
PARTNERS

VALUE SPLIT
CORP.

2025 SEMI-ANNUAL REPORT TO SHAREHOLDERS

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INFORMATION

This semi-annual report to shareholders contains “forward-looking information” and “forward-looking statements” within the meaning of Canadian provincial securities laws and any applicable Canadian securities regulations. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future results, events or conditions, and include, but are not limited to, statements which reflect management’s current estimates, beliefs and assumptions regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies, capital management and outlook of the Company, as well as the outlook for North American and international economies for the current fiscal year and subsequent periods, and which are in turn based on our experience and perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. The estimates, beliefs and assumptions of the Company are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Forward-looking statements are typically identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions. In particular, the forward-looking statements contained in this semi-annual report include statements referring to the Company’s objective of investing in Class A Limited voting shares of Brookfield Corporation (formerly known as Brookfield Asset Management Inc.) (“Brookfield shares”) to generate cash dividends to fund quarterly fixed cumulative preferential dividends for the holders of the Company’s preferred shares and to enable holders of its capital shares to participate in any capital appreciation of the Brookfield shares, fluctuations in the market value of units of the Company due to interest rate levels and the value of Brookfield shares, fluctuations in the value of the Company’s investment portfolio and cash flows due to foreign currency exchange rates, the impact of the adoption of IFRS on the Company’s reported financial position and results of operations, future classification of the Company’s investment portfolio, potential exposure to liquidity risk to fund dividend obligations, the Company’s ability to fund retraction obligations and obligations of the Company under potential indemnification and guarantee agreements.

Although the Company believes that such forward-looking statements are based upon reasonable estimates, beliefs and assumptions, actual results may differ materially from the forward-looking statements.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to, (i) catastrophic events, such as earthquakes, tornadoes, floods, wildfires, pandemics/epidemics, climate change, military conflict/war or terrorism/sabotage; (ii) fluctuations in the value of the Brookfield Securities; (iii) the behavior of financial markets, including fluctuations in interest rates and foreign exchanges rate; (iv) changes to credit ratings; (v) limitations on the liquidity of the BN Class A Shares; (vi) 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; (vii) holders of the Company’s Preferred Shares (as defined below) lacking an ownership interest in the Brookfield Securities; (viii) the default by any borrowers of the Company’s Brookfield Securities; (ix) 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; (x) our ability to effectively use derivatives to hedge against foreign exchange rate fluctuations; (xi) changes to our qualification as a “mutual fund corporation” under the Tax Act (as defined herein) and changes in tax laws; (xii) failure of our information and technology systems; (xiii) and other risks and factors detailed from time to time in our documents filed with securities regulators.

We caution that the foregoing list of important factors that may affect future results is not exhaustive and other factors could also adversely affect future results. Readers are urged to consider these risks, as well as other uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements, which are based only on information available to us as of the date of this semi-annual report and such other date specified herein. Except as required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements, whether written or oral, that may be as a result of new information, future events or otherwise.

MANAGEMENT'S REPORT ON FUND PERFORMANCE

The following Management's Report on Fund Performance for the six months ended June 30, 2025, is dated August 15, 2025.

This is a report on the performance of the Company and contains financial highlights but does not contain the complete financial statements of the Company. This report follows the disclosure obligations under National Instrument 81-106 Investment Fund Continuous Disclosure ("NI-81-106" or the "Instrument") and should be read in conjunction with the financial statements and notes thereto for the period ended June 30, 2025.

You can receive a copy of the Company's financial statements at your request and at no cost by calling (416) 363-9491, by writing to us at 181 Bay Street, Brookfield Place, Suite 100, P.O. Box 767, Toronto, Ontario M5J 2T3 or by visiting SEDAR+ at <https://www.sedarplus.ca/>. Security holders may also contact us using one of these methods to request a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure when that information becomes available.

INVESTMENT OBJECTIVE AND STRATEGIES

The Company's principal investment objective is to hold Class A Limited Voting Shares of Brookfield Corporation and in addition, it holds Class A Limited Voting Shares of Brookfield Asset Management Ltd. (collectively the "Brookfield Shares"), which generate cash flow through dividend payments that fund quarterly fixed cumulative preferential dividends for the holders of the Company's senior preferred shares and provide the holders of the Company's capital shares the opportunity to participate in any capital appreciation in the Brookfield Shares. The Company's capital shares, and preferred shares are also referred to collectively as units, with each unit consisting of one capital share and one preferred share ("unit").

RISKS

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

(a) Interest Rate Fluctuations

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

(b) Fluctuations in Value of Brookfield Shares

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

(c) Foreign Currency Exchange Fluctuations

The Company's Brookfield Shares are held primarily in United States dollars and Brookfield's dividends are declared in that currency. The Company pays its preferred share distributions in Canadian dollars, which are then converted to U.S. dollars for the purposes of financial reporting, changes in the exchange rate between the Canadian and United States currencies may impact the value of the Company's cash flows relative to its financial obligations, which are denominated principally in Canadian dollars.

RESULTS OF OPERATIONS

Total assets and net assets at June 30, 2025, were \$9.1 billion and \$8.1 billion, respectively, compared to \$8.5 billion and \$7.7 billion as at December 31, 2024.

The Company's net assets on a per unit basis as at June 30, 2025, was \$157.55 compared to \$171.41 at December 31, 2024. The decrease in net assets per unit was driven by the issuance of 8 million Senior Class AA Series 15 shares, partially offset by the appreciation in the market value of our investment in Brookfield Corporation ("BN", NYSE/TSX: BN) and Brookfield Asset Management Ltd. ("BAM", NYSE/TSX: BAM) over the same period. BN share price was \$61.85 as at June 30, 2025 (December 31, 2024 – \$57.45) and BAM share price was \$55.28 as at June 30, 2025 (December 31, 2024 – \$54.19).

