PARTNERS VALUE INVESTMENTS LP

INTERIM REPORT TO UNITHOLDERS

2017 Q1 | FOR THE PERIOD ENDED MARCH 31, 2017

Partners Value Investments LP (the "Partnership") recorded an increase in net book value during the first quarter of $288 million ($3.91 per unit) to $2.3 billion ($30.87 per unit). The increase is primarily due to unrealized gains on the Partnership's investment portfolio and an increase in the quoted market price of Brookfield Asset Management common shares.

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

George E. Myhal
President and Chief Executive Officer
May 30, 2017

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

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

1 *The investment in Brookfield Asset Management Inc. consists of 86 million Brookfield shares with a quoted market value of $36.46 per share as at March 31, 2017 (December 31, 2016 – $32.96).*
2 *Represents $533 million of retractable preferred shares less $7 million of unamortized issue costs as at March 31, 2017 (December 31, 2016 – $529 million less $8 million).*
3 *The deferred tax liability represents the potential future income tax liability of the Partnership recorded for accounting purposes based on the difference between the carrying values of the Partnership's assets and liabilities and their respective tax values, as well as giving effect to estimated capital and non-capital losses.*
4 *As at March 31, 2017, there were 73,541,131 (December 31, 2016 – 73,541,531) Equity LP units issued and outstanding.*
5 *Net book value per unit is a non-IFRS measure. Net book value is equal to total equity less General Partner equity and Preferred Limited Partners' equity.*

CHANGE IN NET BOOK VALUE

For the three months ended March 31 *(Thousands, US dollars, except per unit amounts)*	**2017** Total	**2017** Per Unit	2016[5] Total	2016[5] Per Unit
Net book value, beginning of period[1]	**$ 1,982,394**	**$ 26.96**	$ 2,260,264	$ 30.73
Net income[2,3]	**13,443**	**0.18**	20,960	0.28
Other comprehensive income[2,3]	**274,558**	**3.73**	76,491	1.05
Net book value, end of period[1,4]	**$ 2,270,395**	**$ 30.87**	$ 2,357,715	$ 32.06

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

OVERVIEW

Partners Value Investments L.P. (the "Partnership") is a limited partnership under the laws of the province of Ontario. Its principal investment is an ownership interest in 86 million Class A Limited Voting Shares ("Brookfield shares") of Brookfield Asset Management Inc. ("Brookfield"). 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 shares as well as its other securities portfolio, is principally dedicated to paying dividends on its financing obligations and Preferred LP units.

The Partnership's investment in Brookfield is owned indirectly through its wholly owned subsidiaries – Partners Value Investments Inc. ("PVII") and Partners Value Split Corp. ("Partners Value Split").

The Partnership also holds a portfolio of other securities including: a 100% interest in Global Champions Split Corp., which owns a diversified portfolio of large capitalization companies, and a 100% interest in Global Resource Champions Split Corp., which owns a portfolio of large capitalization resource companies (together "Global Champions"); investments in limited partnership units of Brookfield Infrastructure Partners ("BIP"), Brookfield Property Partners ("BPY") and Brookfield Business Partners ("BBU"); and a diversified portfolio of other marketable securities.

The Partnership is managed by its general partner, PVI Management Inc. (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

Net income for the period was $19 million, of which $13 million was attributable to the Equity Limited Partners ($0.18 per Equity LP unit), compared to a net income of $21 million ($0.28 per Equity LP unit) in the prior year. The decrease in net income was due to foreign exchange losses in the current period compared to foreign exchange gains in the prior year quarter, partially offset by increased investment income and valuation gains.

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

For the period ended March 31 *(Thousands, US dollars)*	**2017**	2016	Change
Investment income			
Dividends	**$ 18,216**	$ 14,660	$ 3,556
Other investment income	**1,394**	1,352	42
	19,610	16,012	3,598
Expenses			
Operating expenses	**(1,118)**	(1,182)	64
Financing costs	**(781)**	(90)	(691)
Retractable preferred share dividends	**(6,358)**	(6,232)	(126)
	11,353	8,508	2,845
Other items			
Investment valuation gains (losses)	**12,582**	241	12,341
Amortization of deferred financing costs	**(473)**	(416)	(57)
Change in value of fund unit liability	**—**	406	(406)
Income taxes	**(2,812)**	(6,629)	3,817
Foreign currency gains (losses)	**(1,578)**	18,850	(20,428)
Net income (loss)	**$ 19,072**	$ 20,960	$ (1,888)
Net income (loss) attributable to:			
Partners Value Investments Inc.	**$ —**	$ 20,960	$ (20,960)
Equity Limited Partners	**13,443**	—	13,443
General Partner	**—**	—	—
Preferred Limited Partners	**5,629**	—	5,629
	$ 19,072	$ 20,960	$ (1,888)

