

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered under this short form prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”), or the securities laws of any state of the United States and may not be offered, sold or delivered, directly or indirectly, in the United States (as such term is defined in Regulation S under the U.S. Securities Act) (the “United States”) or to, or for the account or benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) (“U.S. Persons”), except in certain transactions exempt from registration under the U.S. Securities Act and applicable U.S. state securities laws. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See “Plan of Distribution”.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Secretary of Partners Value Split Corp. at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3, Telephone (416) 363-9491, and are also available electronically at the Canadian Securities Administrators’ website at www.sedar.com.

## SHORT FORM PROSPECTUS

New Issue

April 5, 2021



# PARTNERS VALUE SPLIT CORP.

**\$150,000,000**

**6,000,000 Class AA Preferred Shares, Series 12**

This short form prospectus qualifies the distribution (the “**Offering**”) of 6,000,000 Class AA preferred shares, Series 12 (the “**Series 12 Preferred Shares**”) of Partners Value Split Corp. (the “**Company**”).

Holders of the Series 12 Preferred Shares will be entitled to receive quarterly fixed cumulative preferential dividends of \$0.2750 per Series 12 Preferred Share. On an annualized basis, this would represent a yield on the offering price of the Series 12 Preferred Shares of 4.40%. Quarterly dividends on the Series 12 Preferred Shares will be paid by the Company on or about the 7th day of March, June, September and December in each year. Based on the anticipated closing date of April 12, 2021 the initial dividend (which covers the period from closing to May 31, 2021) is expected to be \$0.1507 per Series 12 Preferred Share, and is expected to be paid on or about June 7, 2021 to holders of record on May 21, 2021. The Series 12 Preferred Shares may be surrendered for retraction at any time. The Company will redeem all outstanding Series 12 Preferred Shares on February 29, 2028 (the “**Series 12 Redemption Date**”) for a cash amount per share equal to the lesser of (i) \$25.00 plus any accrued and unpaid dividends and (ii) the Net Asset Value per Unit (as defined herein). See “Details of Offering — Series 12 Preferred Shares” and “Dividend Policy”.

The Company holds a portfolio of Class A Limited Voting Shares (the “**BAM Shares**”) of Brookfield Asset Management Inc. (“**Brookfield**”) in order to generate cash flow to fund fixed cumulative preferential dividends for the holders of the Company’s Class AA preferred shares (the “**Class AA Preferred Shares**”) and to enable the holders of the Company’s capital shares (the “**Capital Shares**”) to participate in any capital appreciation in the BAM Shares.

### Price: \$25.00 per Class AA Preferred Share, Series 12

	Price to the Public <sup>(1)(2)</sup>	Underwriters’ Fees <sup>(3)</sup>	Net Proceeds to the Company <sup>(4)</sup>
Per Series 12 Preferred Share.....	\$ 25.00	\$ 0.75	\$ 24.25
Total.....	\$ 150,000,000	\$ 4,500,000	\$ 145,500,000

- Notes:**
- (1) The offering price was established through negotiation between the Company and the Underwriters (as defined below).
  - (2) The Company has granted the Underwriters an over-allotment option (the “**Underwriters’ Option**”) exercisable at any time, in whole or in part, no later than 30 days after the Closing Date (as defined herein) to purchase up to an aggregate of 900,000 additional Series 12 Preferred Shares on the same terms as set forth above. If the Underwriters’ Option is exercised in full, assuming no shares are sold to institutions, the total price to the public, the Underwriters’ fee and

net proceeds to the Company will be \$172,500,000, \$5,175,000 and \$167,325,000 (calculated on the same basis as note 3) respectively. This prospectus qualifies the distribution of the Series 12 Preferred Shares issuable upon the exercise of the Underwriters' Option. A purchaser who acquires Series 12 Preferred Shares forming part of the Underwriters' over-allocation position acquires those Series 12 Preferred Shares under this short form prospectus, regardless of whether the over-allocation position is ultimately filled through the exercise of the Underwriters' Option or secondary market purchases.

(3) The Underwriters' fee is \$0.25 for each Series 12 Preferred Share sold to institutions and \$0.75 for all other Series 12 Preferred Shares that are sold. The Underwriters' fee set forth in the table assumes that no Series 12 Preferred Shares are sold to institutions.

(4) Before deducting the expenses of the Offering payable on closing, estimated at \$400,000, which will be paid by the Company out of the proceeds of the Offering.

The following table sets out the number of Series 12 Preferred Shares that may be issued to the Underwriters pursuant to the Underwriters' Option.

<b>Underwriters' Position</b>	<b>Maximum Number of Additional Shares</b>	<b>Exercise Period</b>	<b>Exercise Price</b>
Underwriters' Option	Option to acquire up to an additional 900,000 Series 12 Preferred Shares	At any time, no later than 30 days after the Closing Date	\$25.00 per Series 12 Preferred Share

Partners Value Investments Inc. ("**Partners Value Investments**") owns all of the Class A voting shares of the Company (the "**Voting Shares**") and all of the Capital Shares. Prior to the closing of the Offering, if necessary, the Company will subdivide the existing Capital Shares held by Partners Value Investments so that after the Offering the aggregate number of preferred shares of the Company (the "**Preferred Shares**") will equal the number of Capital Shares that will be outstanding. Partners Value Investments is a subsidiary of Partners Value Investments L.P. ("**PV LP**"), a publicly-traded limited partnership that is an investment holding vehicle whose principal investment is an ownership interest in approximately 129 million BAM Shares. The net proceeds from the Offering will be used by the Company to fund the redemption of its 4,000,000 Class AA Preferred Shares, Series 7 (the "**Series 7 Preferred Shares**") and to pay a special dividend on the Capital Shares (the "**Special Dividend**").

The Toronto Stock Exchange (the "**TSX**") has conditionally approved the listing of the Series 12 Preferred Shares distributed under this short form prospectus on the TSX. Listing of the Series 12 Preferred Shares is subject to the Company fulfilling all the listing requirements of the TSX on or before June 25, 2021.

The Company is considered to be a mutual fund but has been exempted from certain of the protections provided by the policies of the Canadian securities regulators applicable to conventional mutual funds.

**See "Investment Considerations and Risk Factors" for a discussion of certain factors that should be considered by prospective purchasers of Series 12 Preferred Shares. There is no market through which the Series 12 Preferred Shares may be sold and purchasers may not be able to resell securities purchased under the short form prospectus. This may affect the pricing of the Series 12 Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Series 12 Preferred Shares, and the extent of issuer regulation. In addition, on retraction of the Series 12 Preferred Shares, holders will be issued Series 10 Debentures (as defined below). The Series 10 Debentures, if and when issued, will be illiquid investments and such holders may not be able to resell the Series 10 Debentures acquired on retraction of Series 12 Preferred Shares. See "Investment Considerations and Risk Factors".**

In connection with the Offering, the Underwriters may over-allot or effect transactions which stabilize or maintain the market price of the Series 12 Preferred Shares offered at levels other than those which might otherwise prevail in the open market. Such activities, if commenced, may be discontinued at any time. The Underwriters may offer the Series 12 Preferred Shares at a price lower than that stated above. See "Plan of Distribution".

Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., TD Securities Inc., National Bank Financial Inc., Raymond James Ltd., Desjardins Securities Inc., Manulife Securities Incorporated, iA Private Wealth Inc., Sera Global Securities Canada LP ("**Sera Global**") and Canaccord Genuity Corp. (collectively, the "**Underwriters**"), as principals, conditionally offer the Series 12 Preferred Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to the approval of certain legal matters by Torys LLP, on behalf of the Company, and Osler, Hoskin & Harcourt LLP, on behalf of the Underwriters.

Sera Global is a subsidiary of Brookfield. Partners Limited together with its related company, PV LP, collectively own, directly or indirectly, approximately 129 million BAM Shares and 85,120 Class B Limited Voting Shares, representing 9.0% and 100% respectively, of each class of shares of Brookfield. Partners Value Investments, a subsidiary of PV LP, owns all voting shares of the Company and therefore the Company may be considered a “related issuer” of Sera Global. The terms of the Offering were negotiated at arm’s length between the Company and the Underwriters. Sera Global will not receive any benefit in connection with the Offering other than as described herein.

Subscriptions will be received for the Series 12 Preferred Shares offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of the Offering is expected to occur on or about April 12, 2021, but no later than April 26, 2021 (the “**Closing Date**”). Registrations and transfers of Series 12 Preferred Shares will be effected only through the book-entry only system administered by CDS Clearing and Depository Services Inc. Beneficial owners of the Series 12 Preferred Shares will not receive physical certificates evidencing their ownership of such shares.

The Company’s registered and head office is at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

Danesh K. Varma, a director of the Company, Brookfield Public Securities Group LLC (“**PSG LLC**”), the investment fund manager of the Company, certain managers of PSG LLC and certain persons signing this short form prospectus reside outside of Canada (collectively, the “**Non-Residents**”). Each Non-Resident has appointed the Company, Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3, as its agent for service of process. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such persons have appointed an agent for service of process. See “Agent for Service of Process”.

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## IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS

All references in this short form prospectus to “dollars” or “\$” are to Canadian dollars unless otherwise noted and all references to “US\$” are to United States dollars.

### Forward-Looking Information

This short form prospectus, including the documents incorporated herein by reference, contains “forward-looking information” and other “forward-looking statements” within the meaning of any applicable Canadian securities laws. 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, the Company’s ability to generate dividends and enable holders of its Capital Shares to participate in capital appreciation of the BAM Shares, the value of the Company’s Capital Shares and Preferred Shares and the BAM Shares, the Company’s ability to sell BAM Shares, potential lending of and call options in respect of the BAM Shares, potential use of derivatives for foreign currency hedging, redemption and retraction of the Company’s Preferred Shares, the Company’s qualification as a mutual fund corporation and future tax considerations, 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 the Company believes that its 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 the Company’s 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 the forward-looking statements or information in this short form prospectus and the documents incorporated by reference in this short form prospectus, include, but are not limited to: the impacts of the ongoing COVID-19 pandemic; fluctuations in the value of the BAM Shares; the behavior of financial markets, including fluctuations in interest and foreign currency exchange rates, and the ability of the Company to effectively use derivatives to hedge against foreign exchange rate fluctuations; the limited liquidity of BAM Shares; changes to the Company’s ability to continue to be exempt from certain of the policies and rules of Canadian securities regulators applicable to conventional mutual funds; default by any borrowers of the Company’s BAM Shares; the ability of the Company to write or close out on call option positions on desirable terms, and the credit risk of any counterparty to a call option; changes to the Company’s qualification as a “mutual fund corporation” under the Tax Act (as defined herein); changes in tax laws; catastrophic events, such as earthquakes, hurricanes or pandemics/epidemics; the possible impact of international conflicts and other developments including terrorist acts, including cyberterrorism; the impact or unanticipated impact of general economic, political and market factors; and other risks and factors detailed in this short form prospectus under the heading “Investment Considerations and Risk Factors” as well as in the Company’s Annual Information Form under the heading “Investment Considerations and Risk Factors” incorporated by reference in this short form prospectus and in the Company’s most recently filed Annual Report (as defined below), incorporated by reference in this short form prospectus, as well as other documents filed by the Company from time to time with securities regulators in Canada.

The Company cautions that the foregoing list of important factors that may affect future results is not exhaustive. When relying on forward-looking statements, 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.

## SUMMARY OF THE OFFERING

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this short form prospectus. Certain terms used in this summary are defined elsewhere in this short form prospectus.*

### The Offering

<b>Offering:</b>	The Offering consists of 6,000,000 Class AA Preferred Shares, Series 12 (the “ <b>Series 12 Preferred Shares</b> ”)
<b>Amount:</b>	\$150,000,000
<b>Price:</b>	\$25.00 per Series 12 Preferred Share
<b>Underwriters’ Option:</b>	The Company has granted the Underwriters an over-allotment option (the “ <b>Underwriters’ Option</b> ”) exercisable at any time, in whole or in part, not later than 30 days after the Closing Date, to purchase up to an aggregate of 900,000 additional Series 12 Preferred Shares on the same terms as set forth above. If the Underwriters’ Option is exercised in full, the total price to the public and net proceeds to the Company are expected to be \$172,500,000 and \$167,325,000 respectively. This prospectus qualifies the distribution of the Series 12 Preferred Shares issuable upon the exercise of the Underwriters’ Option.
<b>Rating:</b>	The Series 12 Preferred Shares have been provisionally rated Pfd-2 (low) by DBRS Limited (“ <b>DBRS</b> ”).
<b>Dividends:</b>	<p>Holder of the Series 12 Preferred Shares will be entitled to receive quarterly fixed cumulative preferential dividends equal to \$0.2750 per Series 12 Preferred Share. On an annualized basis, this would represent a yield on the Offering price of the Series 12 Preferred Shares of 4.40%. Such quarterly dividends are expected to be paid by the Company on or about the 7<sup>th</sup> day of March, June, September and December in each year. Based upon the anticipated closing date of April 12, 2021, the initial dividend (which covers the period from closing to May 31, 2021) is expected to be \$0.1507 per Series 12 Preferred Share and is expected to be paid on or before June 7, 2021 to holders of record on May 21, 2021.</p> <p>Series 12 Preferred Shares dividends will be funded from the dividends received on the Class A Limited Voting Shares (the “<b>BAM Shares</b>”) of Brookfield. Based on the current dividends paid on the BAM Shares, it is expected that the Company will have coverage initially exceeding 2.19 times the dividends to be paid on all Preferred Shares (other than the Junior Preferred Shares and after giving effect to the redemption of the Series 6 Preferred Shares (as defined below) and the Series 7 Preferred Shares) (initially exceeding 2.13 times assuming the exercise in full of the Underwriters’ Option). As such, the dividends paid on the Series 12 Preferred Shares will constitute ordinary dividends to the holders of the Series 12 Preferred Shares. If for any reason, the dividends received by the Company on the BAM Shares are insufficient to fully fund the Preferred Share dividends, the Company will sell BAM Shares or write covered call options on its BAM Shares to the extent necessary to fund any shortfall.</p> <p>See “Dividend Policy” and “Details of Offering — Dividends”.</p>
<b>Retraction:</b>	The Series 12 Preferred Shares may be surrendered for retraction at any time.

