



INTERIM REPORT TO UNITHOLDERS

2022 Q1 | FOR THE PERIOD ENDED March 31, 2022

Partners Value Investments LP (the “Partnership”) recorded a decrease in net book value during the period of \$5.96 to \$79.39 per unit (\$7.0 billion). The decrease is primarily due to a decrease in the quoted market price of Brookfield Asset Management common shares at the end of the quarter and foreign currency losses, and was partially offset by investment valuation gains on the Partnership’s other investments portfolio.

The Partnership recorded net income for the quarter of \$10.0 million, an increase of \$11.2 million from the net loss of \$1.2 million in the prior year quarter. The increase in income was primarily due to investment valuation gains on the Partnership’s other investments portfolio. Income of \$8.3 million was attributable to the Equity Limited Partners (\$0.10 per Equity LP unit) and income of \$1.7 million was attributable to preferred limited partners.

A handwritten signature in black ink, appearing to read 'Brian D. Lawson'.

Brian D. Lawson
Chief Executive Officer
May 20, 2022

FORWARD-LOOKING INFORMATION

This interim report contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian provincial securities laws and any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include, but are not limited to, statements which reflect management’s expectations regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of the Partnership and its subsidiaries, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and include words such as “expects,” “anticipates,” “plans,” “believes,” “estimates,” “seeks,” “intends,” “targets,” “projects,” “forecasts” or negative versions thereof and other similar expressions, or future or conditional verbs such as “may,” “will,” “should,” “would,” “likely” and “could.”

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

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

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements and information, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Certain statements included in this 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.

STATEMENT OF FINANCIAL POSITION

As at (Thousands, US dollars)	March 31, 2022	December 31, 2021
Assets		
Cash and cash equivalents	\$ 262,295	\$ 80,704
Accounts receivable and other assets	34,283	65,418
Investment in Brookfield Asset Management Inc. ¹	7,373,102	7,869,681
Other investments carried at fair value	343,541	344,983
	<u>\$ 8,013,221</u>	<u>\$ 8,360,786</u>
Liabilities and equity		
Accounts payable and other liabilities	\$ 35,243	\$ 7,693
Corporate borrowings	238,925	236,513
Preferred shares ²	958,255	835,019
Deferred taxes ³	8,756	23,431
	<u>1,241,179</u>	<u>1,102,656</u>
Equity		
Equity Limited Partners	6,618,987	7,105,075
General Partner	1	1
Preferred Limited Partners	153,054	153,054
	<u>\$ 8,013,221</u>	<u>\$ 8,360,786</u>

- ¹ The investment in Brookfield Asset Management Inc. consists of 130 million Brookfield shares with a quoted market value of \$56.57 per share as at March 31, 2022 (December 31, 2021 – \$60.38).
- ² Represents \$738 million of retractable preferred shares less \$16 million of unamortized issue costs as at March 31, 2022 (December 31, 2021 – \$612 million less \$13 million) and \$152 million of three series of preferred shares (December 31, 2021 - \$152 million) and \$84 million of three series of preferred shares (December 31, 2021 - \$84 million) of a subsidiary of the Partnership, issued in December 2021
- 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.

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)	2022		2021	
	Total	Per Unit	Total	Per Unit
Net book value, beginning of period ¹	\$ 7,482,738	85.35	\$ 4,777,152	54.20
Net income ²	8,257	0.10	(2,898)	(0.03)
Other comprehensive income ²	(492,897)	(6.09)	383,658	4.36
Adjustment for impact of warrant ³	3,901	0.05	5,155	0.06
Equity LP repurchases	(1,449)	(0.02)	(1,654)	(0.02)
Net book value, end of period ^{1,4}	<u>\$ 7,000,550</u>	<u>79.39</u>	<u>\$ 5,161,413</u>	<u>58.57</u>

- ¹ Calculated on a fully diluted basis. Net book value is a non-IFRS measure used by management to measure the value of an Equity LP unit on a fully diluted basis. It is equal to total equity less General Partner equity and Preferred Limited Partners' equity, plus the value of consideration to be received on exercising of warrants, which as at March 31, 2022 was \$382 million (December 31, 2021 – \$378 million).
- ² Attributable to Equity Limited Partners.
- ³ The basic weighted average number of Equity Limited Partnership ("Equity LP") units outstanding during the period ended March 31, 2022 was 66,198,629. The diluted weighted average number of Equity Limited Partnership ("Equity LP") units available and outstanding for the three months ended March 31, 2022 was 80,906,274; this includes the 14,707,645 Equity LP units issued through the exercise of all outstanding warrants.
- ⁴ At the end of the period, the diluted Equity LP units outstanding were 80,895,667 (December 31, 2021 – 82,171,127).

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis for the period ended March 31, 2022 is dated May 20, 2022.

