PARTNERS VALUE SPLIT CORP.

2013 Annual Report

Contents

This Annual Report to shareholders contains forward-looking information within the meaning of Canadian provincial securities laws concerning the Company's business and operations. The words "intend", “believe”, "principally", "primarily", "likely", "often", "generally" and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "could", "should", "would", “may” or “will”, are predictions of or indicate future events, trends or prospects or identify forward-looking information. Forward-looking information in this interim report includes, among others, statements with respect to the Company's objective of investing in Class A Limited Voting Shares of Brookfield Asset Management Inc. ("Brookfield Shares") to generate cash dividends to fund quarterly fixed cumulative preferential dividends for the holders of the Company's Preferred Shares and to enable holders of its Capital Shares to participate in any capital appreciation of the Brookfield Shares, fluctuations in the market value of units of the Company due to interest rate levels and the value of Brookfield Shares, fluctuations in the value of the Company's investment portfolio and cash flows due to foreign currency exchange rates, the Company's International Financial Reporting Standards (“IFRS”) conversion plan, the impact of the adoption of IFRS on the Company's reported financial position and results of operations, future classification of the Company's investment portfolio, potential exposure to liquidity risk to fund dividend obligations, the Company's ability to fund retraction obligations and obligations of the Company under potential indemnification and guarantee agreements.

Although the Company believes that the anticipated future results or achievements expressed or implied by the forward-looking information and statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on the forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors 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 information and statements.

Factors that could cause actual results to differ materially from those contemplated or implied by the forward-looking information include: the behavior of financial markets, including fluctuations in the value of Brookfield Shares and interest and exchange rates, availability of equity and debt financing and other risks and factors detailed from time to time in the Company's other documents filed with the Canadian securities regulators.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to the Company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any forward-looking information or statements, whether written or oral, that may be as a result of new information, future events or otherwise. Reference should be made to the Company's most recent Annual Information Form for a description of the major risk factors.

Management's Report on Fund Performance

The following is a report on the performance of Partners Value Split Corp. (the "Company") and contains financial highlights but does not contain the complete financial statements of the Company. This report follows the disclosure obligations under National Instrument 81-106 Investment Fund Continuous Disclosure ("NI-81-106" or the "Instrument") and should be read in conjunction with the financial statements and notes thereto for the year ended September 30, 2013.

You can receive a copy of the Company's annual financial statements at your request and at no cost by calling (416) 363-9491, by writing to us at 181 Bay Street, Brookfield Place, Suite 300, P.O. Box 762, Toronto, Ontario M5J 2T3 or by visiting SEDAR at *www.sedar.com*. Security holders may also contact us using one of these methods to request a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure when that information becomes available.

INVESTMENT OBJECTIVE AND STRATEGIES

The Company's objective is to invest in Class A Limited Voting Shares ("Brookfield Shares") of Brookfield Asset Management Inc. ("Brookfield") which generate cash flow through dividend payments that fund quarterly fixed cumulative preferential dividends for the holders of the Company's Senior Preferred Shares, and provide the holders of the Company's Capital Shares the opportunity to participate in any capital appreciation in the Brookfield Shares. The Company's Capital Shares and Preferred Shares are also referred to collectively as units, with each unit consisting of one Capital Share and one Preferred Share ("unit").

RISKS

The risk factors relating to an investment in the Company include those disclosed below. A complete list of the risk factors relating to an investment in the Company is disclosed in the Company's most recent Annual Information Form available at *www.sedar.com* or by contacting the Company by the means described above.

Interest Rate Fluctuations

The market value of a unit may, at any given time, be affected by the level of interest rates prevailing at such time. An increase (decrease) in interest rates will, on its own, likely reduce (increase) the value of a Preferred Share, given that the dividends on such preferred shares are fixed rate.

Fluctuations in Value of Brookfield Shares

The value of a unit will vary according to the value of the Brookfield Shares. The value of the investment may be influenced by factors not within the control of the Company, including: the financial performance of Brookfield which may result in a decline in value of the investment portfolio and/or in dividend income from the investment, interest rates, general economic conditions, availability of equity and debt financing and financial market conditions.

Foreign Currency Exchange Fluctuations

Brookfield's functional currency is the United States dollar and it declares dividends in that currency. Accordingly, changes in the exchange rate between the Canadian and United States currencies may impact the value of the Company's investment portfolio and cashflows relative to its financial obligations which are denominated principally in Canadian dollars.

RESULTS OF OPERATIONS

Total assets at September 30, 2013 were $2,049 million, compared to $1,802 million at September 30, 2012. The increase in total assets was the result of an increase in the market value of the Company's Brookfield Shares which at September 30, 2013 was $2,049 million compared to $1,802 million at September 30, 2012, based on a Brookfield Share price of $38.54 (September 30, 2012 – $33.90) per share.

The Company's net asset value as at September 30, 2013 was $1,359 million, an increase from $1,114 million at September 30, 2012, which was primarily the result of the increase in the market value of the Brookfield shares.

The Company's net asset value on a per unit basis, which consists of one Capital Share and one Preferred Share, at September 30, 2013 was $73.93 compared to $65.03 at September 30, 2012. The increase in net asset value per unit was driven primarily by the increase in the market value of the Company's Brookfield Shares.

The Company paid total dividends during the year ended September 30, 2013 of $26.0 million to the holders of the Senior Preferred Shares, $4.8 million to holders of its Junior Preferred Shares, and $67.5 million to the holders of the Capital Shares (2012 - $26.0 million, $2.5 million, and $nil). The Capital Share dividend represented the special dividend the Company received from Brookfield in the form of Brookfield Property Partners Limited Partnership units.

On January 31, 2012 the Company exchanged $200 million Capital Shares which were held by Partners Value Fund Inc., formerly BAM Investments, for $200 million Junior Preferred Shares. The Junior Preferred Shares pay a non-cumulative quarterly dividend at an annual rate of 5% and rank junior to the publicly held Class A, Class AA, and Class AAA Preferred Shares.