Retraction payments for the Series 12 Preferred Shares will be made on the 15<sup>th</sup> day of each month, or where such day is not a business day, on the immediately preceding business day (the “**Retraction Payment Date**”) provided the Series 12 Preferred Shares have been surrendered for retraction at least five business days before the Valuation Date (as defined below). As used herein, the term “business day” means any day, except for a Saturday or Sunday, which is not a statutory or civic holiday in Toronto, Ontario.

A holder retracting Series 12 Preferred Shares will receive per Series 12 Preferred Share retracted, as payment for such shares, a number of debentures (the “**Series 10 Debentures**”) determined by dividing the holder’s aggregate Preferred Share Retraction Price (as defined below) by \$25.00, being the principal amount of the Series 10 Debenture. Fractional Series 10 Debentures will not be issued to a holder and the holder will instead receive a cash payment equal to such fraction multiplied by the value of the Series 10 Debentures that would otherwise have been issued. For the purposes of determining the amount of any such cash payment, all Series 12 Preferred Shares deposited by a holder for retraction will be aggregated. The Series 10 Debentures will be issued by, at the Company’s option in respect of each retraction, either the Company or, if agreed to by Partners Value Investments, Partners Value Investments. See “Details of the Offering — Retraction”.

The “**Preferred Share Retraction Price**” will be equal to the lesser of (i) Net Asset Value per Unit and (ii) \$25.00.

**Debentures:**

The Series 10 Debentures will be issued by the Company or, if agreed to by Partners Value Investments, Partners Value Investments. The Series 10 Debentures will have a principal amount of \$25.00 per debenture and will mature on the Series 12 Redemption Date (as defined below).

Holders of the Series 10 Debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum, provided that the Company may, at its option, provided no Event of Default (as defined under “Details of Offering — Series 10 Debentures — Events of Default”) has occurred and is continuing, elect to defer payment of interest due on any interest payment date until maturity on the condition that, in the event of such election, no interest, dividends or other distributions will be permitted to be paid in respect of the Company’s subordinate classes of securities. Interest will be paid by the issuer on or about the 7<sup>th</sup> day of March, June, September and December in each year.

The Series 10 Debentures shall be redeemable by the Company at any time upon payment of the outstanding principal amount together with any accrued and unpaid interest thereon. See “Details of the Offering — Series 10 Debentures”.

**Net Asset Value per Unit:**

The Net Asset Value per Unit is defined as the value of the BAM 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 as at the 30<sup>th</sup> day of the relevant month (or, in the case of February, the last day of the month) (the “**Valuation Date**”) and the redemption value of the Voting Shares, all as determined by the board of directors of the Company, divided by the total number of Units outstanding. A “**Unit**” consists of one Capital Share and one Preferred Share (of any class or series). For greater certainty, the Preferred Shares will not be treated as liabilities for the purpose of determining the Net Asset Value per Unit. The BAM Shares

will be valued based on the net amount received by the Company on the sale of BAM Shares or otherwise by reference to the closing price for the BAM Shares on the applicable Valuation Date. See “Net Asset Value per Unit”.

**Redemption:**

Series 12 Preferred Shares may be redeemed by the Company at any time on or after February 28, 2026 and prior to February 29, 2028 (the “**Series 12 Redemption Date**”) at a price (the “**Series 12 Preferred Share Redemption Price**”), which, until February 28, 2027, will equal \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2027. All Series 12 Preferred Shares outstanding on the Series 12 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. Notwithstanding the first sentence of this paragraph, the Company may redeem Series 12 Preferred Shares prior to February 28, 2026 for \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Series 12 Preferred Shares prior to February 28, 2026, unless: (i) Capital Shares have been retracted; or (ii) there is a take-over bid for the BAM 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.

**Purchase for Cancellation:**

If any Capital Shares are tendered for retraction, the Company will, as necessary and subject to applicable laws, redeem or purchase for cancellation in the open market Preferred Shares, including the Series 12 Preferred Shares, in order to ensure that the number of Preferred Shares outstanding does not exceed the number of Capital Shares outstanding. Capital Shares may be surrendered for retraction at any time for a retraction price per share equal to the amount, if any, by which 95% of the Net Asset Value, calculated as at the business day following receipt of the notice of retraction, exceeds the aggregate redemption price of all outstanding Preferred Shares of any class or series then outstanding, divided by the number of Capital Shares then outstanding, less \$1.00.

**Priority:**

The Series 12 Preferred Shares will rank prior to the Capital Shares, the Class AAA Preferred Shares and the Junior Preferred Shares and on a *pari passu* basis with all other Preferred Shares (other than the Class AAA Preferred Shares and the Junior Preferred Shares) with respect to the payment of dividends, distributions upon a redemption, retraction or return of capital and distribution upon a dissolution, liquidation or winding-up of the Company.

See “Details of Offering” for details of the rights, privileges, restrictions and conditions attaching to the Series 12 Preferred Shares.

**Use of Proceeds:**

The net proceeds from the Offering of the Series 12 Preferred Shares will be used by the Company to fund the redemption of its Series 7 Preferred Shares and to pay the Special Dividend on the Capital Shares.

**Canadian Federal Income Tax Considerations**

**Taxation of the Company:**

The Company currently qualifies, and intends to continue to qualify, as a mutual fund corporation under the *Income Tax Act* (Canada) (the “**Tax Act**”). As a result of the Company qualifying as a mutual fund corporation under the Tax Act and because the Company deducts expenses in computing its taxable income, the Company should not be subject to any material net income tax liability.

**Taxation of Shareholders**



**Resident in Canada:****Dividends**

Ordinary dividends received by individuals on the Series 12 Preferred Shares will be subject to the normal gross-up and dividend tax credit rules applicable to dividends received on shares of a taxable Canadian corporation.

Ordinary dividends received by corporations, other than specified financial institutions, on the Series 12 Preferred Shares will generally be deductible in computing taxable income.

Ordinary dividends received by specified financial institutions on the Series 12 Preferred Shares will be deductible in computing taxable income, provided that certain conditions applicable to term preferred shares are met, such as the 10% ownership restriction.

Ordinary dividends received by private corporations (and certain other corporations) on the Series 12 Preferred Shares will be subject to a refundable tax under Part IV of the Tax Act.

Ordinary dividends received by certain corporations other than private corporations on the Series 12 Preferred Shares will be subject to a 10% tax under Part IV.I of the Tax Act.

**Dispositions**

A disposition of the Series 12 Preferred Shares held as capital property, whether by way of redemption, retraction or otherwise, may result in a capital gain or a capital loss to the holder thereof.

**Interest on Debentures**

Interest accrued to, or receivable or received before, the end of a taxation year will be included in the income of a holder of the Series 10 Debentures that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary. Interest on the Series 10 Debentures received or receivable in a taxation year by a taxpayer who is an individual or trust, of which neither a corporation nor a partnership is a beneficiary, will be included in income for that year.

For a detailed explanation of the principal Canadian federal income tax considerations, see “Certain Canadian Federal Income Tax Considerations”.

**Investment Considerations and Risk Factors**

An investment in Series 12 Preferred Shares is subject to certain risk factors which prospective investors should consider before purchasing such shares. An investment in Series 12 Preferred Shares does not constitute an investment in the BAM Shares. The value of the Series 12 Preferred Shares will be influenced by factors which are not within the control of the Company, including the financial performance of Brookfield, interest rates, foreign currency exposure and other financial market considerations. The Company is considered to be a mutual fund but does not generally operate in accordance with, and has been exempted from, certain provisions of the policies and rules of Canadian securities regulators applicable to conventional mutual funds. There is currently no public market for the Series 12 Preferred Shares. If the Company determines to lend BAM Shares, the Company will be exposed to risk of loss and if the Company needs to write covered call options, there is no assurance a liquid exchange market will exist to permit the Company to do so on desired terms. If issued on a retraction of Series 12 Preferred Shares, the Series 10 Debentures will be illiquid investments. See “Investment Considerations and Risk Factors”.

### **Eligibility for Investment**

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the Series 12 Preferred Shares, if issued on the date of this short form prospectus, will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered disability savings plans (“RDSPs”), tax-free savings accounts (“TFSA”), deferred profit sharing plans and registered education savings plans (“RESPs”) and the Series 10 Debentures, if issued on the date of this short form prospectus, will be qualified investments under the Tax Act for trusts governed by RRSPs, RRIFs, RDSPs, TFSA, RESP or deferred profit sharing plans, other than deferred profit sharing plans for which the Company or Partners Value Investments, as the case may be, or a corporation with which the Company or Partners Value Investments, as the case may be, does not deal at arm’s length, is the employer.

Notwithstanding the foregoing, if the Series 12 Preferred Shares or the Series 10 Debentures, as the case may be, are a “prohibited investment” for the purposes of an RRSP, RRIF, RDSP, TFSA or RESP, as the case may be, the holder of such TFSA or RDSP, the annuitant of such RRSP or RRIF or the holder of such RESP, as applicable, will be subject to a penalty tax as set out in the Tax Act. Generally, each of the Series 12 Preferred Shares and the Series 10 Debentures will not be a “prohibited investment” for a trust governed by a TFSA, RRSP, RESP, RDSP or RRIF, as the case may be, on such date provided the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm’s length with the Company, or Partners Value Investments, as the case may be, for purposes of the Tax Act and does not have a “significant interest” (within the meaning of subsection 207.01(4) of the Tax Act) in the Company or Partners Value Investments, as the case may be. In addition, the Series 12 Preferred Shares will generally not be a “prohibited investment” for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP if they are “excluded property” (as defined in subsection 207.01(1) of the Tax Act) for such trust. Holders of a TFSA or a RDSP, annuitants under an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors regarding whether the Series 12 Preferred Shares or the Series 10 Debentures will be prohibited investments in their particular circumstances.

### **Book-Entry Only System**

Registration of interests in and transfers of the Series 12 Preferred Shares will be made only through non-certificated interests issued under the book-entry only system of CDS Clearing and Depository Services Inc. (“CDS”). Series 12 Preferred Shares must be purchased, transferred and surrendered for retraction or redemption through a participant in the CDS book-entry only system. Beneficial owners of Series 12 Preferred Shares will not have the right to receive physical certificates evidencing their ownership of such shares.

The ability of a beneficial owner of Series 12 Preferred Shares to pledge the Series 12 Preferred Shares or otherwise take action with respect to such owner’s interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

## DOCUMENTS INCORPORATED BY REFERENCE

In addition to the documents incorporated by reference under the heading “Partners Value Investments Inc.”, the following documents filed with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in this short form prospectus:

- (a) Annual Information Form of the Company for the period ended December 31, 2020 dated March 24, 2021 (the “**Annual Information Form**”);
- (b) Management’s Report on Fund Performance for the period ended December 31, 2020, included as pages 2 through 6 in the 2020 annual report to shareholders of the Company dated March 24, 2021 (the “**2020 Annual Report**”);
- (c) the audited financial statements of the Company and the notes thereto for the periods ended December 31, 2020 and December 31, 2019, together with the auditor’s report thereon, found at pages 8 through 21 of the 2020 Annual Report;
- (d) the template version (as defined in National Instrument 41-101 — *General Prospectus Requirements* (“**NI 41-101**”)) of the term sheet dated March 19, 2021, filed on SEDAR (as defined below) in connection with this Offering (the “**Initial Term Sheet**”); and
- (e) the template version (as defined in NI 41-101) of the amended term sheet dated March 19, 2021, filed on SEDAR in connection with this Offering (the “**Amended Term Sheet**” and together with the Initial Term Sheet, the “**Marketing Materials**”).

The Initial Term Sheet reflected an offering amount of \$100,000,000 (4,000,000 Series 12 Preferred Shares) and an over-allotment option exercisable at the issue price at any time, in whole or in part, not later than 30 days after the Closing Date, to purchase up to an additional \$15,000,000 Series 12 Preferred Shares (600,000 Series 12 Preferred Shares). The terms of the Offering were amended on March 19, 2021 pursuant to the Amended Term Sheet, including to reflect an offering amount of \$150,000,000 (6,000,000 Series 12 Preferred Shares) and an over-allotment option exercisable at the issue price at any time, in whole or in part, not later than 30 days after the Closing Date, to purchase up to an additional \$22,500,000 Series 12 Preferred Shares (900,000 Series 12 Preferred Shares).

**Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed to be an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.**

Any documents described in item 11.1 of Form 44-101F1 — *Short Form Prospectus* that are filed by the Company with a securities commission or similar regulatory authority in Canada on or after the date of this short form prospectus and prior to the termination of the Offering (excluding confidential material change reports) shall be deemed to be incorporated by reference into this short form prospectus.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in each of the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the office of the Secretary of the Company at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, Canada, M5J 2T3, Telephone: (416) 363-9491, and are also available electronically on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com).

## **MARKETING MATERIALS**

The Marketing Materials are not part of this short form prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this short form prospectus. Any “template version” of “marketing materials” (each as defined in NI 41-101) that are filed by the Company with a securities commission or similar regulatory authority in Canada on or after the date of this short form prospectus and prior to the termination of the Offering (including any amendments to, or an amended version of, the Marketing Materials) shall be deemed to be incorporated by reference into this short form prospectus.

## THE COMPANY

The Company was incorporated under the laws of the Province of Ontario on July 12, 2001. The Company has its registered and head office at Suite 300, Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3, telephone: (416) 363-9491.

The Company's investment objective is to hold a portfolio of BAM Shares in order to generate cash flow to fund fixed cumulative preferential dividends for the holders of the Company's preferred shares (the "**Preferred Shares**") and to enable the holders of the Company's capital shares (the "**Capital Shares**") to participate in any capital appreciation in the BAM Shares. The policy of the Company is to hold the BAM Shares and not to sell the BAM Shares, except as described herein. As at April 1, 2021, the Company had a portfolio of 119,611,449 BAM Shares.

