

To the Shareholders:

Partners Value Investments Inc. (the “Company”), formerly Partners Value Fund Inc., recorded an increase in net book value during the first quarter of \$512 million, or \$6.97 per share, to \$44.48 per share at March 31, 2015, primarily due to an increase in the market value of the Company’s long term investment portfolio. The increase in book value is comprised of net income of \$12 million (\$0.17 per share) and other comprehensive income of \$500 million (\$6.80 per share).

Outlook and Net Asset Value

The Company’s principal investment is its 56 million Class A Shares of Brookfield Asset Management which, at March 31, 2015, had a market value of \$3,809 million based on quoted market values. The Company’s capitalization consists primarily of \$608 million of retractable preferred shares and common equity with a book value of \$3,271 million as at March 31, 2015.

Subsequent to the end of the quarter, the Company participated in a private offering of Brookfield shares, concurrent with Brookfield’s equity offering, and acquired an additional 1 million shares. In addition, Brookfield also completed a three for two stock split. As a result of these two transactions, the number of Brookfield shares owned by the Company increased to 86 million shares.

The Company’s objective is to provide its common shareholders with capital appreciation as opposed to income returns. Operating cash flows are principally dedicated to paying dividends on its preferred share financing obligations. The Company holds 7.6 Brookfield Class A Shares for every 10 of its common shares as at March 31, 2015.

On behalf of the Board,



George E. Myhal
President and Chief Executive Officer

May 26, 2015

Statement of Financial Position

The information in the following table has been extracted from the consolidated financial statements of the Company:

As at (Thousands, except per share amounts)	March 31, 2015	December 31, 2014
Assets		
Cash and cash equivalents	\$ 31,542	\$ 19,350
Investments		
Brookfield Asset Management Inc. ¹	3,808,765	3,273,491
Other securities	496,566	438,524
Accounts receivable and other	26,594	39,183
	\$ 4,363,467	\$ 3,770,548
Liabilities and Shareholders' Equity		
Accounts payable and other	\$ 30,000	\$ 24,845
Retractable preferred shares ²	608,229	607,777
Deferred taxes ³	453,776	378,859
	1,092,005	1,011,481
Shareholders' Equity		
Common equity	3,271,462	2,759,067
	\$ 4,363,467	\$ 3,770,548
Net Book Value Per Common Share^{4,5}	\$ 44.48	\$ 37.51

¹ The investment in Brookfield Asset Management Inc. consists of 56 million Class A Shares with a quoted market value of \$67.74 per share as at March 31, 2015 (December 31, 2014 – \$58.22).

² Represents \$617 million of retractable preferred shares less \$9 million of unamortized issue costs (December 31, 2014 – \$617 million less \$9 million).

³ The deferred tax liability represents the potential future income tax liability of the Company recorded for accounting purposes based on the difference between the carrying values of the Company'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, 2015 there were 73,546,899 (December 31, 2014 – 73,546,899) voting and non-voting common shares of the Company issued and outstanding on a fully diluted basis.

⁵ Net book value per common share is a non-IFRS measure.

Change in Net Book Value

For the three months ended March 31 (Thousands, except per share amounts)	2015		2014	
	Total	Per Share	Total	Per Share
Net book value, beginning of year ¹	\$ 2,759,067	\$ 37.51	\$ 1,881,555	\$ 25.36
Net income ²	12,145	0.17	14,711	0.20
Other comprehensive income ²	500,250	6.80	188,213	2.53
Net book value, end of year ^{1,3}	\$ 3,271,462	\$ 44.48	\$ 2,084,479	\$ 28.09

¹ Net book value per common share is non-IFRS measure.

² The weighted average number of common shares outstanding during the period ended March 31, 2015 was 73,546,899 (2014 – 74,206,510).

³ As at March 31, 2015, there were 73,546,899 (December 31, 2014 – 73,546,899) voting and non-voting common shares of the Company issued and outstanding on a fully diluted basis.

