MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis for the period ended June 30, 2020 is dated August 21, 2020.

OVERVIEW

Partners Value Investments L.P. (the "Partnership") is a limited partnership under the laws of the province of Ontario. Its principal investment is an ownership interest in approximately 129 million Class A Limited Voting Shares ("Brookfield shares") of Brookfield Asset Management Inc. ("Brookfield"), adjusted for the three-for-two stock split effective April 1, 2020. The Partnership's objective is to provide the Equity Limited Partners with capital appreciation and Preferred Limited Partners with income returns. Investment income, which includes dividends from its investment in Brookfield shares and other securities, is principally dedicated to paying dividends on its financing obligations and Preferred LP units.

The Partnership's investment in Brookfield is owned indirectly through its wholly owned subsidiaries – Partners Value Investments Inc. ("PVII") and Partners Value Split Corp. ("Partners Value Split").

The Partnership also holds a portfolio of investments in limited partnership units of Brookfield Infrastructure Partners, Brookfield Property Partners and Brookfield Business Partners, and a diversified portfolio of other marketable securities.

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

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

RESULTS OF OPERATIONS

The Partnership had a net loss of $11 million for the quarter ended June 30, 2020 compared to a net loss of $35 million in the prior year period. The decrease in net loss was primarily attributable to an increase in valuation gains, offset by an increase in foreign currency losses.

The following table presents the details of the Partnership's net income:

For the period ended June 30	Three Months Ended		Six Months Ended	
(Thousands, US dollars)	**2020**	2019	**2020**	2019
Investment income				
Dividends	**$ 17,454**	$ 18,194	**$ 38,234**	$ 36,667
Other investment income	**136**	1,865	**1,123**	5,783
	17,590	20,059	**39,357**	42,450
Expenses				
Operating expenses	**(401)**	(1,019)	**(842)**	(2,124)
Financing costs	**(134)**	(14)	**(151)**	(171)
Retractable preferred share dividends	**(6,509)**	(6,384)	**(11,917)**	(13,130)
	(10,546)	(12,642)	**(26,447)**	(27,025)
Other items				
Investment valuation gains (losses)	**1,407**	(26,876)	**(14,044)**	10,871
Amortization of deferred financing costs	**(594)**	(1,190)	**(1,123)**	(1,726)
Current taxes expense	**(441)**	(5,779)	**(126)**	(10,088)
Deferred taxes (expense) recovery	**(1,337)**	3,746	**(2,203)**	5,160
Foreign currency (losses) gains	**(21,022)**	(17,543)	**53,714**	(37,187)
Net (loss) income	**$ (11,441)**	$ (35,000)	**$ 62,665**	$ (5,945)
Net Income attributable to:				
Equity Limited Partners	**$ (14,276)**	$ (40,623)	**$ 56,995**	$ (17,194)
General Partner	**—**	—	**—**	—
Preferred Limited Partner	**2,835**	5,623	**5,670**	11,249
	$ (11,441)	$ (35,000)	**$ 62,665**	$ (5,945)

Investment income consists of the following:

For the period ended June 30 *(Thousands, US dollars)*	Three Months Ended **2020**	Three Months Ended 2019	Six Months Ended **2020**	Six Months Ended 2019
Dividends				
Brookfield Asset Management Inc.	**$ 15,451**	$ 13,734	**$ 30,902**	$ 27,468
Other securities	**2,003**	4,460	**7,332**	9,199
	17,454	18,194	**38,234**	36,667
Other investment income	**136**	1,865	**1,123**	5,783
	$ 17,590	$ 20,059	**$ 39,357**	$ 42,450

Brookfield increased its regular dividend rate by approximately 12% over 2019. Other investment income decreased over the prior year due to lower interest earned on cash put on deposit.

Investment valuation gains include unrealized gains and losses on the Partnership's investments (including financial derivatives) which are recorded at fair value. It also includes realized gains and losses on the disposition of the Partnership's investments. This balance will fluctuate depending on the Partnership's investment activities and performance.

Income tax expenses reflecting a lower level of investment, both realized and unrealized gains, compared to the prior year period.

Foreign currency losses represent gains and losses arising from the impact of changes in the exchange rate on Canadian dollar denominated preferred shares issued by Partners Value Split Corp.

FINANCIAL POSITION

The Partnership's total assets were $4.7 billion at June 30, 2020 (December 31, 2019 – $5.3 billion) and consist primarily of its $4.2 billion investment in 129 million Brookfield shares, adjusted for the three-for-two stock split effective April 1, 2020 (December 31, 2019 – $5.0 billion). The market price of a Brookfield share was $32.90 per share at June 30, 2020 compared to $38.53 at December 31, 2019.