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 130 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 and other securities, 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" or the "Company") and Partners Value Split Corp. ("Partners Value Split"). Partners Value Split has publicly listed retractable preferred shares outstanding.

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

The Partnership is managed by its general partner, PVI Management Trust (the "General Partner").

Additional information on the Partnership and its public subsidiaries is available on SEDAR's web site at www.sedar.com.

RESULTS OF OPERATIONS

The Partnership generated net income of \$10.0 million for the quarter ended March 31, 2022, compared to a net loss of \$1.2 million in the prior year quarter. Net income is higher in the current quarter due to investment valuation gains of \$16.7 million compared to \$5.3 million in the prior year quarter and lower foreign currency losses, which was partially offset by an increase in income tax expense.

The market price of a Brookfield share was \$56.57 as at March 31, 2022 (December 31, 2021 – \$60.38).

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

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

	2022	2021
Investment income		
Dividends	\$ 19,144	\$ 18,503
Other investment income	896	2,009
	<u>20,040</u>	<u>20,512</u>
Expenses		
Operating expenses	(865)	(705)
Financing costs	(2,467)	(1,284)
Retractable preferred share dividends	(8,413)	(11,540)
	<u>(11,745)</u>	<u>(13,529)</u>
	<u>8,295</u>	<u>6,983</u>
Other items		
Investment valuation gains	16,683	5,284
Amortization of deferred financing costs	(766)	(1,204)
Current tax (expense) recovery	(20,290)	1,980
Deferred tax recovery (expense)	11,544	(2,627)
Foreign currency losses	(5,487)	(11,592)
Net income (loss)	<u>\$ 9,979</u>	<u>\$ (1,176)</u>
Net Income (Loss) attributable to:		
Equity Limited Partners	\$ 8,257	\$ (2,898)
General Partner	—	—
Preferred Limited Partner	1,722	1,722
	<u>\$ 9,979</u>	<u>\$ (1,176)</u>

Investment income consists of the following:

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

	2022	2021
Dividends		
Brookfield Asset Management Inc.	\$ 18,247	\$ 16,739
Other securities	897	1,764
	<u>19,144</u>	<u>18,503</u>
Other investment income	896	2,009
	<u>\$ 20,040</u>	<u>\$ 20,512</u>

During the three months ended March 31, 2022, the Partnership received dividend income of \$18.2 million (2021 - \$16.7 million) from its investment in Brookfield and \$897 thousand (2021 - \$1.8 million) from its other securities investments. Other investment income primarily includes interest earned on loan assets and cash put on deposit.

Financing costs increased during the period due to the issuance of C\$150 million senior unsecured notes due 2028 in August 2021. Retractable preferred share dividends decreased during the period due to the early redemption of Series 6 and Series 7 preferred shares, partially offset by the issuance of Series 12.

Investment valuation gains include unrealized gains and losses on the Partnership's investments (including financial derivatives) which are recorded at fair value. It also includes 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 and increased in 2022 due to an increase in the value of certain investments during the period.

Income tax expenses reflect a higher level of realized and unrealized gains relative to losses, compared to the prior year.

Foreign currency 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 the Company and the realization of certain of our foreign exchange contracts.

FINANCIAL POSITION

The Partnership's total assets were \$8.0 billion at March 31, 2022 (December 31, 2021 – \$8.4 billion) and consist primarily of its \$7.4 billion investment in 130 million Brookfield shares (December 31, 2021 – \$7.9 billion). The market price of a Brookfield share was \$56.57 per share at March 31, 2022 compared to \$60.38 at December 31, 2021.

Investment Portfolio

As at (Thousands, US dollars)	Number of Shares		Fair Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Brookfield Asset Management Inc.				
Directly and Indirectly Held	10,724	10,724	\$ 606,682	\$ 647,542
Partners Value Split Corp	<u>119,612</u>	<u>119,612</u>	<u>6,766,420</u>	<u>7,222,139</u>
	<u>130,336</u>	<u>130,336</u>	<u>\$ 7,373,102</u>	<u>\$ 7,869,681</u>
Other securities				
Brookfield Business Partners	2,243	2,243	70,324	68,866
Other securities portfolio	Various	Various	<u>273,217</u>	<u>276,117</u>
			<u>343,541</u>	<u>344,983</u>
			<u>\$ 7,716,643</u>	<u>\$ 8,214,664</u>

Brookfield Asset Management Inc.

Brookfield is a leading global alternative asset manager with approximately \$725 billion of assets under management across real estate, infrastructure, renewable power, private equity and credit. Brookfield is listed on the New York and Toronto Stock Exchanges under the symbol BAM and BAM.A respectively. The Partnership's investment in Brookfield represents approximately a 8% interest in Brookfield.