RELATED PARTY TRANSACTIONS

The Company's operations are managed by Brookfield which is entitled to a management fee of up to 10% of ordinary expenses of the Company. For the year ended September 30, 2013, Brookfield charged a fee of $30,000 (September 30, 2012 – $30,000).

FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the Company and is intended to facilitate an understanding of the Company's financial performance over the last five years and is presented in accordance with NI-81-106. This information is derived from the Company's audited financial statements.

For the years ended September 30	**2013**	2012	2011	2010	2009
Net asset value per unit, beginning of year	**$ 65.03**	$ 78.15	$ 104.97	$ 88.05	$ 69.59
Financial instruments transition adjustment	**—**	—	—	—	—
Share issuance proceeds	**—**	—	6.67	—	8.01
Share issuance costs	**—**	—	(0.22)	—	(0.22)
Net asset value (dilution) antidilution[1, 2]	**0.06**	(23.60)[1]	(26.62)[1]	—	20.03[2]
Increase (decrease) from operations:					
Total revenue	**1.12**	1.15	1.46	1.96	1.57
Total expenses[3]	**(0.07)**	(0.08)	(0.02)	(0.03)	(0.08)
Realized and unrealized gains (losses) for the year	**11.34**	10.44	(0.23)	16.95	(9.25)
Total increase (decrease) from operations[4]	**12.39**	11.51	1.21	18.88	(7.76)
Distributions:					
From interest and dividends[5, 6]	**(3.55)**[5]	(1.03)	(7.86)[6]	(1.96)	(1.60)
Total distributions	**(3.55)**	(1.03)	(7.86)	(1.96)	(1.60)
Net asset value per unit, end of year	**$ 73.93**	$ 65.03	$ 78.15	$ 104.97	$ 88.05

1 *Dilution occurred as a result of the subdivision of Capital Shares following the issuance of the Series I Junior Preferred Shares in January 2012 so that the number of Capital Shares issued and outstanding was equal to the number of Preferred Shares issued and outstanding as required by the articles of the Company. A similar dilution occurred in 2011 following the issuance of Class AA Preferred Shares.*

2 *Antidilution occurred during 2009 as a result of the consolidation of Capital Shares following the conversion of Senior Preferred Shares held by Partners Value Fund Inc. into Capital Shares and the purchase of 7.0 million Brookfield Shares for consideration of Capital Shares issued.*

3 *Total expenses net of non-cash Preferred Share issuance cost amortization.*

4 *Net asset value and distributions are based on the actual number of units outstanding over the period. The increase (decrease) from operations is based on the weighted average number of units outstanding over the period.*

5 *Includes a special dividend of Brookfield Property Partners Limited Partnership units to holders of the Company's Capital Shares.*

6 *Includes a special distribution of the proceeds received on issuance of the Class AA Series 5 Senior Preferred Shares to holders of the Company's Capital Shares.*

Thousands, except per share amounts	As at and for the years ended September 30 **2013**	2012	2011	2010	2009
Total assets	**$ 2,048,844**	$1,802,162	$1,540,706	$1,547,354	$1,295,547
Net asset value	**1,359,110**	1,113,857	1,054,072	1,181,011	933,866
Number of units outstanding	**27,711**	27,713	19,713	14,713	14,713
Management expense ratio (excluding dividends on Senior Preferred Shares and issue costs)	**0.0%**	0.0%	0.0%	0.0%	0.0%
Management expense ratio (including dividends on Senior Preferred Shares and issue costs)	**2.0%**	2.5%	2.6%	1.9%	2.5%
Redemption price of Senior Preferred Shares					
Class A[1]	$ —	$ —	$ —	$ —	$ —[1]
Class AA Series 1[2]	**25.75**	26.00	26.00	26.00	26.00
Class AA Series 3[3]	**26.00**	26.00	N/A	N/A	N/A
Class AA Series 4[4]	**26.00**	26.00	26.00	26.00	26.00
Class AA Series 5[5]	**N/A**	N/A	N/A	N/A	N/A
Redemption price of Junior Preferred Shares					
Class AA Series 1	**25.00**	25.00	N/A	N/A	N/A

1 Redeemed on July 27, 2009.
2 Redemption period commenced on March 25, 2009.
3 Redemption period commenced on January 10, 2012.
4 Mandatory redemption on July 9, 2014.
5 Redemption period commences on December 10, 2015.

PAST PERFORMANCE

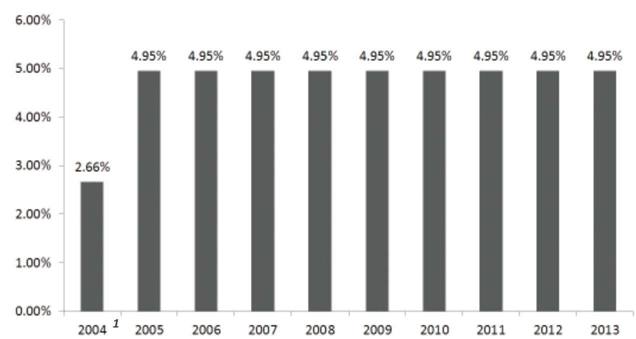
Year by Year Returns

The following charts show the Company's annual performance of its Class AA Series 1, Series 3, Series 4, and Series 5 Senior Preferred Shares since issuance for the year ended September 30, 2013, assuming the Senior Preferred Shares are sold at their final redemption price. The charts are not reflective of the current yield to maturity and past performance is not an indication of how the Senior Preferred Shares will perform in the future.

The Junior Preferred Shares issued on January 31, 2012, pay a non-cumulative quarterly dividend at an annual rate of 5%.