Management's Discussion and Analysis

OVERVIEW

Partners Value Investments Inc. (the "Company"), formerly Partners Value Fund Inc., is a leveraged investment company whose principal investment is an ownership interest in 56 million Class A Limited Voting Shares ("Class A Shares") of Brookfield Asset Management Inc. ("Brookfield").

The Company's objective is to provide its common shareholders with capital appreciation as opposed to income returns. Investment income, which includes dividends from its investment in Brookfield Class A Shares as well as its other securities portfolio, is dedicated to paying dividends on its financing obligations.

The Company's investment in Brookfield is owned directly and indirectly through Partners Value Split Corp. ("Partners Value Split"), a public subsidiary in which the Company owns 100% of the common equity. Partners Value Split has publicly listed retractable preferred shares of which \$567 million were outstanding at March 31, 2015.

The Company also holds a portfolio of other securities including: a 90% interest in the Brookfield New Horizons Income Fund ("New Horizons"), a publicly listed fund which invests in high-yield securities; a 100% interest in Global Champions Split Corp. ("Global Champions"), which owns a diversified investment portfolio of large capitalization companies; and investments in limited partnership units of Brookfield Infrastructure Partners and Brookfield Property Partners. Global Champions has publicly listed retractable preferred shares of which \$50 million were outstanding at March 31, 2015.

Additional information on the Company, Partners Value Split, New Horizons and Global Champions, including the Company's Annual Information Form, is available on SEDAR's web site at www.sedar.com.

RESULTS OF OPERATIONS

Overview

The Company recorded net income of \$12 million (\$0.17 per common share) for the three months ended March 31, 2015 compared to \$15 million (\$0.20 per common share) in the prior year period. The decrease in net income was primarily due to a reduction in investment income from our New Horizons portfolio which was previously equity accounted in the prior year.

During the first quarter, the Company's net book value increased by \$6.97 per share to \$44.48 per share due to increases in the overall market value of the Company's long-term investment portfolio.

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

*For the period ended March 31
(Thousands)*

	2015	2014	Change
Investment Income:			
Dividends	\$ 15,393	\$ 15,370	\$ 23
Other investment income	6,079	536	5,543
	21,472	15,906	5,566
Less:			
Operating expenses	886	491	395
Retractable preferred share dividends	6,977	6,989	(12)
	13,609	8,426	5,183
Other items:			
Equity accounted income	—	8,013	(8,013)
Amortization of deferred financing costs	(456)	(447)	(9)
Change in value of fund unit liability	(331)	—	(331)
Income tax expense	(677)	(1,281)	604
Net income	\$ 12,145	\$ 14,711	\$ (2,566)

Investment Income

Investment income for the three months ended March 31, consists of the following:

<i>(Thousands)</i>	2015	2014	Change
Dividends:			
Brookfield Asset Management Inc.	\$ 11,956	\$ 12,455	\$ (499)
Other securities	3,437	2,915	522
Other investment income	6,079	536	5,543
	\$ 21,472	\$ 15,906	\$ 5,566

The Company received dividend income of \$12 million (2014 – \$12 million) from its investment in Brookfield and \$3.4 million (2014 – \$2.9 million) from its other securities investments. Brookfield paid a USD \$0.17 per share (2014 – USD \$0.20 per share) dividend during the quarter. Brookfield modified its dividend payment schedule in order to begin paying dividends on the last day of each quarter in the prior year, which resulted in one-time enhanced payment in the first quarter of prior year.

Other investment income includes valuation gains and losses and realized and unrealized foreign exchange gains and losses incurred in the period, which increased over the prior year period due to higher valuation gains on the Global Champions portfolio.

Retractable Preferred Share Dividends

The Company paid \$7 million (2014 – \$7 million) of dividends on the retractable preferred shares during the three months ended March 31, 2015.

Equity Accounted Investments

The Company recorded \$8 million of equity accounted gain during the prior year period. This consisted of \$1 million of distributions received and \$7 million in unrealized gain on the mark-to-market of the fund's investment portfolio. The Company consolidates New Horizons in the current year period as a result of the acquisition of control.