Brookfield Business Partners

The Partnership holds investments in a Brookfield listed affiliate that is managed by Brookfield: Brookfield Business Partners (“BBU”). BBU owns business services and industrial operations with a focus on high-quality businesses that are low-cost procedures and/or benefit from high barriers to entry.

During the quarter, BBU completed the creation of Brookfield Business Corporation (“BBUC”). Each holder of BBU’s limited partnership units (“BBU units”) of record on March 7, 2022 received one (1) class A exchanged subordinate voting share (each a “Share”) of BBUC for every two (2) BBU units held. As a result of this transaction, the Partnership received 747,734 units of BBUC. The December 31, 2021 shares have been adjusted to reflect the BBU/BBUC share split.

Other Securities Portfolio

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The increase in the portfolio is primarily the increase in fair value of assets during the quarter.

Corporate Borrowings

During the quarter, a subsidiary of the Partnership redeemed 700 Series 6 debentures and 3,200 Series 7 debentures. There are no debentures outstanding as at March 31, 2022 (December 31, 2021 - \$77 thousand).

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Partners Value Split Class AA				
4.375% Corporate Bond – November 15, 2027	N/A	N/A	119,925	118,695
4.00% Corporate Bond – November 15, 2028	N/A	N/A	119,925	118,695
Partners Value Split Debentures				
4.90% Series 6 – September 30, 2024	—	700	—	14
5.00% Series 7 – February 28, 2026	—	3,200	—	63
			239,850	237,467
Deferred financing costs			(925)	(954)
			<u>\$ 238,925</u>	<u>\$ 236,513</u>

During the quarter, a subsidiary of the Partnership redeemed 700 Series 6 debentures and 3,200 Series 7 debentures. There are no debentures outstanding as at March 31, 2022 (December 31, 2021 - \$77 thousand).

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 related to changes in the market value of the Partnership’s investments and foreign currency fluctuations.

Equity

As at March 31, 2022, unitholders’ equity consisted of \$6.6 billion of Equity Limited Partner equity, \$153 million of Preferred Limited Partner equity, and \$1 thousand of General Partner equity (December 31, 2021 – \$7.1 billion of Equity Limited Partner equity, \$153 million of Preferred Limited Partner equity, and \$1 thousand of General Partner equity). The decrease in equity is primarily the result of lower comprehensive income driven by unrealized losses on our Brookfield shares and our overall investment portfolio.

Preferred Shares

On March 25, 2022, Partners Value Split issued 6,000,000 Class AA Preferred shares, Series 13 “the series 13 Preferred Shares” at a price of CAD\$25.00 per share, for a gross issuance of CAD\$150 million.

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

As at (Thousands)	Shares Outstanding		Book Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999	5,999	119,911	118,681
4.90% Series 9 – February 28, 2026	5,997	5,997	119,861	118,632
4.70% Series 10 – February 28, 2027	6,000	6,000	119,925	118,695
4.75% Series 11 – October 31, 2025	6,000	6,000	119,925	118,695
4.40% Series 12 – February 29, 2028	6,900	6,900	137,914	136,499
4.45% Series 13 – May 31, 2029	6,000	—	119,925	—
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	2,032	2,032	50,797	50,797
4.00% Series 3 – December 14, 2031	2,032	2,032	50,797	50,797
4.00% Series 4 – December 14, 2036	2,032	2,032	50,812	50,812
PVI SIB LP Class A				
4.00% Series 1 – December 14, 2026	1,125	1,125	28,125	28,125
4.00% Series 2 – December 14, 2031	1,125	1,125	28,125	28,125
4.00% Series 3 – December 14, 2036	1,125	1,125	28,125	28,125
			974,242	847,983
Deferred financing costs ¹			(15,986)	(12,964)
			\$ 958,256	\$ 835,019

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 \$262.3 million and investments of \$7.7 billion as at March 31, 2022 (December 31, 2021 – \$80.7 million and \$8.2 billion). The Partnership has operating cash requirements of \$53.9 million (December 31, 2021 – \$55.0 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 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 common shares of the Partnership.

Fluctuations in Value of Investments

The value of the common shares 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 common shares 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 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 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.

COVID-19

The coronavirus ("COVID-19") began spreading globally in the first quarter of 2020, and was recognized by the World Health Organization as a global pandemic on March 11, 2020. The spread of COVID-19 has had a moderate impact equity markets on the Partnership's investment portfolio valuations as observed up to the end of March 2022. The continued volatility and ultimate impact on markets cannot be predicted. While it is difficult to project the magnitude the COVID-19 impact will have, the Partnership's investments remain largely unchanged, holding its major investments in the medium to long term.

