive income	—	5,532	288,125	293,657	—	1,722	—	295,379
Distribution	—	—	—	—	—	(1,722)	—	(1,722)
Normal-course issuer bid	(2,046)	—	—	(2,046)	—	(55)	—	(2,101)
Balance, end of period	\$ 1,443,054	\$ 1,336,223	\$ 1,816,850	\$ 4,596,127	\$ 1	\$ 152,994	\$ 9,962	\$ 4,759,084

	Equity Limited Partners							
(Unaudited) For the three months ended March 31, 2022 (Thousands, US dollars)	Capital	Retained Earnings	Accumulated Other Comprehensive Income	Equity Limited Partners	General Partner	Preferred Limited Partners	Non- Controlling Interests	Total Equity
Balance, beginning of period	\$ 1,449,324	\$ 216,133	\$ 5,439,618	\$ 7,105,075	\$ 1	\$ 153,054	\$ —	\$ 7,258,130
Net income	—	8,257	—	8,257	—	1,722	—	9,979
Other comprehensive income	—	—	(492,897)	(492,897)	—	—	—	(492,897)
Comprehensive income	—	8,257	(492,897)	(484,640)	—	1,722	—	(482,918)
Distribution	—	—	—	—	—	(1,722)	—	(1,722)
Normal-course issuer bid	(1,448)	—	—	(1,448)	—	—	—	(1,448)
Balance, end of period	\$ 1,447,876	\$ 224,390	\$ 4,946,721	\$ 6,618,987	\$ 1	\$ 153,054	\$ —	\$ 6,772,042

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	Note	2023	2022
Cash flow from operating activities			
Net income		\$ 7,254	\$ 9,979
Add (deduct) non-cash items:			
Investment valuation gains		(2,242)	11,145
Unrealized foreign exchange losses		2,004	5,487
Amortization of deferred financing costs		842	766
Income tax expense		1,765	8,746
		<u>9,624</u>	<u>36,123</u>
Changes in working capital and foreign currency		(6,614)	28,256
		<u>3,009</u>	<u>64,379</u>
Cash flow from investing activities			
Purchase of securities		(151,097)	(58,253)
Sale of securities		80,865	60,559
		<u>(70,232)</u>	<u>2,306</u>
Cash flow used in and from financing activities			
Common shares redeemed		(2,046)	—
Preferred shares redeemed		(55)	—
Preferred shares issued		—	116,618
Distribution to preferred limited partners		(1,722)	(1,722)
		<u>(3,823)</u>	<u>114,896</u>
Cash and cash equivalents			
Change in cash and cash equivalents		(71,046)	181,581
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies		231	10
Balance, beginning of year		185,722	80,704
Balance, end of period		<u>\$ 114,907</u>	<u>\$ 262,295</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 limited partnership under the laws of the province of Ontario. Its principal investments are an ownership interest in 134 million Class A Limited Voting Shares (“Corporation shares”) of Brookfield Corporation (“Corporation”) and approximately 31 million Class A Voting Shares (“Manager shares”) of Brookfield Asset Management Ltd. (“Manager”). The 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” or “Company”). The Partnership was formed and commenced operations on April 8, 2016 to hold a 100% interest in PVII following the completion of a capital reorganization that was carried out by way of a statutory plan of arrangement pursuant to section 182 of the *Business Corporations Act* (Ontario) (the “Reorganization”). On November 30, 2020, PVI LP exchanged its old common shares with 100% voting interest of PVII for 1,000 Special Voting Preferred Shares, unlimited number of Non-Voting Preferred Shares and unlimited number of new common shares. On April 15, 2021, the Partnership exchanged its New Common Shares for an unlimited number of retractable common shares. On March 30, 2022, PVII amended its share capital to create a new class of retractable common shares. The Partnership then exchanged 2.7 million of previously issued retractable common shares of PVII for 2.7 million newly issued retractable shares of PVII with an estimated fair value of \$200 million. The newly issued retractable shares of PVII are held by a new non-wholly owned subsidiary of the Partnership. On April 1, 2022, the new non-wholly owned subsidiary established by the Partnership issued \$10 million in non-voting common shares to new shareholders (“Non-controlling interests”).

