

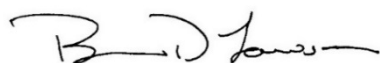
INTERIM REPORT TO UNITHOLDERS

2024 Q1 | FOR THE PERIOD ENDED March 31, 2024

Partners Value Investments LP (the “Partnership”) recorded a net income of \$26.3 million for the quarter ended March 31, 2024, compared to net income of \$7.3 million in the prior year quarter. The increase in net income was primarily driven by the higher dividend income, foreign currency gains and tax recoveries. Income of \$24.7 million was attributable to the Equity Limited Partners (\$0.35 per Equity LP unit) and income of \$1.5 million was attributable to Preferred Limited Partners.

The Partnership recorded a net book value of \$80.18 per unit as at March 31, 2024 (December 31, 2023 - \$70.74 per unit). The increase in value was primarily driven by a higher market price of Brookfield Corporation and Brookfield Asset Management Ltd. common shares at the end of the quarter.

These consolidated financial statements have been prepared in accordance with International Accounting Standards (“IAS”) 34 Interim Financial Reporting as issued by the International Accounting Standards Board (“IASB”). This interim financial report has not been reviewed by an auditor.



Brian D. Lawson
Chief Executive Officer
May 17, 2024

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 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 interim 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.

STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at

(Thousands, US dollars)

	March 31, 2024	December 31, 2023
Assets		
Cash and cash equivalents	\$ 159,211	\$ 199,856
Accounts receivable and other assets	31,868	31,416
Deferred tax asset	—	4,309
Investment in Brookfield Corporation ¹	5,064,951	4,853,261
Investment in Brookfield Asset Management Ltd. ²	1,294,551	1,237,554
Other investments carried at fair value	673,492	612,009
	<u>\$ 7,224,073</u>	<u>\$ 6,938,405</u>
Liabilities and equity		
Accounts payable and other liabilities	\$ 26,504	\$ 34,150
Deferred tax liability	911	—
Corporate borrowings	220,977	225,789
Preferred shares ³	979,335	993,267
	<u>1,227,727</u>	<u>1,253,206</u>
Equity		
Equity Limited Partners	5,832,214	5,521,067
General Partner ⁴	—	—
Preferred Limited Partners	152,152	152,152
Non-controlling interests	11,980	11,980
	<u>5,996,346</u>	<u>5,685,199</u>
	<u>\$ 7,224,073</u>	<u>\$ 6,938,405</u>

1 The investment in Brookfield Corporation (the "Corporation") consists of 121 million Corporation shares with a quoted market value of \$41.87 per share as at March 31, 2024 (December 31, 2023 – \$40.12).

2 The investment in Brookfield Asset Management Ltd. (the "Manager") consists of 31 million Manager shares with a quoted market value of \$42.02 per share as at March 31, 2024 (December 31, 2023 – \$40.17).

3 Represents \$752 million of retractable preferred shares less \$9 million of unamortized issue costs as at March 31, 2024 (December 31, 2023 – \$767 million less \$10 million), \$236 million of three series of preferred shares (December 31, 2023 – \$236 million).

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.

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)	2024		2023	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$ 5,783,620	\$ 70.74	\$ 4,656,824	\$ 57.60
Net income ²	24,714		5,532	
Other comprehensive income ²	290,050		288,125	
Adjustment for impact of warrants ^{1,3}	(6,120)		753	
Equity LP repurchases	(3,617)		(2,046)	
Net book value, end of period ⁴	<u>\$ 6,088,647</u>	<u>\$ 80.18</u>	<u>\$ 4,949,188</u>	<u>\$ 61.25</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 March 31, 2024 was \$256 million (December 31, 2023 – \$263 million).

2 Attributable to Equity Limited Partners.

3 The basic weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the three months ended March 31, 2024 was 69,870,749 (December 31, 2023 – 66,482,755). The diluted weighted average number of Equity Limited Partnership ("Equity LP") units available and outstanding during the three months ended March 31, 2024 was 75,949,816 (December 31, 2023 – 80,315,925); this includes the 6,079,066 Equity LP units (December 31, 2023 – 13,833,170) issued through the exercise of all outstanding warrants.