Class AA Series 1 Preferred Shares

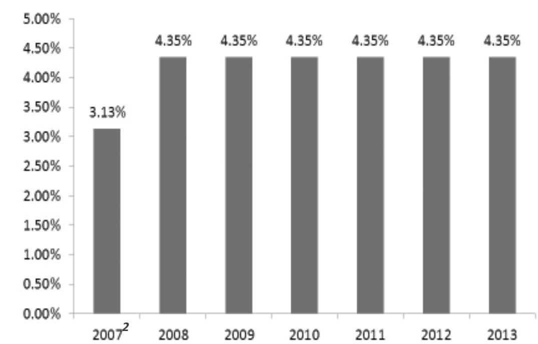
For the years ending September 30



1. Reflects the period from March 25, 2004 to September 30, 2004.

Class AA Series 3 Preferred Shares

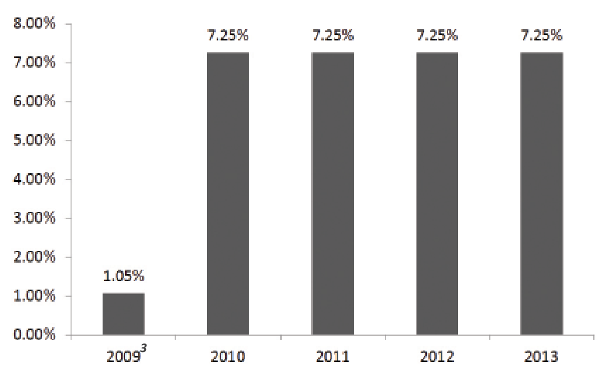
For the years ending September 30



2. Reflects the period from January 10, 2007 to September 30, 2007.

Class AA Series 4 Preferred Shares

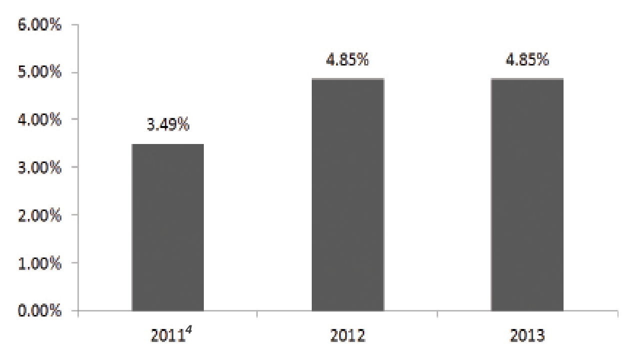
For the years ending September 30



3. Reflects the period from July 9, 2009 to September 30, 2009.

Class AA Series 5 Preferred Shares

For the years ending September 30



4. Reflects the period from December 10, 2010 to September 30, 2011.

Annual Compound Returns

The following table compares the yield on issuance of the Company's Senior Preferred Shares against the yield provided by a government of Canada bond that matures during a similar period. Returns are based on the par value of a Preferred Share.

	Since Inception	Ten-Year	Five-Year	Three-Year	One-Year
Preferred Shares Class AA Series 1 – March 25, 2016[1]	4.95%	N/A	4.95%	4.95%	4.95%
10-year Government of Canada Bonds – June 1, 2015	4.50%	N/A	4.50%	4.50%	4.50%
Preferred Shares Class AA Series 3 – January 10, 2019[2]	4.35%	N/A	4.35%	4.35%	4.35%
10-year Government of Canada Bonds – June 1, 2018	4.25%	N/A	4.25%	4.25%	4.25%
Preferred Shares Class AA Series 4 – July 9, 2014[3]	7.25%	N/A	N/A	7.25%	7.25%
5-year Government of Canada Bonds – December 1, 2014	2.00%	N/A	N/A	2.00%	2.00%
Preferred Shares Class AA Series 5 – December 10, 2017[4]	4.85%	N/A	N/A	4.85%	4.85%
7-Year Government of Canada Bonds – June 21, 2017	4.00%	N/A	N/A	4.00%	4.00%

1 The Class AA Series 1 Preferred Shares were issued on March 25, 2004.
2 The Class AA Series 3 Preferred Shares were issued on January 10, 2007.
3 The Class AA Series 4 Preferred Shares were issued on July 9, 2009.
4 The Class AA Series 5 Preferred Shares were issued on December 10, 2010.

Contractual Obligations

The Company’s contractual obligations related to its Senior Preferred Shares as of September 30, 2013 are:

		Payment Due By Period			
Thousands	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Class AA, Series 1[1]	$ 51,905	$ —	$ 51,905	$ —	$ —
Class AA, Series 3[2]	190,920	—	—	—	190,920
Class AA, Series 4[3]	124,946	124,946	—	—	—
Class AA, Series 5[4]	125,000	—	—	125,000	—
Interest expense related to:					
Class AA, Series 1	$ 6,648	$ 2,569	$ 4,079	$ —	$ —
Class AA, Series 3	44,716	8,305	16,610	16,610	3,191
Class AA, Series 4	7,986	7,986	—	—	—
Class AA, Series 5	26,067	6,063	12,126	7,878	—

Notes:
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 2014.
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 2017.

INVESTMENT PORTFOLIO

The investment in the Brookfield Shares, the associated costs and the fair values as at September 30, 2013, and September 30, 2012 are as follows:

	Number of Shares		Cost		Fair Value	
Thousands	**Sept. 30 2013**	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012
Brookfield Class A Limited Voting shares	**53,161**	53,161	**$691,423**	$ 715,234	**$2,048,811**	$1,802,146

The decrease in cost base of the Company's Brookfield Shares was due to the impact of the special dividend received from Brookfield in the form of Brookfield Property Partners Limited Partnership units which were, in turn, provided to the holder of the Company's Capital Shares as a dividend in kind.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

The Accounting Standards Board ("AcSB") announced in September 2010 that International Financial Reporting Standards (“IFRS”) will replace Canadian Generally Accepted Accounting Principals ("GAAP") for investment companies, as defined in and applying Accounting Guidelines 18 *Investment Companies,* for the financial periods beginning on and after January 1, 2013, with earlier adoption permitted. In December 2011, the AcSB deferred the mandatory IFRS changeover date to January 1, 2014. The Company has developed and is in the process of implementing an IFRS conversion plan that will address changes in accounting policy, the restatement of comparative periods, organizational and internal control and the modification of existing systems, in addition to other related business matters. The Company expects to complete its implementation of this plan prior to the filing of its first financial statement prepared under IFRS. Overall responsibility for the implementation and success of the Company’s conversion plan rests with the Company’s senior financial management who report to and are overseen by the Company’s Audit Committee.