Investment Income

Investment income consists of the following for the periods ended March 31:

For the period ended March 31 *(Thousands, US dollars)*		**2017**		2016
Dividends				
Brookfield Asset Management Inc.	**$**	**12,810**	$	10,998
Other securities		**5,406**		3,662
Other investment income		**1,394**		1,352
	$	**19,610**	$	16,012

The Partnership received dividend income of $13 million (2016 – $11 million) from its investment in Brookfield and $5 million (2016 – $4 million) from its other securities investments during the three months ended March 31, 2017. Dividend income increased due to an increase in the dividend rate from Brookfield. Dividends from other securities and other investment income increased due to our investment activities.

Preferred Share Dividends

The Partnership paid $6 million (2016 – $6 million) of dividends on the retractable preferred shares during the three months ended March 31, 2017.

Operating Expenses

The Partnership recorded $1 million (2016 – $1 million) of operating expenses during the three months ended March 31, 2017.

Investment Valuation Gains (Losses)

Investment valuation gains (losses) include unrealized gains and losses on the Partnership's investments classified as fair value through profit and loss along with certain non-foreign currency derivatives. It also includes realized gains and losses on the disposition of the Partnership's investments. This balance will fluctuate depending on the Partnership's investment activities and performance. The valuation gains incurred during the quarter were due to increases in market value on the Partnership's investments and realized gains on the disposition of investments.

Income Taxes

The Partnership recorded an income tax expense of $3 million (2016 – $7 million) during the three months ended March 31, 2017. The decrease is due to a lower level of deferred income tax recognized.

Foreign Currency Gains (Losses)

Foreign currency gains represents gains and losses arising from the translation of non-United States dollar transactions as well as the realized and unrealized changes in the value of the Partnership's foreign currency derivatives.

FINANCIAL POSITION

The Partnership's total assets were $3.9 billion at March 31, 2017 (December 31, 2016 – $3.5 billion) and consist primarily of its $3.1 billion investment in 86 million Brookfield shares (December 31, 2016 – $2.8 billion). The market price of a Brookfield share increased from $32.96 per share at December 31, 2016 to $36.46 at March 31, 2017.

Investment Portfolio

As at *(Thousands, US dollars)*	Number of Shares **Mar. 31, 2017**	Dec. 31, 2016	Fair Value **Mar. 31, 2017**	Dec. 31, 2016
Brookfield Asset Management Inc.	**85,839**	85,839	**$ 3,127,341**	$ 2,829,156
Other securities				
BIP	**3,328**	3,328	**$ 127,512**	$ 111,222
BPY	**3,613**	3,613	**79,745**	78,850
BBU	**1,717**	1,717	**42,094**	41,205
Subsidiaries portfolios[1]	**Various**	Various	**203,022**	198,070
Other securities portfolio	**Various**	Various	**273,041**	183,387
			$ 725,414	$ 612,734

1 *Represents the portfolios held by Global Champions and Global Resource Champions.*

Brookfield Asset Management Inc.
Brookfield is a global alternative asset manager focused on real estate, infrastructure, power and private equity, and is inter-listed on the New York, Toronto and NYSE Euronext stock exchanges. The Partnership's investment in Brookfield represents approximately a 9% fully diluted interest in Brookfield.

Other Securities
The Partnership holds investments in three Brookfield listed partnerships: BIP, BPY and BBU. BIP owns and operates utility, transport, energy and communication businesses globally. BPY is a global commercial property Partnership that owns, operates and invests in best-in-class office, retail, and opportunistic assets. BBU owns business services and industrial operations with a focus on high-quality businesses that are low cost producers and/or benefit from high barriers to entry.

Our subsidiaries' portfolios consist of the investments held by Global Champions and Global Resource Champions. Global Champions has a diversified portfolio invested in large capitalization companies across multiple industries. Global Resource Champions has a diversified portfolio invested in large capitalization companies within the commodities and resource industry. The Partnership also has a portfolio of other securities, consisting mainly of public equity and fixed-income securities.