4 At the end of the period, the diluted Equity LP units outstanding were 75,949,816 (December 31, 2023 – 75,990,721); 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 three months ended March 31, 2024 is dated May 17, 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.

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 \$26.3 million for the three months ended March 31, 2024, compared to net income of \$7.3 million in the prior year quarter. The increase in income was primarily driven by the higher dividend income, foreign currency gains and tax recoveries. Income of \$24.7 million was attributable to the Equity Limited Partners, and \$1.6 million was attributable to Preferred Limited Partners.

As at March 31, 2024, the market prices of a Corporation (NYSE/TSX: BN) and Manager (NYSE/TSX: BAM) share were \$41.87 and \$42.02, respectively (December 31, 2023 – \$40.12 and \$40.17, respectively).

The following table presents the details of the Partnership's net income for three months ended March 31, 2024 and 2023:

(Unaudited)

For the three months ended March 31

(Thousands, US dollars)

	2024	2023
Investment income		
Dividends	\$ 24,027	\$ 19,607
Other investment income	4,035	3,216
	<u>28,062</u>	<u>22,823</u>
Expenses		
Operating expenses	(2,437)	(584)
Financing costs	(2,481)	(2,300)
Retractable preferred share dividends	(9,736)	(10,316)
	<u>(14,654)</u>	<u>(13,200)</u>
Other items		
Investment valuation gains	924	2,242
Amortization of deferred financing costs	(884)	(842)
Foreign currency gains (losses)	8,899	(2,004)
Current taxes recovery (expense)	8,069	(407)
Deferred taxes expense	(4,158)	(1,358)
Net income	<u>\$ 26,258</u>	<u>\$ 7,254</u>

Net income attributable to:

Equity Limited Partners	\$ 24,714	\$ 5,532
General Partner	—	—
Preferred Limited Partner	1,544	1,722
Non-controlling interests	—	—
	<u>\$ 26,258</u>	<u>\$ 7,254</u>

Investment income consists of the following:

For the three months ended March 31

(Thousands, US dollars)

	2024	2023
Dividends		
Brookfield Corporation	\$ 9,675	\$ 8,640
Brookfield Asset Management Ltd.	11,900	9,632
Other securities	2,452	1,335
	<u>24,027</u>	<u>19,607</u>
Other investment income	4,035	3,216
	<u>\$ 28,062</u>	<u>\$ 22,823</u>

During the three months ended March 31, 2024, the Partnership recorded dividend income of \$9.7 million (March 31, 2023 – \$8.6 million) from its investment in the Corporation, \$11.9 million (March 31, 2023 – \$9.6 million) from its investment in the Manager and \$2.5 million (March 31, 2023 – \$1.3 million) from its other securities investments. Other investment income was higher during the three months ended March 31, 2024 primarily due to higher amount of interest earned on 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 primarily driven by increases in the market value of 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. The Partnership recorded foreign currency gains 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 \$7.2 billion at March 31, 2024 (December 31, 2023 – \$6.9 billion) and consist primarily of its \$5.1 billion investment in approximately 121 million Corporation shares (December 31, 2023 – \$4.9 billion), its \$1.3 billion investment in approximately 31 million Manager shares (December 31, 2023 – \$1.2 billion). The market price of a Corporation and Manager share were \$41.87 and \$42.02, respectively, as at March 31, 2024 compared to \$40.12 and \$40.17, respectively, as at December 31, 2023.

Investment Portfolio

As at (Thousands, US dollars)	Classification ¹	Number of Shares		Fair Value	
		Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	1,357,434	\$ 56,836	\$ 54,460
Partners Value Split Corp		119,611,449	119,611,449	5,008,115	4,798,801
		120,968,883	120,968,883	\$ 5,064,951	\$ 4,853,261
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	905,098	\$ 38,032	\$ 36,358
Partners Value Split Corp		29,902,862	29,902,862	1,256,519	1,201,196
		30,807,960	30,807,960	\$ 1,294,551	\$ 1,237,554
Investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	3,698,321	\$ 83,337	\$ 78,234
Brookfield Reinsurance Ltd. ²	FVTOCI	8,213,563	7,582,263	341,539	303,554
				424,876	381,788
Other securities portfolio	FVTOCI	Various	Various	26,204	34,478
Other securities portfolio	FVTPL	Various	Various	222,412	195,743
				248,616	230,221
				\$ 673,492	\$ 612,009

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. includes 821,921 Class A exchangeable limited voting shares and 7,391,642 Class A-1 exchangeable non-voting shares. Both Class A and A-1 shares are exchangeable into Brookfield Class A shares on a one-for-one basis.