Significant differences between IFRS and Canadian GAAP

IFRS are premised on a conceptual framework similar to Canadian GAAP, however, significant differences exist in certain matters of recognition, measurement and disclosure. The adoption of IFRS will not change the cash flows generated by the Company; however, the adoption of IFRS may result in changes to the reported financial position and results of operations of the Company.

A detailed analysis of the differences between IFRS and the Company’s current accounting policies under Canadian GAAP is currently in process. At this time, the Company has not identified any significant differences between Canadian GAAP and IFRS.

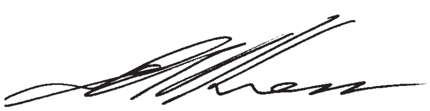
IFRS 1 First-time Adoption of International Financial Reporting Standards

The adoption of IFRS requires the application of IFRS 1 First-time Adoption of International Financial Reporting Standards (“IFRS 1”), which provides guidance for an entity’s initial adoption of IFRS. IFRS 1 generally requires that an entity apply all standards effective at the end of its first IFRS reporting period retrospectively. However, IFRS 1 does require certain mandatory exceptions and provides limited optional exemptions in specified areas of certain standards from this general requirement. The Company does not expect to elect any of the available optional exemptions on adoption of IFRS.

YEAR END CHANGE

The Company will be changing its fiscal year end from September 30 to December 31 and will become effective on December 31, 2013. The change has been approved by the Company's Board of Directors and the Canada Revenue Agency.

On behalf of the Board of Directors,



Edward C. Kress
President
December 4, 2013

Re-Branding

During the year, the Company changed its name from BAM Split Corp. to Partners Value Split Corp. The name change was undertaken as part of our re-branding initiative to align with the holder of the Company's Class A Voting Shares and Capital Shares, Partners Value Fund Inc.

Edward C. Kress
President
December 4, 2013

Management's Responsibility for the Financial Statements

The accompanying financial statements and other financial information in this Annual Report have been prepared by the Company's management who is responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, the Company 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 Company. These financial statements have been prepared in conformity with Canadian generally accepted accounting principles, and where appropriate, reflect estimates based on management's judgment. The financial information presented throughout this Annual Report is generally consistent with the information contained in the accompanying financial statements. Deloitte LLP, the independent auditors appointed by the shareholders, have examined the financial statements set out on pages 10 through 19 in accordance with auditing standards generally accepted in Canada to enable them to express to the shareholders their opinion on the financial statements. Their report is set out on the following page. The financial statements have been further reviewed and approved by the Board of Directors acting through its Audit Committee, which is comprised of directors who are not officers or employees of the Company. The Audit Committee, which meets with the auditors and management to review the activities of each and reports to the Board of Directors, oversees management's responsibilities for the financial reporting and internal control systems. The auditors have full and direct access to, and meet periodically with, the Audit Committee both with and without management present to discuss their audit and related findings.

Toronto, Canada	Edward C. Kress
December 4, 2013	President

Independent Auditor's Report

To the Shareholders of Partners Value Split Corp.

We have audited the accompanying financial statements of Partners Value Split Corp., formerly BAM Split Corp., which comprise the statements of net assets as at September 30, 2013 and September 30, 2012, and the statements of investment operations and retained earnings, statements of changes in net assets and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Partners Value Split Corp. as at September 30, 2013 and September 30, 2012, and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte LLP

Toronto, Canada
December 4, 2013

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

Statements of Net Assets

As at September 30

Thousands, except per share/unit amounts	Note		**2013**		2012
Assets					
Cash and cash equivalents		**$**	**33**	$	16
Investment portfolio	3		**2,048,811**		1,802,146
Total assets			**2,048,844**		1,802,162
Liabilities					
Accounts payable	7		**53**		46
Debentures	4		**54**		—
Preferred Shares	4		**689,627**		688,259
Total liabilities			**689,734**		688,305
Net asset value		**$**	**1,359,110**	$	1,113,857
Shareholders' equity					
Capital Shares	5	**$**	**180,244**	$	180,244
Retained earnings			**1,178,866**		933,613
		$	**1,359,110**	$	1,113,857
Number of units outstanding			**27,711**		27,713
Net asset value per Capital Share		**$**	**49.04**	$	40.19
Book value per Preferred Share			**24.89**		24.84
Net asset value per unit		**$**	**73.93**	$	65.03

On behalf of the Board,

Edward C. Kress
Director and President

Brian D. Lawson
Director

Statements of Investment Operations and Retained Earnings

For the year ended September 30 *Thousands, except per share amounts*	Note	**2013**	2012
Income			
Dividend income		**$ 31,140**	$ 28,716
Interest and other income		**21**	15
		31,161	28,731
Expenses			
Listing fees		**101**	96
Transfer agent fees		**58**	54
Directors' fees		**38**	48
Legal and audit fees		**54**	67
Management fees	6	**30**	30
Rating fees		**15**	6
Custodial fees		**16**	10
Income tax	7	**72**	—
Administrative fees and other		**19**	8
		403	319
Income available for distribution		**30,758**	28,412
Dividends and interest paid on Senior Preferred Shares and debentures		**(26,000)**	(26,000)
Income available for distribution to Junior Preferred and Capital Shares		**4,758**	2,412
Amortization of share issuance costs		**(1,421)**	(1,677)
Dividends paid on Junior Preferred Shares		**(4,750)**	(2,500)
Income available for distribution to Capital Shares		**(1,413)**	(1,765)
Change in realized and unrealized value of investment	5	**314,163**	261,550
Results of investment operations		**$ 312,750**	$ 259,785
Opening retained earnings		**$ 933,613**	$ 673,828
Results of investment operations		**312,750**	259,785
Dividends paid on Capital Shares	5	**(67,497)**	—
Retained earnings, end of year		**$ 1,178,866**	$ 933,613
Results of investment operations per Capital Share[1]		**$ 11.29**	$ 10.37