Deferred Taxes
The deferred tax liability represents the potential tax liability arising from the excess of the carrying value of net assets over the respective tax values, less available loss carry forwards. Changes in the deferred tax liability balance are mainly driven by changes in the market value of the Partnership's investments.

Equity
As at March 31, 2017, unitholders' equity consisted of $2.3 billion of Equity Limited Partners, $500 million of Preferred Limited Partners, and $1 thousand of General Partner (2016 – $2.0 billion of Equity Limited Partners, $500 million of Preferred Limited Partners, and $1 thousand of General Partner). The increase in equity is primarily the result of higher comprehensive income driven by market value appreciation.

Preferred Shares

Retractable preferred shares issued by Partners Value Split, Global Champions, and Global Resource Champions are comprised of the following:

As at *(Thousands, US dollars,)*	Shares Outstanding **Mar. 31, 2017**	Dec. 31, 2016	Book Value **Mar. 31, 2017**	Dec. 31, 2016
Partners Value Split Class AA				
4.35% Series 3 – January 10, 2019	**7,631**	7,631	**$ 143,236**	$ 141,937
4.85% Series 5 – December 10, 2017	**4,999**	4,999	**93,831**	92,980
4.50% Series 6 – October 8, 2021	**7,990**	7,990	**149,972**	148,612
5.50% Series 7 – October 31, 2022	**4,000**	4,000	**75,080**	74,399
Global Champions Class A				
4.00% Series 1 – July 31, 2019	**2,000**	2,000	**37,540**	37,194
Global Resource Champions Class A				
6.25% Series 1 – May 25, 2023	**1,800**	1,800	**33,787**	33,475
			533,446	528,597
Deferred financing costs[1]			**(6,980)**	(7,442)
			$ 526,466	$ 521,155

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 $21 million and investments of $3.9 billion as at March 31, 2017 (December 31, 2016 – $6 million and $3.4 billion respectively). The Partnership has operating cash requirements of $26 million in scheduled dividend payments on its preferred shares which are less than the distributions expected to be received on Brookfield 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 Equity LP units may vary according to the value of the Brookfield 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 Brookfield 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 Equity LP units will be largely dependent on the value of the Brookfield shares. A material adverse change in the business, financial conditions or results of operations of Brookfield and other investees of the Partnership will have a material adverse effect on the Equity LP units of the Partnership. In addition, the Partnership may incur additional financial leverage in order to acquire, directly or indirectly, additional securities issued by Brookfield, 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 Brookfield shares.

Foreign Currency Exposure

Certain of the Partnership's other investments are denominated in currency other than the United States dollars. 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 issued by Partners Value Split, Global Champions and Global Resource Champions. This results in financial leverage that will increase the sensitivity of the value of the Equity LP units 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 Brookfield shares. The Partnership's policy is to hold the Brookfield shares and not engage in trading, however shares are available to be sold to fund retractions and redemptions of preferred shares or Partnership units. The Partnership's ability to sell a substantial portion of the Brookfield shares may be limited by resale restrictions under applicable securities laws that will affect when or to whom the Brookfield shares may be sold. Accordingly, if and when the Partnership is required to sell Brookfield 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 Brookfield shares sold.

No Ownership Interest

A direct investment in the units of the Partnership does not constitute a direct investment in the Brookfield shares of Brookfield or other securities held by the Partnership, and holders of the units of the Partnership do not have any voting rights in respect of such securities.

Contractual Obligations

There have been no significant changes in the Partnership's contractual obligations since year-end. There have been no issuances or redemptions of preferred shares during the three months ended March 31, 2017.

SUMMARY OF FINANCIAL INFORMATION

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

(Thousands, US dollars, except per unit amounts)	**2017**	2016				2015		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net income (loss)	**$ 19,072**	$ 23,079	$ 11,679	$ 30,013	$ 20,960	$ (816)	$ (27,974)	$ 1,625
Net income (loss) per unit	**$ 0.26**	$ 0.32	$ 0.16	$ 0.41	$ 0.28	$ (0.02)	$ (0.38)	$ 0.02

Net income 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 Canadian dollar and equity markets. Also included in net income are gains and losses on the disposition of investments. The variance in net income on the last eight quarters is primarily the result of valuation gains and losses on certain of the Partnership's investments, increases in the investment income earned from its investments and the impact of foreign currencies.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Change in Functional Currency

Until December 31, 2016, the Partnership and two of its subsidiaries, PVII and Partners Value Split, determined that their functional currency was the Canadian dollar. Due to a series of changes to the portfolio composition of the entities, management performed a review of the functional currency of the Partnership and its subsidiaries and it concluded that there has been a change in the functional currency from the Canadian dollar to the United States dollar, in accordance with IFRS. The change has been applied to the Partnership's results prospectively as of January 1, 2017.