Partners Value Investments owns all of the Class A voting shares of (the "**Voting Shares**"), the Capital Shares and the Junior Preferred Shares, Series 1, Junior Preferred Shares, Series 2 and Junior Preferred Shares, Series 3 (collectively, the "**Junior Preferred Shares**") of the Company. Prior to the closing of any sale of Series 12 Preferred Shares, if necessary, the Company will subdivide the existing Capital Shares held by Partners Value Investments so that after such sale the aggregate number of Preferred Shares outstanding will equal the number of Capital Shares that will be outstanding. Partners Value Investments is a subsidiary of PV LP, a publicly-traded limited partnership that is an investment holding vehicle whose principal investment is an ownership interest in approximately 129 million BAM Shares.

As a mutual fund, the Company is subject to certain restrictions and practices contained in securities legislation, including National Instrument 81-102 — *Investment Funds* ("**NI 81-102**"), which are designed in part to ensure that the investments of the mutual fund are diversified and relatively liquid and to ensure the proper administration of the mutual fund. The Company is managed in accordance with these restrictions and practices. However, the Company has been exempted from certain of the protections provided by securities legislation applicable to conventional mutual funds, including certain provisions of NI 81-102.

## BAM SHARES

All BAM Shares currently owned by the Company are held by Canadian Imperial Bank of Commerce (the "**Custodian**") pursuant to the provisions of the Custodial Services Agreement described under "Auditors, Transfer Agent, Registrar and Custodian".

BAM Shares may be sold to fund the retraction or redemption of any Preferred Shares or Capital Shares, following the receipt of any stock dividends, or to meet obligations of the Company in respect of liabilities including extraordinary liabilities. In addition, the Company may also sell BAM Shares, if necessary, to fund a portion of the Preferred Share dividends.

In order to generate additional income, the Company may lend the BAM Shares owned by it to borrowers acceptable to the Company pursuant to the terms of a securities lending agreement between the Company and any such borrower (a "**Securities Lending Agreement**"). Under a Securities Lending Agreement: (i) the borrower will pay to the Company a negotiated securities lending fee and will make compensation payments to the Company equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purpose of the Tax Act; and (iii) the Company will receive prescribed collateral security. Any such securities lending activities will be conducted in accordance with applicable securities legislation or any exemption therefrom.

## DIVIDEND POLICY

The dividends on Preferred Shares are funded primarily from the dividends received on the BAM Shares. Based on the current dividends paid on the BAM Shares, it is expected that the Company will have coverage initially exceeding 2.19 times the dividends to be paid on all Preferred Shares (other than the Junior Preferred Shares and after giving effect to the redemption of the Series 6 Preferred Shares and the Series 7 Preferred Shares) (initially exceeding 2.13 times assuming the exercise in full of the Underwriters' Option), including the Series 12 Preferred Shares. As such, the dividends paid on the Series 12 Preferred Shares will constitute ordinary dividends to the holders of the Series 12 Preferred Shares.

If, for any reason, the dividends received by the Company on the BAM Shares are insufficient to fully fund Preferred Share dividends, the Company will sell BAM Shares or write covered call options on its BAM Shares to the extent necessary to fund any shortfall. Any portion of the dividends on the Preferred Shares which is derived from the proceeds of sale of the BAM Shares will consist of ordinary dividends or a combination of a capital gains dividend and ordinary dividends. Any option premium received in a year (other than in respect of options outstanding at year end) would, subject to the provisions of the Tax Act, be distributed as a capital gains dividend in the year on the Preferred Shares.

If the dividends received by the Company on the BAM Shares, less the administrative and operating expenses of the Company, exceed the amount of the dividends on the Preferred Shares, the policy of the board of directors of the Company is to pay any excess as dividends on the Capital Shares. Any dividends, net of expenses and the dividends on all the Preferred Shares, received by the Company which are not paid out will be invested in fixed income securities as determined by Brookfield Public Securities Group LLC (“PSG LLC”), as investment manager. The current policy of the board of directors of the Company is to pay these amounts as dividends on the Capital Shares provided that the Net Asset Value per Unit exceeds \$36.00. See “Net Asset Value per Unit”.

In addition, if the Company realizes capital gains and would be liable to pay tax thereon, the Company may declare a capital gains dividend on the Capital Shares. Such dividend will minimize any tax payable by the Company and, as such, should benefit the Company and its shareholders.

### NET ASSET VALUE PER UNIT

“**Net Asset Value per Unit**” on any particular day is defined as the value of the BAM 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 as at the relevant date and the redemption value of the Voting Shares, all as determined by the board of directors of the Company, divided by the total number of Units outstanding. A “**Unit**” consists of one Capital Share and one Preferred Share. For greater certainty, the Preferred Shares will not be treated as liabilities for purposes of determining Net Asset Value per Unit.

The BAM Shares will be valued as follows:

- (a) the net amount received by the Company per BAM Share on the disposition of any BAM Shares sold to fund a retraction or redemption; or
- (b) to the extent that BAM Shares are not sold to fund a retraction or redemption on the applicable date, the Company will value the BAM Shares using the closing price for BAM Shares on the TSX on the trading day immediately preceding the relevant date; or, if no trading in BAM Shares occurred on such day on the TSX, the closing price for BAM Shares on such other exchange or market as Brookfield may select on such day; or, if no closing price is available from any exchange or market for BAM Shares, the average of the bid and ask prices for such shares at close of trading on the TSX on such day.

The value of the BAM Shares determined as set out above may differ from the value of the BAM Shares determined under IFRS.

If, on the applicable date of the determination of Net Asset Value per Unit, the Company is entitled to a refund of refundable taxes but such refund is not immediately available, the Company will either defer payment in cash of a portion of the redemption price until the refund is received by the Company or take steps to monetize or otherwise convert the refund into cash. In any event, any refundable taxes not then available to the Company will be treated as an asset equal to the realizable value thereof as determined by the board of directors.

Unless otherwise required, the Net Asset Value per Unit will be calculated once per month on the last business day of the month. Such information will be provided by Brookfield to holders of Series 12 Preferred Shares upon request by calling (416) 363-9491 or online at [www.partnersvaluesplit.com](http://www.partnersvaluesplit.com).

## BROOKFIELD ASSET MANAGEMENT INC.

### General

Brookfield is a leading global alternative asset manager with approximately US\$600 billion of assets under management across real estate, infrastructure, renewable power, private equity and credit. Brookfield owns and operates long-life assets and businesses, many of which form the backbone of the global economy. Utilizing its global reach, access to large-scale capital and operational expertise, Brookfield offers a range of alternative investment products to investors around the world—including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors. Brookfield is listed on the New York Stock Exchange and Toronto Stock Exchange (the “TSX”) under the symbol BAM and BAM.A, respectively.

The information contained in this short form prospectus relating to Brookfield is based upon the documents listed below, each of which has been filed by Brookfield with the various securities commissions or similar authorities in Canada:

- (a) Brookfield’s Annual Information Form for the period ended December 31, 2020 filed on SEDAR on March 23, 2021;
- (b) Brookfield’s audited consolidated financial statements for the year ended December 31, 2020 together with Management’s Discussion and Analysis of Financial Results thereon (contained in pages 16 to 120 of Brookfield’s 2020 Annual Report); and
- (c) Brookfield’s Notice of Annual Meeting of Shareholders and Management Information Circular filed on SEDAR on May 13, 2020.

**Any statement contained in such publicly filed documents shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any other subsequently filed document modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The foregoing reports and other documents may be inspected at the offices of the respective securities commissions and regulatory authorities at which they are filed through SEDAR at [www.sedar.com](http://www.sedar.com). More comprehensive financial and other information is contained in such reports and the following summary is qualified by reference to such reports and other documents and all of the financial information and notes contained therein.**

The Company and the Underwriters have no access to any information about Brookfield other than information in such publicly filed reports and other documents. Further, the Company and the Underwriters have not had an opportunity to verify the accuracy or completeness of any information contained in such reports and other documents or to determine if there has been any omission by Brookfield to disclose any facts, information or events which may have occurred prior to or subsequent to the date as of which any information contained in such reports and other documents has been furnished by Brookfield or which may affect the significance or accuracy of any information contained in any such reports and other documents and summarized herein. The Series 12 Preferred Shares derive their value from the Company’s underlying investment in the BAM Shares and prospective purchasers should consult their own investment advisor for advice with respect to the merits of an investment in securities which derive their value from an underlying investment in the BAM Shares.

Brookfield has not participated in the preparation of this short form prospectus and does not take any responsibility or assume any liability with respect to the accuracy or completeness of any information contained herein. None of Brookfield and its officers, directors, auditors or other experts whose reports, opinions or statements have been used in connection with this short form prospectus or the documents referred to herein have any statutory liability to purchasers of the Series 12 Preferred Shares with respect to the accuracy or completeness of any of the information contained in this short form prospectus.

## Selected Financial Information

The following represents a historical summary of selected financial data pertaining to Brookfield which has been excerpted or derived from the publicly filed reports and other documents of Brookfield.

### Consolidated Statements of Operations for the years ended December 31, 2020 and December 31, 2019

	Year ended December 31,	
	2020	2019
	(US\$ millions, except per share amounts)	
Revenues .....	\$ 62,752	\$67,826
Direct costs .....	(47,386)	(52,728)
Other income and gains .....	785	1,285
Equity accounted income (loss).....	(79)	2,498
Expenses		
Interest.....	(7,213)	(7,227)
Corporate costs .....	(101)	(98)
Fair value changes .....	(1,423)	(831)
Depreciation and amortization .....	(5,791)	(4,876)
Income taxes.....	(837)	(495)
Net income .....	<u>707</u>	<u>5,354</u>
Net income (loss) attributable to:		
Brookfield shareholders .....	(134)	2,807
Non-controlling interests .....	841	2,547
	<u>707</u>	<u>5,354</u>
Net income (loss) per share <sup>(1)</sup> :		
Diluted.....	(0.12)	1.73
Basic .....	<u>(0.12)</u>	<u>1.78</u>

(1) Adjusted to reflect the three-for-two stock split effective April 1, 2020.



**Consolidated Statements of Comprehensive Income for the years ended  
December 31, 2020 and December 31, 2019**

	Year ended December 31,	
	2020	2019
	(US\$ millions)	
Net income .....	\$ 707	\$ 5,354
Other comprehensive income (loss)		
Items that may be reclassified to net income		
Financial contracts and power sale agreements .....	(218)	(52)
Marketable securities .....	285	75
Equity accounted investments .....	(82)	(37)
Foreign currency translation .....	(1,294)	(403)
Income taxes .....	(38)	(15)
	<u>(1,347)</u>	<u>(432)</u>
Items that will not be reclassified to net income		
Revaluations of property, plant and equipment .....	4,794	3,328
Revaluation of pension obligations .....	(298)	(149)
Equity accounted investments .....	36	354
Marketable securities .....	316	299
Income taxes .....	(1,188)	(688)
	<u>3,660</u>	<u>3,144</u>
Other comprehensive income .....	2,313	2,712
Comprehensive income .....	<u>3,020</u>	<u>8,066</u>
Attributable to:		
Shareholders		
Net (loss) income .....	(134)	2,807
Other comprehensive income .....	818	524
Comprehensive income .....	<u>684</u>	<u>3,331</u>
Non-controlling interests		
Net income .....	841	2,547
Other comprehensive income .....	1,495	2,188
Comprehensive income .....	<u>2,336</u>	<u>4,735</u>

**Consolidated Balance Sheets as at December 31, 2020 and December 31, 2019**

	December 31, 2020	December 31, 2019
	(US\$ millions)	
<b>Assets</b>		
Cash and cash equivalents.....	\$9,933	\$ 6,778
Other financial assets .....	17,730	12,468
Accounts receivable and other .....	18,928	18,469
Inventory .....	10,360	10,272
Assets classified as held for sale .....	5,917	3,502
Equity accounted investments.....	41,327	40,698
Investment properties.....	96,782	96,686
Property, plant and equipment .....	100,009	89,264
Intangible assets .....	24,658	27,710
Goodwill .....	14,714	14,550
Deferred income tax assets .....	3,338	3,572
<b>Total Assets</b>	<b>\$343,696</b>	<b>\$323,969</b>
<b>Liabilities and Equity</b>		
Corporate borrowings .....	\$9,077	\$7,083
Accounts payable and other .....	50,682	43,077
Liabilities associated with assets classified as held for sale.....	2,359	1,690
Non-recourse borrowings of entities that Brookfield manages .....	139,324	136,292
Subsidiary equity obligations.....	3,699	4,132
Deferred income tax liabilities .....	15,913	14,849
Equity		
Non-controlling interests in net assets .....	86,804	81,833
Preferred equity .....	4,145	4,145
Common equity.....	31,693	30,868
Total equity .....	122,642	116,846
<b>Total Liabilities and Equity</b>	<b>\$343,696</b>	<b>\$323,969</b>

**BAM Share Trading History**

The BAM Shares are listed on the TSX and the New York Stock Exchange. The following table sets forth the market price range and trading volume of the BAM Shares on the TSX for the calendar periods indicated. The data is not adjusted to reflect the three-for-two stock split of the BAM Shares effective April 1, 2020.

<u>Period</u>	<u>High</u>	<u>Low</u>	<u>Volume</u> (millions of shares)
<b>2019</b>			
First Quarter .....	\$ 62.86	\$ 50.60	73,891,269
Second Quarter .....	\$ 65.06	\$ 61.63	63,592,480
Third Quarter .....	\$ 72.28	\$ 62.72	67,830,639
Fourth Quarter.....	\$ 78.62	\$ 66.76	60,418,848
<b>2020</b>			
First Quarter .....	\$ 90.72	\$ 47.02	134,895,659
Second Quarter .....	\$ 60.99	\$ 39.04	134,518,438
Third Quarter .....	\$ 47.59	\$ 42.00	106,444,950
Fourth Quarter.....	\$ 56.10	\$ 38.77	138,757,530
<b>2021</b>			
First Quarter.....	\$ 57.72	\$ 48.34	125,109,458

On April 1, 2021, the closing price of the BAM Shares on the TSX was \$56.17.