Amortization of Deferred Financing Costs

The amortization of deferred financing costs associated with preferred shares issued by Partners Value Split and Global Champions resulted in a charge against income of \$0.4 million (2014 – \$0.4 million) during the three months ended March 31, 2015.

Income Taxes

The Company recorded an income tax expense of \$0.7 million (2014 – \$1.3 million expense) during the three months ended March 31, 2015. The expense in the current period is a product of higher current taxes resulting from higher taxable investment income partially offset by deferred tax recoveries.

FINANCIAL POSITION

The Company's total assets were \$4,363 million at March 31, 2015 (December 31, 2014 - \$3,771 million) and consist primarily of its \$3,809 investment in 56 million Brookfield Class A shares (December 31, 2014 - \$3,273 million). The market price of a Brookfield Class A share increased from \$58.22 per share at December 31, 2014 to \$67.74 at March 31, 2015.

Investment Portfolio

<i>(Thousands)</i>	Number of Shares		Fair Value	
	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014
Brookfield Asset Management Inc.	56,226	56,226	\$ 3,808,765	\$ 3,273,491
Other securities:				
Brookfield Infrastructure Partners L.P.	2,219	2,219	127,949	107,937
Brookfield Property Partners L.P.	3,613	3,613	111,511	95,576
Brookfield New Horizons Income Fund portfolio	various	various	126,592	115,031
Global Champions portfolio	various	various	130,514	119,980
			\$ 496,566	\$ 438,524

Brookfield Asset Management Inc.

Brookfield is a global alternative asset manager focused on real estate, infrastructure, power and private equity with over \$200 billion of assets under management and is inter-listed on the New York, Toronto and NYSE Euronext stock exchanges. Further information on Brookfield can be found on Brookfield's web site at www.brookfield.com.

The Company has classified the Brookfield Class A Shares as available-for-sale financial instruments and, accordingly, changes in their fair value are recorded in other comprehensive income.

Other Securities

The Company holds an investment in Brookfield Infrastructure Partners consisting of 2.2 million (December 31, 2014 – 2.2 million) limited partnership units with a fair value of \$128 million at March 31, 2015 (December 31, 2014 – \$108 million). Brookfield Infrastructure Partners owns and operates utility, transport and energy businesses in North and South America, Australasia, and Europe and is inter-listed on the New York and Toronto stock exchanges. Further information on Brookfield Infrastructure Partners can be found on their web site at www.brookfieldinfrastructure.com.

The Company holds an investment in Brookfield Property Partners consisting of 3.6 million (December 31, 2014 – 3.6 million) limited partnership units with a fair value of \$112 million at March 31, 2015 (December 31, 2014 – \$96 million). Brookfield Property Partners is a global commercial property company that owns, operates and invests in best-in-class office, retail, multifamily and industrial assets and is inter-listed on the New York and Toronto stock exchanges. Further information on Brookfield Property Partners can be found on their web site at www.brookfieldpropertypartners.com.

Both of the above investments are classified as available for sale financial instruments and, accordingly, changes in their fair value are recorded in other comprehensive income.

New Horizons, a public subsidiary which invests in high yield securities and in which the Company owns 90% of the common equity, has a portfolio of securities with a fair value of \$127 million at March 31, 2015 (December 31, 2014 - \$115 million).

Global Champions, a public subsidiary which invests in a diversified portfolio of large capitalization companies and in which the Company owns 100% of the common equity, has a portfolio of securities with a fair value of \$131 million as at March 31, 2015 (December 31, 2014 - \$120 million).

Both of the above portfolios are classified as fair value through profit and loss and, accordingly, changes in their fair value are recorded in consolidated statements of operations.

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. The potential tax liability increased during the period principally due to the increase in the market value of the Brookfield Class A Shares.