Future Changes in Accounting Standards

Financial Instruments

In July 2014, the IASB issued the final publication of IFRS 9, Financial Instruments ("IFRS 9"), superseding IAS 39, Financial Instruments. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The standard has a mandatorily effective date for periods beginning on or after January 1, 2018 with early adoption permitted. The Partnership is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Partnership and recovered costs of less than $1 million for the three months ended March 31, 2017 (2016 – less than $1 million).

The Partnership is substantially owned by individuals associated with Brookfield Asset Management Inc. ("Brookfield"). The investing activities of the Partnership are managed by a dedicated investment team that does not participate in managing any Brookfield client accounts. Brookfield and the Partnership have adopted policies and procedures designed to ensure that PVI's activities do not conflict with, or materially adversely affect Brookfield fund holders, and that, to extent feasible, Brookfield and its managed fund holders' interests are prioritized relative to the Partnership should any potential conflict arise.

It is generally expected that the Partnership will have a different investing strategy and approach from that of Brookfield and its managed funds and therefore will make investments that Brookfield and its managed funds do not make (or make similar investments at different times as a result of such different investment strategy and approach). While physically separate, there is no formal informational barrier between the Partnership's investment team and the rest of Brookfield.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity 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. Significant estimates are required in the determination of future cash flows and probabilities in assessing net recoverable amounts and net realizable values; tax and other provisions; and fair values for disclosure purposes. 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 President and the Vice President, Finance of the Partnership evaluated the effectiveness of the Partnership's disclosure controls and procedures (as defined in "National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings") as at March 31, 2017, 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 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, 2017 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.

REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of the Partnership have been prepared by and are the responsibility of the Partnership's management. The Partnership's independent auditor has not reviewed these financial statements.

George E. Myhal
President and Chief Executive Officer
May 30, 2017

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 statements 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" 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 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. 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.

CAUTIONARY STATEMENT REGARDING THE USE OF NON-IFRS ACCOUNTING MEASURES

This interim report makes reference to net book value per unit, and provides a full reconciliation between these measures and total assets, respectively, which the Partnership considers to be the most directly comparable measures calculated in accordance with IFRS.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at *(Thousands, US dollars)*	Note	*(unaudited)* **March 31, 2017**	*(audited)* December 31, 2016
Assets			
Cash and cash equivalents		**$ 20,778**	$ 5,971
Accounts receivable and other assets		**9,038**	20,881
Brookfield Asset Management Inc.	3	**3,127,341**	2,829,156
Other securities	3	**725,414**	612,734
		$ 3,882,571	$ 3,468,742
Liabilities and Equity			
Accounts payable and other liabilities	9	**$ 201,623**	$ 124,820
Preferred shares	5	**526,466**	521,155
Deferred taxes		**384,184**	340,470
		1,112,273	986,445
Equity			
Equity Limited Partners	6	**2,270,395**	1,982,394
General Partner	6	**1**	1
Preferred Limited Partners	6	**499,902**	499,902
		2,770,298	2,482,297
		$ 3,882,571	$ 3,468,742

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited) *For the three months ended March 31* *(Thousands, US dollars, except per unit amounts)*	Note	**2017**	2016
Investment income			
Dividends		**$ 18,216**	$ 14,660
Other investment income		**1,394**	1,352
		19,610	16,012
Expenses			
Operating expenses		**(1,118)**	(1,182)
Financing costs		**(781)**	(90)
Retractable preferred share dividends		**(6,358)**	(6,232)
		11,353	8,508
Other items			
Investment valuation gains (losses)		**12,582**	241
Amortization of deferred financing costs		**(473)**	(416)
Change in value of fund unit liability		**—**	406
Current taxes		**(2,218)**	(2,489)
Deferred taxes		**(594)**	(4,140)
Foreign currency gains (losses)		**(1,578)**	18,850
Net income		**$ 19,072**	$ 20,960
Net income per unit (Note 7)	7	**$ 0.26**	$ 0.28
Net income attributable to:			
Partners Value Investments Inc.		**—**	20,960
Equity Limited Partners		**13,443**	—
General Partner		**—**	—
Preferred Limited Partners		**5,629**	—
		$ 19,072	$ 20,960