The Partnership is managed by its general partner, PVI Management Inc. (the “General Partner”).

The registered office of the Partnership is Brookfield Place, 181 Bay Street, Suite 100, Toronto, Ontario, M5J 2T3.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) *Statement of Compliance*

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). 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 May 24, 2023.

b) *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 receivable are classified and measured at amortized cost, which approximates the fair value. Also included in these balances are 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. Also included in these balances are 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

The Partnership accounts for its investment in Corporation as fair value through other comprehensive income (“FVTOCI”), with changes in fair value recognized in other comprehensive income.

Investment in Brookfield Asset Management Ltd.

The Partnership accounts for its investment in Manager as FVTOCI, with changes in fair value recognized in other comprehensive income.

Fair Value through Other Comprehensive Income Investments

The Partnership accounts for its investments in Brookfield Business Partners LP (“BBU”) as FVTOCI, with changes in their fair value recognized in other comprehensive income. 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.

Other Marketable Securities

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 and loss and, accordingly, recognizes changes in fair value in the consolidated statements of operations.

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 issue costs incurred in connection with the issuance of the retractable preferred shares 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 currency of the Partnership is the United States dollar. The presentation currency is the U.S. 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.

Warrant Liability

The Partnership’s outstanding warrants are classified as a financial liability at fair value through profit or loss on the statement of financial position. The change in the publicly traded price during the year may result in income or loss as the case may be during the period.

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.

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.

3. INVESTMENT PORTFOLIO

The Partnership's investment portfolio consists of the following:

As at (Thousands, US dollars)	Classification ¹	Number of Shares		Fair Value	
		Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		14,111,461	12,276,297	\$ 459,893	\$ 386,212
Partners Value Split Corp		119,611,449	119,611,449	3,898,137	3,762,976
		<u>133,722,910</u>	<u>131,887,746</u>	<u>\$ 4,358,030</u>	<u>\$ 4,149,188</u>
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		625,000	2,681,111	\$ 20,450	\$ 76,868
Partners Value Split Corp		29,902,862	29,902,862	978,422	857,315
		<u>30,527,862</u>	<u>32,583,973</u>	<u>\$ 998,872</u>	<u>\$ 934,183</u>
Investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	2,875,370	2,243,203	\$ 54,331	\$ 39,413
Brookfield Reinsurance Ltd.	FVTOCI	915,000	—	30,177	—
				<u>84,508</u>	<u>39,413</u>
Other securities portfolio	FVTOCI	Various	Various	38,192	37,962
Other securities portfolio	FVTPL	Various	Various	280,015	250,889
				<u>318,207</u>	<u>288,851</u>
				<u>\$ 402,715</u>	<u>\$ 328,264</u>

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.

The Partnership's investment in Class A Limited Voting Shares of Corporation at March 31, 2023 represents an 8% (December 31, 2022 – 8%) equity interest. The Partnership's investment in Class A Limited Voting Shares of Manager at March 31, 2023 represents an 8% (December 31, 2022 – 8%) equity interest.

During the quarter, the Partnership acquired 2,750,164 shares of the Corporation at a weighted average price of \$32.74/share for total net consideration of \$90.1 million and disposed of 2,056,111 shares of the Manager at a weighted average price of \$31.68/share for total proceeds of \$65.1 million. The Partnership also exchanged 1-for-1, 915,000 shares of the Corporation for Class A shares of Brookfield Reinsurance Ltd. ("BNRe") and acquired 632,167 units of BBU at a weighted average price of \$17.20/unit for a total net consideration of \$11.0 million.

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The increase in the portfolio was primarily driven by the additional investments.

