
Brookfield Investments Corporation

INTERIM REPORT Q3 2014

STOCK SYMBOL: BRN.PR.A (TSX Venture Exchange)

Brookfield Investments Corporation (the "company") reported net loss of \$6 million or \$0.13 per common share for the three months ended September 30, 2014 compared with income of \$69 million or \$1.38 per common share for the same period in 2013. The decrease in net income relative to the prior period was due to a large amount of disposition gains recorded in the prior year quarter and the recognition of unfavourable foreign currency revaluation in the current quarter. Net income in the prior year included \$52 million of disposition gains on the sale of two investments whereas the current quarter included a \$3 million realized disposition loss. In addition, the company recorded \$16 million of unrealized foreign currency losses in the current quarter, due to negative foreign currency revaluation of non U.S. dollar investments. Net income on a nine-month basis was \$110 million in the current year and \$217 million in the prior year or \$2.20 and \$4.35 per share, respectively.

Comprehensive income, which consists of net loss and other comprehensive income, was a loss of \$42 million for the three months ended September 30, 2014 compared to income of \$21 million in the same period of 2013. Other comprehensive loss was \$36 million during the quarter, compared to \$48 million in the third quarter of 2013. The current period reflects unfavourable market performance of the company's investment portfolio relative to the prior year.

On behalf of the Board:



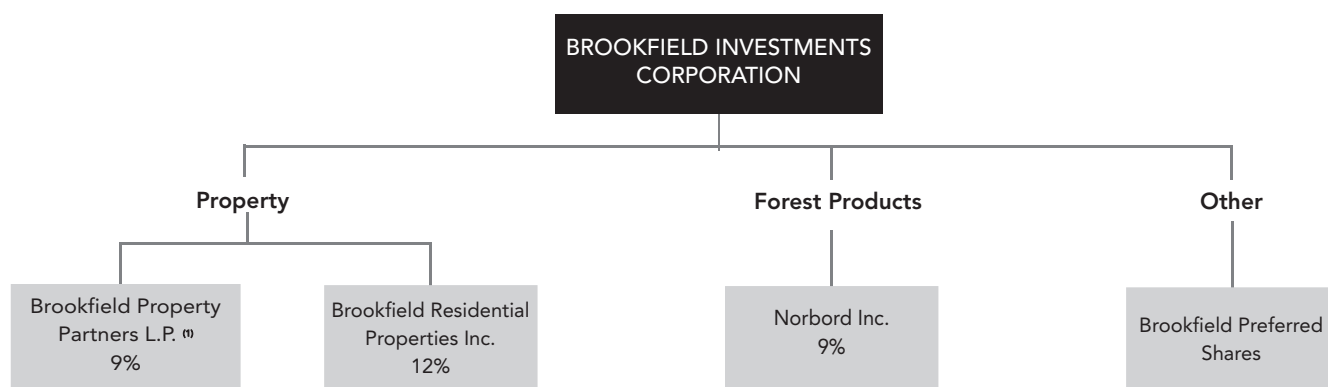
Edward C. Kress
Chairman and President
November 26, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS

This section of our interim report includes management's discussion and analysis of our financial results ("MD&A") for the most recent period. The MD&A is intended to provide you with an assessment of our performance over the third quarter of 2014 and the comparable period in the prior year, as well as information on our financial position and other relevant matters.

Brookfield Investments Corporation ("Brookfield Investments" or the "company") holds investments in the property and forest products sectors, as well as a portfolio of preferred shares issued by Brookfield Asset Management Inc. ("Brookfield").

The company's simplified organizational structure is shown in the following chart:



The following analysis describes the components of the company's revenues and expenses for the third quarter of 2014, the related assets and liabilities, and the business environment for its operations as at September 30, 2014.

The U.S. dollar is the company's functional and presentation currency. All financial information is presented in U.S. dollars unless otherwise indicated. All financial data included in the MD&A have been presented in accordance with International Financial Reporting Standards.

The information in this section should be read in conjunction with the company's consolidated financial statements, which are included on pages 9 through 14 of this interim report. Additional information is available on the company's website at www.brookfieldinvestments.com and on SEDAR's website at www.sedar.com.