LIQUIDITY AND CAPITAL RESOURCES

The Company holds cash and cash equivalents totalling \$32 million and investments of \$4,305 million as at March 31, 2015 (December 31, 2014 – \$19 million and \$3,712 million). The company has operating cash requirements of \$28 million in scheduled dividend payments on its \$608 million preferred shares issued by Partners Value Split and Global Champions which are less than the expected regular distributions expected to be received on the Brookfield and other securities held by the Company. The Company believes it has sufficient liquid assets, operating cash flow and financing alternatives to meet its obligations.

Retractable Preferred Shares

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

(Thousands)		Latest Redemption Date	Mar. 31, 2015	Dec. 31, 2014
Partners Value Split				
2,055,420	4.95% Class AA, Series I	March 25, 2016	\$ 51,386	\$ 51,386
7,631,000	4.35% Class AA, Series III	January 10, 2019	190,777	190,777
4,999,000	4.85% Class AA, Series V	December 10, 2017	124,975	124,975
8,000,000	4.50% Class AA, Series VI	October 8, 2021	200,000	200,000
Global Champions				
2,000,000	4.00% Class A, Series I	July 31, 2019	50,000	50,000
			617,138	617,138
Deferred financing costs ¹			(8,909)	(9,361)
			\$ 608,229	\$ 607,777

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

Shareholders' Equity

As at March 31, 2015 shareholders' equity consisted of 73,546,899 (December 31, 2014 – 73,546,899) voting and non-voting common shares and had a book value of \$3,271 million compared to \$2,759 million at December 31, 2014. The increase is primarily the result of a higher market value of the Class A Shares of Brookfield, whose share price increased from \$58.22 at December 31, 2014 to \$67.74 at March 31, 2015.

BUSINESS ENVIRONMENT AND RISKS

The Company'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 Company.

Fluctuations in Value of Investments

The value of common shares may vary according to the value of the Class A Shares and other securities owned by the Company. The value of these investments may be influenced by factors not within the control of the Company, 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 Company may vary from time to time.

The future value of the common shares will be largely dependent on the value of the Class A Shares. A material adverse change in the business, financial conditions or results of operations of Brookfield and other investees of the Company will have a material adverse effect on the common shares of the Company. In addition, the Company 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 Company and the dependency of the future value of the common shares on the value of the Class A Shares.

Foreign Currency Exposure

The Company's investment in Brookfield and certain of its other investments are functionally United States dollar investments. Accordingly, the value of these assets may vary from time to time with fluctuations in the exchange rate between Canadian and United States dollars. In addition, these investments pay distributions and interest in United States dollars. Strengthening of the Canadian dollar relative to the United States dollar could decrease the amount of cash available to the Company.

Leverage

The Company's assets are financed in part with the retractable preferred shares issued by Partners Value Split and Global Champions. 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 Company. A decrease in the value of the Company's investments may have a material adverse effect on the Company's business and financial conditions.

Liquidity

The Company's liquidity requirements are typically limited to funding interest and dividend obligations on outstanding financial obligations.

Holders of the Company's retractable preferred shares issued by either Partners Value Split or Global Champions have the ability to retract their shares. The Class AA, Series I Preferred shares are retractable for cash, whereas the Company has the right to issue debentures, as opposed to cash, to settle retractions of the Class AA, Series III; Class AA, Series V; and Class AA, Series VI; preferred shares, respectively.

The Company maintains financial assets and credit facilities to fund liquidity requirements in the normal course, in addition to its investment in Brookfield. The Company's policy is to hold the Class A 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 Company's ability to sell a substantial portion of the Class A Shares may be limited by resale restrictions under applicable securities laws that will affect when or to whom the Class A Shares may be sold. Accordingly, if and when the Company is required to sell Class A Shares, the liquidity of such shares may be limited. This could affect the time it takes to sell the Class A Shares and the price obtained by the Company for the Class A Shares sold.

No Ownership Interest

A direct investment in common shares does not constitute a direct investment in the Class A Shares of Brookfield or other securities held by the Company. Holders of common shares do not own the Class A Shares or other securities held by the Company or have any voting rights in respect of such securities.