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)	March 31, 2023			December 31, 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Corporation	\$ 4,358,030	\$ —	\$ —	\$ 4,149,188	\$ —	\$ —
Brookfield Asset Management Ltd.	998,872	—	—	934,183	—	—
Investments classified as FVTOCI	122,700	—	—	77,375	—	—
Investments classified as FVTPL	90,624	1,648	187,743	87,061	1,633	162,195
Derivative liabilities ¹	—	(15,556)	—	—	(16,211)	—
	<u>\$ 5,570,226</u>	<u>\$ (13,908)</u>	<u>\$ 187,743</u>	<u>\$ 5,247,807</u>	<u>\$ (14,578)</u>	<u>\$ 162,195</u>

¹ Presented within accounts payable and other on the 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 periods ended March 31, 2023 and December 31, 2022:

As at (Thousands, US dollars)	March 31, 2023	December 31, 2022
Opening Balance	\$ 162,195	\$ 153,441
Contributions	27,129	8,653
Distributions	(436)	(2,961)
Investment valuation (losses) gains ¹	(1,581)	101
Other investment income	436	2,961
Ending Balance	<u>\$ 187,743</u>	<u>\$ 162,195</u>

¹ There were no realized gains or losses included in investment valuation gains or losses from Level 3 investments for the period ended March 31, 2023 (December 31, 2022 - \$nil).

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

As at March 31, 2023, a cumulative pre-tax gain of \$3.6 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 periods ended March 31, 2023 and December 31, 2022, there were no transfers between Level 1, 2 or 3.

5. CORPORATE BORROWINGS

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 110,970	\$ 110,730
4.00% Corporate Bond – November 15, 2028	110,970	110,730
	221,940	221,460
Deferred financing costs ¹	(715)	(749)
	<u>\$ 221,225</u>	<u>\$ 220,711</u>

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

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	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 110,957	\$ 110,717
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	110,911	110,671
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	110,970	110,730
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	110,970	110,730
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	127,616	127,340
4.45% Series 13 - May 31, 2029	6,000,000	6,000,000	110,970	110,730
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	2,031,867	2,031,867	50,797	50,797
4.00% Series 3 – December 14, 2031	2,031,867	2,031,867	50,797	50,797
4.00% Series 4 – December 14, 2036	2,032,491	2,032,491	50,812	50,812
PVI SIB LP Class A				
4.00% Series 1 – December 14, 2026	1,125,000	1,125,000	28,125	28,125
4.00% Series 2 – December 14, 2031	1,125,000	1,125,000	28,125	28,125
4.00% Series 3 – December 14, 2036	1,125,000	1,125,000	28,125	28,125
			917,699	917,699
Deferred financing costs ¹			(11,787)	(12,567)
			<u>\$ 907,388</u>	<u>\$ 905,132</u>

¹ 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 October 31, 2022. 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 4.55% 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 \$0.25 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.

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, 2026, and prior to February 28, 2028, (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 \$0.25 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, 2026 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 LP and PVI SIB LP

In December 2021, the Partnership and a subsidiary of the Partnership issued three new series of preferred units each as a result of a substantial issuer bid. The six series of preferred units have a quarterly distribution rate of US\$0.25. They are treated as a financial liability due to their mandatory redemption feature.

Redemption

PVI LP Series 2 The Partnership must redeem the Series 2 Preferred Limited Partnership Units on the fifth anniversary of the Issue Date (“Redemption Date”), by the payment of an amount in cash for each Series 2 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 2 Preferred Limited Partnership Unit together with all accrued and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “Redemption Price”).

PVI LP Series 3 The Partnership must redeem the Series 3 Preferred Limited Partnership Units on the tenth anniversary of the Issue Date (“Redemption Date”), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 3 Preferred Limited Partnership Unit together with all accrued and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “Redemption Price”).

PVI LP Series 4 The Partnership must redeem the Series 4 Preferred Limited Partnership Units on the fifteenth anniversary of the Issue Date (“Redemption Date”), by the payment of an amount in cash for each Series 4 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 4 Preferred Limited Partnership Unit together with all accrued and unpaid Series 4 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the “Redemption Price”).