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

Contractual Obligations

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

(Thousands, US dollars)	Payment Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
Preferred shares and borrowings					
Partners Value Split Class AA, Series 8 ¹	\$ 119,911	\$ —	\$ 119,911	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	119,861	—	—	119,861	—
Partners Value Split Class AA, Series 10 ¹	119,925	—	—	—	119,925
Partners Value Split Class AA, Series 11 ¹	119,925	—	—	119,925	—
Partners Value Split Class AA, Series 12 ¹	137,914	—	—	—	137,914
Partners Value Split Class AA, Series 13 ¹	119,925	—	—	—	119,925
Partners Value Investments LP Class A, Series 2	50,797	—	—	50,797	—
Partners Value Investments LP Class A, Series 3	50,797	—	—	—	50,797
Partners Value Investments LP Class A, Series 4	50,812	—	—	—	50,812
PVI SIB LP Class A, Series 1	28,125	—	—	28,125	—
PVI SIB LP Class A, Series 2	28,125	—	—	—	28,125
PVI SIB LP Class A, Series 3	28,125	—	—	—	28,125
Corporate Bonds due Nov 2027	119,925	—	—	—	119,925
Corporate Bonds due Nov 2028	119,925	—	—	—	119,925
	<u>\$ 1,214,092</u>	<u>\$ —</u>	<u>\$ 119,911</u>	<u>\$ 318,708</u>	<u>\$ 775,473</u>
Interest expense					
Partners Value Split Class AA, Series 8 ¹	\$ 15,817	\$ 5,756	\$ 10,061	\$ —	\$ —
Partners Value Split Class AA, Series 9 ¹	24,425	5,873	11,746	6,806	—
Partners Value Split Class AA, Series 10 ¹	29,076	5,636	11,272	11,272	896
Partners Value Split Class AA, Series 11 ¹	21,816	5,696	11,392	4,728	—
Partners Value Split Class AA, Series 12 ¹	37,389	6,068	12,136	12,136	7,049
Partners Value Split Class AA, Series 13 ¹	38,218	4,003	10,674	10,674	12,867
Partners Value Investments LP Class A, Series 2	10,060	2,032	4,064	3,964	—
Partners Value Investments LP Class A, Series 3	20,220	2,032	4,064	4,064	10,060
Partners Value Investments LP Class A, Series 4	30,388	2,032	4,065	4,065	20,226
PVI SIB LP Class A, Series 1	5,570	1,125	2,250	2,195	—
PVI SIB LP Class A, Series 2	11,195	1,125	2,250	2,250	5,570
PVI SIB LP Class A, Series 3	16,823	1,125	2,250	2,250	11,198
Corporate Bonds due Nov 2027	30,806	5,247	10,494	10,494	4,571
Corporate Bonds due Nov 2028	32,974	4,797	9,594	9,594	8,989
	<u>\$ 324,777</u>	<u>\$ 52,547</u>	<u>\$ 106,312</u>	<u>\$ 84,492</u>	<u>\$ 81,426</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, 2028, 2027, 2025, 2028 and 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)	2022	2021					2020		
	Q1	Q4	Q3	Q2	Q1		Q4	Q3	Q2
Net income (loss) ¹	\$ 8,257	(7,293)	\$ 8,025	\$ 26,771	\$ (2,897)		\$ (23,282)	(1,119)	(14,276)
Net income (loss) per share	\$ 0.12	(0.10)	\$ 0.11	\$ 0.37	\$ (0.04)		\$ (0.32)	(0.02)	(0.19)
Diluted net income (loss) per share	0.10	(0.10)	0.09	0.30	(0.04)		(0.32)	(0.02)	(0.19)

¹Net income (loss) attributable to Equity LP unitholders

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) on 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 and recovered costs of less than \$1 million for the three months ended March 31, 2022 (March 31, 2021 – less than \$1 million).

The Company owns 130 million shares of Brookfield which amounted to \$7.4 billion (\$7.9 billion – December 31, 2021), and other Brookfield subsidiaries of \$205.9 million (\$226.0 million – December 31, 2021). The Company recognized dividend income in Brookfield entities \$18.3 million (\$18.0 million – March 31, 2021).

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. In the normal course of operations, the Partnership may execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions and the sale of assets. The nature of substantially all of the indemnification undertakings precludes the possibility of making a reasonable estimate of the maximum potential amount that the Partnership could be required to pay to third parties as the agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, the Partnership has not made any payments under such indemnification agreements and guarantees.

DISCLOSURE CONTROLS AND PROCEDURES

We maintain appropriate information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. The Chief Executive Officer and the Chief Financial Officer of the Partnership evaluated the effectiveness of disclosure controls and procedures (as defined in "National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings") as at March 31, 2022, 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, 2022 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 financial statements and other financial information in this Quarterly Report have been prepared by the Partnership's management who is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, the Partnership maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well-defined areas of responsibility and accountability for performance and the communication of policies and code of conduct throughout the Partnership.