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, wealth 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.

Brookfield Asset Management Ltd.

Brookfield Asset Management Ltd. is a leading global alternative asset manager with over \$925 billion of assets under management across real estate, infrastructure, renewable power and transition, private equity and credit as of March 31, 2024. 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.

Brookfield Listed Affiliates

As at March 31, 2024, 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 is a leading provider of wealth solutions, offering individuals the planning and protection needed to deliver lasting retirement income.

During the three months ended March 31, 2024, the Partnership acquired 100,000 Class A and 531,300 Class A-1 shares of Brookfield Reinsurance Ltd. ("BNRe") at a weighted average price of \$41.44 per share for total net consideration of \$26.2 million.

Other Securities Portfolio

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. During the quarter, the increase in the portfolio was primarily due to investments into the private funds.

Corporate Borrowings

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2024	Dec. 31, 2023
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 110,775	\$ 113,205
4.00% Corporate Bond – November 15, 2028	110,775	113,205
	<u>221,550</u>	<u>226,410</u>
Deferred financing costs ¹	(573)	(621)
	<u>\$ 220,977</u>	<u>\$ 225,789</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, 2024 (December 31, 2023 \$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 C\$110 million and was undrawn as of March 31, 2024 (December 31, 2023 – \$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 March 31, 2024, unitholders' equity consisted of \$5.8 billion of Equity Limited Partner equity, \$152 million of Preferred Limited Partner equity, \$nil¹ of General Partner equity and \$12 million of non-controlling interests (December 31, 2023 – \$5.5 billion of Equity Limited Partner equity, \$152 million of Preferred Limited Partner equity, \$nil¹ of General Partner equity and \$12 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.

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

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, 2024	Dec. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 110,762	\$ 113,192
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	110,716	113,145
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	110,775	113,205
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	110,775	113,205
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	127,391	130,186
4.45% Series 13 – May 31, 2029	6,000,000	6,000,000	110,775	113,205
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	3,156,867	3,156,867	78,922	78,922
4.00% Series 3 – December 14, 2031	3,156,867	3,156,867	78,922	78,922
4.00% Series 4 – December 14, 2036	3,157,491	3,157,491	78,937	78,937
Partners Value Investments Inc. Class A				
4.00% Series 1 – November 27, 2030	69,903,759	69,903,759	69,904	69,904
			<u>987,879</u>	<u>1,002,823</u>
Deferred financing costs ¹			(8,544)	(9,556)
			<u>\$ 979,335</u>	<u>\$ 993,267</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 \$159 million and investments of \$7.0 billion as at March 31, 2024 (December 31, 2023 – \$200 million and \$6.7 billion). The Partnership has operating cash requirements of \$51 million (December 31, 2023 – \$53 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.

The 2024 Canadian federal budget included potential changes to the tax rules relating to mutual fund corporations. We are aware of the potential changes and are continuing to consider them, but we currently do not expect them to materially impact our business or investors.

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 March 31, 2024 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	\$ 110,762	\$ 110,762	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	110,716	—	110,716	—	—
Partners Value Split Class AA, Series 10 ¹	110,775	—	110,775	—	—
Partners Value Split Class AA, Series 11 ¹	110,775	—	110,775	—	—
Partners Value Split Class AA, Series 12 ¹	127,391	—	—	127,391	—
Partners Value Split Class AA, Series 13 ¹	110,775	—	—	—	110,775
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	110,775	—	—	110,775	—
Corporate Bonds due Nov 2028	110,775	—	—	110,775	—
	<u>\$ 1,209,429</u>	<u>\$ 110,762</u>	<u>\$ 411,188</u>	<u>\$ 348,941</u>	<u>\$ 338,538</u>