PVI SIB LP Series 1 The Partnership must redeem the Series 1 Preferred Limited Partnership Units on the fifth anniversary of the Issue Date (“Redemption Date”), by the payment of an amount in cash for each Series 1 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 1 Preferred Limited Partnership Unit 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 Partnership) (the “Redemption Price”).

PVI SIB LP Series 2	The Partnership must redeem the Series 2 Preferred Limited Partnership Units on the tenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 2 Preferred Limited Partnership Unit together with all accrued and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI SIB LP Series 3	The Partnership must redeem the Series 3 Preferred Limited Partnership Units on the fifteenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 3 Preferred Limited Partnership Unit together with all accrued and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (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.

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 will have 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 powers 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.

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 will be 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 (to holders of record on the last business day of the month preceding the month of payment) 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.

	Shares Outstanding		Book Value	
	Mar. 31, 2023	Dec. 31, 2022	Mar. 31, 2023	Dec. 31, 2022
<i>As at</i> <i>(Thousands, US dollars)</i>				
Equity				
Equity Limited Partners	66,097,961	66,137,061	\$ 4,596,127	\$ 4,304,516
General Partner	1	1	1	1
Preferred Limited Partners	16,035,461	16,037,647	152,994	153,049
Non-controlling interests	142,321	142,321	9,962	9,962
			<u>\$ 4,759,084</u>	<u>\$ 4,467,528</u>

Non-controlling interests

When the Partnership does not own all of the equity in a 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. On April 1, 2022, a new non-wholly owned subsidiary established by the Partnership issued \$10 million in non-voting common shares to new shareholders.

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 three months ended March 31, 2023, the weighted average number of basic outstanding units were 66,120,849 (December 31, 2022 – 66,169,783) and 80,828,055 on a fully diluted basis (December 31, 2022 – 80,877,206); this includes the 14,707,206 Equity LP units that can be issued through the future exercise of all outstanding warrants of a subsidiary of the Partnership (December 31, 2022 – 14,707,424).

9. 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 March 31, 2023 (December 31, 2022 – less than \$1 million).

The Partnership owns 134 million shares of Corporation which amounted to \$4.4 billion (December 31, 2022 – \$4.1 billion), approximately 31 million shares of Manager which amounted to \$1 billion (December 31, 2022 – \$0.9 billion), and other Brookfield subsidiaries of \$189 million (December 31, 2022 – 176 million). The Partnership recorded dividend income from Brookfield entities of \$18.4 million (March 31, 2022 – \$18.3 million).

Effective March 31, 2023, the Partnership places cash on deposit with the Corporation. As at March 31, 2023, the net deposit with the Corporation was \$38 million (December 31, 2022 – \$nil) and the Partnership earned interest income of \$11 thousand for the funds on deposit for the three months ended March 31, 2023 (December 31, 2022 – \$nil). Deposits bear interest at market rates.

CORPORATE INFORMATION

DIRECTORS

Brian D. Lawson
Vice Chair
Brookfield Corporation

Danesh Varma^{1,2}
Corporate Director

Frank N.C. Lochan^{1,2}
Corporate Director

Ralph Zarboni^{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

Bahir Manios
President

Jason Weckwerth
Chief Financial Officer

Kathy Sarpash
General Counsel and Secretary

Kunal Dusad
Senior Vice President

CORPORATE OFFICE

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181 Bay Street, Suite 100
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M5J 2T3
Telephone: (416) 956-5141
Email: ir@pvii.ca

REGISTRAR AND TRANSFER AGENT

TSX Trust Company
P.O. Box 700, Station B
Montreal, Quebec
H3B 3K3
Tel: (416) 682-3860 or
toll free within North America
(800) 387-0825
Fax: (888) 249-6189
Website: <https://www.tsxtrust.com/>
E-mail: inquires@tmx.com

EXCHANGE LISTING

TSX Venture Exchange Stock Symbol:

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