Income available for distribution for the six-months ended June 30, 2025, was \$48 million, compared to \$42 million in the prior year period. The increase in income was primarily due to the increase in the dividend rate by BN and BAM. During the six months ended June 30, 2025, the Company declared and paid dividends in the amount of \$149 million (June 30, 2024 – \$30 million) to the holders of its capital shares.

FINANCIAL HIGHLIGHTS

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

<i>(US dollars per unit)</i>	Six months ended June 30, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
Net assets per unit, beginning of period	\$ 171.41	\$ 124.10	\$ 95.95	\$ 169.52	\$ 111.14
Share issuance	4.51	2.67	—	2.46	4.04
Share redemption and retraction	(1.97)	(2.27)	—	—	(5.52)
Increase (decrease) from operations:					
Total revenues	0.88	1.74	1.51	21.66	2.41
Total expenses ¹	(0.04)	(0.07)	(0.07)	(0.07)	(0.14)
Unrealized gains (losses)	10.13	51.12	28.33	(75.14)	52.20
Total increase (decrease) from operations ²	10.97	52.79	29.77	(53.55)	54.47
Foreign currency translation gain (loss) ¹	(24.35)	(3.62)	0.06	(19.41)	9.41
Distributions ³	(3.02)	(2.26)	(1.68)	(3.07)	(4.02)
Net asset value per unit, end of period	\$ 157.55	\$ 171.41	\$ 124.10	\$ 95.95	\$ 169.52
Net asset value per unit, end of period (CAD)	\$ 214.71	\$ 246.54	\$ 164.44	\$ 129.98	\$ 214.23

1. Total expenses net of non-cash preferred share issuance cost amortization. Foreign currency translation includes the change in value of the preferred shares from foreign currency.
2. Net assets and distributions are based on the actual number of units outstanding at the end of the year. The increase from operations is based on the weighted average number of units outstanding over the period.
3. Includes capital dividends paid to holders of the Company's capital shares, if and when declared.

	Six months ended June 30, 2025	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022	Dec. 31, 2021
<i>(Thousands of US dollars, except per share amounts)</i>					
Total assets	\$ 9,102,865	\$ 8,525,527	\$ 6,043,739	\$ 4,672,564	\$ 7,237,937
Net assets	8,052,662	7,669,641	5,134,266	3,786,246	6,406,112
Number of units outstanding	57,776	49,736	48,696	48,696	42,696
Management expense ratio ¹	0.1%	0.1%	0.1%	0.1%	0.1%
Redemption price of preferred shares (CAD)					
Senior Class AA Series 9 ²	N/A	N/A	N/A	N/A	N/A
Senior Class AA Series 10 ³	N/A	N/A	N/A	N/A	N/A
Senior Class AA Series 11 ⁴	25.13	N/A	N/A	N/A	N/A
Senior Class AA Series 12 ⁵	N/A	N/A	N/A	N/A	N/A
Senior Class AA Series 13 ⁶	N/A	N/A	N/A	N/A	N/A
Senior Class AA Series 14 ⁷	N/A	N/A	N/A	N/A	N/A
Senior Class AA Series 15 ⁸	N/A	N/A	N/A	N/A	N/A
Junior Class AA Series 1	25.00	25.00	25.00	25.00	25.00
Junior Class AA Series 2	25.00	25.00	25.00	25.00	25.00
Junior Class AA Series 3	25.00	25.00	25.00	25.00	N/A
Junior Class AA Series 4	25.00	25.00	N/A	N/A	N/A

1. Management expense ratio is calculated by dividing the aggregate of total expenses and amortization of share issuance costs by average net assets over the reporting period.
2. Redemption period commences on February 28, 2026.
3. Redemption period commences on February 28, 2027.
4. Redemption was completed on April 22, 2025.
5. Redemption period commences on February 29, 2028.
6. Redemption period commences on May 31, 2029.
7. Redemption period commences on June 30, 2030.
8. Redemption period commences on March 31, 2031.

INVESTMENT PORTFOLIO

The investment in the Brookfield Shares, the associated costs and the fair values are as follows:

As at <i>(Thousands of US dollars)</i>	Number of Shares		Fair Value	
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
Brookfield Corporation	119,611,449	119,611,449	\$ 7,397,968	\$ 6,871,678
Brookfield Asset Management Ltd.	29,902,862	29,902,862	1,653,030	1,620,436
Total	149,514,311	149,514,311	\$ 9,050,998	\$ 8,492,114

BN share price was \$61.85 as at June 30, 2025 (December 31, 2024 – \$57.45) and BAM share price was \$55.28 as at June 30, 2025 (December 31, 2024 – \$54.19). As at August 14, 2025, the market price of a BN and BAM share were \$65.60 and \$62.11, respectively.

RELATED-PARTY TRANSACTIONS

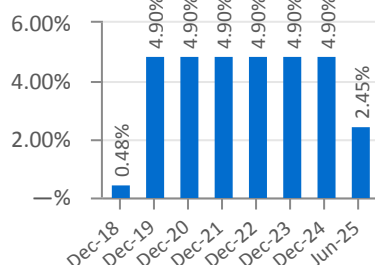
The Company's operations are managed by Brookfield Public Securities Group LLC., who is entitled to a management fee of up to 8.33% of ordinary expenses (June 30, 2024 – 8.33%) of the Company. For the period ended June 30, 2025, the Company expensed management fees of \$17 thousand (June 30, 2024 – \$18 thousand) plus applicable taxes in relation to these services. For the six months ended June 30, 2025, the Company recognized dividend income of \$21.5 million from BN shares (June 30, 2024 – \$19.1 million) and \$26.2 million from BAM shares (June 30, 2024 – \$22.7 million).