Contractual Obligations

The Company's contractual obligations as of March 31, 2015 are as follows:

(Thousands)	Total	Payment Due By Period			
		Less than 1 year	2-3 years	4-5 years	After 5 years
Retractable preferred shares					
Partners Value Split:					
Class AA, Series I ¹	\$ 51,386	\$ —	\$ 51,386	\$ —	\$ —
Class AA, Series III ²	190,777	—	—	190,777	—
Class AA, Series V ³	124,975	—	124,975	—	—
Class AA, Series VI ⁴	200,000	—	—	—	200,000
Global Champions:					
Class A, Series I ⁵	50,000	—	—	50,000	—
Interest expense related to:					
Retractable preferred shares					
Partners Value Split:					
Class AA, Series I	\$ 2,724	\$ 2,543	\$ 181	\$ —	\$ —
Class AA, Series III	32,053	8,299	16,598	7,156	—
Class AA, Series V	16,834	6,061	10,773	—	—
Class AA, Series VI	59,437	9,000	18,000	18,000	14,437
Global Champions:					
Class A, Series I	8,670	2,000	4,000	2,670	—

1 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in cash.

2 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures of the Company due 2019.

3 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures of the Company due 2017.

4 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures of the Company due 2019.

5 Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures of the Company due 2021.

SUMMARY OF FINANCIAL INFORMATION

The following table summarizes selected consolidated financial information of the Company for the three months ended March 31, 2015 and 2014 and for the years ended December 31, 2014, 2013, 2012:

	Three months ended		Years Ended		
	March 31		December 31		
<i>(Thousands, except per share amounts)</i>	2015	2014	2014	2013	2012
Net income	\$ 12,145	\$ 14,711	\$ 26,598	\$ 32,554	\$ 19,120
Net income per common share	0.17	0.20	0.36	0.44	0.26
Total assets	4,363,467	2,905,246	3,770,548	2,672,262	2,220,560
Total long-term liabilities	1,077,052	815,549	1,001,604	785,511	685,537

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

	2015		2014			2013		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<i>(Thousands, except per share amounts)</i>								
Net income (loss)	\$ 12,145	\$ (7,554)	\$ 1,222	\$ 18,219	\$ 14,711	\$ 15,480	3,151	5,156
Net income (loss) per common share	0.17	(0.10)	0.10	0.25	0.20	0.21	0.04	0.07

Net income includes dividends and interest on the Company's investment portfolio, in addition to valuation gains and losses relating to the Global Champions and the New Horizons portfolio, and fluctuates accordingly with changes in the U.S. dollar relative to the Canadian dollar on dividends earned on U.S. dollar and other foreign currencies investments in addition to changes in 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 on certain of the Company's investments and increases in the dividend income earned from its investments.

RELATED-PARTY TRANSACTIONS

Brookfield provided management and financial services to the Company during 2015 and 2014 and recovered costs of \$3,750 for the period ended March 31, 2015 (2014 – \$10,000) plus applicable sales tax in respect of those services.

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 Company 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 Company 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 Company 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 Company evaluated the effectiveness of the Company'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, 2015, 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, 2015 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 Company have been prepared by and are the responsibility of the Company’s management. The Company’s independent auditor has not reviewed these financial statements.

RE-BRANDING

Subsequent to the quarter end, the Company changed its name from Partners Value Fund Inc. to Partners Value Investments Inc. in order to reflect a broader investment mandate. The change was recommended by the Board of Directors and was approved by the shareholders of the Company at the annual general meeting held on May 21, 2015. The change became effective following the successful vote at the annual general meeting.