The information contained in the above table was obtained from the TSX Market Data database, is historical and is not intended to be, nor should it be construed to be, an indication as to the future trading levels of the BAM Shares.

## **BAM Share Dividends**

The declaration and payment of dividends on the BAM Shares are at the discretion of the board of directors of Brookfield, which has announced that it supports a stable and consistent dividend policy and will consider increasing dividends from time to time at a rate based on a portion of the growth rate in cash flow from operations per share. Special dividends may also be declared from time to time to implement corporate strategic initiatives.

On April 1, 2020, Brookfield completed a three-for-two stock split of the BAM Shares by way of a stock dividend whereby shareholders received one-half of a BAM Share for each BAM Share and Class B Limited Voting Share of Brookfield held (i.e., one additional share for every two shares held). In 2020, Brookfield paid a quarterly dividend of US\$0.18 per BAM Share on March 31, 2020 (equal to US\$0.12 per BAM Share on a post-split basis), US\$0.12 per BAM Share on June 30, 2020, US\$0.12 per BAM Share on September 30, 2020, and US\$0.12 per BAM Share on December 31, 2020. Brookfield paid a quarterly dividend of US\$0.13 per share (representing US\$0.52 per annum) on March 31, 2021.

## **PARTNERS VALUE INVESTMENTS INC.**

Partners Value Investments is a subsidiary of PV LP, a publicly-traded limited partnership that is an investment holding vehicle whose principal investment is an ownership interest in approximately 129 million BAM Shares.

Retraction of a Series 12 Preferred Share will result in the issuance to the holder of a certain number of Series 10 Debentures. As described below under “Details of the Offering — Series 12 Preferred Shares — Retraction”, the Series 10 Debentures may, if agreed to by Partners Value Investments, be issued by Partners Value Investments.

Information relating to Partners Value Investments is contained in the documents listed below, filed by Partners Value Investments with the various securities commissions or similar authorities in Canada, which are specifically incorporated by reference in this short form prospectus:

- Partners Value Investments’ audited consolidated financial statements for the year ended December 31, 2020 and December 31 2019, together with the notes thereto and the auditors’ report thereon and Management’s Discussion and Analysis of Financial Results thereon.

**Any statement contained in such publicly filed documents shall be deemed to be modified or superseded for the purposes of this short form prospectus to the extent that a statement contained in this short form prospectus or in any other subsequently filed document modifies or supersedes that statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus. The foregoing reports and other documents may be inspected at the offices of the respective securities commissions and regulatory authorities at which they are filed through SEDAR at [www.sedar.com](http://www.sedar.com). More comprehensive financial and other information is contained in such reports and the following summary is qualified by reference to such reports and other documents and all of the financial information and notes contained therein.**

## **DESCRIPTION OF SHARE CAPITAL**

The authorized capital of the Company consists of an unlimited number of Capital Shares, an unlimited number of Class A Preferred Shares, an unlimited number of Class AA Preferred Shares, an unlimited number of Class AAA Preferred Shares, an unlimited number of Junior Preferred Shares and an unlimited number of Voting Shares, of which 39,796,100 Capital Shares, 4,000,000 Class AA Preferred Shares, Series 7, 5,999,300 Class AA Preferred Shares, Series 8, 5,996,800 Class AA Preferred Shares, Series 9, 6,000,000 Class AA Preferred Shares, Series 10, 6,000,000 Class AA Preferred Shares, Series 11, 8,000,000 Junior Preferred Shares, Series 1, 1,800,000 Junior Preferred Shares, Series 2, 2,000,000 Junior Preferred Shares, Series 3 and 100 Voting Shares are outstanding at the date hereof. There are currently no outstanding Class A Preferred Shares, Class AA Preferred Shares, Series 1,

Class AA Preferred Shares, Series 2, Class AA Preferred Shares, Series 3, Class AA Preferred Shares, Series 4, Class AA Preferred Shares, Series 5, Class AA Preferred Shares, Series 6 (the “**Series 6 Preferred Shares**”) or Class AAA Preferred Shares.

Upon the issuance of the Series 12 Preferred Shares hereunder, if necessary, the Capital Shares will be subdivided pursuant to articles of amendment that will be filed on or prior to the date of such issuance so that there will be an equal number of Capital Shares and Preferred Shares outstanding.

## **DETAILS OF OFFERING**

### **Class AA Preferred Shares**

#### ***Directors’ Right to Issue in One or More Series***

The Class AA Preferred Shares may be issued at any time or from time to time in one or more series, subject to the limitations set out in the articles of incorporation, as amended, of the Company. The board of directors of the Company is authorized to fix before issue the number, the designation of and, subject to the rights and restrictions attaching to the Class AA Preferred Shares as a class, the rights, privileges, restrictions and conditions attaching to the Class AA Preferred Shares of each series.

#### ***Voting Rights***

Except as required by law and the approval requirements for certain fundamental changes under NI 81-102, the holders of the Class AA Preferred Shares as a class shall not be entitled to receive notice of, to attend or to vote at any meeting of the shareholders of the Company (including with respect to share consolidations or subdivisions of the Capital Shares) other than meetings of the holders of Class AA Preferred Shares. The Company may, without the approval of the Class AA Preferred Shares, (i) increase or decrease the maximum number of authorized Class AA Preferred Shares or increase the maximum number of authorized shares of a class having rights or privileges equal or superior to the Class AA Preferred Shares; (ii) effect an exchange, reclassification or cancellation of the Class AA Preferred Shares; and (iii) create a new class or series of shares equal or superior to the Class AA Preferred Shares. Holders of the Class AA Preferred Shares will not be entitled to exercise the votes attaching to any of the BAM Shares held by the Company.

So long as any of the Class AA Preferred Shares are outstanding, the Company shall not, without the approval of the holders of the Class AA Preferred Shares, (i) amend the rights, privileges, restrictions and conditions attaching to the Class AA Preferred Shares; or (ii) wind up or dissolve voluntarily.

#### ***Modification***

Approval of amendments to the provisions of the Class AA Preferred Shares may be given by a special resolution carried by an affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of Class AA Preferred Shares duly called and held for such purpose at which the holders of 10% of the outstanding Class AA Preferred Shares are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Class AA Preferred Shares then present would form the quorum.

#### ***Priority***

The Class AA Preferred Shares rank senior to the Capital Shares, the Class AAA Preferred Shares and the Junior Preferred Shares and *pari passu* with the Class A Preferred Shares with respect to payment of dividends and in the distribution of assets in the event of dissolution, liquidation or winding-up of the Company.

### **Series 12 Preferred Shares**

#### ***Issue Price***

The Series 12 Preferred Shares will have an issue price of \$25.00 per share.

## ***Dividends***

Holders of Series 12 Preferred Shares will be entitled to receive quarterly fixed cumulative preferential dividends equal to \$0.2750 per Series 12 Preferred Share. On an annualized basis, this would represent a dividend yield on the offering price of the Series 12 Preferred Shares of 4.40%. Such quarterly distributions are expected to be paid by the Company on or about the 7th day of March, June, September and December in each year. Based on the anticipated Closing Date of April 12, 2021, the initial distribution (which covers the period from completion of the Offering to May 31, 2021) is expected to be \$0.1507 per Series 12 Preferred Share, and is expected to be payable on or about June 7, 2021 to holders of record on May 21, 2021. See “Dividend Policy”.

## ***Retraction***

The Series 12 Preferred Shares may be surrendered for retraction at any time. Retraction payments for Series 12 Preferred Shares will be made on the 15th day of each month, or where such day is not a business day, on the preceding business day (the “**Retraction Payment Date**”) provided the Series 12 Preferred Shares have been surrendered for retraction at least five business days before the 30th day of the relevant month (or, in the case of February, the last day of the month) (the “**Valuation Date**”). As used herein, the term “business day” means any day, except for a Saturday or Sunday, which is not a statutory or civic holiday in Toronto, Ontario.

A holder retracting Series 12 Preferred Shares will receive, per Series 12 Preferred Share retracted, a number of debentures (the “**Series 10 Debentures**”) determined by dividing the holder’s aggregate Preferred Share Retraction Price (defined below) by \$25.00. The Series 10 Debentures will be issued by, at the Company’s option in respect of each retraction, either the Company or, if agreed to by Partners Value Investments, Partners Value Investments. If the Series 10 Debentures are issued by Partners Value Investments, Partners Value Investments will be issued new shares of the Company of equivalent value.

The “**Preferred Share Retraction Price**” will be equal to the lesser of (i) Net Asset Value per Unit and (ii) \$25.00. Retraction payments will be made on a Retraction Payment Date provided the Series 12 Preferred Shares have been surrendered for retraction at least five business days before the Valuation Date in the preceding month. If Series 12 Preferred Shares are surrendered for retraction thereafter, the retraction consideration will be determined on the Valuation Date of the following month and will be paid on the then following Retraction Payment Date.

A holder who surrenders a Series 12 Preferred Share for retraction will receive on the Retraction Payment Date that number of Series 10 Debentures determined by dividing the holder’s aggregate Preferred Share Retraction Price by \$25.00. Fractional Series 10 Debentures will not be issued to a holder and the holder will instead receive a cash payment equal to such fraction multiplied by the value of the Series 10 Debenture that would otherwise have been issued. For the purpose of determining the amount of any such cash payment, all Series 12 Preferred Shares deposited by a holder for retraction will be aggregated.

If any Series 12 Preferred Shares are surrendered for retraction, the Company will consolidate the Capital Shares so that the number of Capital Shares outstanding equals the number of Preferred Shares outstanding. Series 12 Preferred Shares which have been surrendered to the Company for retraction prior to the relevant Valuation Date are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Payment Date, unless not redeemed thereon, in which event such Series 12 Preferred Shares shall remain outstanding and be considered to be surrendered for retraction on the following Retraction Payment Date.

The Company will be obligated to redeem Series 12 Preferred Shares only to the extent that such redemption would not be contrary to any applicable law. If the Company is unable for this reason to redeem all of the Series 12 Preferred Shares surrendered for payment on a Retraction Payment Date, it will redeem on each Retraction Payment Date thereafter, on a *pro rata* basis from shareholders who so surrendered shares, disregarding fractions, such number of Series 12 Preferred Shares not so redeemed as the Company determines it is then permitted to redeem. The Company will repeat such process on each successive Retraction Payment Date until all such Series 12 Preferred Shares have been redeemed.

The retraction privilege described above must be exercised by causing written notice to be received by the Company within the notice period prescribed herein and in the manner described under “Book-Entry Only System”. Series 12 Preferred Shares will be irrevocably surrendered for retraction upon the delivery of such notice to CDS through a participant in the CDS book-entry only system (a “**CDS Participant**”).

### ***Redemption***

Series 12 Preferred Shares may be redeemed by the Company at any time on or after February 28, 2026 and prior to February 29, 2028 (the “**Series 12 Redemption Date**”) at a price (the “**Series 12 Preferred Share Redemption Price**”) which, prior to February 28, 2027, will equal \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2027. Any Series 12 Preferred Share outstanding on the Series 12 Redemption Date will be redeemed for a cash amount equal to the lesser of (i) \$25.00 plus accrued and unpaid dividends and (ii) Net Asset Value per Unit on the Series 12 Redemption Date.

Notwithstanding the first sentence of the prior paragraph, the Company may redeem Series 12 Preferred Shares prior to February 28, 2026 for \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Series 12 Preferred Shares prior to the February 28, 2026, unless, (i) Capital Shares have been retracted; or (ii) there is a take-over bid for the BAM 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.

Notice of redemption will be given to CDS Participants holding Series 12 Preferred Shares on behalf of the beneficial owners thereof at least 15 days prior to the Series 12 Redemption Date.

### ***Voting Rights***

Except as required by law, holders of Series 12 Preferred Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company (including with respect to share consolidations or subdivisions of the Capital Shares) other than meetings of the holders of Preferred Shares. Holders of Series 12 Preferred Shares will not be entitled to vote any of the BAM Shares held by the Company.

The Company may, without the approval of the Series 12 Preferred Shares, (i) increase or decrease the maximum number of authorized Series 12 Preferred Shares or increase the maximum number of authorized shares of a class having rights or privileges equal or superior to the Series 12 Preferred Shares; (ii) effect an exchange, reclassification or cancellation of the Series 12 Preferred Shares; and (iii) create a new class or series of shares equal or superior to the Series 12 Preferred Shares.

### ***Modification***

Approval of amendments to the provisions of the Series 12 Preferred Shares may be given by a special resolution carried by an affirmative vote of not less than two-thirds of the votes cast at a meeting of the holders of Series 12 Preferred Shares, as the case may be, duly called and held for such purpose at which the holders of 10% of the outstanding Series 12 Preferred Shares, as the case may be, are present in person or represented by proxy or, if no quorum is present at such meeting, at an adjourned meeting at which the holders of Series 12 Preferred Shares, as the case may be, then present would form the quorum.

### ***Priority***

The Series 12 Preferred Shares will rank prior to the Capital Shares, the Class AAA Preferred Shares and the Junior Preferred Shares and on a *pari passu* basis with all other Preferred Shares (other than the Class AAA Preferred Shares and the Junior Preferred Shares) with respect to the payment of dividends, distributions upon a redemption, retraction or return of capital and distributions upon a dissolution, liquidation or winding-up of the Company.

### **Series 10 Debentures**

The Series 10 Debentures will be issued under the master trust indenture (the “**Master Indenture**”) dated as of January 10, 2007 between the Company and Computershare Trust Company of Canada, the trustee appointed under the Master Indenture (the “**Indenture Trustee**”), as supplemented by one or more supplemental indentures to be entered into as of the date of closing between the Company and the Indenture Trustee (the “**Supplemental Indentures**”) (the Master Indenture and the Supplemental Indentures are referred to collectively as the “**Indenture**”), which will set out the terms of the Series 10 Debentures. Partners Value Investments has agreed with the Company to issue Series 10 Debentures at any time to the extent that the Company is not permitted to do so under the terms of its Indenture and Partners Value Investments may also agree to issue Series 10 Debentures to holders who surrender Series 12

Preferred Shares for retraction at other times. If Partners Value Investments issues debentures, it will enter into a master trust indenture with a trustee and the Series 10 Debentures issued by Partners Value Investments will be issued on substantially the same terms as those issued by the Company (other than the restrictions described in the following paragraph which are only applicable to the Indenture to be entered into by the Company).