Interest expense

Partners Value Split Class AA, Series 8 ¹	\$ 2,651	\$ 2,651	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	10,360	5,425	4,935	—	—
Partners Value Split Class AA, Series 10 ¹	15,147	5,206	9,941	—	—
Partners Value Split Class AA, Series 11 ¹	8,318	5,262	3,056	—	—
Partners Value Split Class AA, Series 12 ¹	21,929	5,605	11,210	5,114	—
Partners Value Split Class AA, Series 13 ¹	25,442	4,929	9,858	9,858	797
Partners Value Investments LP Class A, Series 2	8,528	3,157	5,371	—	—
Partners Value Investments LP Class A, Series 3	24,313	3,157	6,314	6,314	8,528
Partners Value Investments LP Class A, Series 4	40,119	3,157	6,314	6,314	24,334
Partners Value Investments Inc. Class A, Series 1	18,607	2,796	5,592	5,592	4,627
Corporate Bonds due Nov 2027	16,344	4,846	8,484	3,014	—
Corporate Bonds due Nov 2028	20,492	4,431	8,862	7,199	—
	<u>\$ 212,250</u>	<u>\$ 50,622</u>	<u>\$ 79,937</u>	<u>\$ 43,405</u>	<u>\$ 38,286</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)	2024		2023				2022			
	Q1	Q4	Q3	Q2	Q1	Q4 ²	Q3	Q2	Q1	Q4
Net income (loss) ¹	\$ 24,714	\$ (7,293)	\$ 16,997	\$ (9,868)	\$ 5,532	\$ 1,037,725	\$ 49,290	\$ 19,286	\$ 1,037,725	\$ 49,290
Basic net income (loss) per share ³	0.35	(0.11)	0.25	(0.15)	0.08	15.35	0.73	0.29	15.35	0.73
Diluted net income (loss) per share ³	\$ 0.33	\$ (0.11)	\$ 0.22	\$ (0.15)	\$ 0.07	\$ 13.16	\$ 0.63	\$ 0.24	\$ 13.16	\$ 0.63

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 three months ended March 31, 2024 (December 31, 2023 – less than \$1 million).

The Partnership owns 121 million shares of Corporation which amounted to \$5.1 billion (December 31, 2023 – \$4.9 billion), approximately 31 million shares of Manager which amounted to \$1.3 billion (December 31, 2023 – \$1.2 billion), and other Brookfield subsidiaries of \$477 million (December 31, 2023 – \$434 million). The Partnership recorded dividend income from Brookfield entities of \$23 million for the three months ended March 31, 2024 (March 31, 2023 – \$18 million).

Effective March 31, 2023, the Partnership places cash on deposit with the Corporation. As at March 31, 2024, the net deposit with the Corporation was \$68 million (December 31, 2023 – \$133 million) and the Partnership earned interest income of \$2 million for the funds on deposit for the three months ended March 31, 2024 (March 31, 2023 – \$11 thousand). Deposits bear interest at market rates.

CRITICAL ACCOUNTING ESTIMATES

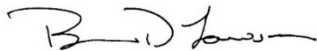
The preparation of financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues 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 March 31, 2024, 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, 2024 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 three months ended March 31, 2024, 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 17, 2024

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at

(Thousands, US dollars)

	Note	March 31, 2024	December 31, 2023
Assets			
Cash and cash equivalents		\$ 159,211	\$ 199,856
Accounts receivable and other assets		31,868	31,416
Deferred tax asset		—	4,309
Investment in Brookfield Corporation	3	5,064,951	4,853,261
Investment in Brookfield Asset Management Ltd.	3	1,294,551	1,237,554
Other investments carried at fair value	3	673,492	612,009
		<u>\$ 7,224,073</u>	<u>\$ 6,938,405</u>
Liabilities and equity			
Accounts payable and other liabilities		\$ 26,504	\$ 34,150
Deferred tax liability		911	—
Corporate borrowings	5	220,977	225,789
Preferred shares	6	979,335	993,267
		<u>1,227,727</u>	<u>1,253,206</u>
Equity			
Equity Limited Partners	7	5,832,214	5,521,067
General Partner	7	—	—
Preferred Limited Partners	7	152,152	152,152
Non-controlling interests	7	11,980	11,980
		<u>5,996,346</u>	<u>5,685,199</u>
		<u>\$ 7,224,073</u>	<u>\$ 6,938,405</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)