PAST PERFORMANCE

The following charts show the performance of the Company's outstanding senior preferred shares from issuance through the period ended June 30, 2025, assuming the senior preferred shares are sold at their final redemption price. The charts are not reflective of the current yield to maturity and past performance is not an indication of how the senior preferred shares will perform in the future.

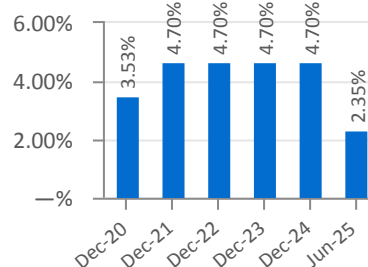
The Series 1, Series 2, Series 3, and Series 4 junior preferred shares pay a non-cumulative quarterly dividend at an annual rate of 5%.

Class AA, Series 9 Preferred Shares
For the years and period ending



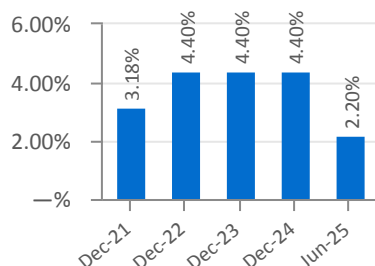
1. December 2018 reflects the period from November 26, 2018, to December 31, 2018. The annualized yield as at June 30, 2025, is 4.90%.

Class AA, Series 10 Preferred Shares
For the years and period ending



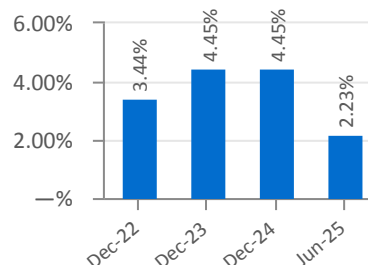
1. December 2020 reflects the period from March 2, 2020, to December 31, 2020. The annualized yield as at June 30, 2025, is 4.70%.

Class AA, Series 12 Preferred Shares
For the years and period ending



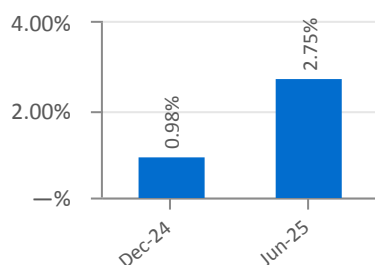
1. December 2021 reflects the period from April 12, 2021, to December 31, 2021. The annualized yield as at June 30, 2025, is 4.40%.

Class AA, Series 13 Preferred Shares
For the years and period ending



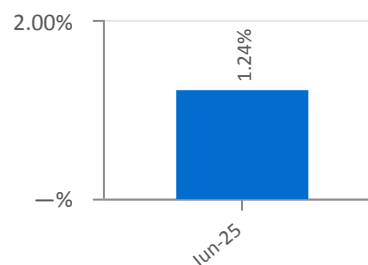
1. December 2022 reflects the period from March 25, 2022, to December 31, 2022. The annualized yield as at June 30, 2025, is 4.45%.

Class AA, Series 14 Preferred Shares
For the years and period ending



1. December 2024 reflects the period from September 27, 2024, to December 31, 2024. The annualized yield as at June 30, 2025, is 5.50%.

Class AA, Series 15 Preferred Shares
For the years and period ending



1. June 2025 reflects the period from March 15, 2025, to June 30, 2025. The annualized yield as at June 30, 2025, is 5.15%.

ANNUAL COMPOUND RETURNS

The following table compares the yield on issuance of the Company's senior preferred shares against the yield provided by a Government of Canada bond that matures during a similar period. Returns are based on the par value of a preferred share.

	Issue Date	Yield since inception	Ten Year	Five Year	Three Year	One Year
Preferred Shares Class AA, Series 9 – February 28, 2026	Nov 26, 2018	4.90 %	N/A	4.90 %	4.90 %	4.90 %
Seven-Year Government of Canada Bonds – June 1, 2026		2.25 %	N/A	2.25 %	2.25 %	2.25 %
Preferred Shares Class AA, Series 10 - February 28, 2027	Mar 2, 2020	4.70 %	N/A	4.70 %	4.70 %	4.70 %
Seven-Year Government of Canada Bonds – June 1, 2027		1.09 %	N/A	1.09 %	1.09 %	1.09 %
Preferred shares Class AA, Series 12 – February 29, 2028	Apr 12, 2021	4.40 %	N/A	N/A	4.40 %	4.40 %
Seven-Year Government of Canada Bonds – June 1, 2028		1.23 %	N/A	N/A	1.23 %	1.23 %
Preferred shares Class AA, Series 13 – May 31, 2029	Mar 25, 2022	4.45 %	N/A	N/A	N/A	4.45 %
Seven-Year Government of Canada Bonds – June 1, 2029		2.48 %	N/A	N/A	N/A	2.48 %
Preferred shares Class AA, Series 14 – June 30, 2030	Sep 27, 2024	5.50 %	N/A	N/A	N/A	N/A
Seven-Year Government of Canada Bonds – March 1, 2030		2.75 %	N/A	N/A	N/A	N/A
Preferred shares Class AA, Series 15 – March 31, 2031	Mar 15, 2025	5.15 %	N/A	N/A	N/A	N/A
Seven-Year Government of Canada Bonds – December 1, 2031		1.50 %	N/A	N/A	N/A	N/A