ANALYSIS OF NET INCOME

(US\$ millions)	Three months ended September 30		Nine months ended September 30	
	2014	2013	2014	2013
Investment income				
Equity accounted income				
Brookfield Property Partners distributions ⁽¹⁾	\$ 17	\$ 17	\$ 50	\$ 25
Property income	—	—	—	25
Forest products income	—	6	—	34
Dividend income	3	4	11	18
Interest Income	2	2	7	5
	22	29	68	107
Realized and unrealized (losses) gains	(3)	52	92	139
Foreign exchange (loss) income	(16)	2	(16)	4
	3	83	144	250
Interest expense	(8)	(7)	(22)	(22)
Net (loss) income before income taxes	(5)	76	122	228
Income tax expense	(1)	(7)	(12)	(11)
Net (loss) income	\$ (6)	\$ 69	\$ 110	\$ 217

⁽¹⁾ The company's investment in BPY is classified as an available-for-sale security and is held through two equity accounted associates.

Investment Income

Investment income consists of income earned on the company's equity accounted investments, as well as dividend and interest income generated from the company's investment portfolio.

Equity accounted income includes distributions from the company's investment in Brookfield Property Partners ("BPY"), which is held through two equity accounted investments. The company received \$17 million of distributions from BPY during the quarter, consistent with the prior year quarter.

Dividend and interest income includes dividends on the company's securities and preferred share portfolio and interest on deposits receivable. During the first quarter of 2014, the company partially disposed of its investment in Western Forest Products Inc. ("Western") and commenced accounting for Western as an available-for-sale security. As a result, the company recognized \$2 million of dividend income in the nine months ended 2014. The company previously accounted for Western using the equity method of accounting. The prior year included \$6 million of equity accounted income from Western.

Realized and Unrealized Gains

Realized and unrealized losses were \$3 million in 2014 compared to a gain of \$52 million in 2013.

Through a series of transactions, the company disposed of its investment in Western during 2013 and 2014. The company recorded a realized gain of \$92 million in 2014 as part of this disposition, including a \$3 million loss in the current quarter. Realized and unrealized disposition gains in the prior year included \$37 million of gains on disposition of Western and a \$15 million gain on the sale of preferred shares.

Interest Expense

Interest expense includes dividend payments on the company's retractable preferred shares, which were \$8 million in the third quarter of 2014 (2013 - \$7 million).

Foreign Currency Revaluation

Certain of the company's deposits receivable and payable are denominated in currencies other than the U.S. dollar, which are converted into the U.S. dollar for reporting purposes. Foreign currency revaluation in the third quarter of 2014 resulted in a \$16 million loss (2013 – \$2 million of income).

Income Tax Expense

Income tax expense of \$1 million (2013 – \$7 million) was recorded in the third quarter of 2014.

BALANCE SHEET ANALYSIS

<i>(US\$ millions)</i>	September 30, 2014	December 31, 2013
Investment portfolio		
Property	\$ 1,632	\$ 1,681
Forest products	98	241
	1,730	1,922
Other securities	42	44
Deposits receivable, net	605	442
	2,377	2,408
Accounts payable and other liabilities	8	14
Retractable preferred shares	1,076	1,104
Deferred income tax liabilities	44	45
Equity	\$ 1,249	\$ 1,245

Investment Portfolio

The investment portfolio is classified as available-for-sale with changes in value recorded in other comprehensive income. At September 30, 2014, the company's investment portfolio consisted of the following securities:

(US\$ millions, except %)	Accounting Methodology	Ownership		Carrying Value	
		shares/ownership %			
		2014	2013	2014	2013
Brookfield Residential Properties Inc.	Available-for-sale	13.7/12%	13.7/12%	\$ 258	\$ 331
Norbord Inc.	Available-for-sale	4.8/9%	4.8/9%	98	153
Western Forest Product Inc.	N/A	—	96.0/25%	—	88
				356	572
Brookfield Property Partners L.P. ⁽¹⁾	Associate	n/a/9%	n/a/12%	1,374	1,350
Total				\$ 1,730	\$ 1,922

⁽¹⁾ The company's investment in Brookfield Property Partners L.P. is held through two equity accounted investments in BPY I L.P. and BPY II L.P.