The accompanying notes are an integral part of the financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(unaudited) *For the three months ended March 31* *(Thousands, US dollars)*	**2017**	2016
Net income	**$ 19,072**	$ 20,960
Items that may be reclassified to net income		
Unrealized gains on available-for-sale securities	**316,493**	92,940
Foreign currency translation	**—**	(4,184)
Deferred income taxes	**(41,935)**	(12,265)
Other comprehensive income	**274,558**	76,491
Comprehensive income	**$ 293,630**	$ 97,451
Comprehensive income attributable to:		
Partners Value Investments Inc.	**$ —**	$ 97,451
Equity Limited Partners	**288,001**	—
General Partner	**—**	—
Preferred Limited Partners	**5,629**	—
	$ 293,630	$ 97,451

The accompanying notes are an integral part of the financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited) *For the three months ended March 31, 2017* *(Thousands, US dollars)*	Partners Value Investments Inc. Equity	 Accumulated other comprehensive income	 Partners Value Investments Inc.	Equity Limited Partners Capital	 Retained Earnings	 Accumulated other comprehensive income	 Equity Limited Partners	General Partner	Preferred Limited Partners	Total Equity
Balance, beginning of period	$ —	$ —	$ —	$ 1,945,495	$ 21,315	$ 15,584	$ 1,982,394	$ 1	$ 499,902	$ 2,482,297
Net income	—	—	—	—	13,443	—	13,443	—	5,629	19,072
Other comprehensive income	—	—	—	—	—	274,558	274,558	—	—	274,558
Comprehensive income	—	—	—	—	13,443	274,558	288,001	—	5,629	293,630
Distribution	—	—	—	—	—	—	—	—	(5,629)	(5,629)
Balance, end of period	$ —	$ —	$ —	$ 1,945,495	$ 34,758	$ 290,142	$ 2,270,395	$ 1	$ 499,902	$ 2,770,298

(unaudited) *For the three months ended March 31, 2016* *(Thousands, US dollars)*	Partners Value Investments Inc. Equity	 Accumulated other comprehensive income	 Partners Value Investments Inc.	Equity Limited Partners Capital	 Retained Earnings	 Accumulated other comprehensive income	 Equity Limited Partners	General Partner	Preferred Limited Partners	Total Equity
Balance, beginning of period	$ 68,905	$ 2,191,359	$ 2,260,264	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,260,264
Net income	20,960	—	20,960	—	—	—	—	—	—	20,960
Other comprehensive income	—	76,491	76,491	—	—	—	—	—	—	76,491
Comprehensive income	20,960	76,491	97,451	—	—	—	—	—	—	97,451
Balance, end of period	$ 89,865	$ 2,267,850	$ 2,357,715	$ —	$ —	$ —	$ —	$ —	$ —	$ 2,357,715

CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) *For the three months ended March 31* *(Thousands, US dollars)*	**2017**	2016
Cash flow from operating activities		
Net income	**$ 19,072**	$ 20,960
Add (deduct) non-cash items:		
Investment valuation (gains) losses	**(12,582)**	(241)
Unrealized foreign exchange (gains) losses	**4,788**	(17,683)
Amortization of deferred financing costs	**473**	416
Change in value of fund unit liability	—	(406)
Deferred taxes	**594**	4,140
	12,345	7,186
Changes in working capital and foreign currency	**13,372**	1,214
	25,717	8,400
Cash flow used in investing activities		
Purchase of securities	**(12,289)**	(102,996)
Sale of securities	**7,008**	95,966
	(5,281)	(7,030)
Cash flow used in financing activities		
Preferred shares redeemed	**—**	(37,792)
Borrowings drawn	**—**	94,032
Borrowings repaid	**—**	(106,533)
Distribution paid to preferred units	**(5,629)**	—
Distribution to fund unit liability	**—**	(174)
	(5,629)	(50,467)
Cash and cash equivalents		
Change in cash and cash equivalents	**14,807**	(49,097)
Balance, beginning of period	**5,971**	92,887
Balance, end of period	**$ 20,778**	$ 43,790

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 investment is an ownership interest in 86 million Class A Limited Voting Shares ("Brookfield shares") of Brookfield Asset Management Inc. ("Brookfield"). The consolidated financial statements include the accounts of the Partnership's wholly-owned subsidiaries: Partners Value Investments Inc. ("PVII"), Partners Value Split Corp. ("Partners Value Split"), and Global Champions Split Corp. and Global Resource Champions Split Corp. (together "Global Champions"). The Partnership was formed 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").