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations related to its senior preferred shares as at June 30, 2025, are:

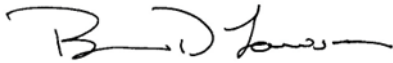
(Thousands of US dollars)	Total	Less than 1 year	2-3 years	4-5 years	After 5 years
Preferred shares					
Partners Value Split Class AA, Series 9	\$ 110,176	\$ —	\$ 110,176	\$ —	\$ —
Partners Value Split Class AA, Series 10	110,235	—	110,235	—	—
Partners Value Split Class AA, Series 12	126,752	—	—	126,752	—
Partners Value Split Class AA, Series 13	110,235	—	—	110,235	—
Partners Value Split Class AA, Series 14	110,235	—	—	110,235	—
Partners Value Split Class AA, Series 15	146,980	—	—	—	146,980
	<u>\$ 714,613</u>	<u>\$ —</u>	<u>\$ 220,411</u>	<u>\$ 347,222</u>	<u>\$ 146,980</u>
Interest Expense					
Partners Value Split Class AA, Series 9	\$ 3,580	\$ 3,580	\$ —	\$ —	\$ —
Partners Value Split Class AA, Series 10	8,616	5,181	3,435	—	—
Partners Value Split Class AA, Series 12	14,867	5,577	9,290	—	—
Partners Value Split Class AA, Series 13	19,217	4,905	9,810	4,502	—
Partners Value Split Class AA, Series 14	30,315	6,063	12,126	12,126	—
Partners Value Split Class AA, Series 15	43,506	7,569	15,138	15,138	5,661
	<u>\$ 120,101</u>	<u>\$ 32,875</u>	<u>\$ 49,799</u>	<u>\$ 31,766</u>	<u>\$ 5,661</u>

1. Payment period based on mandatory redemption date. In the case of earlier retractions, consideration to be paid in the form of debentures due 2026, 2027, 2028, 2029, 2030 and 2031 for the Series 9, 10, 12, 13, 14 and 15, respectively.

REVIEW OF SEMI-ANNUAL FINANCIAL STATEMENTS

The accompanying financial statements and other financial information in this semi-annual Report have been prepared by the Company's management who are responsible for their integrity, consistency, objectivity and reliability. To fulfill this responsibility, the Company maintains policies, procedures and systems of internal control to ensure that its reporting practices and accounting and administrative procedures are appropriate to provide a high degree of assurance that relevant and reliable financial information is produced and assets are safeguarded. These controls include the careful selection and training of employees, the establishment of well defined areas of responsibility and accountability for performance and the communication of policies and code of conduct throughout the Company.

On behalf of the Board of Directors,

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

Brian D. Lawson
Director and Chairman
August 15, 2025

STATEMENTS OF FINANCIAL POSITION

(Unaudited)

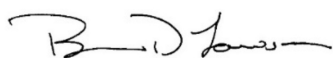
As at June 30, 2025

(Thousands of US dollars, except per unit amounts)

	Note	June 30, 2025	Dec. 31, 2024
Assets			
Cash and cash equivalents		\$ 51,867	\$ 33,413
Investment portfolio	3	9,050,998	8,492,114
Total assets		\$ 9,102,865	\$ 8,525,527
Liabilities			
Accounts payable		\$ 320	\$ 308
Debentures		—	17
Preferred shares	4	1,049,883	855,561
Total liabilities		1,050,203	855,886
Net assets		\$ 8,052,662	\$ 7,669,641
Equity			
Capital shares	5	\$ 118,088	\$ 118,088
Retained earnings		8,219,893	7,836,872
Accumulated other comprehensive loss		(285,319)	(285,319)
Total Equity		\$ 8,052,662	\$ 7,669,641
Number of units outstanding		57,776,409	49,735,609
Net assets per capital share		\$ 139.38	\$ 154.21
Book value per preferred share		18.17	17.20
Net assets per unit		\$ 157.55	\$ 171.41

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

On behalf of the Board,



Brian D. Lawson
Director and Chairman



Paul Farrell
Director

STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

For the six months ended June 30

(Thousands of US dollars, except per unit amounts)

	Note	2025	2024
Income			
Dividend income	8	\$ 47,695	\$ 41,864
Other investment income		798	695
		<u>\$ 48,493</u>	<u>\$ 42,559</u>
Expenses			
Management fees	6	\$ (17)	\$ (18)
Administrative and other		(217)	(169)
		<u>(234)</u>	<u>(187)</u>
Income available for distribution		48,259	42,372
Distributions paid on senior preferred shares and debentures		<u>(16,873)</u>	<u>(15,827)</u>
Income available for distribution to junior preferred and capital shares		31,386	26,545
Change in unrealized value of investments		558,714	106,454
Amortization of share issuance costs		(2,053)	(1,606)
Unrealized and realized foreign exchange (loss) gain		(55,536)	28,379
Net comprehensive income		<u>\$ 532,511</u>	<u>\$ 159,772</u>
Comprehensive income per unit		<u>\$ 9.66</u>	<u>\$ 3.29</u>

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

STATEMENTS OF CHANGES IN EQUITY

(Unaudited)

For the six months ended June 30, 2025

(Thousands of US dollars)