The Company has agreed to provide DBRS Limited (“**DBRS**”) or its successor with written notice at least two business days prior to the issuance of any Series 10 Debentures or unsubordinated indebtedness. The Company shall only issue Series 10 Debentures provided that (i) the aggregate principal amount of debentures of the Company outstanding under the Indenture following such issuance will not be greater than five percent (5%) of the net asset value as of such date, where for such purposes net asset value is calculated as the value of the Company’s assets less the aggregate of the Company’s liabilities and the par amount of all outstanding Preferred Shares; and (ii) such issuance would not cause the annual dividend income of the Company for the following year net of expected operating expenses and interest obligations on the debentures calculated after giving effect to such issuance to fall below one hundred percent (100%) of the annual dividend requirements of the Company on the Preferred Shares calculated after giving effect to the related retraction of Preferred Shares, unless in each case DBRS or its successor has confirmed in writing prior to such issuance that the rating on the Preferred Shares which are to remain outstanding following such issuance will not be downgraded from their then current rating as a result of such issuance.

The following is a summary of the material terms of the Series 10 Debentures, which does not purport to be complete. For full particulars of such terms, reference should be made to the Indenture.

#### ***Principal Amount and Maturity Date***

The Series 10 Debentures will have a principal amount of \$25.00 per debenture and will mature on February 29, 2028.

#### ***Coupon***

Holders of the Series 10 Debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum. Interest will be paid by the issuer of the Series 10 Debentures (the “**Issuer**”) quarterly on or about the 7th day of March, June, September and December in each year; provided that the Issuer may, at its option, provided no Event of Default (as defined under “**Events of Default**”) has occurred and is continuing, elect to defer payment of interest due on any interest payment date until maturity on the condition that, in the event of such an election, no interest, dividends or other distributions will be permitted to be paid in respect of any of the Company’s subordinate classes of securities.

#### ***Ranking and Security***

The Series 10 Debentures will be direct unsecured obligations of the Issuer and will rank junior to all other unsecured and unsubordinated indebtedness incurred by the Issuer and prior to all Preferred Shares and, if issued by the Issuer, the capital shares of such Issuer, with respect to the payment of interest and repayment of the outstanding principal amount.

#### ***Redemption***

The Issuer will have the right at any time and from time to time, on not less than 30 and not more than 60 days prior notice, to redeem the Series 10 Debentures in whole or in part, at a price equal to the principal amount outstanding, together with accrued and unpaid interest. All Series 10 Debentures so redeemed will be cancelled and may not be reissued.

#### ***Purchase for Cancellation***

The Issuer will have the right to purchase the Series 10 Debentures at any time and from time to time, in whole or in part, by private agreement or in the open market or by tender. All Series 10 Debentures issued by such Issuer so purchased and held by such Issuer shall not be considered as outstanding for voting purposes.

### ***Mergers, Consolidations and Sales of Assets***

So long as any Series 10 Debentures issued under the Indenture remain outstanding, the Issuer will not enter into any transaction where all or substantially all of the property of the Issuer would become the property of any other person or entity, whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale or otherwise, unless:

- (a) the Issuer shall be the surviving entity, or the entity, if other than the Issuer, formed by the amalgamation or consolidation or into which the Issuer is merged or that acquires all or substantially all of the property or assets of the Issuer shall (i) be an entity organized and validly existing under the federal laws of Canada or any of its provinces or territories, and (ii) expressly assume, by a supplemental indenture executed and delivered to the Indenture Trustee in form satisfactory to the Indenture Trustee, all of the obligations of the Issuer under the Indenture;
- (b) immediately before and after giving effect to the transaction, no Event of Default or event that with the passing of time or the giving of notice, or both, would constitute an Event of Default shall have occurred and be continuing; and
- (c) the Indenture Trustee shall be satisfied that the transaction is on terms which substantially preserve and do not impair any of the rights and powers of the Indenture Trustee or the holders of the Series 10 Debentures under the Indenture.

### ***Events of Default***

Certain events will be considered as events of default (the “**Events of Default**”) under the Indenture and will give the holders of Series 10 Debentures the right to accelerate payment of principal and interest on the Series 10 Debentures. These events include:

- (i) the failure to pay principal when due,
- (ii) the failure to pay interest when due, and continuing for 30 days, subject to any election by the Issuer to defer payment of interest,
- (iii) the failure to perform any other covenant in the Indenture or the Series 10 Debentures for 60 days after notice of default is provided,
- (iv) default in the payment of other indebtedness of the Issuer, the value of which exceeds \$50,000,000 resulting in the acceleration of such indebtedness,
- (v) the rendering of judgments against the Issuer for an amount exceeding \$50,000,000 which remains undischarged for a period of 60 days, or such shorter period as may permit a material portion of the asset base to be sold or disposed of, after the right to appeal has expired,
- (vi) certain events of bankruptcy, insolvency or reorganization affecting the Issuer, and
- (vii) the obligations of the Issuer under the Indenture or the Series 10 Debentures ceasing to constitute legal and valid obligations for 60 days after notice of default is provided.

### ***Modification***

The Indenture provides that certain modifications of the Indenture and the Series 10 Debentures and the rights of the Series 10 Debenture holders against the Issuer may be made if authorized by extraordinary resolution. Under the Indenture, an “extraordinary resolution” means a resolution proposed at a duly constituted meeting and passed by the favourable votes of the holders of not less than 66 2/3% of the principal amount of the outstanding Series 10 Debentures present in person or by proxy at the meeting.



## BOOK-ENTRY ONLY SYSTEM

Registration of interests in and transfers of the Series 12 Preferred Shares will be made only through non-certificated interests issued under the book-based system administered by CDS. On or about April 12, 2021 but in any event no later than April 26, 2021, non-certificated interests representing the aggregate number of Series 12 Preferred Shares issued under the Offering will be recorded in the name of the CDS, or its nominee, on the register of the Company maintained by its transfer agent. The Series 12 Preferred Shares must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Series 12 Preferred Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds Series 12 Preferred Shares. Upon purchase of any Series 12 Preferred Shares, the owner will receive only the customary confirmation. Reference in this short form prospectus to a holder or owner of Series 12 Preferred Shares means, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The ability of a beneficial owner of Series 12 Preferred Shares to pledge the Series 12 Preferred Shares or otherwise take action with respect to such owner's interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

**An owner of Series 12 Preferred Shares who desires to exercise retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto), on behalf of the owner, a written notice (the "Retraction Notice") of the owner's intention to retract shares sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time.** The Retraction Notices may take the form of the notice attached as Exhibit A hereto or such other form as each CDS Participant may prescribe. Any expenses associated with the preparation and delivery of a Retraction Notice shall be for the account of the owner exercising the retraction privilege.

By causing a CDS Participant to deliver a Retraction Notice to CDS, an owner of Series 12 Preferred Shares shall be deemed to have irrevocably surrendered his or her shares for retraction and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Retraction Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. In the event of a determination that a Retraction Notice is incomplete, not in proper form or not duly executed, CDS shall promptly notify the CDS Participant which delivered the retraction notice. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or the owner.

The Company has the option to terminate registration of the Series 12 Preferred Shares through the book-based system in which case certificates for Series 12 Preferred Shares in fully registered form will be issued to beneficial owners of such shares or their nominees.

The Company and the Underwriters will not have any liability for (i) records maintained by CDS relating to the beneficial interests in the Series 12 Preferred Shares or the book-based entry accounts maintained by CDS, (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

## CHANGES AFFECTING BAM SHARES

Upon any subdivision, consolidation, reclassification or other similar change to the BAM Shares held by the Company, the Brookfield securities received in respect of BAM Shares as a result of such subdivision, consolidation, reclassification or similar change will, together with any residual, be treated as BAM Shares for all purposes relating to the Capital Shares and the Preferred Shares including the retraction prices payable on the Capital Shares and the Preferred Shares.

Upon any distribution (an “**extraordinary distribution**”) by Brookfield in respect of BAM Shares, other than a cash dividend or a stock dividend paid in the ordinary course by Brookfield, any BAM Shares received will, together with the BAM Shares in respect of which the distribution was made, be treated in the same manner as securities received upon any subdivision, consolidation, reclassification or other similar change. If the Company receives securities or property (other than BAM Shares) (“**New Securities**”) upon an extraordinary distribution by Brookfield, the board of directors of the Company will determine whether to hold the New Securities or whether to dispose of them (for cash, as a dividend to the holders of Capital Shares or otherwise). The board of directors may, after taking into account all relevant considerations including any anticipated impact on the rating of the outstanding Preferred Shares and the pro forma asset coverage for the Preferred Shares, determine to dispose of the New Securities for cash or to distribute them as a dividend to the holders of the Capital Shares. Where the New Securities are disposed of for cash, the Company may use the net proceeds to acquire additional BAM Shares, may retain the cash or may distribute it as a dividend on the Capital Shares, all as determined by the board of directors of the Company.

Unless the board of directors of the Company otherwise determines, upon any reorganization, amalgamation, merger or sale of material assets affecting Brookfield, or to which it is a party, the securities of Brookfield or any successor thereto received in respect of BAM Shares will, together with any residual, be treated in the same manner as securities received as the result of a subdivision, consolidation, reclassification or similar change to BAM Shares held by the Company and any other securities, property or cash received in respect of BAM Shares will be treated in the same manner as securities, property or cash received upon any extraordinary distribution by Brookfield in respect of BAM Shares.

Any transferable rights issued to the Company pursuant to a rights offering by Brookfield (other than those with a nominal exercise price) will be sold and the net proceeds of such sale will be used to purchase additional BAM Shares which will, together with the BAM Shares in respect of which such rights were received, be treated in the same manner as securities received as a result of a subdivision, consolidation, reclassification or similar change.

In the event of a take-over bid for the BAM Shares, the board of directors of the Company will, if it determines that such bid is in the best interests of holders of the Capital Shares, tender the BAM Shares held by the Company to such bid and use the proceeds of such bid to redeem as soon as practicable thereafter the Preferred Shares at the applicable redemption price. The Company will use the balance of the proceeds of such bid for the benefit of the holders of the Capital Shares. Unless the board of directors otherwise determines, in the event of a take-over bid for less than all of the BAM Shares, the Company will redeem at the applicable redemption price from each holder thereof such number of Preferred Shares represented by such holder’s *pro rata* share of the BAM Shares tendered to such bid and shall use the balance of the proceeds for the benefit of the holders of the Capital Shares.

The board of directors of the Company may, immediately prior to the redemption of all or substantially all outstanding Capital Shares and Preferred Shares, declare dividends on the Capital Shares, the Preferred Shares or both in an amount necessary to generate a refund of refundable tax paid by the Company under Part IV of the Tax Act.

## **INVESTMENT CONSIDERATIONS AND RISK FACTORS**

An investment in the Series 12 Preferred Shares is subject to a number of risks. Before deciding to invest in the Series 12 Preferred Shares, investors should consider carefully the risks set forth below, in the Company’s Annual Information Form as well as in the Company’s 2020 Annual Report, including, but not limited to, those described under “Risks” and elsewhere in the Company’s 2020 Annual Report and in the other documents incorporated by reference in this short form prospectus, as updated by our subsequent filings with securities regulatory authorities in Canada.

### **Catastrophic Event/Loss, Climate Change, and Terrorism impacting BAM Shares**

The Company’s investment portfolio is comprised of BAM Shares. Brookfield’s assets under management could be exposed to effects of catastrophic events, such as severe weather conditions, natural disasters, major accidents, pandemics/epidemics such as COVID-19, acts of malicious destruction, sabotage, war or terrorism, which could materially adversely impact its operations.

A local, regional, national or international outbreak of a contagious disease, such as COVID-19 which has spread across the globe at a rapid pace impacting global commercial activity and travel, may adversely affect trade and global and local economies, and could negatively impact clients and Brookfield's businesses.

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. COVID-19 has spread globally, and actions taken in response to COVID-19 by government authorities across various geographies in which Brookfield owns and operates investments have interrupted business activities and supply chains; disrupted travel; contributed to significant volatility in the financial markets and lower interest rates; impacted social conditions; and adversely impacted local, regional, national and international economic conditions, as well as the labor market. As a result of the rapid spread of COVID-19, many companies and various governments have imposed restrictions on business activity and travel which may continue and could expand. To date, there have been restrictions on the conduct of business in many jurisdictions and the global movement of people and certain goods. Responses have included mandatory temporary closure of, or imposed limitations on, the operations of certain non-essential properties and businesses including office properties and retail malls and associated businesses which operate within these properties such as retailers and restaurants. In addition, shelter-in-place mandates and severe travel restrictions have had an adverse impact on consumer spending and demand. Governments and central banks around the world have enacted fiscal and monetary stimulus measures to counteract the effects of the COVID-19 pandemic and various other response measures, however, the overall magnitude and long-term effectiveness of these actions remain uncertain. Brookfield's asset management operations, as well as many of the portfolio companies, continue to operate in accordance with their business continuity plans and local restrictions, including, in many instances, with employees continuing to work remotely. Business has slowed around the globe including in certain of Brookfield's operations, such as malls, and there can be no assurance that strategies to address potential disruptions in operations will mitigate the adverse impacts related to the outbreak.

Given the ongoing and dynamic nature of the circumstances surrounding COVID-19, it is difficult to predict how significant the impact of this coronavirus outbreak, including any responses to it, will be on the global economy, Brookfield's clients, and its businesses or for how long disruptions are likely to continue. The longer-term impacts of the restrictions will depend on future developments, which are highly uncertain, constantly evolving and difficult to predict. These impacts may differ in magnitude depending on a number of scenarios. Additional actions may be taken to contain COVID-19 or treat its impact, such as re-imposing previously lifted measures or putting in place additional restrictions. The pace, availability, distribution and acceptance of effective vaccines could also affect the impact of COVID-19. Such developments, depending on their nature, duration, and intensity, could have a material adverse effect on Brookfield's business, financial position, results of operations or cash flows.