	Note	2024	2023
Investment income			
Dividends		\$ 24,027	\$ 19,607
Other investment income		4,035	3,216
		<u>28,062</u>	<u>22,823</u>
Expenses			
Operating expenses		(2,437)	(584)
Financing costs		(2,481)	(2,300)
Retractable preferred share dividends		(9,736)	(10,316)
		<u>(14,654)</u>	<u>(13,200)</u>
Other items			
Investment valuation gains		924	2,242
Amortization of deferred financing costs		(884)	(842)
Foreign currency gains (losses)		8,899	(2,004)
Current taxes recovery (expense)		8,069	(407)
Deferred taxes expense		(4,158)	(1,358)
Net income		<u>\$ 26,258</u>	<u>\$ 7,254</u>
Basic net income per unit	8	<u>\$ 0.35</u>	<u>\$ 0.08</u>
Diluted net income per unit	8	<u>\$ 0.33</u>	<u>\$ 0.07</u>
Net Income attributable to:			
Equity Limited Partners		\$ 24,714	\$ 5,532
General Partner		—	—
Preferred Limited Partner		1,544	1,722
Non-controlling interests		—	—
		<u>\$ 26,258</u>	<u>\$ 7,254</u>

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

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

	2024	2023
Net income	\$ 26,258	\$ 7,254
Items that may be reclassified to net income		
Realized and unrealized gains (losses) on securities measured at fair value through other comprehensive income	64	(11)
Items that may not be reclassified to net income		
Realized and unrealized gains on securities measured at fair value through other comprehensive income	290,972	283,006
Income taxes	(986)	5,130
Other comprehensive income	<u>290,050</u>	<u>288,125</u>
Comprehensive income	<u>\$ 316,308</u>	<u>\$ 295,379</u>

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

	Equity Limited Partners							
			Accumulated Other Comprehensive Income	Equity Limited Partners	General Partner	Preferred Limited Partners	Non- Controlling Interests	Total Equity
<i>For the three months ended March 31, 2024 (Thousands, US dollars)</i>	Capital	Retained Earnings						
Balance, beginning of period	\$ 1,540,327	\$ 1,008,209	\$ 2,972,531	\$ 5,521,067	\$ —	\$ 152,152	\$ 11,980	\$ 5,685,199
Net income	—	24,714	—	24,714	—	1,544	—	26,258
Other comprehensive income	—	—	290,050	290,050	—	—	—	290,050
Comprehensive income	—	24,714	290,050	314,764	—	1,544	—	316,308
Distribution	—	—	—	—	—	(1,544)	—	(1,544)
Normal-course issuer bid	(3,617)	—	—	(3,617)	—	—	—	(3,617)
Balance, end of period	\$ 1,536,710	\$ 1,032,923	\$ 3,262,581	\$ 5,832,214	\$ —	\$ 152,152	\$ 11,980	\$ 5,996,346

(Unaudited)

	Equity Limited Partners							
			Accumulated Other Comprehensive Income (loss)	Equity Limited Partners	General Partner	Preferred Limited Partners	Non- Controlling Interests	Total Equity
<i>For the three months ended March 31, 2023 (Thousands, US dollars)</i>	Capital	Retained Earnings						
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 loss	—	—	288,125	288,125	—	—	—	288,125
Comprehensive income (loss)	—	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

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2024	2023
Cash flow from operating activities		
Net income	\$ 26,258	\$ 7,254
Add (deduct) non-cash items:		
Investment valuation gains	(924)	(2,242)
Unrealized foreign exchange (gains) losses	(8,899)	2,004
Amortization of deferred financing costs	884	842
Income tax (recovery) expense	(3,911)	1,765
	<u>13,408</u>	<u>9,623</u>
Changes in working capital and foreign currency	<u>(6,591)</u>	<u>(6,614)</u>
	<u>6,817</u>	<u>3,009</u>
Cash flow used in and from investing activities		
Purchase of securities	(73,571)	(151,097)
Sale of securities	31,411	80,865
	<u>(42,160)</u>	<u>(70,232)</u>
Cash flow used in and from financing activities		
Common shares redeemed	(3,617)	(2,046)
Preferred shares redeemed	—	(55)
Distribution to preferred unit holders	(1,544)	(1,722)
	<u>(5,161)</u>	<u>(3,823)</u>
Cash and cash equivalents		
Change in cash and cash equivalents	(40,504)	(71,046)
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies	(141)	231
Balance, beginning of period	199,856	185,722
Balance, end of period	<u>\$ 159,211</u>	<u>\$ 114,907</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.