The company's investment in BPY consists of a 9% economic interest or 66 million equity units which it received in exchange for its direct investments in Brookfield Office Properties and BPY Holdings L.P.'s property operations. The investment is held indirectly through the company's interest in two equity accounted investments: BPY I L.P. and BPY II L.P., which had an aggregate carrying value of \$1,374 million at the end of the third quarter of 2014.

The company's investment in Brookfield Residential Properties consists of 13.7 million common shares, which decreased in value by \$25 million during the third quarter of 2014 due to a \$1.86 decrease in the Brookfield Residential Properties share price from \$20.72 to \$18.86 per share.

The company's investment in Norbord consists of 4.8 million common shares, which decreased in value by \$20 million during the third quarter of 2014 due to a \$4.11 decrease in Norbord's share price from \$24.52 to \$20.41 per share.

Through a series of transactions, the company disposed of its investment in Western and realized a \$92 million disposition gain in 2014.

The company also holds a preferred share portfolio which provides stable cash flow and a source of capital to support its operations and future activities. The company's securities portfolio consists of the following preferred shares:

(US\$ millions, except number of shares)	Security	Class	Shares	Carrying Value	
				September 30, 2014	December 31, 2013
	Brookfield Asset Management Inc. -	Class A Series 14 preferred shares	350,000	\$ 32	\$ 33
	Brookfield Asset Management Inc. -	Class A Series 15 preferred shares	850,000	10	11
				\$ 42	\$ 44

Deposits Receivable

Deposits receivable include funds on deposit with and borrowed from Brookfield, which bear interest at CDOR on Canadian dollar deposits, and at LIBOR on U.S. dollar denominated balances. The deposits are due on demand.

Retractable Preferred Shares

Retractable preferred shares consist of \$134 million (2013 – \$145 million) Senior Preferred shares and \$942 million (2013 – \$975 million) Junior Preferred shares. The Senior and Junior Preferred shares are retractable at the option of the holder.

Deferred Income Tax Liabilities

Deferred income tax liabilities relate primarily to temporary differences between the carrying value and tax value of investments within the investment portfolio.

LIQUIDITY AND CAPITAL RESOURCES

The company generates sufficient cash flow from operations to fund its interest expense obligations. In addition, the company maintains funds on deposit and securities which, with varying degrees of timing, can be liquidated and utilized to fund cash requirements. The company's sole common shareholder, Brookfield, holds directly and indirectly, \$1,038 million of the company's retractable preferred shares. The remaining \$38 million of retractable preferred shares are held by other holders, and satisfaction of any retractions can be made through the company's general cash resources or through the proceeds from the sale of assets.

The company's investments generated cash receipts of \$5 million during the third quarter of 2014 in the form of dividends and interest, compared with \$6 million for the same period in 2013. Income from investments was utilized primarily for the payment of dividends related to retractable preferred shares issued by the company, which totalled \$8 million for the third quarter in 2014, compared to \$7 million the same period in 2013.

The company generated \$16 million of cash flow from operating activities during 2014, compared with \$15 million for the same period in 2013.

The company's outstanding common and retractable preferred shares are as follows:

<i>Number of shares</i>	September 30, 2014	December 31, 2013
Common shares	49,847,899	49,847,899
Class 1 Senior Preferred Series A	5,986,595	5,987,195
Class 1 Junior Preferred Series A	17,999,718	17,999,718
Class 1 Junior Preferred Series B	17,200,000	17,200,000

CONTRACTUAL OBLIGATIONS

The following table presents the contractual obligations of the company by payment periods:

<i>(US\$ millions)</i>	Total	Payments Due by Period			
		Less Than One Year	2 - 3 Years	4 - 5 Years	After 5 Years
Retractable preferred shares ⁽¹⁾					
Senior	\$ 134	\$ 134	\$ —	\$ —	\$ —
Junior	942	942	—	—	—