In addition, a pandemic affecting Brookfield's employees or employees of Brookfield that provide services under the Administration Agreement, the employees of its subsidiaries, reinsurers, if any, or the employees of other companies with which Brookfield does business could disrupt business operations. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have a material impact on the adverse effects Brookfield experience. These events, which are beyond Brookfield's control, could cause a material adverse effect on its results of operations in any period and, depending on their severity, could also materially and adversely affect its financial condition.

Turbulence in the financial markets due to the spread of COVID-19 may limit Brookfield's ability to access the credit or equity markets. Moreover, changes in interest rates, reduced liquidity or a continued slowdown in global economic conditions may also adversely affect Brookfield's business, financial condition, results of operations, liquidity or prospects. If Brookfield were to decide in the future to raise capital through equity financings, the interest of its shareholders may be diluted, and the securities issued may have rights, preferences and privileges that are senior to those of its common shares. Further, extreme market volatility may leave Brookfield unable to react to market events in a prudent manner consistent with its historical practices in dealing with more orderly markets.

The global spread of COVID-19, or future public health crises, epidemics or pandemics could materially and adversely affect Brookfield's results of operations and financial condition due to the disruptions to commerce, reduced economic activity and other unforeseen consequences of a pandemic that are beyond its control.

Ongoing changes to the physical climate in which Brookfield operates may have an impact on its businesses. Changes in weather patterns or extreme weather (such as floods, hurricanes and other storms) may impact hydrology and/or wind levels, thereby

influencing power generation levels, affect other of its businesses or damage its assets. Further, rising sea levels could, in the future, affect the value of any low-lying coastal real assets that it may own or develop, result in the imposition of new property taxes or increase property insurance rates. Climate change may also give rise to changes in regulations and consumer sentiment that could have a negative impact on Brookfield's operations by increasing the costs of operating its business or reducing demand for products and services. The adverse effects of climate change and related regulation at provincial or state, federal and international levels could have a material adverse effect on its business, financial position, results of operations or cash flows.

Brookfield's commercial office portfolio is concentrated in large metropolitan areas, some of which have been or may be perceived to be threatened by terrorist attacks or acts of war. Furthermore, many of the properties consist of high-rise buildings which may also be subject to this actual or perceived threat. The perceived threat of a terrorist attack or outbreak of war could negatively impact Brookfield's ability to lease office space in its real estate portfolio. Renewable power and infrastructure assets such as roads, railways, power generation facilities and ports, may also be targeted by terrorist organizations or in acts of war. Any damage or business interruption costs as a result of uninsured or underinsured acts of terrorism or war could result in a material cost to Brookfield and could adversely affect its business, financial condition or results of operation. Adequate terrorism insurance may not be available at rates Brookfield believes to be reasonable in the future. These risks could be heightened by foreign policy decisions of the U.S. (where Brookfield has significant operations) and other influential countries or general geopolitical conditions.

Additionally, Brookfield's businesses rely on free movement of goods, services, and capital from around the globe. Any slowdown in international investment, business, or trade as a result of catastrophic events, including COVID-19, also could have a material adverse effect on its business, financial position, results of operations or cash flows.

#### ***Interest Rate Fluctuations***

It is anticipated that the market value of the Series 12 Preferred Shares will, at any given time, be affected by the level of interest rates prevailing at such time. An increase in interest rates may have a negative effect on the value of the Series 12 Preferred Shares.

#### ***Foreign Currency Exposure***

Brookfield reports its results in United States dollars. Accordingly, the value of the BAM Shares may fluctuate from time to time with fluctuations in the exchange rate between Canadian and United States dollars. Also, Brookfield declares dividends in United States dollars, which are then converted to Canadian dollars for distribution to Canadian holders. Strengthening of the Canadian dollar relative to the United States dollar may reduce the amount of cash available to the Company to pay dividends on its Preferred Shares.

#### ***Credit Ratings***

There is no assurance that the credit rating assigned to the Series 12 Preferred Shares will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency. A lowering or withdrawal of such rating may have an adverse effect on the market value of the Series 12 Preferred Shares.

#### ***Fluctuations in the Value of BAM Shares***

The value of the Series 12 Preferred Shares will vary according to the value of the BAM Shares. The value of the BAM Shares will be influenced by factors which are not within the control of the Company, including the financial performance of Brookfield, interest rates, general economic conditions, availability of equity and debt financing and other financial market conditions. Accordingly, the value of the Series 12 Preferred Shares will vary from time to time.

#### ***No Ownership Interest***

An investment in Series 12 Preferred Shares does not constitute an investment in the BAM Shares. Holders of Series 12 Preferred Shares will not own the BAM Shares held by the Company or have any voting rights in respect of the BAM Shares.

### ***Mutual Fund Policies***

The Company is considered to be a mutual fund but does not generally operate in accordance with, and has been exempted from, certain of the policies and rules of Canadian securities regulators applicable to conventional mutual funds.

### ***Securities Lending***

The Company may engage in securities lending as described under “BAM Shares”. Although the Company will receive collateral for the loans and such collateral will be marked-to-market, the Company will be exposed to the risk of loss should the borrower default on its obligations to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

### ***Taxation***

The Company will treat covered option transactions in respect of the Company’s investment in BAM Shares on capital account. If some or all of such transactions were found to be on income rather than capital account, after-tax returns to holders may be reduced, the Company may be subject to non-refundable income tax in respect of income from such transactions and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections.

In circumstances where an Issuer of Series 10 Debentures elects to defer payment of interest due until maturity, amounts in respect of such interest may be included in the income of holders and subject to tax despite the absence of any cash interest paid by the Issuer to fund the resulting tax liability of the holder.

### ***Limitations on Liquidity of BAM Shares***

While the Company’s policy is to hold the BAM Shares and not engage in trading, there may be circumstances in which the BAM Shares will have to be sold, including to fund retractions and redemptions of Preferred Shares or Capital Shares. The Company’s ability to sell a substantial portion of the BAM Shares may be limited by resale restrictions under applicable securities laws which will affect when or to whom the BAM Shares may be sold. Accordingly, if and when the Company is required to sell, the liquidity of those BAM Shares may be limited. This could affect the time it takes to sell the investments and the price obtained by the Company for BAM Shares sold and in turn the retraction price of the Preferred Shares.

### ***Use of Call Options***

The Company may write covered call options on its BAM Shares to the extent necessary to fund any shortfall in Preferred Share dividends (see “Dividend Policy”). The Company is subject to the full risk of its investment position in the BAM Shares, including those securities that are subject to outstanding call options. In addition, the Company will not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options. There is no assurance that a liquid exchange market will exist to permit the Company to write options on desired terms or to close out option positions should the Company desire to do so. The ability of the Company to close out its positions may also be affected by exchange imposed daily trading limits on options. In purchasing options, the Company would be subject to the credit risk that its counterparty may be unable to meet its obligations.

### ***Use of Derivatives for Hedging Purposes***

The Company may, in the future, use derivatives for foreign currency hedging. The Company may hedge the Canadian-US dollar exchange rate and, in addition, may engage in interest rate hedging. Hedging using derivatives is intended to mitigate market or portfolio risk. Securities legislation sets limits on the amount and types of derivative instruments that mutual funds can hold. There can be no assurance, however, that a fund’s currency, market or interest hedging transactions will be effective. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It also precludes the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for a fund to hedge against generally anticipated devaluations, as the fund may not be able to contract to sell the currency at a price above the devaluation level generally anticipated. There can be no assurance that a liquid exchange or over-the-counter

market will exist to permit the Company to realize its profits or limit its losses by closing out positions. A fund is subject to the credit risk that its counterparty may be unable to meet its obligations. In addition, there is the risk of loss of margin deposits in the event of bankruptcy of a dealer with whom the Company has an open derivative position.

### ***Cashless Retraction***

Holders of Series 12 Preferred Shares will not receive cash as payment of the Preferred Share Retraction Price, but instead will receive Series 10 Debentures. There is a risk that the Company, or Partners Value Investments, as the case may be, will default in its obligation to pay principal and interest on the Series 10 Debentures as and when due. Because Series 10 Debentures are not retractable the holder of the Series 12 Preferred Shares may be subject to this risk until the maturity date of the Series 10 Debentures.

### ***Lack of Liquidity of Debentures***

Upon retraction of Series 12 Preferred Shares, a holder will be issued Series 10 Debentures. Series 10 Debentures, if and when issued, will be illiquid investments. There is currently no market through which the Series 10 Debentures may be sold and holders of Series 10 Debentures may not be able to resell the Series 10 Debentures acquired upon retraction of the Series 12 Preferred Shares. The Company has no intention to create an active trading market for the Series 10 Debentures or to list the Series 10 Debentures on any stock exchange.

### ***Issuance of Debentures/Insolvency***

The Company may risk insolvency if it cannot meet its obligations to pay the principal and interest on the Series 10 Debentures as and when due.

### ***No Existing Trading Market***

There is currently no market through which Class AA Preferred Shares may be sold and purchasers of Class AA Preferred Shares may not be able to resell such Class AA Preferred Shares purchased under this short form prospectus. There can be no assurance that an active trading market will develop for the Class AA Preferred Shares after an offering or, if developed, that such market will be maintained. This may affect the pricing of the Class AA Preferred Shares in the secondary market, the transparency and availability of trading prices, the liquidity of the Class AA Preferred Shares, and the extent of issuer regulation. The public offering prices of the Class AA Preferred Shares may be determined by negotiation between the Company and underwriters based on several factors and may bear no relationship to the prices at which the Class AA Preferred Shares will trade in the public market subsequent to such offering. See “Plan of Distribution”.

### ***Cyber Security***

The Company’s and/or the Company’s service providers’ information technology systems may be subject to cyber terrorism intended to obtain unauthorized access to our or their proprietary information, destroy data or disable, degrade or sabotage our or their systems, often through the introduction of computer viruses, cyber-attacks and other means, and could originate from a wide variety of sources, including internal or unknown third parties. If the Company’s and/or the Company’s service providers’ information technology systems are compromised, do not operate or are disabled, this could have a material adverse effect on the Company’s financial reporting and business operations.

## **ELIGIBILITY FOR INVESTMENT**

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the Series 12 Preferred Shares, if issued on the date of this short form prospectus, will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans (“RRSPs”), registered retirement income funds (“RRIFs”), registered disability savings plans (“RDSPs”), tax-free savings accounts (“TFSA”), deferred profit sharing plans and registered education savings plans (“RESPs”) and the Series 10 Debentures, if issued on the date of this short form prospectus, will be qualified investments under the Tax Act for trusts governed by RRSPs, RRIFs, RDSPs, TFSAs, RESP or deferred profit sharing plans, other than deferred profit sharing plans for which the Company or Partners Value

Investments, as the case may be, or a corporation with which the Company or Partners Value Investments, as the case may be, does not deal at arm's length, is the employer.

Notwithstanding the foregoing, if the Series 12 Preferred Shares or the Series 10 Debentures, as the case may be, are a "prohibited investment" for the purposes of an RRSP, RRIF, RDSP, TFSA or RESP, as the case may be, the holder of such TFSA or RDSP, the annuitant of such RRSP or RRIF or the holder of such RESP, as applicable, will be subject to a penalty tax as set out in the Tax Act. Generally, each of the Series 12 Preferred Shares and the Series 10 Debentures will not be a "prohibited investment" for a trust governed by a TFSA, RRSP, RESP, RDSP or RRIF, as the case may be, on such date provided the holder of the TFSA or RDSP, the annuitant under the RRSP or RRIF or the subscriber of the RESP, as the case may be, deals at arm's length with the Company, or Partners Value Investments, as the case may be, for purposes of the Tax Act and does not have a "significant interest" (within the meaning of subsection 207.01(4) of the Tax Act) in the Company or Partners Value Investments, as the case may be. In addition, the Series 12 Preferred Shares will generally not be a "prohibited investment" for a trust governed by a TFSA, RDSP, RRSP, RRIF or RESP if they are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for such trust. Holders of a TFSA or a RDSP, annuitants under an RRSP or RRIF and subscribers of an RESP should consult their own tax advisors regarding whether the Series 12 Preferred Shares or the Series 10 Debentures will be prohibited investments in their particular circumstances.

### CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Torys LLP and Osler, Hoskin & Harcourt LLP, the following is a summary of the principal Canadian federal income tax considerations generally applicable to the Company and to a holder of Series 12 Preferred Shares who acquires such shares pursuant to this short form prospectus and a holder of the Series 10 Debentures acquired as a result of a retraction of the Series 12 Preferred Shares who, for the purposes of the Tax Act, is or is deemed to be resident in Canada, deals at arm's length and is not affiliated with the Company or Partners Value Investments and the Underwriters, and holds the Series 12 Preferred Shares and the Series 10 Debentures as capital property (a "**Holder**"). This summary is not applicable to holders a) an interest in which would be a tax shelter investment for the purposes of the Tax Act, b) that enter or will enter into, with respect to the Series 12 Preferred Shares or the Series 10 Debentures, a "derivative forward agreement" (as defined in the Tax Act) or c) to which the "functional currency" reporting rules in the Tax Act apply. The Series 12 Preferred Shares and the Series 10 Debentures held by certain financial institutions will generally not be held as capital property and will be subject to special "mark-to-market" rules which are not discussed herein.

This summary is based upon the facts as set out in this short form prospectus, the provisions of the Tax Act and the regulations thereunder (the "**Regulations**") in force prior to the date hereof, all proposed amendments to the Tax Act and Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and counsel's understanding of the current published administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**"), made publicly available prior to the date hereof. This summary also relies on certain advice received from Scotia Capital Inc. relative to the terms and conditions of the Preferred Shares and Capital Shares, and from the Company relative to certain matters including the ownership of the Voting Shares of the Company, the terms of the BAM Shares and any agreements relating thereto. Except for the Tax Proposals, this summary does not take into account or anticipate any change in law or administrative or assessing practices whether by legislation, governmental or judicial action. No assurance can be given that the Tax Proposals will be enacted as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax consequences that may affect prospective purchasers.