Investment Portfolio

As at *(Thousands, US dollars)*	Number of Shares **June 30, 2020**	Number of Shares Dec. 31, 2019	Fair Value **June 30, 2020**	Fair Value Dec. 31, 2019
Brookfield Asset Management Inc. [1]				
Partners Value Investments Inc.	**9,147**	9,147	**$ 300,939**	$ 352,468
Partners Value Split Corp	**119,612**	119,612	**3,935,217**	4,609,028
	128,759	128,759	**$ 4,236,156**	$ 4,961,496
Other securities				
Brookfield Infrastructure Partners L.P.	**849**	1,164	**$ 31,377**	$ 58,187
Brookfield Property Partners L.P.	**3,613**	3,613	**35,737**	66,054
Brookfield Business Partners L.P.	**1,495**	1,495	**45,806**	61,733
Trisura Group Ltd.	**1,809**	1,649	**81,608**	51,117
Other securities portfolio	**Various**	Various	**135,484**	29,481
			330,012	266,572
			$ 4,566,168	$ 5,228,068

1 *Adjusted to reflect three-for-two stock split effective April 1, 2020.*

Brookfield Asset Management Inc.

Brookfield is a global alternative asset manager focused on real estate, infrastructure, power and private equity, and is inter-listed on the New York, Toronto and NYSE Euronext stock exchanges. The Partnership's investment in Brookfield represents approximately a 9% fully diluted interest in Brookfield. On April 1, 2020, Brookfield completed a three-for-two stock split of the company's outstanding Class A Shares. As a result, the Partnership currently holds 128,758,537 Brookfield shares.

Brookfield Listed Partnerships

The Partnership holds investments in several Brookfield listed partnerships that are managed by Brookfield: Brookfield Infrastructure Partners, Brookfield Property Partners and Brookfield Business Partners. Brookfield Infrastructure Partners owns and operates utility, transport, energy and communication businesses globally. Brookfield Property Partners is a global commercial real estate company that owns, operates and invests in best-in-class office, retail, and opportunistic assets. Brookfield Business Partners owns business services and industrial operations with a focus on high-quality businesses that are low cost producers and/or benefit from high barriers to entry.

Deferred Taxes

The deferred tax liability represents the potential tax liability arising from the excess of the carrying value of net assets over the respective tax values, less available loss carry-forwards. Changes in the deferred tax liability balance are mainly related to changes in the market value of the Partnership's investments and foreign currency fluctuations.

Equity

As at June 30, 2020, unitholders' equity consisted of $3.4 billion of Equity Limited Partners, $252 million of Preferred Limited Partners, and $1 thousand of General Partner equity (December 31, 2019 – $4.0 billion of Equity Limited Partners, $252 million of Preferred Limited Partners, and $1 thousand of General Partner). The decrease in equity is primarily the result of lower comprehensive income driven by unrealized losses on our Brookfield shares.

Preferred Shares

Retractable preferred shares issued by Partners Value Split comprised of the following:

	Shares Outstanding		Book Value	
As at (Thousands, US dollars,)	**June 30, 2020**	Dec. 31, 2019	**June 30, 2020**	Dec. 31, 2019
Partners Value Split Class AA				
4.50% Series 6 – October 8, 2021	**7,990**	7,990	**$ 147,136**	$ 153,788
5.50% Series 7 – October 31, 2022	**4,000**	4,000	**73,660**	76,990
4.80% Series 8 – September 30, 2024	**5,999**	5,999	**110,477**	115,471
4.90% Series 9 – February 28, 2026	**5,997**	5,997	**110,431**	115,423
4.70% Series 10 – February 28, 2027	**6,000**	–	**110,490**	–
			552,194	461,672
Deferred financing costs[1]			**(9,550)**	(7,596)
			$ 542,644	$ 454,076

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

LIQUIDITY AND CAPITAL RESOURCES

The Partnership holds cash and cash equivalents totalling $107 million and investments of $4.6 billion as at June 30, 2020 (December 31, 2019 – $99 million and $5.2 billion). The Partnership has operating cash requirements of $27 million in scheduled dividend payments on its preferred shares which are less than the expected regular distributions anticipated to be received on Brookfield shares and other securities held by the Partnership. The Partnership believes it has sufficient liquid assets, operating cash flow and financing alternatives to meet its obligations.

BUSINESS ENVIRONMENT AND RISKS

The Partnership's activities expose it to a variety of financial risks, including market risk (i.e., currency risk, interest rate risk, and other price risk), credit risk and liquidity risk. The following are risk factors relating to an investment in the common shares of the Partnership.

Fluctuations in Value of Investments
The value of the common shares may vary according to the value of the Brookfield shares and other securities owned by the Partnership. The value of these investments may be influenced by factors not within the control of the Partnership, including the financial performance of Brookfield and other investees, interest rates and other financial market conditions. As a result, the net asset value of the Partnership may vary from time to time. The future value of the common shares will be largely dependent on the value of the Brookfield shares. A material adverse change in the business, financial conditions or results of operations of Brookfield and other investees of the Partnership will have a material adverse effect on the common shares of the Partnership. In addition, the Partnership may incur additional financial leverage in order to acquire, directly or indirectly, additional securities issued by Brookfield, which would increase both the financial leverage of the Partnership and the dependency of the future value of the common shares on the value of the Brookfield shares.