⁽¹⁾ Retractable at the option of the holder, as described above under Liquidity and Capital Resources

SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

The company owns a 9% indirect economic interest in BPY. This is structured through a direct and indirect interest in two entities which the company exercises significant influence over: BPY I L.P. and BPY II L.P. The company holds a 28.1% interest in BPY II L.P., which in turn holds 25.0% economic interest of BPY. The company holds a 36.2% interest in Brookfield Europe which holds a 24.3% interest in BPY I L.P. BPY I L.P. owns 24.5% of BPY. BPY I L.P. and BPY II L.P.'s investment in BPY is through BPY's redeemable exchangeable units, which are not entitled to any votes, and accordingly, BPY I L.P. and BPY II L.P. account for their respective economic interests in BPY as available-for-sale securities.

The preparation of financial statements in conformity with International Financial Reporting Standards 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 cash flows and probabilities in assessing net recoverable amounts and net realizable values; assessing other than temporary impairments of long-term investments; tax and other provisions and fair values.

SUMMARY OF FINANCIAL INFORMATION

The following table summarizes selected consolidated financial information of the company for the nine months ended September 30, 2014 and 2013 and for the years ended December 31, 2013, 2012 and 2011.

(US\$ millions, except per share amounts)	Nine months ended September 30		Years ended December 31		
	2014	2013	2013	2012	2011
Investment income	\$ 68	\$ 106	\$ 139	\$ 76	\$ 110
Net income	110	217	223	48	70
Net income per common share	2.20	4.35	4.48	0.95	1.52
Total assets	2,377	2,151	2,408	2,332	2,072
Preferred share dividends paid per share					
Class 1 Senior Preferred Series A	\$ 0.81	\$ 0.86	\$ 1.13	\$ 1.18	\$ 1.15
Class 1 Junior Preferred Series A	0.93	0.93	1.24	1.24	1.24

The following table summarizes selected consolidated financial information of the company for the eight recently completed quarters:

(US\$ millions, except per share amounts)	2014			2013				2012
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Investment income	\$ 22	\$ 23	\$ 23	\$ 33	\$ 28	\$ 30	\$ 48	\$ 23
Net (loss) income	(6)	26	90	6	69	22	126	19
Net (loss) income per common share	(0.13)	0.53	1.80	0.13	1.38	0.45	2.52	0.36

The company's investment income consists of equity accounted income and dividend and interest income from the company's investment portfolio and fluctuates due to the amount of equity earnings recorded in a period as well as for changes in interest rates on the company's floating rate investments. Net income in the first quarter of 2013 included an \$87 million dilution gain on the sale of Norbord. Net income in the third quarter of 2013 included \$54 million of disposition gains largely through the partial sale of the company's investment in Western common shares. Net income in the first quarter of 2014 included a \$90 million gain as a result of the partial disposition of Western common shares. Net loss in the third quarter of 2014 is primarily due to unfavourable foreign exchange loss of \$16 million.

RELATED-PARTY TRANSACTIONS

A significant portion of the company's securities and financing transactions are conducted with Brookfield. At September 30, 2014, the company's security portfolio included \$42 million (December 31, 2013 – \$44 million) of public and private Brookfield equity interests. Loans receivable and payable include funds on deposit with and borrowed from Brookfield, which bear interest at CDOR on Canadian dollar deposits, and at LIBOR on U.S. dollar denominated balances and are available on demand. Dividend and interest income during the third quarter of 2014 from related-party securities and deposits totalled \$5 million, compared to \$6 million for the same period in 2013.

FORWARD-LOOKING INFORMATION

This interim report contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of any applicable Canadian securities regulations. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, include statements regarding the operations, business, financial condition, expected financial results, performance, prospects, opportunities, priorities, targets, goals, ongoing objectives, strategies and outlook of Brookfield Investments Corporation, and include words such as "expects," "anticipates," "plans," "believes," "estimates," "seeks," "intends," "targets," "projects," "forecasts" or negative versions thereof and other similar expressions, or future or conditional verbs such as "may," "will," "should," "would" and "could".