	Capital Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance, beginning of period	\$ 118,088	\$ 7,836,872	\$ (285,319)	\$ 7,669,641
Net income	—	532,511	—	532,511
Distributions paid on capital shares	—	(149,490)	—	(149,490)
Balance, end of period	<u>\$ 118,088</u>	<u>\$ 8,219,893</u>	<u>\$ (285,319)</u>	<u>\$ 8,052,662</u>

(Unaudited)

For the six months ended June 30, 2024

(Thousands of US dollars)

	Capital Shares	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
Balance, beginning of period	\$ 118,088	\$ 5,301,497	\$ (285,319)	\$ 5,134,266
Net income	—	159,772	—	159,772
Distributions paid on capital shares	—	(30,000)	—	(30,000)
Balance, end of period	<u>\$ 118,088</u>	<u>\$ 5,431,269</u>	<u>\$ (285,319)</u>	<u>\$ 5,264,038</u>

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

STATEMENTS OF CASH FLOWS

(Unaudited)

For the periods ended June 30

(Thousands of US dollars)

	Note	2025	2024
Cash flow from operating activities			
Income available for distribution		\$ 48,259	\$ 42,372
Add (deduct) non-cash items:			
Net change in working capital and foreign exchange		(3,477)	238
		<u>44,782</u>	<u>42,610</u>
Cash flow used in financing activities			
Distributions paid on senior preferred shares and debentures		(16,873)	(15,827)
Distributions paid on capital shares	5	(149,490)	(30,000)
Redemption of debentures	4	(17)	
Preferred share issuance	4	248,652	19,005
Preferred share redemption	4	(108,600)	(36,359)
		<u>(26,328)</u>	<u>(63,181)</u>
Cash and cash equivalents			
Change in cash and cash equivalents		18,454	(20,571)
Cash and cash equivalents balance, beginning of period		33,413	43,730
Cash and cash equivalents balance, end of period		<u>\$ 51,867</u>	<u>\$ 23,159</u>

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

NOTES TO THE FINANCIAL STATEMENTS

1. BUSINESS OPERATIONS

Partners Value Split Corp. (the "Company") is an investment fund incorporated under the laws of the province of Ontario. The Company's investment portfolio consists of investments in Class A Limited Voting Shares of Brookfield Corporation and Brookfield Asset Management Ltd. (collectively the "Brookfield Shares"). Brookfield Corporation provides management and administration services to the Company. The Company was formed by the articles of incorporation under the Business Corporations Act (Ontario) and is registered in Ontario, Canada. The registered office of the Company is Brookfield Place, 181 Bay Street, Suite 100, Toronto, Ontario, M5J 2T3.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

a) *Statement of Compliance*

The financial statements of the Company have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34") as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2024.

The financial statements should be read in conjunction with the most recently issued financial statements of the Company for the year ended December 31, 2024, which includes information necessary or useful to understanding the Company's businesses and financial statement presentation. In particular, the Company's accounting policies were presented in Note 2, Summary of Material Accounting Policies, of the financial statements for the year ended December 31, 2024, that were included in that report.

The financial statements are unaudited and reflect any adjustments (consisting of normal recurring adjustments) that are, in the opinion of management, necessary for fair statement of results for the interim periods in accordance with IFRS Accounting Standards as issued by the IASB.

The results reported in these financial statements should not be regarded as necessarily indicative of results that may be expected for the entire year. The financial statements are prepared on a going concern basis. These financial statements were authorized for issuance by the Board of Directors of the Company on August 15, 2025.

b) *Accounting Policies*

The following is a summary of material accounting policies followed by the Company:

i) *Cash and Cash Equivalents*

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

ii) *Investment Portfolio*

The Company's Brookfield Shares are recorded at their fair value upon initial recognition and are designated as fair value through profit or loss ("FVTPL"). Subsequent adjustments to fair value are recorded as a change in the unrealized value of investment in the Statements of Comprehensive Income. The shares are valued at their quoted market price in accordance with IFRS 13 *Fair Value Measurement* ("IFRS 13").

iii) *Preferred Shares*

The Company's issued preferred shares are measured and classified at amortized cost.

iv) *Deferred Financing Costs*

Deferred issue costs incurred in connection with the issuance of the retractable preferred shares are amortized using the effective interest rate method over the life of the related series of preferred shares issued by the Company.

v) *Investment Income*

Dividend income is recognized on the ex-dividend date and interest income is recognized as earned. Dividends on these investments in equity instruments are recognized in profit and loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

vi) *Other Assets and Liabilities, and Debentures*

Accounts receivable and dividends receivable are measured and classified at amortized cost and recorded in other assets. Accounts payables and debentures are measured and classified at amortized cost.

vii) Share Capital

The Company's capital shares are classified as equity in accordance with International Accounting Standards 32 – Financial Instruments: Presentation ("IAS 32"). The Company's Class A and Class B restricted voting shares are classified as liabilities in accordance with IAS 32.

viii) Recognition/Derecognition of Financial Assets and Financial Liabilities

The Company recognizes financial assets and financial liabilities designated as trading securities on the trade date. The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled, or expired.

ix) Foreign Currency Translation

The functional currency of the Company is the currency of the primary economic environment in which that entity operates. The functional and presentational currency of the Company is the United States dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction.

c) Critical Judgments and Estimates

The preparation of financial statements requires the Company to make critical judgments, estimates and assumptions that affect the carried amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses recorded during the year. Actual results could differ from those estimates. In making estimates and judgments, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Company believes will materially affect the methodology or assumptions utilized in making these estimates and judgments in these financial statements.