**This summary is of a general nature and does not take into account the tax laws of any province or territory or of any jurisdiction outside Canada. It is not intended to be, nor should it be construed to be, legal or tax advice to any particular purchaser. Prospective purchasers should consult their own tax advisers regarding the income tax considerations applicable to them.**

## **Tax Treatment of the Company**

### ***Status***

The Company is a “mutual fund corporation” as defined in the Tax Act. The Company intends to continue to so qualify throughout each subsequent taxation year in which any Series 12 Preferred Shares remain outstanding and this summary assumes that this will be the case.

### ***Dividends***

Dividends received by the Company on the BAM Shares held by it will be included in its income but will be deductible in computing its taxable income. The Company will generally be liable to pay a refundable tax under Part IV of the Tax Act on all such dividends received by it on the BAM Shares in its taxation year. In accordance with the Tax Act, any Part IV tax that is paid may be refunded to the Company on the payment by the Company of sufficient “taxable dividends” (as defined in the Tax Act) in the year or in subsequent taxation years.

The Company will not be subject to tax under Part VI.1 of the Tax Act on dividends that it pays on the Capital Shares and will generally not be subject to tax under Part VI.I of the Tax Act on dividends that it pays on the Preferred Shares.

### ***Capital Gains***

The Company may realize a capital gain (or sustain a capital loss) upon the disposition of BAM Shares to the extent that the proceeds of disposition thereof exceed (or are exceeded by) the aggregate of the Company’s adjusted cost base of such shares and any reasonable costs of disposition. In determining the income of the Company, premiums received by the Company on covered call options written by the Company (and which are not exercised prior to the end of the year) will constitute capital gains of the Company in the year received, and premiums received by the Company on covered call options which are exercised in the taxation year in which the option is written by the Company or a subsequent taxation year will be added in computing the proceeds of disposition to the Company of the BAM Shares disposed of by the Company on exercise of such call options, unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Company holds and will purchase the BAM Shares with the objective of earning dividends thereon and the Company will write covered call options if necessary to support the distributions on the Preferred Shares. The Company will treat transactions in the BAM Shares on capital account. In accordance with the CRA’s published administrative practice, transactions undertaken by the Company in respect of options will be treated and reported for purposes of the Tax Act on capital account. As a mutual fund corporation, the Company maintains a capital gains dividend account generally in respect of net capital gains realized by the Company and from which it may elect to pay dividends which are treated as capital gains in the hands of shareholders of the Company (“**capital gains dividends**”). See “Certain Canadian Federal Income Tax Considerations — Tax Treatment of a Holder - Dividends on Series 12 Preferred Shares” below. The Company, being a mutual fund corporation, will be entitled to refunds in accordance with the provisions of the Tax Act of substantially all tax paid on net taxable capital gains on payment by the Company of sufficient capital gains dividends or sufficient share redemptions.

### ***Other Income***

Interest income and securities lending fees earned by the Company will be included in computing its income.

### ***Issue and Administrative Expenses***

The Company will be entitled to deduct reasonable expenses that it incurs in the course of issuing the Series 12 Preferred Shares, including Underwriters’ fees, ratably over a five-year period. Generally, the Company will also be entitled to deduct reasonable administrative expenses. Any non-capital losses incurred by the Company may generally be carried forward or back in accordance with the rules and limitations contained in the Tax Act and deducted in computing the taxable income of the Company.



### ***Net Tax Liability***

As a result of the deductions and refunds of tax described above, it is not anticipated that the Company will be subject to any material net tax liability.

### **Tax Treatment of a Holder**

#### ***Dividends on Series 12 Preferred Shares***

Ordinary dividends received on the Series 12 Preferred Shares by a Holder will be included in computing the Holder's income.

In the case of a Holder that is an individual, ordinary dividends will be subject to the gross-up and dividend tax credit rules under the Tax Act normally applicable to taxable dividends received from a taxable Canadian corporation. Such dividends will be eligible for the enhanced gross-up and dividend tax credit if the Company designates the dividends as "eligible dividends". There may be limitations on the Company's ability to designate dividends as eligible dividends.

Ordinary dividends on the Series 12 Preferred Shares received by a Holder that is a corporation other than a "specified financial institution" (as defined in the Tax Act) will normally be deductible by the corporation in computing its taxable income.

In the case of a Holder that is a specified financial institution, ordinary dividends received on the Series 12 Preferred Shares will be deductible in computing its taxable income only if either:

- (d) the specified financial institution did not acquire the Series 12 Preferred Shares in the ordinary course of its business; or
- (e) at the time of receipt of the dividend by the specified financial institution;
  - (i) the Series 12 Preferred Shares are listed on a "designated stock exchange" in Canada (which currently includes the TSX); and
  - (ii) dividends are received in respect of not more than 10% of the issued and outstanding Series 12 Preferred Shares, by
    - (A) the specified financial institution; or
    - (B) the specified financial institution and persons with whom it does not deal at arm's length (within the meaning of the Tax Act).

For these purposes, a beneficiary of a trust will be deemed to receive the amount of any dividend received by the trust and designated to the beneficiary, effective at the time the dividend was received by the trust, and a member of a partnership will be considered to have received that partner's share of a dividend received by the partnership, effective at the time the dividend was received by the partnership.

A Holder which is a corporation other than a "private corporation" or a "financial intermediary corporation" (each as defined in the Tax Act) will generally be subject to a 10% tax under Part IV.1 of the Tax Act in respect of any dividends received by it on the Series 12 Preferred Shares, to the extent that such dividends are deductible in computing its taxable income.

A Holder which is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on ordinary dividends received on the Series 12 Preferred Shares, to the extent that such dividends are deductible in computing its taxable income. Where Part IV.1 tax also applies to a taxable dividend received by a corporation, the rate of Part IV tax payable by the corporation is reduced by the rate of Part IV.1 tax.

The amount of any capital gains dividend received by a Holder from the Company will be considered to be a capital gain of such Holder from the disposition of capital property in the taxation year of the Holder in which the capital gains dividend is received.

### **Redemptions, Retractions and Other Dispositions of Series 12 Preferred Shares**

A Holder who disposes of, or who is deemed to dispose of, a Series 12 Preferred Share, including a disposition to the Company (whether on a retraction, redemption or otherwise), will realize a capital gain (or sustain a capital loss) equal to the amount by which the proceeds of disposition exceed (or are exceeded by) the aggregate of the Holder's adjusted cost base of such share and any reasonable costs of disposition. For this purpose, the proceeds of disposition to the Holder on a retraction will equal the aggregate of the fair market value of the Series 10 Debentures received and the amount of any cash received in lieu of a fractional Series 10 Debenture. Where the Holder of the Series 12 Preferred Shares is a corporation, in certain circumstances the amount of any capital loss otherwise determined may be reduced by the amount of ordinary dividends previously received on the Series 12 Preferred Shares. Similar rules may apply where a trust or partnership owns the Series 12 Preferred Shares.

### **Interest on Debentures**

A Holder that is a corporation, partnership, unit trust or trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Series 10 Debentures that accrues or is deemed to accrue to the Holder to the end of that taxation year or becomes receivable or is received by the Holder before the end of that taxation year, except to the extent that such interest was otherwise included in the Holder's income for a preceding taxation year.

Any other Holder, including an individual and a trust (other than a unit trust) of which neither a corporation or a partnership is a beneficiary, will be required to include in income for a taxation year any interest on the Series 10 Debentures received or receivable by such Holder in that year (depending upon the method regularly followed by the Holder in computing income), except to the extent that the interest was included in the Holder's income for a preceding taxation year. In addition, if at any time a Series 10 Debenture should become an "investment contract" (as defined in the Tax Act) in relation to such Holder, the Holder will be required to include in computing income for a taxation year any interest that accrued or is deemed to accrue to the Holder on the Series 10 Debenture to the end of any "anniversary day" (as defined in the Tax Act) in that year, except to the extent that such interest was otherwise included in the Holder's income for that or a preceding taxation year.

### **Disposition of Debentures**

On a disposition or deemed disposition of the Series 10 Debentures, whether on redemption, purchase for cancellation or otherwise, a Holder will generally be required to include in income the amount of interest accrued or deemed to accrue on the Series 10 Debentures from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Holder's income for the taxation year or a previous taxation year. In general, a disposition or deemed disposition of the Series 10 Debentures will give rise to a capital gain (or capital loss) to the extent that the proceeds of disposition, net of any accrued interest and any other amount included in computing income and any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base of the Series 10 Debentures to the Holder immediately before the disposition. The Series 10 Debentures acquired on the retraction of the Series 12 Preferred Shares will have a cost to the Holder equal to the fair market value thereof at the time of retraction.

### **Taxation of Capital Gains and Capital Losses**

One-half of any capital gain (a "**taxable capital gain**") realized by a Holder in a taxation year must be included in the Holder's income for that year, and one-half of the amount of any capital loss (an "**allowable capital loss**") realized by a Holder in a taxation year must generally be deducted from taxable capital gains realized by the Holder in that year. Allowable capital losses in excess of taxable capital gains realized in a taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

## **Refundable Tax**

A Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable for tax, a portion of which may be refundable, on certain investment income, including amounts of interest and in respect of net taxable capital gains.

## **Alternative Minimum Tax**

Ordinary dividends or capital gains dividends paid to, or a taxable capital gain realized by, a Holder that is an individual (other than certain trusts) may give rise to a liability for alternative minimum tax.

## **International Information Reporting**

The Company is required to comply with due diligence and reporting obligations imposed under Part XVIII of the Tax Act, which implements the Canada-United States Enhanced Tax Information Exchange Agreement. Dealers through which securityholders hold their Series 12 Preferred Shares and Series 10 Debentures are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Securityholders (and, if applicable, the controlling person(s) of a securityholder) may be requested to provide information to their dealer to identify U.S. persons that hold (or are controlling person(s) of a holder of) the Series 12 Preferred Shares and Series 10 Debentures. If a securityholder, or its controlling person(s), is a “Specified U.S. Person” (including a U.S. citizen who is a resident of Canada) or if a securityholder does not provide the requested information and indicia of U.S. status are present, Part XVIII of the Tax Act will generally require information about the securityholder’s investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a registered plan. The CRA will then provide that information to the U.S. Internal Revenue Service.

In addition, Part XVIII of the Tax Act imposes reporting obligations that implement the Organisation for Economic Co-operation and Development Common Reporting Standard (the “CRS Rules”). Pursuant to the CRS Rules, Canadian financial institutions are required to have procedures in place to identify accounts held by tax residents of foreign countries other than the U.S. (“Reportable Jurisdictions”) or by certain entities any of whose “controlling persons” are tax residents of Reportable Jurisdictions. The CRS Rules provide that Canadian financial institutions must report certain account information and other personal identifying details of securityholders (and, if applicable, of the controlling persons of such securityholders) who are tax residents of Reportable Jurisdictions to the CRA annually. Such information would generally be exchanged on a reciprocal, bilateral basis with Reportable Jurisdictions in which the account holders or such controlling persons are tax resident under the provisions and safeguards of the Multilateral Convention on Mutual Administrative Assistance in Tax Matters or the relevant bilateral tax treaty. Under the CRS Rules, securityholders will be required to provide such information regarding their investment in the Company to their dealer for the purpose of such information exchange, unless the investment is held within a registered plan.

## **USE OF PROCEEDS**

The net proceeds from the Offering of the Series 12 Preferred Shares (after deducting the Underwriters’ fees (assuming no exercise of the Underwriters’ Option and no Series 12 Preferred Shares are sold to institutions) and expenses of the Offering) are estimated to be \$145,100,000 and will be used by the Company to fund the redemption of the Series 7 Preferred Shares and to pay the Special Dividend on the Capital Shares. The Company expects to use approximately \$102,000,000 of the net proceeds from the Offering to fund the redemption of the Series 7 Preferred Shares and approximately \$43,100,000 of the net proceeds from the Offering to pay the Special Dividend on the Capital Shares.

## **PLAN OF DISTRIBUTION**

Under an agreement dated as of March 25, 2021 (“**Underwriting Agreement**”) between the Company and Underwriters, the Company has agreed to issue and sell, and the Underwriters have agreed to purchase, on April 12, 2021 or on such other date as may be agreed, but in any event not later than April 26, 2021, subject to compliance with all necessary legal requirements and to terms and conditions contained in the Underwriting Agreement, 6,000,000 Series 12 Preferred Shares at a price of \$25.00 per share, payable in cash to the Company against delivery of such Series 12 Preferred Shares. In consideration for their services in connection with the Offering, the Company has agreed to pay the Underwriters a fee equal to \$0.25 per Series 12 Preferred Share sold to institutions and

\$0.75 per Series 12 Preferred Share with respect to all other Series 12 Preferred Shares sold. The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events. Such events include, but are not limited to: (a) any enquiry, action, suit, investigation or other proceeding is instituted, threatened or announced or any order is made in relation to the Company, which operates to prevent or restrict the distribution or trading of the Series 12 Preferred Shares or the trading in any other securities of the Company; (b) there should occur any material change or change in any material fact which results or would be expected to result in the purchasers of a material number of Series 12 Preferred Shares exercising their right to withdraw from or rescind their purchase of Series 12 Preferred Shares or sue for damages or would be expected to have a significant adverse effect on the market price or value of the Series 12 Preferred Shares; and (c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation, which materially adversely affects, or involves, or will materially adversely affect, or involve, the Canadian financial markets or the business, operations or affairs of the Company. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement. The decision to distribute the Series 12 Preferred Shares, including the determination of the terms (including price) of the Offering, has been made through negotiations between the Company and the Underwriters.