Although we believe that our anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors, many of which are beyond our control, which may cause the actual results, performance or achievements of Brookfield Investments Corporation to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.

Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the effect of applying future accounting changes; changes in tax laws; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Brookfield Investments Corporation 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.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEETS

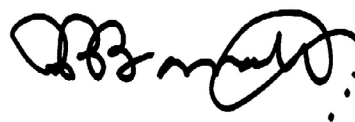
		(unaudited)	
		September 30	December 31
(US\$ millions)	Note	2014	2013
Assets			
Current assets			
Deposits receivable	3	\$ 605	\$ 442
Securities	4	42	44
Non-current assets			
Investments – Securities	5	356	484
Investments – Associates	5	1,374	1,438
		\$ 2,377	\$ 2,408
Liabilities			
Current liabilities			
Accounts payable and other		\$ 8	\$ 14
Retractable preferred shares	6	1,076	1,104
Deferred income taxes		44	45
Equity	7	1,249	1,245
		\$ 2,377	\$ 2,408

(See accompanying notes to the consolidated financial statements)

On behalf of the Board:



Edward C. Kress
Director



John P. Barratt
Director

CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited) (US\$ millions, except per share amounts)		Three months ended September 30		Nine months ended September 30	
	Note	2014	2013	2014	2013
Investment income					
Equity accounted income		\$ 17	\$ 23	\$ 50	\$ 84
Dividend and interest income		5	6	18	23
Realized and unrealized (losses) gains		(3)	52	92	139
Foreign exchange (loss) income		(16)	2	(16)	4
Interest expense		(8)	(7)	(22)	(22)
Income tax expense		(1)	(7)	(12)	(11)
Net income (loss)		\$ (6)	\$ 69	\$ 110	\$ 217
Net income (loss) per common share	7	\$ (0.13)	\$ 1.38	\$ 2.20	\$ 4.35

(See accompanying notes to the consolidated financial statements)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE (LOSS) INCOME

(unaudited) (US\$ millions)		Three months ended September 30		Nine months ended September 30	
		2014	2013	2014	2013
Net (loss) income		\$ (6)	\$ 69	\$ 110	\$ 217
Other comprehensive income (loss)					
Foreign currency translation		—	1	—	(40)
Available-for-sale securities - fair value changes		(45)	9	(132)	(28)
Equity accounted other comprehensive income (loss)		19	(71)	24	(432)
Deferred income tax		(10)	13	2	53
		(36)	(48)	(106)	(447)
Comprehensive (loss) income		\$ (42)	\$ 21	\$ 4	\$ (230)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Common	Disposition	Retained	Accumulated Other Comprehensive	
(unaudited)	Shares	Gain	Earnings	Loss	Total
Three months ended September 30, 2014 (US\$ millions)					
Balance as at June 30, 2014	\$ 1,081	\$ 149	\$ 218	\$ (157)	\$ 1,291
Changes in period					
Net loss	—	—	(6)	—	(6)
Other comprehensive loss	—	—	—	(36)	(36)
	—	—	(6)	(36)	(42)
Balance as at September 30, 2014	\$ 1,081	\$ 149	\$ 212	\$ (193)	\$ 1,249

	Common	Disposition	Retained	Accumulated Other Comprehensive	
(unaudited)	Shares	Gain	Earnings	Loss	Total
Three months ended September 30, 2013 (US\$ millions)					
Balance as at June 30, 2013	\$ 1,081	\$ 35	\$ 27	\$ (263)	\$ 880
Changes in period					
Net income	—	—	69	—	69
Other comprehensive loss	—	—	—	(48)	(48)
	—	—	69	(48)	21
Balance as at September 30, 2013	\$ 1,081	\$ 35	\$ 96	\$ (311)	\$ 901