The Partnership's independent auditor has not reviewed these financial statements.

On behalf of the Board of Directors,

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

Brian D. Lawson
Chief Executive Officer
May 20, 2022

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at (Thousands, US dollars)	Note	(Unaudited) March 31, 2022	December 31, 2021
Assets			
Cash and cash equivalents		\$ 262,295	\$ 80,704
Accounts receivable and other assets		34,283	65,418
Investment in Brookfield Asset Management Inc.	3	7,373,102	7,869,681
Other investments carried at fair value	3	343,541	344,983
		<u>\$ 8,013,221</u>	<u>\$ 8,360,786</u>
Liabilities and equity			
Accounts payable and other liabilities		\$ 35,243	\$ 7,693
Corporate borrowings	5	238,925	236,513
Preferred shares	6	958,255	835,019
Deferred taxes		8,756	23,431
		<u>1,241,179</u>	<u>1,102,656</u>
Equity			
Partnership's Equity			
Equity Limited Partners	7	6,618,987	7,105,075
General Partner		1	1
Preferred Limited Partners	7	153,054	153,054
		<u>6,772,042</u>	<u>7,258,130</u>
		<u>\$ 8,013,221</u>	<u>\$ 8,360,786</u>

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

CONSOLIDATED STATEMENTS OF OPERATIONS

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

	2022	2021
Investment income		
Dividends	\$ 19,144	\$ 18,503
Other investment income	896	2,009
	<u>20,040</u>	<u>20,512</u>
Expenses		
Operating expenses	(865)	(705)
Financing costs	(2,467)	(1,284)
Retractable preferred share dividends	(8,413)	(11,540)
	<u>(11,745)</u>	<u>(13,529)</u>
Other items		
Investment valuation gains	16,683	5,284
Amortization of deferred financing costs	(766)	(1,204)
Current tax recovery (expense)	(20,290)	1,980
Deferred tax recovery (expense)	11,544	(2,627)
Foreign currency losses	(5,487)	(11,592)
Net income (loss)	<u>\$ 9,979</u>	<u>\$ (1,176)</u>
Basic Net income (loss) per unit (Note 8)	<u>\$ 0.12</u>	<u>\$ (0.04)</u>
Diluted Net income (loss) per unit (Note 8)	<u>\$ 0.10</u>	<u>\$ (0.04)</u>
Net income (loss) attributable to:		
Equity Limited Partners	\$ 8,257	\$ (2,898)
General Partner	—	—
Preferred Limited Partners	1,722	1,722
	<u>\$ 9,979</u>	<u>\$ (1,176)</u>

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

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

	2022	2021
Net income (loss)	\$ 9,979	\$ (1,176)
Items that may be reclassified to net income (losses)		
Realized & unrealized losses on fair value of securities through other comprehensive income securities	(858)	(122)
Items that may not be reclassified to net income		
Realized & unrealized gains (losses) on fair value of securities through other comprehensive income securities	(495,171)	430,715
Income taxes	3,132	(46,935)
Other comprehensive (loss) income	<u>(492,897)</u>	<u>383,658</u>
Comprehensive (loss) income	<u>\$ (482,918)</u>	<u>\$ 382,482</u>

The accompanying notes are an integral part of the financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

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

	Equity Limited Partners						
<i>(Unaudited)</i> <i>For the three months ended</i> <i>March 31, 2021</i> <i>(Thousands, US dollars)</i>	Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Equity Limited Partners	General Partner	Preferred Limited Partners	Total Equity
Balance, beginning of period	\$ 1,942,956	\$ 191,527	\$ 2,267,848	\$ 4,402,331	\$ 1	\$ 153,054	\$ 4,555,386
Net income (loss)	—	(2,898)	—	(2,898)	—	1,722	(1,176)
Other comprehensive income	—	—	383,658	383,658	—	—	383,658
Comprehensive income (loss)	—	(2,898)	383,658	380,760	—	1,722	382,482
Distribution	—	—	—	—	—	(1,722)	(1,722)
NCIB	(1,654)	—	—	(1,654)	—	—	(1,654)
Balance, end of period	<u>\$ 1,941,302</u>	<u>\$ 188,629</u>	<u>\$ 2,651,506</u>	<u>\$ 4,781,437</u>	<u>\$ 1</u>	<u>\$ 153,054</u>	<u>\$ 4,934,492</u>