The Company has granted the Underwriters an over-allotment option (the “**Underwriters’ Option**”) exercisable at any time, in whole or in part, not later than 30 days after the Closing Date, to purchase up to an aggregate of 900,000 additional Series 12 Preferred Shares. To the extent that the Underwriters’ Option is exercised, the additional Series 12 Preferred Shares will be purchased by the Underwriters at a price of \$25.00 per share. For Series 12 Preferred Shares acquired pursuant to the exercise of the Underwriters’ Option, the Company has agreed to pay the Underwriters a fee of \$0.25 per share for Series 12 Preferred Shares sold to certain institutions and \$0.75 per share for all other Series 12 Preferred Shares purchased by the Underwriters. If the Underwriters’ Option is exercised in full, assuming no shares are sold to institutions, the aggregate fee payable by the Company to the Underwriters will be \$5,175,000 with net proceeds to the Company (before expenses) of \$167,325,000. This short form prospectus qualifies the distribution of the Series 12 Preferred Shares issuable upon the exercise of the Underwriters’ Option.

Subscriptions for the Series 12 Preferred Shares to be offered hereby will be accepted by the Closing Date. The Series 12 Preferred Shares are being offered only on the basis that each outstanding Capital Share will be subdivided so that an equal number of Capital Shares and Preferred Shares are issued and outstanding upon completion of the Offering. The right is reserved to close the subscription books at any time without notice and to accept or reject, in whole or in part, any subscriptions received.

Pursuant to the terms of the Underwriting Agreement, the Company shall not sell, or announce its intention to sell, nor authorize or issue, any Preferred Shares or any securities convertible into or exchangeable for Preferred Shares, other than the Series 12 Preferred Shares, during the period commencing on the date hereof and ending 90 days after the closing date of this Offering, without the prior written consent of Scotia Capital Inc., on behalf of the Underwriters, such consent not to be unreasonably withheld.

The Company has agreed to indemnify the Underwriters against certain liabilities, including liabilities under Canadian provincial securities legislation.

The Underwriters propose to offer the Series 12 Preferred Shares initially at \$25.00 per share. After a reasonable effort has been made to sell all of the Series 12 Preferred Shares at \$25.00 per share, the Underwriters may subsequently reduce and thereafter change, from time to time, the price at which the Series 12 Preferred Shares are offered to an amount not greater than \$25.00 per share. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Series 12 Preferred Shares is less than the gross proceeds paid by the Underwriters to the Company.

Pursuant to Rule 48-501 — *Trading during Distributions, Formal Bids and Share Exchange Transactions* of the Ontario Securities Commission, the Underwriters may not, throughout the period of distribution under this short form prospectus, bid for or purchase Series 12 Preferred Shares. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of such securities. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this Offering the Underwriters may over allot or effect transactions which stabilize or maintain the market price of the Series 12

Preferred Shares at levels other than those which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The TSX has conditionally approved the listing of the Series 12 Preferred Shares distributed under this short form prospectus on the TSX. Listing of the Series 12 Preferred Shares is subject to the Company fulfilling all the listing requirements of the TSX on or before June 25, 2021.

Sera Global Securities Canada LP (“**Sera Global**”) is a subsidiary of Brookfield. Partners Limited together with its related company, Partners Value Investments, collectively own, directly or indirectly, approximately 129 million BAM Shares and 85,120 Class B Limited Voting Shares, representing 9.0% and 100% respectively, of each class of shares of Brookfield. Partners Value Investments owns all voting shares of the Company and therefore the Company may be considered a “related issuer” of Sera Global. The terms of the Offering were negotiated at arm’s length between the Company and the Underwriters. Sera Global will not receive any benefit in connection with the Offering other than as described herein.

### RATINGS

The Series 12 Preferred Shares are provisionally rated Pfd-2 (low) by DBRS. The DBRS rating of Pfd-2 (low) is the lowest sub-category within the second highest rating of the five standard categories of ratings utilized by DBRS for preferred shares. “High” and “low” grades may be used to indicate the relative standing of a credit within a particular rating category. Preferred shares rated Pfd-2 are of good credit quality. Protection of dividends and principal is still substantial, but earnings, the balance sheet, and coverage ratios are not as strong as Pfd-1 rated companies. Generally, Pfd-2 ratings correspond with issuers with an “A” category or higher reference point.

Credit ratings are intended to provide investors with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities for any particular investor. The credit ratings assigned to the Series 12 Preferred Shares may not reflect the potential impact of all risks on the value of the Series 12 Preferred Shares. A rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating agency. Prospective investors should consult the relevant rating organization with respect to the interpretation and implications of the ratings.

The Company has paid customary rating fees to DBRS in connection with the above-mentioned rating and will pay customary rating fees to DBRS in connection with the confirmation of such rating for purposes of this Offering. In addition, the Company has made customary payments in respect of certain other services provided to the Company by DBRS during the last two years.

### CAPITALIZATION

The capitalization of the Company at December 31, 2020, and at such date as adjusted to give effect to (a) the issue and sale of the Series 12 Preferred Shares offered hereby (excluding the Series 12 Preferred Shares issuable pursuant to the Underwriters’ Option), (b) the redemption of the Series 6 Preferred Shares and the related issuance of 2,000,000 Junior Preferred Shares, Series 3 and (c) the redemption of the Series 7 Preferred Shares and the payment of the Special Dividend (collectively, the “**Adjustments**”) is set forth in the table below.

<i>(Thousands of US dollars)</i>	<u>Authorized</u>	<u>Outstanding as at December 31, 2020</u>	<u>Outstanding as at December 31, 2020 after giving effect to the Adjustments</u>
Liabilities			
Class A Preferred Shares <sup>(1)</sup> .....	Unlimited	—	—
Class AA Preferred Shares <sup>(1)</sup> .....	Unlimited		
Series 1 .....		—	—
Series 2 .....		—	—
Series 3 .....		—	—
Series 4 .....		—	—

Series 5 .....		—	—
Series 6 .....		156,864	—
Series 7 .....		78,530	—
Series 8 .....		117,781	117,781
Series 9 .....		117,732	117,732
Series 10 .....		117,795	117,795
Series 11 .....		117,795	117,795
Series 12 .....		—	119,385 <sup>(2)</sup>
Class AAA Preferred Shares, <sup>(1)</sup> Series 1 .....	Unlimited	—	—
Junior Preferred Shares, <sup>(1)</sup> Series 1 .....	Unlimited	157,060	157,060
Junior Preferred Shares, <sup>(1)</sup> Series 2 .....	Unlimited	35,339	35,339
Junior Preferred Shares, <sup>(1)</sup> Series 3 .....	Unlimited	—	39,795 <sup>(2)</sup>
Debentures .....		77	77
Shareholders' Equity .....		—	—
Class A Voting Shares .....	Unlimited	— <sup>(3)</sup>	— <sup>(3)</sup>
Capital Shares .....	Unlimited	118,088	118,088
Retained Earnings .....		4,369,509	4,369,509

**Note:**

- (1) The Preferred Shares are classified as liabilities because they are retractable at the holder's option.
- (2) Converted to US dollars using the exchange rate on April 1, 2021 of C\$1 = US\$0.7959.
- (3) The Voting Shares have a book value of US\$8.

### **EARNINGS COVERAGE RATIO**

The Company's dividend requirements on all of its Preferred Shares (other than the Junior Preferred Shares) for the 12-month period ended December 31, 2020, after giving effect to the issue of the Series 12 Preferred Shares (excluding the Series 12 Preferred Shares issuable pursuant to the Underwriters' Option), the redemption of the Series 6 Preferred Shares and the redemption of the Series 7 Preferred Shares, amounted to \$35 million. The Company's income available for distribution before income tax for the 12-month period ended December 31, 2020, was \$77 million, which was 2.19 times the Company's aggregate dividend requirements for such period, after giving effect to the issue of the Series 12 Preferred Shares (excluding the Series 12 Preferred Shares issuable pursuant to the Underwriters' Option), the redemption of the Series 6 Preferred Shares and the redemption of the Series 7 Preferred Shares.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

#### **Insider Reporting**

The Company and its senior officers and directors file insider trading reports using the System for Electronic Data on Insiders (SEDI), as if the Company was not a mutual fund, in accordance with applicable provincial securities legislation. The Company has agreed to use its best efforts to cause all future senior officers and directors to file insider trading reports as if the Company was not a mutual fund, in accordance with applicable provincial securities legislation and to deliver to each applicable provincial securities regulatory authority an undertaking to file insider trading reports in accordance with applicable provincial legislation. Each of Sera Global and the Company has agreed to advise promptly each of the provincial securities regulatory authorities in the event that it is unsuccessful in causing any of its applicable officers or directors to comply with the foregoing reporting requirements. The foregoing undertakings shall remain in full force until such time as all of the Preferred Shares have been redeemed, retracted or purchased for cancellation.

## LEGAL MATTERS

The matters referred to under “Eligibility for Investment”, “Canadian Federal Income Tax Considerations” and certain other legal matters relating to the securities described in this short form prospectus will be passed upon by Torys LLP, on behalf of the Company, and by Osler, Hoskin & Harcourt LLP, on behalf of the Underwriters.

As of the date hereof (a) the partners and associates of Torys LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company or any of its associates or affiliates; and (b) the partners and associates of Osler, Hoskin & Harcourt LLP beneficially owned, directly or indirectly, less than 1% of the outstanding securities of the Company or any of its associates or affiliates.

## AGENT FOR SERVICE OF PROCESS

Each of the Non-Residents is organized or resides outside of Canada. Each Non-Resident has appointed the following agent for service of process:

<u>Name of Person or Company</u>	<u>Name and Address of Agent</u>
Danesh K. Varma Brookfield Public Securities Group LLC	Partners Value Split Corp. Suite 300, Brookfield Place
David Levi	181 Bay Street, Toronto, Ontario, Canada
Kevin English	M5J 2T3
Brian Hurley	
Liam O’Connor	

Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

## AUDITORS, TRANSFER AGENT, REGISTRAR AND CUSTODIAN

The auditor of the Company is Deloitte LLP. Deloitte LLP is independent of the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The offices of Deloitte LLP are located at 8 Adelaide Street West, Toronto, Ontario, M5H 0A9. In accordance with NI 81-102, the Company may seek to change the auditors of the Company without shareholder approval from time to time, provided that the Company’s shareholders are provided with not less than 60 days’ prior written notice of any such change.

The transfer agent and registrar of the Series 12 Preferred Shares is AST Trust Company (Canada) at its principal office in Montreal.

Canadian Imperial Bank of Commerce, through the offices of CIBC Mellon Global Securities Services Company, is the Custodian for the Company in respect of the BAM Shares pursuant to a custodial services agreement dated August 23, 2001.

## STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a short form prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the short form prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser’s province. The purchaser should refer to any

applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.



## CERTIFICATE OF THE COMPANY

Date: April 5, 2021

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) BAHIR MANIOS  
President, acting in the capacity as Chief Executive Officer

(Signed) LESLIE YUEN  
Chief Financial Officer

On behalf of the Board of Directors

(Signed) BRIAN D. LAWSON  
Director

(Signed) FRANK N.C. LOCHAN  
Director

**CERTIFICATE OF THE INVESTMENT FUND MANAGER**

Date: April 5, 2021

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

**BROOKFIELD PUBLIC SECURITIES GROUP LLC**  
(as Investment Fund Manager)

(Signed) DAVID LEVI  
Chief Executive Officer

(Signed) LIAM O'CONNOR  
Director of Finance & Controller,  
acting in the capacity of Chief  
Financial Officer

On behalf of the Board of Managers

(Signed) DAVID LEVI  
Manager

(Signed) KEVIN ENGLISH  
Manager

(Signed) BRIAN HURLEY  
Manager

## CERTIFICATE OF THE UNDERWRITERS

Date: April 5, 2021

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL  
INC.

BMO NESBITT  
BURNS INC.

CIBC WORLD  
MARKETS INC.

RBC DOMINION  
SECURITIES INC.

TD SECURITIES  
INC.

By: (Signed) PETER  
GIACOMELLI

By: (Signed) JEFF  
WATCHORN

By: (Signed)  
VALERIE TAN

By: (Signed) CLAIRE  
STURGESS

By: (Signed) ADAM  
LUCHINI

NATIONAL BANK FINANCIAL INC.

By: (Signed) GAVIN BRANCATO

DESJARDINS SECURITIES  
INC.

IA PRIVATE WEALTH  
INC.

MANULIFE SECURITIES  
INCORPORATED

RAYMOND JAMES LTD.

By: (Signed) WILLIAM  
TEBBUTT

By: (Signed) DAVID  
BEATTY

By: (Signed) STEPHEN  
ARVANITIDIS

By: (Signed) SEAN C.  
MARTIN

SERA GLOBAL SECURITIES CANADA LP

By: (Signed) MARK MURSKI

CANACCORD GENUITY CORP.

By: (Signed) MICHAEL SARDO

**EXHIBIT A**

**RETRACTION NOTICE FOR  
SERIES 12 PREFERRED SHARES  
Partners Value Split Corp.**

To: CDS Participant

This notice (the “**Retraction Notice**”) is to be completed by a broker representing a holder of Class AA Preferred Shares, Series 12 (the “**Series 12 Preferred Shares**”) of Partners Value Split Corp. who desires to exercise retraction privileges as set out in the Partners Value Split Corp. short form prospectus (the “**Prospectus**”) dated April 5, 2021.

CDS Participants are urged to refer to the Prospectus to obtain details on the retraction payment dates and the notification periods.

**PARTICULARS OF RETRACTION**

Number of Series 12 Preferred Shares to be retracted:

\_\_\_\_\_

Broker’s Name: \_\_\_\_\_

Fax No.: \_\_\_\_\_

Tel. No.: \_\_\_\_\_

Date of Retraction Notice: \_\_\_\_\_

Signature of Authorized Person: \_\_\_\_\_

UPON AUTHENTICATING THIS RETRACTION NOTICE, THE CDS PARTICIPANT IS DIRECTED TO FORWARD THE FOREGOING INSTRUCTIONS FORTHWITH TO CDS.