

Brookfield Soundvest Capital Management Ltd. Group of Funds

INDEPENDENT REVIEW COMMITTEE

2010 Annual Report to Unitholders

In accordance with National Instrument 81-107 Independent Review Committee for Investment Funds (“NI 81-107”), Brookfield Soundvest Capital Management Ltd. (the “Manager”) has established an independent review committee (the “IRC”) for each of the following funds (collectively, the “Funds”):

- Brookfield Soundvest Equity Fund
- Brookfield Soundvest Split Trust

The IRC was created with three members, each being independent of the Funds, the Manager and its affiliates.

The IRC was formed effective January 1, 2010 when the Manager became the manager of Brookfield Soundvest Equity Fund (TSX: BSE.UN). Brookfield Soundvest Equity Fund was created by the merger of Brascan SoundVest Diversified Income Fund (TSX: BSI.UN) and Brascan SoundVest Total Return Fund (TSX: BST.UN) into Brascan SoundVest Focused Business Trust (TSX: BSF.UN), the continuing fund. In conjunction with the merger, the continuing fund was renamed Brookfield Soundvest Equity Fund.

At a special meeting of unitholders held on April 20, 2010, changes to the declaration of trust of Brascan SoundVest Rising Distribution Split Trust were approved that included changing the manager of that fund to the Manager and renaming the fund Brookfield Soundvest Split Trust (the “Split Trust”). In conjunction with the change in the manager the Split Trust was added to the mandate of this IRC.

The three original members of this IRC, John P. Barratt, James L.R. Kelly and James C. Bacon, were also members of the IRC (the “Predecessor IRC”) that was formed for the predecessors to the Brookfield Soundvest Equity Fund and the Split Trust. Their membership on the Predecessor IRC was continuous from November 1, 2007 up to the change in manager for the Split Trust.

In light of the continuity of membership, this report covers the full calendar year for both Funds. It is, however, presented by only two members of the IRC as a result of the passing of Mr. James C. Bacon in July, 2010. The vacancy arising on the IRC was filled effective January 1, 2011.

The IRC has adopted a written charter that includes its mandate, responsibilities and functions, and the policies and procedures it will follow when performing its functions.

As the members of the IRC, we represent the best interest of the Funds in any matter where the Manager has a conflict of interest. In respect of any Conflict of Interest Matter (“COIM”) referred to us, we seek to ensure that the Manager’s proposed course of action represents a fair and reasonable result for the relevant Fund(s).

This annual report for the unitholders of the Funds describes the IRC and its activities during the financial year ended December 31, 2010.

This report is available on the Manager’s website at www.brookfieldsoundvest.com or you may request a copy, at no cost to you, by contacting the Manager at 613-236-7361.

Composition of the IRC

During 2010 the members of the IRC were as follows:

Name and Municipality of Residence	Term of Office
John P. Barratt (<i>Chair</i>) Mississauga, Ontario	One (1) year from January 1, 2010
James C. Bacon Toronto, Ontario	One (1) year from January 1, 2010 – Deceased July, 2010
James L.R. Kelly Owen Sound, Ontario	One (1) year from January 1, 2010

Mr. Frank N.C. Lochan was appointed effective January 1, 2011 for a term of one year to fill the vacancy created by Mr. Bacon’s death. The terms of Messrs. Barratt and Kelly have also been extended to December 31, 2011.

The members of the IRC (inclusive of Mr. Bacon prior to his death) also serve as the members of the IRC for BAM Split Corp., an affiliate of the Manager. Subject to that engagement, the current IRC members do not sit on the IRC of any other fund family.

Compensation and Indemnification

The initial compensation of the IRC was set by the Manager. At least annually, the IRC reviews its compensation giving consideration to the following:

1. the best interests of the Funds;
2. that each Fund must pay its reasonable allocation of the compensation of the IRC from the assets of the Fund;
3. that compensation paid to the IRC by each Fund should fairly and reasonably reflect the general and specific benefits accruing to the Fund;
4. the number, nature and complexity of the Funds for which the IRC acts; and

5. the nature and extent of the workload of each member of the IRC.

The IRC's compensation is comprised of the following:

Members' Fees

In aggregate the IRC members are paid \$75,000 per annum (\$25,000 per IRC member per annum). For the period January 1, 2010 to December 31, 2010, total fees paid were \$68,750, plus GST/HST.

Proper Expenses

The IRC's proper expenses in 2010 were nominal.

No indemnities were paid to the IRC Members by the Funds or the Manager during the financial year.

Disclosure of IRC Member's Holdings

During the year ended December 31, 2010, no units of any of the Funds were owned beneficially, directly or indirectly, by the then IRC Members.

During the year ended December 31, 2010, none of the IRC Members owned an interest in the Manager, or in any company or person that provides services to the Manager or a Fund.

Conflict of Interest Matters Reviewed

There have been no conflict of interest matters referred to the IRC for which the IRC did not give a positive recommendation.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation or approval.

During the year ended December 31, 2010 the Manager, to the knowledge of the IRC, followed its policies and procedures and thereby acted in accordance with standing instructions made by the IRC with respect to conflict of interest matters addressed by those policies and procedures. In addition to adherence to standing instructions, the Predecessor IRC gave the Manager a positive recommendation with respect to the change of manager and restructuring of the Split Trust which was completed in April, 2010.

This Report is respectfully submitted to the unitholders of the Funds on behalf of the IRC.

Toronto, Canada
March 30, 2011