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

Foreign Currency Exposure
Certain of the Partnership's other investments are denominated in currencies other than the United States dollar. Accordingly, the value of these assets may vary from time to time with fluctuations in the exchange rate relative to the United States dollar. In addition, these investments pay distributions and interest in other currencies. Strengthening of these currencies relative to the United States dollar could decrease the amount of cash available to the Partnership.

Leverage
The Partnership's assets are financed in part with the retractable preferred shares issued by our subsidiaries. This results in financial leverage that will increase the sensitivity of the value of the common shares to changes in the values of the assets owned by the Partnership. A decrease in the value of the Partnership's investments may have a material adverse effect on the Partnership's business and financial conditions.

Liquidity
The Partnership's liquidity requirements are typically limited to funding interest and dividend obligations on outstanding financial obligations. Holders of the Partnership's retractable preferred shares issued by the Partnership's subsidiaries have the ability to retract their shares. Debentures, as opposed to cash, can be issued to settle retractions of the preferred shares.

The Partnership maintains financial assets and credit facilities to fund liquidity requirements in the normal course, in addition to its investment in Brookfield shares. The Partnership's policy is to hold the Brookfield shares and not engage in trading, however shares are available to be sold to fund retractions and redemptions of preferred shares or common shares. The Partnership's ability to sell a substantial portion of the Brookfield shares may be limited by resale restrictions under applicable securities laws that will affect when or to whom the Brookfield shares may be sold. Accordingly, if and when the Partnership is required to sell Brookfield shares, the liquidity of such shares may be limited. This could affect the time it takes to sell the Brookfield shares and the price obtained by the Partnership for the Brookfield shares sold.

No Ownership Interest
A direct investment in common shares does not constitute a direct investment in the Brookfield shares of Brookfield or other securities held by the Partnership, and holders of common shares do not have any voting rights in respect of such securities.

Contractual Obligations
There have been no significant changes in the Partnership's contractual obligations since year-end.

SUMMARY OF FINANCIAL INFORMATION

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

(Thousands, US dollars, except per share amounts)	2020		2019				2018	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Net income	**$ (11,441)**	$ 74,106	$ (12,266)	$ 14,264	$ (35,000)	$ 29,055	$ 49,145	$ 2,209
Net income per share	**$ (0.13)**	$ 0.84	$ (0.14)	$ 0.16	$ (0.47)	$ 0.40	$ 0.55	$ 0.03

Net income includes dividends and interest on the Partnership's investment portfolio, in addition to valuation gains and losses relating to its investment portfolios, and fluctuates accordingly with changes to foreign currencies relative to the Canadian dollar and equity markets. Also, included in net income are gains and losses on the disposition of investments. The variance in net income on the last eight quarters is primarily the result of valuation gains and losses on certain of the Partnership's investments, increases in the investment income earned from its investments and the impact of foreign currencies.

RELATED-PARTY TRANSACTIONS

Brookfield entities provide certain management and financial services to the Partnership and recovered costs of less than $1 million For the three months ended June 30, 2020 (2019 – less than $1 million).

The Partnership is substantially owned by individuals associated with Brookfield Asset Management Inc. ("Brookfield"). The investing activities of the Partnership are managed by an investment team that does not participate in managing any Brookfield client accounts. Brookfield and the Partnership have adopted policies and procedures designed to ensure that PVI's activities do not conflict with, or materially adversely affect Brookfield fund holders, and that, to extent feasible, Brookfield and its managed fund holders' interests are prioritized relative to the Partnership should any potential conflict arise.

It is generally expected that the Partnership will have a different investing strategy and approach from that of Brookfield and its managed funds and therefore will make investments that Brookfield and its managed funds do not make (or make similar investments at different times as a result of such different investment strategy and approach). There is no formal informational barrier between the Partnership's investment team and the rest of Brookfield.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates are required in the determination of future cash flows and probabilities in assessing net recoverable amounts and net realizable values; tax and other provisions; and fair values for disclosure purposes. In the normal course of operations, The Partnership may execute agreements that provide for indemnification and guarantees to third parties in transactions such as business dispositions, business acquisitions and the sale of assets. The nature of substantially all of the indemnification undertakings precludes the possibility of making a reasonable estimate of the maximum potential amount that The Partnership could be required to pay to third parties as the agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically, The Partnership has not made any payments under such indemnification agreements and guarantees.

DISCLOSURE CONTROLS AND PROCEDURES

We maintain appropriate information systems, procedures and controls to ensure that new information disclosed externally is complete, reliable and timely. The President and the Director, Finance of the Partnership evaluated the effectiveness of disclosure controls and procedures (as defined in "National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings") as at June 30, 2020, and have concluded that the disclosure controls and procedures are operating effectively.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

We maintain appropriate internal controls over financial reporting (as defined in “National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings”) and the Chief Executive Officer and the Chief Financial Officer have concluded that the internal controls have been designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Management has evaluated whether there were changes in our internal controls over financial reporting during the period ended June 30, 2020 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting and has determined that there have been no such changes.