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

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

	2022	2021
Cash flow from operating activities		
Net income (loss)	\$ 9,979	\$ (1,176)
Add (deduct) non-cash items:		
Investment valuation (gains) losses	11,145	(5,284)
Unrealized foreign exchange losses	5,487	11,592
Amortization of deferred financing costs	766	1,204
Current and Deferred taxes	8,746	2,627
	<u>36,123</u>	<u>8,963</u>
Changes in working capital and foreign currency	<u>28,256</u>	<u>(10,251)</u>
	<u>64,379</u>	<u>(1,288)</u>
Cash flow from investing activities		
Purchase of securities	(58,253)	(64,861)
Sale of securities	60,559	143,785
	<u>2,306</u>	<u>78,924</u>
Cash flow used in and from financing activities		
Common shares redeemed	—	(1,654)
Preferred shares issued	116,618	—
Preferred shares redeemed	—	(161,201)
Distribution to preferred units	(1,722)	(1,722)
	<u>114,896</u>	<u>(164,577)</u>
Cash and cash equivalents		
Change in cash	181,581	(86,941)
Effect of exchange rate fluctuations on cash and cash equivalents held in foreign currencies	10	—
Balance, beginning of period	80,704	316,718
Balance, end of period	<u>\$ 262,295</u>	<u>\$ 229,777</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BUSINESS OPERATIONS

Partners Value Investments L.P. (the “Partnership”) is a limited partnership under the laws of the province of Ontario. Its principal investment is an ownership interest in 130 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”) and Partners Value Split Corp. (“Partners Value Split” or “PVS”). The Partnership was formed and commenced operations on April 8, 2016 to hold a 100% interest in PVII following the completion of a capital reorganization that was carried out by way of a statutory plan of arrangement pursuant to section 182 of the *Business Corporations Act* (Ontario) (the “Reorganization”). On November 30, 2020, PVI LP exchanged its old common shares with 100% voting interest of PVII for 1,000 Special Voting Preferred Shares, unlimited number of Non-Voting Preferred Shares and unlimited number of new common shares. On April 15, 2021, the Partnership exchanged its New Common Shares for an unlimited number of retractable common shares.

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

The registered office of the Partnership is Brookfield Place, 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements are prepared on a going concern basis. These financial statements were authorized for issuance by the Board of Directors of the Partnership on May 19, 2022.

The coronavirus (“COVID-19”) began spreading globally in the first quarter of 2020, and was recognized by the World Health Organization as a global pandemic on March 11, 2020. The spread of COVID-19 has impacted equity markets moderately on the Partnership’s investment portfolio valuations as observed up to the end of March 2022. The continued volatility and ultimate impact on markets cannot be predicted. While it is difficult to project the magnitude the COVID-19 impact will have, the Partnership’s investments remain largely unchanged, holding its major investments in the medium to long term.

3. INVESTMENT PORTFOLIO

The Partnership’s investment portfolio consists of the following:

As at (Thousands, US dollars)	Classification ¹	Number of Shares		Fair Value	
		March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Brookfield Asset Management Inc.	FVTOCI				
Partners Value Investments Inc.		10,724	10,724	\$ 606,682	\$ 647,542
Partners Value Split Corp		119,612	119,612	6,766,420	7,222,139
		<u>130,336</u>	<u>130,336</u>	<u>\$ 7,373,102</u>	<u>\$ 7,869,681</u>
Investments classified as FVTOCI					
Brookfield Business Partners ²	FVTOCI	2,243	2,243	70,324	68,866
				<u>\$ 70,324</u>	<u>\$ 68,866</u>
Other securities portfolio	FVTOCI	Various	Various	36,576	42,352
Other securities portfolio	FVTPL	Various	Various	236,641	233,765
				<u>\$ 273,217</u>	<u>\$ 276,117</u>
				<u>\$ 343,541</u>	<u>\$ 344,983</u>

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

² Adjusted to reflect the BBUC stock split in Q1 2022.

The Partnership's investment in Class A Limited Voting Shares of Brookfield at March 31, 2022 represents a 8% (December 31, 2021 – 8%) equity interest.

Other securities portfolio is focused on capital preservation, invested primarily in liquid investments. The increase in the portfolio is the result of increase in fair value of assets during the year.

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, 2022			December 31, 2021		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Asset Management Inc.	\$ 7,373,102	\$ —	\$ —	\$ 7,869,691	\$ —	\$ —
Investments classified as FVTOCI	106,900	—	—	111,218	—	—
Investments classified as FVTPL	78,709	2,130	155,802	78,513	1,811	153,441
Derivative assets ¹	—	4,905	—	—	33,124	—
	<u>\$ 7,558,711</u>	<u>\$ 7,035</u>	<u>\$ 155,802</u>	<u>\$ 8,059,412</u>	<u>\$ 34,935</u>	<u>\$ 153,441</u>

¹ Presented within accounts receivable and other assets on the Statement of Financial Position.

The fair value of preferred shares and corporate borrowings treated as a financial liability is \$1.2 billion as at March 31, 2022 (December 2021 - \$1.1 billion).