1 *Based on weighted average number of Capital Shares outstanding.*

Statements of Changes in Net Assets

For the year ended September 30 *Thousands*	**2013**	2012
Investment transactions		
Change in realized and unrealized value of investment portfolio	**$ 314,163**	$ 261,550
Income transactions		
Income available for distribution	**30,758**	28,412
Dividends and interest paid on Preferred Shares and debentures	**(26,000)**	(26,000)
Dividends paid on Junior Preferred Shares	**(4,750)**	(2,500)
Amortization of share issuance costs	**(1,421)**	(1,677)
	(1,413)	(1,765)
Capital transactions		
Conversion of Capital Shares	**—**	(200,000)
Dividends paid on Capital Shares	**(67,497)**	—
	(67,497)	(200,000)
Change in net asset value during the year	**245,253**	59,785
Net asset value, beginning of year	**1,113,857**	1,054,072
Net asset value, end of year	**$ 1,359,110**	$ 1,113,857

Statements of Cash Flows

For the year ended September 30 *Thousands*	**2013**	2012
Cash flow from operating activities		
Income available for distribution	**$ 30,758**	$ 28,412
Add (deduct) non-cash items:		
Net change in non-cash working capital	**9**	(7)
	30,767	28,405
Cash flow used in financing activities		
Dividends and interest paid on Preferred Shares and debentures	**(30,750)**	(28,500)
	(30,750)	(28,500)
Increase (decrease) in cash and cash equivalents	**17**	(95)
Cash and cash equivalents balance, beginning of year	**16**	111
Cash and cash equivalents balance, end of year	**$ 33**	$ 16

Notes to the Financial Statements

1. BUSINESS OPERATIONS

Partners Value Split Corp. (the "Company"), formerly BAM Split Corp., is a leveraged investment holding company incorporated under the laws of the province of Ontario. The Company's investment portfolio consists of an investment in the Class A Limited Voting Shares ("Brookfield Shares") of Brookfield Asset Management Inc. ("Brookfield"). Brookfield provides management and administration services to the Company. The Company was formed by the 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, ON, M5J 2T3.

2. BASIS OF PRESENTATION

The financial statements of the Company are prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

Cash and cash equivalents include cash held by the Company in addition to any deposit instruments held with a maturity of less than 90 days.

The Company's Brookfield Shares are recorded at their fair value determined in accordance with Canadian GAAP, with the adjustment(s) to fair value being recorded as a change in the unrealized value of investment in the Statement of Investment Operations and Retained Earnings.

The Company's issued Preferred Shares are measured at amortized cost.

Dividend income is recorded on the ex-dividend date.

The books and records of the Company are maintained in Canadian dollars. Assets and liabilities denominated in non-Canadian dollar currencies are translated into Canadian dollar equivalents using valuation date exchange rates, while revenues and expenses are translated at the transaction date exchange rates.

The preparation of financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from these estimates.

The Canadian Accounting Standard Board has announced that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for investment companies effective January 1, 2014. The Company has developed, and is in the process of implementing, an IFRS conversion plan that will address changes in accounting policy, the restatement of comparative periods, organizational and internal control and the modification of existing systems. A detailed analysis of the differences between IFRS and the Company's current accounting policies under Canadian GAAP is currently in process. At this time, the Company has not identified any signifcant differences between Canadian GAAP and IFRS that it believes will materially impact its financial statements.

3. INVESTMENT PORTFOLIO

The investment in the Brookfield Shares, the associated cost amounts and the fair values as at September 30, 2013 and September 30, 2012 are as follows:

	Number of Shares		Cost		Fair Value	
Thousands	**Sept. 30 2013**	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012
Brookfield Class A Limited Voting Shares	**53,161**	53,161	**$691,423**	$715,234	**$2,048,811**	$1,802,146

On a per share basis, the fair value of the Brookfield Shares was $38.54 on September 30, 2013 (2012 - $33.90). The decrease in cost base of the Company's Brookfield Shares was due to the impact of the special dividend received from Brookfield in the form of Brookfield Property Partners Limited Partnership units which were, in turn, provided to the holder of the Company's Capital Shares as a dividend in kind.

4. PREFERRED SHARES

The Company is authorized to issue an unlimited number of Class A, Class AA, Class AAA Preferred Shares and Junior Preferred Shares.

As at September 30, 2013 the following Preferred Shares were issued and outstanding and have been included in liabilities, net of $3.1 million (September 30, 2012 – $4.6 million) of associated transaction costs which are amortized using the effective interest method of amortization.

	Issued and Outstanding			
Thousands	**Sept. 30 2013**	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012
Senior Preferred Shares				
4.95% Class AA, Series 1	**2,076**	2,076	**$ 51,905**	$ 51,905
4.35% Class AA, Series 3	**7,637**	7,637	**190,920**	190,920
7.25% Class AA, Series 4	**4,998**	5,000	**124,946**	125,000
4.85% Class AA, Series 5	**5,000**	5,000	**125,000**	125,000
	19,711	19,713	**492,771**	492,825
Junior Preferred Shares, Series I	**8,000**	8,000	**200,000**	200,000
	27,711	27,713	**692,771**	692,825
Deferred share issuance costs			**(3,144)**	(4,566)
			$ 689,627	$ 688,259

The fair values of the Class AA Series 1, Series 3 and Series 4 and Series 5 Senior Preferred Shares based on quoted market prices as at September 30, 2013 were $25.11, $24.05, $25.51 and $25.00 per share (2012 – $25.45, $24.10, $26.51, and $25.05) respectively.