	Common	Disposition	Retained	Accumulated Other Comprehensive	
(unaudited)	Shares	Gain	Earnings	Loss	Total
Nine months ended September 30, 2014 (US\$ millions)					
Balance as at December 31, 2013	\$ 1,081	\$ 149	\$ 102	\$ (87)	\$ 1,245
Changes in period					
Net income	—	—	110	—	110
Other comprehensive loss	—	—	—	(106)	(106)
	—	—	110	(106)	4
Balance as at September 30, 2014	\$ 1,081	\$ 149	\$ 212	\$ (193)	\$ 1,249

	Common	Disposition	Retained	Accumulated Other Comprehensive	
(unaudited)	Shares	Gain	Earnings (Deficit)	Income (Loss)	Total
Nine months ended September 30, 2013 (US\$ millions)					
Balance as at December 31, 2012	\$ 1,081	\$ 35	\$ (119)	\$ 134	\$ 1,131
Changes in period					
Net income	—	—	217	—	217
Other comprehensive loss	—	—	—	(447)	(447)
Disposition gain	—	—	(2)	2	—
	—	—	215	(445)	(230)
Balance as at September 30, 2013	\$ 1,081	\$ 35	\$ 96	\$ (311)	\$ 901

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(unaudited)</i>	Three months ended September 30		Nine months ended September 30	
<i>(US\$ millions)</i>	2014	2013	2014	2013
Cash flow from (used in) operating activities				
Net (loss) income	\$ (6)	\$ 69	\$ 110	\$ 217
Adjusted for the following:				
Undistributed equity accounted income	—	(7)	—	(60)
Future income tax provisions	(1)	7	10	11
Undistributed disposition gains	3	(52)	(92)	(139)
Net change in non-cash working capital and other	20	(2)	15	(4)
	16	15	43	25
Cash flow from investing activities				
Proceeds from sale of Western Forest Products Inc.	90	139	164	139
Proceeds from sale of securities	—	121	—	121
	90	260	164	260
Cash and deposits receivable				
Increase in cash deposits receivable	106	275	207	285
Impact of foreign exchange	(42)	11	(44)	(18)
Balance, beginning of period	541	161	442	180
Balance, end of period	\$ 605	\$ 447	\$ 605	\$ 447

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

Brookfield Investments Corporation ("Brookfield Investments" or the "company") holds investments in the property and forest products sectors, as well as a portfolio of preferred shares issued by Brookfield Asset Management Inc. The company is listed on the TSX Venture exchange under the symbol BRN.PR.A. Brookfield Investments was formed by articles of amalgamation under the Business Corporations Act (Ontario) and is registered in Ontario, Canada. The registered office of the company is Brookfield Place, 181 Bay Street, Toronto, Ontario, M5J 2T3.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, on a basis consistent with the accounting policies disclosed in the audited consolidated financial statements for the fiscal year ended December 31, 2013.

These financial statements were authorized for issuance by the Board of Directors of the company on November 20, 2014.

(b) Future Changes in Accounting Policies

Financial Instruments

In July 2014, the IASB issued the final publication of IFRS 9, *Financial Instruments* ("IFRS 9"), superseding IAS 39, *Financial Instruments*. IFRS 9 establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This new standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness, however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgement to assess the effectiveness of a hedging relationship. The standard has a mandatorily effective date for annual periods beginning on or after January 1, 2018 with early adoption permitted. The company has not yet determined the impact of IFRS 9 on its consolidated financial statements.

3. DEPOSITS RECEIVABLE

Deposits receivable include the company's cash balances, as well as funds receivable from (payable to) companies under common control, net of funds due to (from) the same parties.

As at September 30, 2014, the balance included receivables of \$890 million (December 31, 2013 – \$753 million) denominated in Canadian dollars and payables of \$285 million (December 31, 2013 – \$311 million) denominated in U.S. dollars.

The fair value of the deposits receivable approximated their carrying value as at September 30, 2014 and December 31, 2013.

4. SECURITIES

The company holds a preferred share portfolio which provides stable cash flow and a source of capital to support its operations and future activities. The carrying value of the portfolio as at September 30, 2014 was \$42 million compared with \$44 million at December 31, 2013.