As at March 31, 2022, a cumulative pre-tax gain of \$6.8 billion (December 31, 2021 – \$6.8 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 three months ended March 31, 2022, there were no transfers between Level 1, 2 or 3.

5. CORPORATE BORROWINGS

The corporate borrowings issued by the Partnership and its subsidiaries are comprised of the following:

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Partners Value Split Class AA				
4.375% Corporate Bond – November 15, 2027	N/A	N/A	119,925	118,695
4.00% Corporate Bond – November 15, 2028	N/A	N/A	119,925	118,695
Partners Value Split Debentures				
4.90% Series 6 – September 30, 2024	—	700	—	14
5.00% Series 7 – February 28, 2026	—	3,200	—	63
			239,850	237,467
Deferred financing costs			(925)	(954)
			\$ 238,925	\$ 236,513

During the quarter, a subsidiary of the Partnership redeemed 700 Series 6 debentures, and 3,200 Series 7 debentures. There are no debentures outstanding as of March 31, 2022 (December 31, 2021 - \$77 thousand).

6. PREFERRED SHARES

On March 25, 2022, Partners Value Split issued 6,000,000 Class AA Preferred shares, Series 13 “the series 13 Preferred Shares” at a price of CAD\$25.00 per share, for a gross issuance of CAD\$150 million.

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

As at (Thousands)	Shares Outstanding		Book Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Partners Value Split Class AA				
4.80% Series 8 – September 30, 2024	5,999	5,999	119,911	118,681
4.90% Series 9 – February 28, 2026	5,997	5,997	119,861	118,632
4.70% Series 10 – February 28, 2027	6,000	6,000	119,925	118,695
4.75% Series 11 – October 31, 2025	6,000	6,000	119,925	118,695
4.40% Series 12 – February 29, 2028	6,900	6,900	137,914	136,499
4.45% Series 13 – May 31, 2029	6,000	—	119,925	—
Partners Value Investments LP Class A				
4.00% Series 2 – December 14, 2026	2,032	2,032	50,797	50,797
4.00% Series 3 – December 14, 2031	2,032	2,032	50,797	50,797
4.00% Series 4 – December 14, 2036	2,032	2,032	50,812	50,812
PVI SIB LP Class A				
4.00% Series 1 – December 14, 2026	1,125	1,125	28,125	28,125
4.00% Series 2 – December 14, 2031	1,125	1,125	28,125	28,125
4.00% Series 3 – December 14, 2036	1,125	1,125	28,125	28,125
			974,242	847,983
Deferred financing costs ¹			(15,986)	(12,964)
			\$ 958,256	\$ 835,019

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 Partnership'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 \$25.00.
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Debentures

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

PVS Series 8	The Series 6 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on October 31, 2022. Holders of the Series 6 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.90% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 6 debentures can be redeemed by the Partnership at any time. The Series 6 debentures may not be retracted.
PVS Series 9	The Series 7 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 28, 2026. Holders of the Series 7 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.00% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 7 debentures can be redeemed by the Partnership at any time. The Series 7 debentures may not be retracted.
PVS Series 10	The Series 8 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 28, 2027. Holders of the Series 8 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.80% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 8 debentures can be redeemed by the Partnership at any time. The Series 8 debentures may not be retracted.
PVS Series 11	The Series 9 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on October 31, 2025. Holders of the Series 9 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.85% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 9 debentures can be redeemed by the Partnership at any time. The Series 9 debentures may not be retracted.
PVS Series 12	The Series 10 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on February 29, 2028. Holders of the Series 10 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 10 debentures can be redeemed by the Partnership at any time. The Series 10 debentures may not be retracted.
PVS Series 13	The Series 11 debenture will have a principal amount of CAD \$25.00 per debenture and will mature on May 31, 2029. Holders of the Series 11 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.55% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 11 debentures can be redeemed by the Partnership at any time. The Series 11 debentures may not be retracted.

Redemption

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

PVS Series 8	May be redeemed by the Company at any time on or after September 30, 2022, and prior to September 30, 2024, (the "Series 8 Redemption Date") at a price which until September 30, 2023, will equal CAD\$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.25 on September 30, 2023. All Class AA Series 8 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD\$25.00 plus any accrued and unpaid dividends, and the net assets per unit.
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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, 2026, and prior to February 28, 2028, (the "Series 9 Redemption Date") at a price which until February 28, 2025, will equal CAD\$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.25 on February 28, 2025. All Class AA Series 9 senior preferred shares outstanding on the Series 8 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD\$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 9 senior preferred shares prior to February 28, 2026 for CAD\$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 9 senior preferred shares prior to the Series 9 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

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

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

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

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

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

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

PVS
Series 13 May be redeemed by the Company at any time on or after May 31, 2027, and prior to May 31, 2029, (the "Series 13 Redemption Date") at a price which until May 31, 2028, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on May 31, 2028. All Class AA Series 13 senior

preferred shares outstanding on the Series 13 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