On January 31, 2012, the Company exchanged $200 million Capital Shares which were held by Partners Value Fund Inc., formerly BAM Investments, for $200 million Junior Preferred Shares. The transaction was recorded at fair value.

In February 2013, 2,150 Class AA Series 4 Senior Preferred Shares were retracted for Series 2 Debentures. As at September 30, 2013 there are $54,000 of Series 2 Debentures outstanding (2012 – $nil).

Retraction

Class AA Series 1 Senior Preferred Shares may be surrendered for retraction at any time. The Class AA Series 1 Preferred Share Retraction Price will be equal to the lesser of: (i) 95% of Net Asset Value per Unit; and (ii) $25.00 less 5% of the Net Asset Value per Unit, in either case less $1.00.

Class AA Series 3 Senior Preferred Shares may be surrendered for retraction at any time. The Class AA Series 3 Retraction Price will be equal to the lesser of: (i) Net Asset Value per Unit; and (ii) $25.00. Retraction consideration will be a number of Series 1 Debentures determined by dividing the Retraction Price by $25.00.

The Series 1 Debentures will have a principal amount of $25.00 per debenture and will mature on January 10, 2019. Holders of the Series 1 Debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.45% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 1 Debentures shall be redeemable by the Company at any time. The Series 1 Debentures may not be retracted.

Class AA Series 4 Senior Preferred Shares may be surrendered for retraction any time. The Class AA Series 4 Retraction Price will be equal to the lesser of: (i) Net Asset Value per Unit; and (ii) $25.00. Retraction consideration will be a number of Series 2 Debentures determined by dividing the holder's aggregate Preferred Share Retraction Price by $25.00.

The Series 2 Debentures will have a principal amount of $25.00 per debenture and will mature on July 9, 2014. Holders of the Series 2 Debentures will be entitled to receive quarterly fixed interest payments at a rate of 7.35% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 2 Debentures can be redeemed by the Company at any time. The Series 2 Debentures may not be retracted. Class AA Series 5

Senior Preferred Shares may be surrendered for retraction any time. The Class AA Series 5 Retraction Price will be equal to the lesser of: (i) Net Asset Value per Unit; and (ii) $25.00. Retraction consideration will be a number of Series 3 Debentures determined by dividing the holder's aggregate Preferred Share Retraction Price by $25.00.

The Series 3 Debenture will have a principal amount of $25.00 per debenture and will mature on December 10, 2017. Holders of the Series 3 Debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.95% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 3 Debentures can be redeemed by the Company at any time. The Series 3 Debentures may not be retracted.

The Series 1 Junior Preferred Shares may be surrendered for retraction at any time. The Series 1 Junior Preferred Share Retraction Price will be equal to the lessor of: (i) Net Asset Value per Unit; and (ii) $25.00.

The "Net Asset Value per Unit" is defined as the fair value of the portfolio shares held by the Company plus (minus) the amount by which the value of the other assets of the Company exceed (are less than) the liabilities (including any extraordinary liabilities) of the Company and the redemption value of the Preferred Shares, divided by the total number of units outstanding. A "unit" is considered to consist of one Capital Share and one Preferred Share of any class or series. For greater certainty, Class AA Series 1, Series 3, Series 4 and Series 5 Senior Preferred Shares will not be treated as liabilities for purposes of determining Net Asset Value per Unit.

Redemption

Class AA Series 1 Senior Preferred Shares may be redeemed by the Company at any time prior to March 25, 2016 (the "Series 1 Redemption Date") at a price which until March 25, 2013 will equal $26.00 per share plus accrued and unpaid dividends and which will decline by $0.25 each year thereafter to be equal to $25.00 on the Series 1 Redemption Date. All Class AA Series 1 Preferred Shares outstanding on the Series 1 Redemption Date will be redeemed for a cash amount equal to the lesser of $25.00 plus any accrued and unpaid dividends, and the Net Asset Value per Unit.

Class AA Series 3 Senior Preferred Shares may be redeemed by the Company at any time on or after January 10, 2012 and prior to January 10, 2019 (the "Series 3 Redemption Date") at a price which until January 9, 2016 will equal $26.00 per share plus accrued and unpaid dividends and which will decline by $0.25 each year thereafter to be equal to $25.00 on the Series 3 Redemption Date. All Class AA Series 3 preferred shares outstanding on the Class AA Series 3 Redemption Date will be redeemed for a cash amount equal to the lesser of $25.00 plus any accrued and unpaid dividends, and the Net Asset Value per Unit.

Class AA Series 4 Senior Preferred Shares may be redeemed by the Company at any time prior to July 9, 2014 (the "Series 4 Redemption Date") for $26.00 per share plus any accrued and unpaid dividends if, and will not redeem Class AA Series 4 Preferred Shares prior to the Series 4 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 bid is in the best interest of the holders of the Capital Shares. All Class AA Series 4 Senior Preferred Shares outstanding on the Series 4 Redemption Date will be redeemed for a cash amount equal to the lesser of $25.00 plus any accrued and unpaid dividends, and the Net Asset Value per Unit.

Class AA Series 5 Senior Preferred Shares may be redeemed by the Company at any time on or after December 10, 2015 and prior to December 10, 2017 (the "Series 5 Redemption Date") at a price which until December 10, 2016 will equal $25.50 per share plus accrued and unpaid dividends and which will decline by $0.25 each year thereafter to be equal to $25.00 on the Series 5 Redemption Date. All Class AA Series 5 Senior Preferred Shares outstanding on the Series 5 Redemption Date will be redeemed for a cash amount equal to the lesser of $25.00 plus any accrued and unpaid dividends, and the Net Asset Value per Unit.