The Partnership is managed by its general partner, PVI Management Inc. (the "General Partner"). The Partnership's registered office is Brookfield Place, 181 Bay Street, Suite 210, Toronto, Ontario, M5J 2T3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standards 34 ("IAS 34"), *Interim Financial Reporting*. The interim financial statements are unaudited. The results reported in these interim consolidated financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. These financial statements were authorized for issuance by the Board of Directors of the Partnership on May 25, 2017.

(b) Adoption of Accounting Standards

Investments in Associates and Joint Ventures

The amendments to IFRS 10, Consolidated Financial Statements ("IFRS 10"), and IAS 28, Investments in Associates and Joint Ventures (2011) ("IAS 28") address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments were effective for transactions occurring in annual periods beginning on or after January 1, 2016 with earlier application permitted. The Partnership's adoption of these amendments did not result in any material impact on its consolidated financial statements.

Presentation of Financial Statements

In December 2014, Disclosure Initiative was issued, which amends IAS 1, *Presentation of Financial Statements* ("IAS 1"). The amendments are designed to encourage entities to use professional judgment to determine what information to disclose in the financial statements and accompanying notes by clarifying the guidance on materiality, presentation, and note structure. The amendments also require separate disclosure of other comprehensive income attributable to joint ventures and associates, classified by nature. These amendments are effective for annual periods beginning on or after January 1, 2016. The Partnership's adoption of these amendments did not result in any material impact on its consolidated financial statements.

(c) Future Changes in Accounting Standards

Financial Instruments

In July 2014, the International Accounting Standards Board ("IASB") issued the final publication of IFRS 9, Financial Instruments ("IFRS 9"), superseding IAS 39, Financial Instruments. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. The standard has a mandatorily effective date for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Partnership is currently evaluating the impact of IFRS 9 on its consolidated financial statements.

(d) Change in Functional Currency

Until December 31, 2016, the Partnership and two of its subsidiaries, PVII and Partners Value Split, determined that their functional currency was the Canadian dollar. Due to a series of changes to the portfolio composition of the entities, management performed a review of the functional currency of the Partnership and its subsidiaries and it concluded that there has been a change in the functional currency from the Canadian dollar to the United States dollar, in accordance with IFRS. The change has been applied to the Partnership's results prospectively as of January 1, 2017.

3. INVESTMENT PORTFOLIO

The Partnership's investment portfolio consists of the following:

		Number of Shares		Fair Value	
As at *(Thousands)*	Classification[1]	**Mar. 31, 2017**	Dec. 31, 2016	**Mar. 31, 2017**	Dec. 31, 2016
Brookfield Asset Management Inc.	AFS	**85,839**	85,839	**$ 3,127,341**	$ 2,829,156
Other securities					
Brookfield Infrastructure Partners L.P.	AFS	**3,328**	3,328	**$ 127,512**	$ 111,222
Brookfield Property Partners L.P.	AFS	**3,613**	3,613	**79,745**	78,850
Brookfield Business Partners L.P.	AFS	**1,717**	1,717	**42,094**	41,205
Subsidiaries portfolios[2]	FVTPL	**Various**	Various	**203,022**	198,070
Other securities portfolio	FVTPL	**Various**	Various	**273,041**	183,387
				$ 725,414	$ 612,734

1 *AFS represents available for sale and FVTPL represents fair value through profit and loss accounting classification. Changes in fair value of AFS securities are recorded in other comprehensive income, and changes in fair value of FVTPL are recorded in net income.*

2 *Represents the portfolios held by Global Champions and Global Resource Champions.*

The Partnership's investment in Class A Limited Voting Shares of Brookfield at March 31, 2017 represents a 9% (December 31, 2016 – 9%) fully diluted equity interest.

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.