George E. Myhal
President and Chief Executive Officer

May 26, 2015

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 Company 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 Company 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 exchange 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 Company 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 Use of Non-IFRS Accounting Measures

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

Consolidated Balance Sheets

<i>As at</i> <i>(Thousands)</i>	Note	<i>(unaudited)</i> March 31, 2015	December 31, 2014
Assets			
Cash and cash equivalents		\$ 31,542	\$ 19,350
Accounts receivable and other		26,594	39,183
Brookfield Asset Management Inc.	3	3,808,765	3,273,491
Other securities	3	496,566	438,524
		\$ 4,363,467	\$ 3,770,548
Liabilities			
Accounts payable and other		\$ 30,000	\$ 24,845
Retractable preferred shares	5	608,229	607,777
Deferred taxes		453,776	378,859
		1,092,005	1,011,481
Shareholders' Equity			
Common equity	6	3,271,462	2,759,067
		\$ 4,363,467	\$ 3,770,548

Consolidated Statements of Operations

(unaudited)

For the three months ended March 31

(Thousands, except per share amounts)

	Note	2015	2014
Investment Income			
Dividends, interest and other		\$ 21,472	\$ 15,906
		21,472	15,906
Expenses			
Operating		886	491
Retractable preferred share dividends		6,977	6,989
		7,863	7,480
		13,609	8,426
Equity accounted income		—	8,013
Amortization of deferred financing costs		(456)	(447)
Change in value of fund unit liability		(331)	—
Current tax (expense) recovery		(2,165)	113
Deferred tax recovery (expense)		1,488	(1,394)
Net income		\$ 12,145	\$ 14,711
Net income per common share	7	\$ 0.17	\$ 0.20

Consolidated Statements of Comprehensive Income

(unaudited)

For the three months ended March 31

(Thousands, except per share amounts)

	2015	2014
Net income	\$ 12,145	\$ 14,711
Items that may be reclassified to net income:		
Unrealized gain on available-for-sale securities	571,221	214,342
Foreign exchange translation gain	5,434	2,271
Deferred income taxes	(76,405)	(28,400)
Other comprehensive income	\$ 500,250	\$ 188,213
Comprehensive income	\$ 512,395	\$ 202,924
Comprehensive income per common share	\$ 6.97	\$ 2.73

Consolidated Statements of Changes in Equity

<i>(unaudited)</i> For the three months ended March 31, 2015 <i>(Thousands)</i>	Note	Common Shares	Accumulated Other Comprehensive Income	Retained Earnings	Common Equity
Balance, beginning of period		\$ 78,744	\$ 2,618,813	\$ 61,510	\$ 2,759,067
Net income		—	—	12,145	12,145
Other comprehensive income		—	500,250	—	500,250
Balance, end of period	6	\$ 78,744	\$ 3,119,063	\$ 73,655	\$ 3,271,462

<i>(unaudited)</i> For the three months ended March 31, 2014 <i>(Thousands)</i>	Note	Common Shares	Accumulated Other Comprehensive Income	Retained Earnings	Common Equity
Balance, beginning of period		\$ 79,450	\$ 1,748,110	\$ 53,995	\$ 1,881,555
Net income		—	—	14,711	14,711
Other comprehensive income		—	188,213	—	188,213
Balance, end of period	6	\$ 79,450	\$ 1,936,323	\$ 68,706	\$ 2,084,479

Consolidated Statements of Cash Flows

For the three months ended March 31
(unaudited)
(Thousands)

	2015	2014
Cash flow from operating activities		
Net income	\$ 12,145	\$ 14,711
Add (deduct) non-cash items:		
Non-cash portion of equity accounted income	—	(6,793)
Net realized and unrealized (gain) loss on investments	(4,842)	276
Net unrealized foreign exchange loss (gain)	2,867	(2,330)
Amortization of deferred financing costs	456	447
Change in the value of fund unit liability	331	—
Deferred tax (recovery) expense	(1,488)	1,394
	9,469	7,705
Changes in working capital and foreign exchange	174	(1,091)
	9,643	6,614
 Cash flow used in investing activities		
Purchase of other securities	—	(4,593)
Sale of other securities	2,800	5,779
	2,800	1,186
 Cash flow used in financing activities		
Distribution to fund unit liability	(253)	—
	(253)	—
 Cash and cash equivalents		
Increase (decrease) during the period	12,190	7,800
Balance, beginning of period	19,350	5,102
Balance, end of period	\$ 31,540	\$ 12,902