The Company may redeem Class AA Series 5 Senior Preferred Shares prior to December 10, 2015 for $26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA Series 5 Senior Preferred Shares prior to the Series 5 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.

The Series 1 Junior Preferred Shares may be redeemed by the Company at any time for $25.00 per share plus all dividends declared and unpaid up to the redemption date.

Holders of the Senior and Junior Preferred Shares are not entitled to vote at meetings of shareholders of the Company other than meetings of holders of the Senior or Junior Preferred Shares.

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of Capital Shares.

The issued and outstanding share capital as at September 30, 2013 and September 30, 2012 consists of:

	Issued and Outstanding			
	Sept. 30 2013	Sept. 30 2012	**Sept. 30 2013**	Sept. 30 2012
Capital Shares	**27,710,850**	27,713,000	**$ 180,244,098**	$ 180,244,098
Class A Voting shares	**100**	100	**100**	100
			$ 180,244,198	$ 180,244,198

In February 2013, 2,150 Class AA Series 4 Senior Preferred Shares were retracted and, accordingly, the Capital Shares were consolidated to match the number of Preferred Shares outstanding.

On January 31, 2012, the Company exchanged $200 million Capital Shares, which were held by Partners Value Fund Inc., formerly BAM Investments, for $200 million Junior Preferred Shares. The transaction was recorded at fair value.

Holders of Capital Shares are entitled to receive dividends as declared by the Board of Directors of the Company. The Board of Directors of the Company has indicated that its policy is to pay dividends, if and to the extent that the dividends received on the portfolio shares, less the administrative and operating expenses of the Company, exceed the Preferred Share dividends. During 2013, the Company declared dividends in the amount of $67.5 million (2012 – $nil) to the holders of its Capital Shares representing the special dividend it received from Brookfield in the form of Brookfield Property Partners Limited Partnership units. This resulted in a realized gain of $44 million. The dividend paid to the holders of the Capital Shares was approved by the Board of Directors. Prior to the approval of the dividend, the holders of the Junior Preferred Shares had waived their rights to receive their entitled dividends.

If the Company undertakes any future issuance of Preferred Shares, the articles of the Company will be amended to either subdivide or consolidate, as applicable, such that the number of Capital Shares outstanding after such subdivision or consolidation would be equal to the number of Preferred Shares of all classes or series outstanding immediately after such issuance.

Capital Shares may be surrendered for retraction at any time upon delivery of a retraction notice. The Capital Share retraction price is equal to the amount by which 95% of the Net Asset Value per Unit calculated as at the applicable valuation date, less $1.00, exceeds the Preferred Share redemption price on such date.

If any Capital Shares are retracted, the Company will, as necessary and subject to applicable laws, redeem or purchase for cancellation in the open market Preferred Shares in order to ensure that the number of Preferred Shares or any classes or series outstanding equals the number of Capital Shares outstanding.

Capital Shares may be redeemed by the Company at any time at a price equal to the amount, if any, by which the Net Asset Value per Unit exceeds the Preferred Share redemption price of all outstanding classes and series.

Holders of the Capital Shares are not entitled to vote at meetings of shareholders of the Company other than meetings of holders of the Capital Shares.

6. RELATED PARTY TRANSACTIONS

The Company's operations are managed by Brookfield, which is entitled to a managment fee of up to 10% of ordinary expenses of the Company. For the year ended September 30, 2013, the Company paid management fees of $30,000 (September 30, 2012 – $30,000).

On January 31, 2012, the Company exchanged $200 million Capital Shares held by Partners Value Fund Inc., the sole holder of the Company's voting and Capital Shares, for $200 million Junior Preferred Shares. The transaction was recorded at fair value.

7. INCOME TAXES

The Company qualifies and intends to continue to qualify as a mutual fund corporation under the Income Tax Act (Canada) (the "Act"), and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances.

The Company receives tax-free dividend income; consequently, the Company has no net taxable income. However, the Company is generally subject to a tax of 33-1/3% under Part 4 of the Act on taxable dividends received. This tax is fully refundable upon payment of sufficient dividends.

The Company has the intention and ability to qualify as a mutual fund corporation and to manage its affairs in such a way as to transfer any liability to its shareholders.

The Company has $8.9 million (2012 – $6.9 million) of non-capital losses which expire between 2030 and 2033, and $2.5 million (2012 – $4.1 million) of undeducted share issue expenses available to offset taxable income, if any, in future years. The benefit of these losses and undeducted share issue expenses have not been recorded in these financial statements. The carrying value of the Company's investment in Brookfield Shares exceeds its tax value by $1,533 million (2012 – $1,286 million).

8. FINANCIAL INSTRUMENTS

Cash and cash equivalents and the Company's investment portfolio in Brookfield Shares are carried at their fair values. Accounts payable and the Company's Preferred shares are classified as other financial assets and liabilities which are accounted for at amortized cost using the effective interest method and approximate fair value.

All financial instruments measured at fair value are classified into one of three levels that distinguish fair value measurements by the significance of the inputs used for valuation.

Level I – quoted prices available in active markets for identical investments as of the reporting date.

Level II – pricing inputs other than quoted 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 III – pricing inputs are unobservable for the instrument and includes situations where there is little, if any, market activity for the instrument The inputs into the determination of fair value require significant management estimation.

The Company's investment in the Brookfield Shares has been classified as a Level I financial instrument and, as such, fair value has been determined by reference to the quoted bid price as of the valuation date.

9. RISK MANAGEMENT

The Company is exposed to the following risks as a result of holding financial instruments: foreign currency risk, market price risk, interest rate risk and credit risk.