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

Partners Value Investments LP and PVI SIB LP

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

Redemption

PVI LP Series 2	The Partnership must redeem the Series 2 Preferred Limited Partnership Units on the fifth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 2 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 2 Preferred Limited Partnership Unit together with all accrued and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI LP Series 3	The Partnership must redeem the Series 3 Preferred Limited Partnership Units on the tenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 3 Preferred Limited Partnership Unit together with all accrued and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI LP Series 4	The Partnership must redeem the Series 4 Preferred Limited Partnership Units on the fifteenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 4 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 4 Preferred Limited Partnership Unit together with all accrued and unpaid Series 4 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI SIB LP Series 1	The Partnership must redeem the Series 1 Preferred Limited Partnership Units on the fifth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 1 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 1 Preferred Limited Partnership Unit together with all accrued and unpaid Series 1 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI SIB LP Series 2	The Partnership must redeem the Series 2 Preferred Limited Partnership Units on the tenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 2 Preferred Limited Partnership Unit together with all accrued and unpaid Series 2 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").
PVI SIB LP Series 3	The Partnership must redeem the Series 3 Preferred Limited Partnership Units on the fifteenth anniversary of the Issue Date ("Redemption Date"), by the payment of an amount in cash for each Series 3 Preferred Limited Partnership Unit so redeemed equal to US\$25.00 per Series 3 Preferred Limited Partnership Unit together with all accrued and unpaid Series 3 Distributions up to but excluding the date of payment or distribution (less any tax required to be deducted and withheld by the Partnership) (the "Redemption Price").

7. SHAREHOLDERS' 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.

As at (Thousands, US dollars)	Shares Outstanding		Book Value	
	March 31, 2022	Dec. 31, 2021	March 31, 2022	Dec. 31, 2021
Partnership equity				
Equity Limited Partners	66,189	66,212	\$ 6,618,987	\$ 7,105,075
General Partner ¹	—	—	1	1
Preferred Limited Partners	16,038	16,038	153,054	153,054
			<u>\$ 6,772,042</u>	<u>\$ 7,258,130</u>

1 As at March 31, 2022, there is 1 General Partner share outstanding (December 31, 2021:- 1).

8. NET INCOME (LOSS) PER UNIT

Net income (loss) per unit is calculated based on the basic and diluted weighted average number of outstanding units during the period and net income (loss) attributable to Equity Limited Partners. For the three months ended March 31, 2022, the weighted average number of basic outstanding units were 66,198,629 (December 31, 2021 – 72,953,504) and 80,906,274 on a fully diluted basis (December 31, 2021 – 87,662,153); this includes the 14,707,645 Equity LP units that can be issued through the future exercise of all outstanding warrants of a subsidiary of the Partnership.

9. RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Partnership for which the Partnership paid less than \$1 million for the year ended March 31, 2022 (March 31, 2021 – less than \$1 million).

The Company owns 130 million shares of Brookfield which amounted to \$7.4 billion (\$7.9 billion - December 31, 2021), and other Brookfield subsidiaries of \$205.9 million (\$226.0 million – December 31, 2021). The Company recognized dividend income in Brookfield entities \$18.3 million (\$18.0 million – March 31, 2021).

10. SUBSEQUENT EVENTS

On April 1, 2022, PVII amended its share capital to create a new class of retractable common shares. The Partnership then exchanged 2.7 million of previously issued retractable common shares of PVII for 2.7 million newly issued retractable shares of PVII with an estimated fair value of \$200 million. The newly issued retractable shares of PVII are held by a new non-wholly owned subsidiary of the Partnership.

On April 4, 2022, the new non-wholly owned subsidiary established by the Partnership issued \$10 million in non-voting common shares to new shareholders.

CORPORATE INFORMATION

DIRECTORS

Brian D. Lawson
Vice Chair
Brookfield Asset Management Inc.

Danesh Varma^{1,2}
Corporate Director

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

Ralph Zarboni^{1,2}
Corporate Director

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

OFFICERS

Brian D. Lawson
Chairman and Chief Executive Officer

Bahir Manios
President

Rachel Powell
Chief Financial Officer

Kathy Sarpash
Senior Vice President and General Counsel

Loretta M. Corso
Corporate Secretary

Bryan Sinclair
Senior Associate

Leslie Yuen
Director, Finance

CORPORATE OFFICE

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REGISTRAR AND TRANSFER AGENT

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H3B 3K3
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toll free within North America
(800) 387-0825
Fax: (888) 249-6189
Website: <https://www.tsxtrust.com/>
E-mail: inquires@tmx.com

EXCHANGE LISTING

TSX Venture Exchange Stock Symbol:

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