Supplemental Cash Flow Information

For the three months ended March 31
(Thousands)

	2015	2014
Cash interest and dividends received	\$ 17,514	\$ 15,416
Retractable preferred share dividends paid	(6,977)	(6,989)
Income taxes paid	(2,157)	(1,232)

Notes To The Consolidated Financial Statements

1. BUSINESS OPERATIONS

Partners Value Investments Inc. (the “Company”) is an investment holding company incorporated under the laws of the province of Ontario which owns a leveraged investment in Brookfield Asset Management Inc. (“Brookfield”). Brookfield provides management and administration services to the Company. The consolidated financial statements include the accounts of the Company’s wholly-owned subsidiaries, Partners Value Split Corp. (“Partners Value Split”) and Global Champions Split Corp. (“Global Champions”), and 90% owned subsidiary, New Horizons Income Fund (“New Horizons”). The Company was formed by articles of incorporation under the Business Corporations Act (Ontario) and is registered in Ontario, Canada. The registered office of the Company is Brookfield Place, 181 Bay Street, Suite 300, 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 (“IAS”) 34, Interim Financial Reporting on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2014.

The interim financial statements should be read in conjunction with the most recently issued Annual Report of the Company which includes information necessary or useful to understanding the Company’s businesses and financial statement presentation. In particular, the Company’s significant accounting policies were presented as Note 2 to the Consolidated Financial Statements for the fiscal year ended December 31, 2014 included in that report, and have been consistently applied in the preparation of these interim financial statements.

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 Company on May 21, 2015.

(b) Future Changes in Accounting Standards

Financial Instruments

IFRS 9, Financial Instruments (“IFRS 9”) was issued by the IASB on November 12, 2009 and will replace IAS 39, Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The company has not yet determined the impact of IFRS 9 on its consolidated financial statements.

3. INVESTMENT PORTFOLIO

The Company's investment portfolio consists of the following:

<i>(Thousands)</i>	Number of Shares/Units		Fair Value	
	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014
Brookfield Asset Management Inc.	56,226	56,226	\$ 3,808,765	\$ 3,273,491
Other securities:				
Brookfield Infrastructure Partners L.P.	2,219	2,219	127,949	107,937
Brookfield Property Partners L.P.	3,613	3,613	111,511	95,576
Brookfield New Horizons Income Fund Portfolio	various	various	126,592	115,031
Global Champions portfolio	various	various	130,514	119,980
			\$ 496,566	\$ 438,524

The Company owns 56 million (2014 – 56 million) Class A Limited Voting Shares of Brookfield (“Brookfield shares”) representing an 8.6% (2014 – 8.6%) fully diluted equity interest.

Other Securities

The Company holds an investment in Brookfield Infrastructure Partners consisting of 2.2 million (December 31, 2014 – 2.2 million) limited partnership units with a fair value of \$128 million at March 31, 2015 (December 31, 2014 – \$108 million). The Company has classified its investment in the Brookfield Infrastructure Partners units as available-for-sale financial instruments and, accordingly, changes in their fair value are recorded in other comprehensive income.

The Company has an investment in Brookfield Property Partners consisting of 3.6 million limited partnership units with a fair value of \$112 million at March 31, 2015 (December 31, 2014 - \$96 million). The Company has classified its investment in the Brookfield Property Partners units as available-for-sale financial instruments and, accordingly, changes in their fair value are recorded in other comprehensive income.

New Horizons, a public subsidiary which invests in high yield securities and in which the Company owns 90% of the common equity, has a portfolio of securities with a fair value of \$127 million at March 31, 2015 (December 31, 2014 - \$115 million). These investments are classified as fair value through profit and loss and, accordingly, changes in their fair value are recorded in the consolidated statements of operations.