Foreign Currency Risk

Brookfield declares dividends in U.S. dollars, which are then converted to Canadian dollars for distribution to Canadian shareholders, including the Company. During the year ended September 30, 2013, a $0.01 appreciation in the U.S. dollar relative to the Canadian dollar would have increased income available for distribution by $0.3 million (Sept. 30, 2012 – $0.3 million) related to the Brookfield Shares dividends.

Market Price Risk

The value of the Brookfield Shares is exposed to variability in fair value due to movements in equity prices. As a result, the fair value of the Company's investment portfolio may vary from time to time. The Company records these investments at market value. A $1.00 increase or decrease in the market price will increase or decrease the carrying value of the investment in Brookfield Shares by $53.2 million (Sept. 30, 2012 – $53.2 million), on a pre-tax basis, and will increase or decrease the net asset value per unit by $1.92 (Sept. 30, 2012 – $1.92).

Interest Rate Risk

The Company's Preferred Shares are fixed rate and the Company has negligible floating rate assets or liabilities. Accordingly, changes in the interest rates do not have an impact on income available for distribution.

Credit Risk

The Company has no material counterparty risk as of September 30, 2013 and 2012.

Liquidity Risk

The Company's Preferred Shares expose the Company to liquidity risk to fund dividend obligations. The Company endeavors to maintain dividend income that exceeds the projected dividend obligations and expects to be able to continue to achieve this objective based on current circumstances. Management expects to fund any retraction obligations through a combination of ongoing cash flow, the proceeds from any new financing and proceeds from the sale of Brookfield Shares.

Contractual Obligations

The Company's contractual obligations related to its Senior Preferred Shares as of September 30, 2013 are:

		Payment Due By Period			
Thousands	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Class AA, Series 1[1]	$ 51,905	$ —	$ 51,905	$ —	$ —
Class AA, Series 3[2]	190,920	—	—	—	190,920
Class AA, Series 4[3]	124,946	124,946	—	—	—
Class AA, Series 5[4]	125,000	—	—	125,000	—
Interest expense related to:					
Class AA, Series 1	$ 6,648	$ 2,569	$ 4,079	$ —	$ —
Class AA, Series 3	44,716	8,305	16,610	16,610	3,191
Class AA, Series 4	7,986	7,986	—	—	—
Class AA, Series 5	26,067	6,063	12,126	7,878	—

Notes:
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 2014.
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 2017.

The Company's contractual obligations related to its Senior Preferred Shares as of September 30, 2012 are:

		Payment Due By Period			
Thousands	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Class AA, Series 1[1]	$ 51,905	$ —	$ —	$ 51,905	$ —
Class AA, Series 3[2]	190,920	—	—	—	190,920
Class AA, Series 4[3]	125,000	—	125,000	—	—
Class AA, Series 5[4]	125,000	—	—	—	125,000
Interest expense related to:					
Class AA, Series 1	$ 9,217	$ 2,569	$ 5,138	$ 1,510	$ —
Class AA, Series 3	53.021	8,305	16,610	16,610	11,496
Class AA, Series 4	17,052	9,063	7,989	—	—
Class AA, Series 5	32,130	6,063	12,126	12,126	1,815

Notes:
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 2014.
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 2017.

10. CAPITAL MANAGEMENT

The Company's objective is to invest in Brookfield Shares that will generate cash dividends to fund fixed preferential cumulative quarterly dividends for the holders of the Company's Preferred Shares and enable the holders of the Company's Capital Shares to participate in any capital appreciation in the Brookfield Shares.

As at September 30, 2013, the capital base managed by the Company consists of shareholders' equity with a carrying value of $1,359 million (Sept. 30, 2012 – $1,114 million), and retractable fixed rate Preferred Shares with a carrying value of $690 million (Sept. 30, 2012 – $688 million).

11. OTHER

The Company has a $4.0 million credit facility with Brookfield. This facility is due on demand with interest at the prime rate. As at September 30, 2013 there was $nil (2012 – $nil) outstanding under this facility.

The weighted average number of Capital Shares/units outstanding during the year was 27.7 million. In the normal course of operations, the Company may execute agreements that provide for indemnification and guarantees to third parties. The nature of substantially all 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 significant payments under such indemnification agreements and guarantees.

Corporate Information

OFFICERS AND DIRECTORS

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

Edward C. Kress
Director and President

John P. Barratt[1, 2]
Director

Allen G. Taylor
Director and Chief Financial Officer

James L. R. Kelly[1, 2]
Director

Brian D. Lawson
Director

Loretta M. Corso
Corporate Secretary

1 *Member of the Audit Committee*
2 *Member of the Independent Review Committee*

AUDITORS

Deloitte LLP
Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants

LEGAL COUNSEL

Torys LLP

STOCK EXCHANGE LISTING

The Company's Preferred Shares are listed on the Toronto Stock Exchange under the following symbols:

Security	*Symbol*
Class AA Preferred Shares, Series 1	**BNA.PR.B**
Class AA Preferred Shares, Series 3	**BNA.PR.C**
Class AA Preferred Shares, Series 4	**BNA.PR.D**
Class AA Preferred Shares, Series 5	**BNA.PR.E**

YEAR END

September 30

Enquiries

Enquiries relating to the operations of the Company should be directed to the Company's Head Office:

Partners Value Split Corp.
Brookfield Place, 181 Bay Street
Suite 300, P.O. Box 770
Toronto, Ontario
M5J 2T3

Tel: (416) 363-9491
Fax: (416) 365-9642
Website: *www.partnersvaluesplit.com*

Shareholder enquiries relating to dividends, address changes and share certificates should be directed to ourTransfer Agent:

CST Trust Company
P.O. Box 700, Station B
Montreal, Quebec
H3B 3K3

Tel: (416) 682-3860 or
toll free within North America
(800) 387-0825
Fax: (888) 249-6189
Website: *www.canstockta.com*
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PARTNERS VALUE SPLIT CORP.

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