The estimates and judgments used in determining the recorded amount for assets and liabilities in the financial statements include the following:

Level of Control

When determining the appropriate basis of accounting for the Company's investments, the Company uses the following critical assumptions and estimates: the degree of control or influence that the Company exerts over the investment and the amount of benefit that the Company receives relative to other investors.

d) Future Changes in Accounting Standards

i. Amendments to IFRS 9, Financial Instruments ("IFRS 9") and IFRS 7, Financial Instruments: Disclosures ("IFRS 7") - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued amendments which clarify the requirements for the timing of recognition and derecognition of financial liabilities settled through an electronic cash transfer system, add further guidance for assessing the contractual cash flow characteristics of financial assets with contingent features, and add new or amended disclosures relating to investments in equity instruments designated at FVOCI and financial instruments with contingent features. The amendments to IFRS 9 and IFRS 7 are effective for periods beginning on or after January 1, 2026, with early adoption permitted. The Company is currently assessing the impact of these amendments.

ii. IFRS 18, Presentation and Disclosure of Financial Statements ("IFRS 18")

In April 2024, the IASB issued IFRS 18 to replace IAS 1 Presentation of Financial Statements ("IAS 1"). IFRS 18 is effective for periods beginning on or after January 1, 2027, with early adoption permitted. IFRS 18 aims to improve financial reporting by requiring additional defined subtotals in the statement of profit or loss, requiring disclosures about management defined performance measures, and adding new principles for the aggregation and disaggregation of items. The Company is currently assessing the impact of these amendments.

There are currently no other future changes to IFRS Accounting Standards with expected material impacts on the Company.

3. INVESTMENT PORTFOLIO

As at (Thousands of US dollars)	Number of Shares		Fair Value	
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
Brookfield Corporation ¹	119,611,449	119,611,449	\$ 7,397,968	\$ 6,871,678
Brookfield Asset Management Ltd. ²	29,902,862	29,902,862	1,653,030	1,620,436
Total	149,514,311	149,514,311	\$ 9,050,998	\$ 8,492,114

1. On a per share basis, the fair value of the Brookfield Corporation shares was \$61.85 on June 30, 2025 (December 31, 2024 – \$57.45).

2. On a per share basis, the fair value of the Brookfield Asset Management Ltd. shares was \$55.28 on June 30, 2025 (December 31, 2024 – \$54.19).

4. PREFERRED SHARES

The Company is authorized to issue an unlimited number of Class A, Class AA, Class AAA preferred shares and junior preferred shares.

As at June 30, 2025, the following table shows the preferred shares that have been issued and are outstanding, net of associated financing costs which are amortized using the effective interest rate method of amortization.

As at (Thousands of US dollars)	Shares Outstanding		Book Value	
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
Senior preferred shares				
4.90% Series 9 – February 28, 2026	5,996,800	5,996,800	\$ 110,176	\$ 104,239
4.70% Series 10 – February 28, 2027	6,000,000	6,000,000	110,235	104,295
4.75% Series 11 – October 31, 2025	—	6,000,000	—	104,295
4.40% Series 12 – February 29, 2028	6,899,000	6,899,000	126,752	119,922
4.45% Series 13 – May 31, 2029	6,000,000	6,000,000	110,235	104,295
5.50% Series 14 – June 30, 2030	6,000,000	6,000,000	110,235	104,295
5.15% Series 15 – March 31, 2031	8,000,000	—	146,980	—
	38,895,800	36,895,800	714,613	641,341
Junior preferred shares, Series 1	8,000,000	8,000,000	146,980	139,060
Junior preferred shares, Series 2	1,800,000	1,800,000	33,071	31,289
Junior preferred shares, Series 3	2,000,000	2,000,000	36,745	34,765
Junior preferred shares, Series 4	7,080,609	1,039,809	130,089	18,075
	57,776,409	49,735,609	1,061,498	864,530
Deferred financing costs ¹	—	—	(11,615)	(8,969)
	57,776,409	49,735,609	\$ 1,049,883	\$ 855,561

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

On March 5, 2025, the Company issued 8,000,000 Class AA Preferred shares, Series 15, at a price of CAD\$25.00 per share, for a gross issuance of CAD \$200 million.

On April 22, 2025, the Company redeemed all of its outstanding Class AA Preferred Shares, Series 11, in accordance with the terms of the preferred shares. The total value of the redemption was CAD \$150 million.

The following table shows the quoted market prices of the Company's publicly traded senior preferred shares:

As at (C\$)	Jun. 30, 2025	Dec. 31, 2024
Senior preferred shares		
4.90% Series 9 – February 28, 2026	\$ 25.06	\$ 25.23
4.70% Series 10 – February 28, 2027	\$ 25.35	\$ 25.16
4.75% Series 11 – October 31, 2025	N/A	\$ 25.24
4.40% Series 12 – February 29, 2028	\$ 25.28	\$ 25.30
4.45% Series 13 – May 31, 2029	\$ 25.00	\$ 24.88
5.50% Series 14 – June 30, 2030	\$ 25.81	\$ 25.99
5.15% Series 15 – March 31, 2031	\$ 25.50	N/A

Net Asset Value

Net assets per unit is defined as the fair value of the Brookfield 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 of the Company and the redemption value of the preferred shares, 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, Class AA Series 9, Series 10, Series 12, Series 13, Series 14 and Series 15 senior preferred shares will not be treated as liabilities for purposes of determining net assets per unit.