The company measures its \$42 million securities (December 31, 2013 – \$44 million) at estimated fair values categorized as Level 2, whereby the fair value measurements are determined using observable market-based inputs such as a liquidity premium and dividend yield on securities with similar characteristics. There are no securities categorized as level 1 (December 31, 2013 – \$nil) and level 3 (December 31, 2013 – \$nil).

5. INVESTMENTS

Investments consist of available-for-sale securities and equity accounted investments.

Available-for-sale securities are recorded at fair value, with changes in value recorded in other comprehensive income. Equity-accounted associates are originally recorded at cost and are adjusted for the company's proportionate share of equity-accounted comprehensive income and dividends received. The following table summarizes the company's investments at September 30, 2014 and December 31, 2013:

(US\$ millions, except %)	Accounting Methodology	Ownership shares/ownership %		Carrying Value	
		2014	2013	2014	2013
Brookfield Residential Properties Inc.	Available-for-sale	13.7/12%	13.7/12%	\$ 258	\$ 331
Norbord Inc.	Available-for-sale	4.8/9%	4.8/9%	98	153
Western Forest Products Inc.	N/A	—	96.0/25%	—	88
				356	572
Brookfield Property Partners L.P. ⁽¹⁾	Associate	n/a/9%	n/a/12%	1,374	1,350
Total				\$ 1,730	\$ 1,922

⁽¹⁾ Brookfield Property Partners L.P. held through equity accounted investments in BPY I L.P. and BPY II L.P.

Through a series of transactions, the company has disposed of its investment in Western during 2013 and 2014. The company recorded a realized gain of \$92 million in 2014 as part of this disposition, including a \$3 million loss in the current quarter (\$92 million on a year-to-date basis). Realized and unrealized disposition gains in the prior year included \$37 million of gains on disposition of Western and \$15 million gain on the sale of preferred shares.

6. RETRACTABLE PREFERRED SHARES

The company's authorized share capital includes two classes of retractable preferred shares:

- (i) unlimited Class 1 Senior Preferred shares issuable in series; and
- (ii) unlimited Class 1 Junior Preferred shares issuable in series.

(US\$ millions, except number of shares)	September 30, 2014	December 31, 2013
5,986,595 Class 1 Senior Preferred Shares, Series A (2013 – 5,987,195)	\$ 134	\$ 141
17,999,718 Class 1 Junior Preferred Shares, Series A (2013 – 17,999,718)	558	558
17,200,000 Class 1 Junior Preferred Shares, Series B (2013 – 17,200,000)	384	405
	\$ 1,076	\$ 1,104

7. EQUITY

The company's authorized share capital includes an unlimited number of common shares.

The common shares of the company are redeemable at the option of the holder for 95% of the net asset value at the time of redemption. There were 49,847,899 common shares outstanding as at September 30, 2014 (December 31, 2013 – 49,847,899).

CORPORATE INFORMATION

HEAD OFFICE

Brookfield Investments Corporation

Brookfield Place, 181 Bay Street

Suite 300. P.O. Box 762

Toronto, Ontario M5J 2T3

Telephone: 416-363-9491

Facsimile: 416-363-2856

Website: www.brookfieldinvestments.com

TRANSFER AGENT

CST Trust Company

P.O. Box 700, Station B

Montreal, Quebec H3B 3K3

Telephone: 416-682-3860 or

1-800-387-0825

(Toll-free within North America)

Facsimile: 1-888-249-6189

Website: www.canstockta.com

E-mail: inquiries@canstockta.com

STOCK EXCHANGE LISTING

The Class 1 Senior Preferred Shares, Series A, of Brookfield Investments Corporation are listed on the TSX Venture Exchange under the symbol **BRN.PR.A**

DIRECTORS

John P. Barratt¹

Corporate Director

Howard Driman¹

Director of Finance

UIA Federations Canada

James R. Kelly¹

Corporate Director

Edward C. Kress

Corporate Director

1. Member of the Audit Committee

OFFICERS

Edward C. Kress

Chairman and President

Derek Gorgi

Vice-President and Chief Financial Officer

C. Leslie Yuen

Vice-President and Controller

Loretta M. Corso

Vice-President and Secretary