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 Accounting Standards (“IAS”) 34 Interim Financial Reporting 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 May 17, 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, 2024. The new standards were applied as follows:

i. 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 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, 2024	Dec. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
Brookfield Corporation	FVTOCI				
Directly and Indirectly Held		1,357,434	1,357,434	\$ 56,836	\$ 54,460
Partners Value Split Corp		119,611,449	119,611,449	5,008,115	4,798,801
		120,968,883	120,968,883	\$ 5,064,951	\$ 4,853,261
Brookfield Asset Management Ltd.	FVTOCI				
Directly and Indirectly Held		905,098	905,098	\$ 38,032	\$ 36,358
Partners Value Split Corp		29,902,862	29,902,862	1,256,519	1,201,196
		30,807,960	30,807,960	\$ 1,294,551	\$ 1,237,554
Investments classified as FVTOCI					
Brookfield Business Partners L.P.	FVTOCI	3,698,321	3,698,321	\$ 83,337	\$ 78,234
Brookfield Reinsurance Ltd. ²	FVTOCI	8,213,563	7,582,263	341,539	303,554
				424,876	381,788
Other securities portfolio	FVTOCI	Various	Various	26,204	34,478
Other securities portfolio	FVTPL	Various	Various	222,412	195,743
				248,616	230,221
				\$ 673,492	\$ 612,009

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 821,710 Class A exchangeable limited voting shares and 7,389,472 Class A-1 exchangeable non-voting shares. Both Class A and A-1 shares are exchangeable into Brookfield Class A shares on a one-for-one basis.

³

The Partnership's investment in Class A Limited Voting Shares of Corporation as of March 31, 2024, represents an 8% equity interest (December 31, 2023 – 8%). The Partnership's investment in Class A Limited Voting Shares of Manager as of March 31, 2024 represents an 8% equity interest (December 31, 2023 – 8%).

During the three months ended March 31, 2024, the Partnership acquired 100,000 Class A and 531,300 Class A-1 shares of Brookfield Reinsurance Ltd. ("BNRe") at a weighted average price of \$41.44 per share for total net consideration of \$26.2 million.

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. During the quarter, the increase in the portfolio was primarily due to the investments into private funds.

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, 2024			December 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Corporation	\$ 5,064,951	\$ —	\$ —	\$ 4,853,261	\$ —	\$ —
Brookfield Asset Management Ltd.	1,294,551	—	—	1,237,554	—	—
Investments classified as FVTOCI	451,080	—	—	416,266	—	—
Investments classified as FVTPL	94,412	3,273	124,727	79,172	3,252	113,319
Derivative liabilities ¹	—	(1,531)	—	—	(11,424)	—
	<u>\$ 6,904,994</u>	<u>\$ 1,742</u>	<u>\$ 124,727</u>	<u>\$ 6,586,253</u>	<u>\$ (8,172)</u>	<u>\$ 113,319</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 periods ended March 31, 2024 and December 31, 2023:

As at (Thousands, US dollars)	March 31, 2024	December 31, 2023
Opening Balance	\$ 113,319	\$ 162,195
Contributions	10,821	55,889
Distributions	—	(99,742)
Investment valuation (losses) gains ¹	1,172	(5,213)
Other investment income	(585)	190
Ending Balance	<u>\$ 124,727</u>	<u>\$ 113,319</u>

1 There was \$nil realized gains or losses included in investment valuation gains or losses from Level 3 investments for the period ended March 31, 2024 (December 31, 2023 – \$0.4 million).

The fair value of preferred shares and corporate borrowings treated as a financial liability is \$1.2 billion as at March 31, 2024 (December 31, 2023 – \$1.2 billion).

As at March 31, 2024, a cumulative pre-tax gain of \$5.5 billion (December 31, 2023 – \$5.2 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, 2024 and December 31, 2023, there were no transfers between Level 1, 2 or 3.