Retraction

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

Class AA Senior Preferred Shares

- | | |
|-----------|---|
| Series 9 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 7 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 10 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 8 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 11 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 9 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 12 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 10 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 13 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 11 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 14 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 12 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |
| Series 15 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be a number of Series 13 debentures determined by dividing the holder's aggregate preferred share retraction price by \$25.00. |

Junior Preferred Shares

- | | |
|----------|---|
| Series 1 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be cash. |
| Series 2 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be cash. |
| Series 3 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be cash. |
| Series 4 | May be surrendered for retraction at any time for an amount equal to the lesser of: (i) net assets per unit; and (ii) \$25.00. Retraction consideration will be cash. |

During the period ended June 30, 2025, all the Series 11 senior preferred shares were redeemed for a value of \$25 per share, in exchange for 6,040,800 Series 4 junior preferred shares. No other senior preferred shares or junior preferred shares were redeemed or retracted in the period ended June 30, 2025.

Debentures

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

- | | |
|-----------|---|
| Series 9 | The Series 7 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 28, 2026. Holders of the Series 7 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.00% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 7 debentures can be redeemed by the Company at any time. The Series 7 debentures may not be retracted. |
| Series 10 | The Series 8 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 28, 2027. Holders of the Series 8 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.80% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 8 debentures can be redeemed by the Company at any time. The Series 8 debentures may not be retracted. |
| Series 11 | The Series 9 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on October 31, 2025. Holders of the Series 9 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.85% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 9 debentures can be redeemed by the Company at any time. The Series 9 debentures may not be retracted. |
| Series 12 | The Series 10 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on February 29, 2028. Holders of the Series 10 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.50% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 10 debentures can be redeemed by the Company at any time. The Series 10 debentures may not be retracted. |
| Series 13 | The Series 11 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on May 31, 2029. Holders of the Series 11 debentures will be entitled to receive quarterly fixed interest payments at a rate of 4.55% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 11 debentures can be redeemed by the Company at any time. The Series 11 debentures may not be retracted. |
| Series 14 | The Series 12 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on June 30, 2030. Holders of the Series 12 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.60% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 12 debentures can be redeemed by the Company at any time. The Series 12 debentures may not be retracted. |
| Series 15 | The Series 13 debenture will have a principal amount of CAD\$25.00 per debenture and will mature on March 31, 2031. Holders of the Series 13 debentures will be entitled to receive quarterly fixed interest payments at a rate of 5.25% per annum paid on or about the 7th day of March, June, September and December in each year. The Series 13 debentures can be redeemed by the Company at any time. The Series 13 debentures may not be retracted. |

As at June 30, 2025, there were no debentures outstanding (December 31, 2024 – 1,000 Series 10 debentures with a face value of CAD \$25 thousand outstanding).

Redemption

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

Class AA Senior Preferred Shares

Series 9 May be redeemed by the Company at any time on or after February 28, 2024, and prior to February 28, 2026, (the "Series 9 Redemption Date") at a price which until February 28, 2025, will equal \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on February 28, 2025. All Series 9 preferred shares outstanding on the Series 9 Redemption Date will be redeemed for a cash amount equal to the lesser of \$25.00 plus any accrued and unpaid dividends, and the Net Asset Value per Unit.

The Company may redeem Class AA, Series 9 senior preferred shares prior to February 28, 2024, for \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Series 9 preferred shares prior to February 28, 2024 unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield Shares and the Board of Directors of the Company determines that such bid is in the best interest of the holders of the capital shares.

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

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

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

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

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

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

Series 13 May be redeemed by the Company at any time on or after May 31, 2027, and prior to May 31, 2029, (the "Series 13 Redemption Date") at a price which until May 31, 2028, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on May 31, 2028. All Class AA Series 13 senior preferred shares outstanding on the Series 13 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

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

Series 14 May be redeemed by the Company at any time on or after June 30, 2028, and prior to June 30, 2030, (the "Series 14 Redemption Date") at a price which until June 30, 2029, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on June 30, 2029. All Class AA Series 14 senior preferred shares outstanding on the Series 14 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 14 senior preferred shares prior to June 30, 2028, for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 14 senior preferred shares prior to the Series 14 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield Shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

Series 15 May be redeemed by the Company at any time on or after March 31, 2029, and prior to March 31, 2031, (the "Series 15 Redemption Date") at a price which until March 31, 2030, will equal CAD \$25.50 per share plus accrued and unpaid dividends and which will decline by \$0.50 on March 31, 2030. All Class AA Series 15 senior preferred shares outstanding on the Series 15 Redemption Date will be redeemed for a cash amount equal to the lesser of CAD \$25.00 plus any accrued and unpaid dividends, and the net assets per unit.

The Company may redeem Class AA, Series 14 senior preferred shares prior to March 31, 2029, for CAD \$26.00 per share plus accrued and unpaid dividends if, and will not redeem Class AA, Series 15 senior preferred shares prior to the Series 15 Redemption Date unless: (i) capital shares have been retracted; or (ii) there is a take-over bid for the Brookfield Shares and the Board of Directors of the Company determines that such a bid is in the best interest of the holders of the capital shares.

Junior Preferred Shares

Series 1 May be redeemed by the Company at any time at a price which will equal \$25.00 per share plus all dividends declared and unpaid up to the redemption date.

Series 2 May be redeemed by the Company at any time at a price which will equal \$25.00 per share plus all dividends declared and unpaid up to the redemption date.

Series 3 May be redeemed by the Company at any time at a price which will equal \$25.00 per share plus all dividends declared and unpaid up to the redemption date.