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)	**March 31, 2017** **Level 1**	**Level 2**	**Level 3**	December 31, 2016 Level 1	Level 2	Level 3
Brookfield Asset Management Inc.	**$ 3,127,341**	**$ —**	**$ —**	$ 2,829,156	$ —	$ —
Other securities	**725,414**	**—**	**—**	612,734	—	—
Derivative assets[1]	**—**	**6,437**	**—**	—	5,908	—
Derivative liabilities[1]	**—**	**(13,886)**	**—**	—	(17,970)	—
	$ 3,852,755	**$ (7,449)**	**$ —**	$ 3,441,890	$ (12,062)	$ —

1 *Presented within accounts receivable/accounts payable and other on the statement of financial position.*

As at March 31, 2017, a cumulative pre-tax gain of $2.8 billion (December 31, 2016 – $2.0 billion) has been recognized for financial instruments classified as available-for-sale, over their historical cost amounts.

5. PREFERRED SHARES

Retractable preferred shares issued by the Partnership's subsidiaries are comprised of the following:

As at (Thousands, US dollars,)	Shares Outstanding **Mar. 31, 2017**	Dec. 31, 2016	Book Value **Mar. 31, 2017**	Dec. 31, 2016
Partners Value Split Class AA				
4.35% Series 3 – January 10, 2019	**7,631**	7,631	**$ 143,236**	$ 141,937
4.85% Series 5 – December 10, 2017	**4,999**	4,999	**93,831**	92,980
4.50% Series 6 – October 8, 2021	**7,990**	7,990	**149,972**	148,612
5.50% Series 7 – October 31, 2022	**4,000**	4,000	**75,080**	74,399
Global Champions Class A				
4.00% Series 1 – July 31, 2019	**2,000**	2,000	**37,540**	37,194
Global Resource Champions Class A				
6.25% Series 1 – May 25, 2023	**1,800**	1,800	**33,787**	33,475
			533,446	528,597
Deferred financing costs[1]			**(6,980)**	(7,442)
			$ 526,466	$ 521,155

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

6. 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	
As at (Thousands)	**Mar. 31, 2017**	Dec. 31, 2016	**Mar. 31, 2017**	Dec. 31, 2016
Partnership equity				
Equity Limited Partners	**73,541**	73,541	**$ 2,270,395**	$ 1,982,394
General Partner[1]	**—**	—	**1**	1
Preferred Limited Partners	**19,996**	19,996	**499,902**	499,902
			$ 2,770,298	$ 2,482,297

1 *As at March 31, 2017, there is 1 General Partner share outstanding (December 31, 2016 – 1).*

7. NET INCOME PER UNIT

Net income per unit is calculated based on the weighted average number of outstanding units during the period and net income attributable to Equity Limited Partners. For the three months ended March 31, 2017, the weighted average number of outstanding units were 73,541,371.

8. RELATED-PARTY TRANSACTIONS

Brookfield entities provides certain management and financial services to the Partnership for which the Partnership paid less than $1 million for the three months ended March 31, 2017 (2016 – less than $1 million).

9. ACCOUNTS PAYABLE AND OTHER LIABILITIES

The Partnership has prime brokerage loan accounts with third party financial institutions pursuant to which it has pledged marketable securities as collateral.

10. WARRANTS

A subsidiary of the Partnership, PVII, has warrants outstanding which were issued as part of the capital reorganization. The warrants have an exercise price of Canadian $32.45 and five warrants are required to purchase one non-voting exchangeable share, which are convertible into Equity LP units of the Partnership at the option of the holder. The holders of the warrants have a provision which allows them to use their Preferred LP units as currency in lieu of cash to fund all or any part of the payment of the exercise price of the warrants. For this purpose, the value attributed to each Preferred LP Units will be equal to US$25.00 per Preferred LP unit plus any declared and unpaid distributions. The warrants expire on December 31, 2026. As at March 31, 2017, there are 73,543,831 (December 31, 2016 – 73,543,831) warrants outstanding.

CORPORATE INFORMATION

DIRECTORS

John P. Barratt[1,2]
Corporate Director

Brian D. Lawson
Chief Financial Officer
Brookfield Asset Management Inc.

George E. Myhal
President and Chief Executive Officer
Partners Value Investments Inc.

Frank N.C. Lochan[1,2]
Chairman

Ralph Zarboni[1,2]
Corporate Director

Edward C. Kress
Corporate Director

1. Member of the Audit Committee
2. Member of the Corporate Governance Committee

OFFICERS

George E. Myhal
President and Chief Executive Officer

Vu H. Nguyen
Vice President, Finance

David J. Clare
Vice President

Bryan Sinclair
Sr. Associate

Adil Mawani
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EXCHANGE LISTING

TSX Venture Exchange Stock Symbols:

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

PARTNERS VALUE
INVESTMENTS LP