5. CORPORATE BORROWINGS

As at (Thousands, US dollars)	Book Value	
	Mar. 31, 2024	Dec. 31, 2023
Partners Value Split Class AA		
4.375% Corporate Bond – November 15, 2027	\$ 110,775	\$ 113,205
4.00% Corporate Bond – November 15, 2028	110,775	113,205
	<u>221,550</u>	<u>226,410</u>
Deferred financing costs ¹	(573)	(621)
	<u>\$ 220,977</u>	<u>\$ 225,789</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 March 31, 2024 (December 31, 2023 – \$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	
	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999,300	5,999,300	\$ 110,762	\$ 113,192
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	110,716	113,145
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	110,775	113,205
4.75% Series 11 – October 31, 2025	6,000,000	6,000,000	110,775	113,205
4.40% Series 12 – February 29, 2028	6,900,000	6,900,000	127,391	130,186
4.45% Series 13 - May 31, 2029	6,000,000	6,000,000	110,775	113,205
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	3,156,867	3,156,867	78,922	78,922
4.00% Series 3 – December 14, 2031	3,156,867	3,156,867	78,922	78,922
4.00% Series 4 – December 14, 2036	3,157,491	3,157,491	78,937	78,937
Partners Value Investments Inc Class A				
4.00% Series 1 – November 27, 2030	69,903,759	69,903,759	69,904	69,904
			<u>987,879</u>	<u>1,002,823</u>
Deferred financing costs ¹			(8,544)	(9,556)
			<u>\$ 979,335</u>	<u>\$ 993,267</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 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.

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.

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\$25.00) 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.

As at (Thousands, US dollars)	Shares Outstanding ²		Book Value	
	Mar. 31, 2024	Dec. 31, 2023	Mar. 31, 2024	Dec. 31, 2023
Equity				
Equity Limited Partners	69,854,351	69,903,749	\$ 5,832,214	\$ 5,521,067
General Partner ¹	1	1	—	—
Preferred Limited Partners	6,086,075	6,086,075	152,152	152,152
Non-controlling interests	—	—	11,980	11,980
			<u>\$ 5,996,346</u>	<u>\$ 5,685,199</u>

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

² Excludes shares held by consolidated subsidiaries.

Non-controlling interests

When the Partnership does not own 100% of 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.

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 period and net income attributable to Equity Limited Partners. For the three months ended March 31, 2024, the weighted average number of basic outstanding units were 69,870,749 (December 31, 2023 – 66,482,755) and 75,949,816 on a fully diluted basis (December 31, 2023 – 80,315,925); this includes the 6,079,066 Equity LP units that can be issued through the future exercise of all outstanding warrants of a subsidiary of the Partnership (December 31, 2023 – 13,833,170).

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 three months ended March 31, 2024 (December 31, 2023 – less than \$1 million).

The Partnership owns 121 million shares of Corporation which amounted to \$5.1 billion (December 31, 2023 – \$4.9 billion), approximately 31 million shares of Manager which amounted to \$1.3 billion (December 31, 2023 – \$1.2 billion), and other Brookfield subsidiaries of \$477 million (December 31, 2023 – \$434 million). The Partnership recorded dividend income from Brookfield entities of \$23 million during the three months ended March 31, 2024 (March 31, 2023 – \$18 million).

Effective March 31, 2023, the Partnership places cash on deposit with the Corporation. As at March 31, 2024, the net deposit with the Corporation was \$68 million (December 31, 2023 – \$133 million) and the Partnership earned interest income of \$2 million for the funds on deposit for the three months ended March 31, 2024 (March 31, 2023 – \$11 thousand). Deposits bear interest at market rates.

10. SUBSEQUENT EVENTS

On May 16, 2024, Partners Value Split Corp. announced its intention to redeem 1,975,000 of its outstanding Class AA Preferred Shares, Series 8 (TSX:PVS.PR.F) for cash on May 31, 2024 in accordance with the terms of the Preferred Shares, Series 8. The total value of the redemption is expected to be approximately CAD \$50 million.

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

CORPORATE OFFICE

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REGISTRAR AND TRANSFER AGENT

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H3B 3K3
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(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