Series 4 May be redeemed by the Company at any time at a price which will equal \$25.00 per share plus all dividends declared and unpaid up to the redemption date.

5. SHARE CAPITAL

The Company is authorized to issue an unlimited number of capital shares. Holders of the capital shares are not entitled to vote at meetings of shareholders of the Company other than meetings of holders of the capital shares. The issued and outstanding share capital consists of:

As at (Thousands of US dollars)	Shares Outstanding		Book Value	
	Jun. 30, 2025	Dec. 31, 2024	Jun. 30, 2025	Dec. 31, 2024
Equity				
Capital shares	57,776,409	49,735,609	\$ 118,088	\$ 118,088
Liability				
Class A voting shares ¹	100	100	\$ —	\$ —
Class B voting shares ¹	1,000	1,000	1	1

1. As at June 30, 2025, the Class A voting shares have a book value of \$8 (December 31, 2024 – \$8).

2. As at June 30, 2025, the Class B voting shares have a book value of CAD \$1,000 (December 31, 2024 – CAD \$1,000). The capital contributed by non-controlling shareholders has been excluded from equity and classified as a liability.

Holders of capital shares are entitled to receive dividends as declared by the Board of Directors of the Company. The Board of Directors of the Company has indicated that its policy is to pay dividends, if and to the extent that the dividends received on the investment portfolio, less the administrative and operating expenses of the Company, exceed the preferred share dividends.

During the period, the Company declared and paid a \$149 million dividend distribution on its capital shares (June 30, 2024 – \$30 million).

The weighted average number of capital shares outstanding during the six months ended June 30, 2025, was 55.1 million (December 31, 2024 – 48.7 million).

6. MANAGEMENT FEES

The Company's operations are managed by Brookfield Public Securities Group LLC. (the "Investment Manager"), who is entitled to a total management fee of up to 8.33% of ordinary expenses (June 30, 2024 – 8.33%) of the Company. For the period ended June 30, 2025, the Company accrued management fees of \$17 thousand (June 30, 2024 – \$18 thousand) plus applicable taxes in relation to these services.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair value of the Company's investments are determined by reference to the closing price of the last day of trade at each financial reporting period.

Fair value hierarchical levels are directly determined by the amount of subjectivity associated with the valuation of these assets and liabilities and are as follows:

- Level 1 Inputs are unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 Inputs (other than quoted prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.
- Level 3 Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs used in determining the estimate.

There were no changes made to the financial instrument classifications and no transfers in and out of levels during the period.

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

As at (Thousands of US dollars)	June 30, 2025			December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Brookfield Corporation	\$ 7,397,968	\$ —	\$ —	\$ 6,871,678	\$ —	\$ —
Brookfield Asset Management Ltd.	1,653,030	—	—	1,620,436	—	—
	<u>\$ 9,050,998</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,492,114</u>	<u>\$ —</u>	<u>\$ —</u>

8. RELATED-PARTY DISCLOSURE

The Investment Manager is a subsidiary of BN and manages the investment and trading activities of the Company. Due to BN's ability to control the Company, BN and its affiliates over which it has the ability to exercise control or significant influence, are related parties of the Company by virtue of common control or common significant influence.

Transactions with related parties, including investment transactions, are conducted in the normal course of operations and are recorded at exchange amounts, which are equivalent to normal market terms. Please refer to Note 6, which outlines the fees paid to the Investment Manager by the Company.

As at June 30, 2025, and December 31, 2024, Brookfield and its affiliates did not own any interest in the Company. For the six months ended June 30, 2025, the Company recognized dividend income of \$21.5 million from BN shares (June 30, 2024 – \$19.1 million) and \$26.2 million from BAM shares (June 30, 2024 – \$22.7 million).

9. SUBSEQUENT EVENTS

On July 21, 2025, the Company declared and paid a special dividend of \$30 million to the holders of the capital shares.

CORPORATE INFORMATION

OFFICERS AND DIRECTORS

Brian D. Lawson
Chairman of the Board

Aleks Novakovic
Corporate Director

Paul Farrell ^{1,2}
Corporate Director

Don Mackenzie ^{1,2}
Corporate Director

James Bodi ^{1,2}
Corporate Director

Brian Hurley
Corporate Director

Cyrus Madon
Chief Executive Officer and President

Jason Weckwerth
Chief Financial Officer

John Zimnicki
Chief Investment Officer

Kathy Sarpash
General Counsel and Secretary

Kunal Dusad
Senior Vice President

1. Member of the Audit Committee

2. Member of the Corporate Governance Committee

LEGAL COUNSEL

Torys LLP

STOCK EXCHANGE LISTING

The Company's preferred shares are listed on the Toronto Stock Exchange under the following symbols:

Security	TSX Symbol
Class AA Preferred Shares, Series 9	PVS.PR.G
Class AA Preferred Shares, Series 10	PVS.PR.H
Class AA Preferred Shares, Series 12	PVS.PR.J
Class AA Preferred Shares, Series 13	PVS.PR.K
Class AA Preferred Shares, Series 14	PVS.PR.L
Class AA Preferred Shares, Series 15	PVS.PR.M

YEAR END

December 31

CONTACT INFORMATION

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

Partners Value Split Corp.
Brookfield Place
181 Bay Street, Suite 100
P.O. Box 767
Toronto, Ontario
M5J 2T3

Telephone: (416) 956-5141
Email: ir@pvii.ca
Website: www.partnersvaluesplit.com

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

TSX Trust Company
301 – 100 Adelaide Street West
Toronto, Ontario
M5H 4H1
Tel: (416) 682-3860 or
toll free within North America
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