Global Champions, a public subsidiary which invests in a diversified portfolio of large capitalization companies and in which the Company owns 100% of the common equity, has a portfolio of securities with a fair value of \$131 million at March 31, 2015 (December 31, 2014 - \$120 million). These investments are classified as fair value through profit and loss and, accordingly, changes in their fair value are recorded in the consolidated statements of operations.

4. FAIR VALUES 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 – Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2 – Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3 – Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs used in determining the estimate.

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

(Thousands)	Mar. 31, 2015			Dec. 31, 2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Asset Management Inc.	\$ 3,808,765	\$ —	\$ —	\$ 3,273,491	\$ —	\$ —
Other securities	496,566	—	—	438,524	—	—
Derivatives assets ¹	—	25,703	—	—	38,418	—
Derivative liabilities ¹	—	(10,997)	—	—	(6,036)	—
	\$ 4,305,331	\$ 14,706	\$ —	\$ 3,712,015	\$ 32,382	\$ —

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

As at March 31, 2015, a cumulative pre-tax gain of \$3,599 million (December 31, 2014 - \$3,028 million) has been recognized for financial instruments classified as available-for-sale, over their historical cost amounts.

5. RETRACTABLE PREFERRED SHARES

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

			Mar. 31, 2015	Dec. 31, 2014
Partners Value Split				
2,055,420	4.95% Class AA, Series I	March 25, 2016	\$ 51,386	\$ 51,386
7,631,000	4.35% Class AA, Series III	January 10, 2019	190,777	190,777
4,999,000	4.85% Class AA, Series V	December 10, 2017	124,975	124,975
8,000,000	4.50% Class AA, Series VI	October 8, 2021	200,000	200,000
Global Champions				
2,000,000	4.00% Class A, Series I	July 31, 2019	50,000	50,000
			617,138	617,138
			(8,909)	(9,361)
			\$ 608,229	\$ 607,777

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

6. SHAREHOLDERS' EQUITY

Authorized

50,000,000 preferred shares, issuable in series.

An unlimited number of voting and non-voting common shares.

Issued and outstanding

(Thousands)	Number Outstanding		Book Value	
	Mar. 31, 2015	Dec. 31, 2014	Mar. 31, 2015	Dec. 31, 2014
Common shares, voting and non-voting	73,547	73,547	\$ 78,744	\$ 78,744
Accumulated other comprehensive income			3,119,063	2,618,813
Retained earnings			73,655	61,510
			\$ 3,271,462	\$ 2,759,067

7. NET INCOME PER COMMON SHARE

Net income per common share is calculated based on the weighted average number of outstanding shares during the period. For the three months ended March 31, 2015 the weighed average number of outstanding shares were 73,546,899 (March 31, 2014 – 74,206,510) on a fully diluted basis.

8. RELATED-PARTY TRANSACTION

Brookfield provided management and financial services to the Company during 2015 and 2014 and recovered costs of \$3,750 for the period ended March 31, 2015 (2014 – \$10,000) plus applicable sales tax in respect of those services.

9. SUBSEQUENT EVENTS

On April 20, 2015, Brookfield announced an equity offering. Concurrent with the equity offering, the Company participated in a private offering of Brookfield shares and acquired an additional 1 million Class A Limited Voting Shares for total consideration of US \$54 million. The transaction increased the number of Brookfield shares owned by the Company to 57 million.

On May 12, 2015, a three for two stock split of the Brookfield shares occurred. The stock split increased the number of Brookfield shares owned by the Company to 86 million.

Corporate Information

DIRECTORS

John P. Barratt ^{1,2}
Corporate Director

Edward C. Kress
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}
Corporate Director

Ralph J. Zarboni ^{1,2}
President
Rossiter Ventures Corporation

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

CORPORATE OFFICE

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OFFICERS

Frank N.C. Lochan
Chairman

George E. Myhal
President and Chief Executive Officer

Vu H. Nguyen
Vice President, Finance

Loretta M. Corso
Corporate Secretary

EXCHANGE LISTING

TSX Venture Exchange
Stock Symbol: PVF

PARTNERS | **VALUE INVESTMENTS INC.**

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