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**NOTICE OF EXTRAORDINARY MEETINGS OF UNITHOLDERS  
AND  
JOINT INFORMATION CIRCULAR**

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**BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND**

**BRASCAN SOUNDVEST TOTAL RETURN FUND**

**BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST**

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**EXTRAORDINARY MEETINGS OF UNITHOLDERS  
TO BE HELD ON DECEMBER 15, 2009**

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**BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND  
BRASCAN SOUNDVEST TOTAL RETURN FUND  
BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST**

**(collectively, the “Funds”)**

November 12, 2009

Dear Unitholder:

You are invited to an extraordinary meeting of holders (“**Unitholders**”) of units (“**Units**”) of each of Brascan Soundvest Total Return Fund and Brascan Soundvest Diversified Income Fund (the “**Terminating Funds**”) and Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) to be held at 79 Wellington Street West, 33rd Floor, Toronto, Ontario Canada, M5K 1N2, on Tuesday, December 15, 2009 at 10:00 a.m. (Toronto time) or at any adjournment thereof (the “**Meeting**”).

The purpose of this Meeting is to consider and vote upon the proposed extraordinary resolutions (the “**Extraordinary Resolutions**”) to approve the merger (the “**Merger**”) of the Terminating Funds into the Continuing Fund and a reorganization of the Funds, which would include certain amendments to both the Continuing Fund’s declaration of trust dated September 28, 2005, as amended and restated as of March 28, 2008 (the “**Declaration of Trust**”) and the management agreement dated September 28, 2005 (the “**Management Agreement**”). If approved, the Merger will result in each Unitholder of each of the Terminating Funds receiving Units of the Continuing Fund in exchange for their Units of a Terminating Fund. The amendments to the Continuing Fund’s Declaration of Trust will change the Continuing Fund’s investment strategy, and restrictions to, among other things, permit investments beyond business income trusts and will also make certain other amendments to the Declaration of Trust, including the elimination of the current fixed termination date, permitting the Manager, in its sole discretion, to wind-up the Continuing Fund should the net asset value of the Continuing Fund fall below \$30 million, changing the annual redemption date, and the removal of the mandatory Unit repurchase obligation. In addition, the amendments to the Continuing Fund’s Management Agreement will change the manager from Brookfield Investment Funds Management Inc. to Brookfield Soundvest Capital Management Ltd. If the Extraordinary Resolutions are approved, it is also expected that the Continuing Fund will be renamed Brookfield Soundvest Equity Fund.

A more detailed explanation of the Extraordinary Resolutions, their specific text, and a discussion of the reasons why Brookfield Investment Funds Management Inc. (the “**Manager**”) is proposing the Extraordinary Resolutions is set out in the attached Joint Information Circular, which we urge you to consider carefully. If approved, the Merger and the changes to the Declaration of Trust are expected to become effective in early - January 2010.

The Manager believes that the Extraordinary Resolutions will be beneficial to Unitholders for a number of reasons, including:

- Expanding the investment flexibility of the Continuing Fund will permit it to invest in a broader range of securities to off-set the shrinking universe of income trust investments resulting from the Canadian Federal Government’s decision announced on October 31, 2006 to change the way that income trusts are taxed;
- The Continuing Fund’s annual management fee will be reduced from 1.10% to 0.95%;

- Combining the assets of the Terminating Funds with the Continuing Fund should provide greater economies of scale for the benefit of Unitholders;
- Increased asset size and a larger number of Units outstanding should enhance liquidity of the Units of the Continuing Fund on the Toronto Stock Exchange;
- The Merger will be effected on a taxable basis in order to permit Unitholders to realize the accrued capital loss on their Units; and
- The amendments to the Declaration of Trust will give the Continuing Fund greater operational flexibility and efficiency consistent with current market practices of similar investment funds.

Attached are a Notice of Extraordinary Meetings of Unitholders and Joint Information Circular which contain important information relating to the Extraordinary Resolutions. We encourage you to review these materials and discuss them with your financial advisors.

**The board of directors of the Manager has determined that the proposed Extraordinary Resolutions are in the best interest of Unitholders of each of the Funds, and recommends that Unitholders of each of the Funds vote in favour of them. Furthermore, the Independent Review Committee of the Funds has determined that the proposed Extraordinary Resolutions achieve a fair and reasonable result for each of the Funds.**

Meetings of all three Funds will be held together, although Unitholders of each Fund will vote separately on different resolutions. All holders of Units are encouraged to attend the Meeting, but non-registered or beneficial Unitholders will not be recognized at the Meeting for purposes of voting their Units in person or by proxy unless they comply with certain procedures. Please read the information in the enclosed Joint Information Circular carefully and follow those instructions if you wish to vote in person or by proxy at the Meeting.

Sincerely,

**BROOKFIELD INVESTMENT FUNDS  
MANAGEMENT INC., as manager  
of the Funds**

*(Signed) George Myhal*  
President, CEO and Director

## NOTICE OF EXTRAORDINARY MEETINGS OF UNITHOLDERS

of

### BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND BRASCAN SOUNDVEST TOTAL RETURN FUND BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST

(collectively, the “Funds”)

Notice is hereby given that extraordinary meetings (the “**Meetings**”) of unitholders of the Funds (the “**Unitholders**”) will be held concurrently at 79 Wellington Street West, 33rd Floor, Toronto, Ontario Canada, M5K 1N2, on December 15, 2009 commencing at 10:00 a.m. (Toronto Time).

The purpose of the Meetings is to consider a reorganization of the Funds as follows:

1. **Fund Mergers:**

To seek the approval of Unitholders of each of Brascan Soundvest Total Return Fund, Brascan Soundvest Diversified Income Fund (the “**Terminating Funds**”) and Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) for the merger (the “**Merger**”) of the Terminating Funds and the Continuing Fund on the basis described in the accompanying Joint Information Circular (the “**Information Circular**”) such that all Unitholders of the Terminating Funds would receive, in exchange for their units of a Terminating Fund, units of the Continuing Fund having the same net asset value and cash in lieu of fractional Units.

2. **Amendments to the Declaration of Trust of the Continuing Fund:**

To seek the approval of Unitholders of the Continuing Fund to amend the existing declaration of trust governing the Continuing Fund to reflect several amendments, including:

- (a) amending the investment strategy and investment restrictions of the Continuing Fund to broaden the universe of eligible investments to include common and preferred shares, income trusts, income securities, including bonds and debentures, real estate investment trusts, Canadian mortgage-backed securities, and other equity securities and remove some of the existing investment restrictions;
- (b) removing the fixed termination date for the Continuing Fund, which is currently set at November 30, 2015;
- (c) permitting the Manager, in its sole discretion, to wind-up the Continuing Fund should the net asset value of the Continuing Fund fall below \$30 million;
- (d) removing the mandatory unit repurchase obligation for the Continuing Fund;
- (e) amending the date on which Units of the Continuing Fund can be surrendered for redemption annually, from November to August of each year; and
- (f) adopting certain amendments to the amended and restated declaration of trust dated March 28, 2008 (the “**Declaration of Trust**”) of the Continuing Fund to improve the

operational flexibility and efficiency of the Continuing Fund and to make amendments of a technical or housekeeping nature.

**3. Change in the Manager of the Continuing Fund:**

To seek the approval of Unitholders of the Continuing Fund to consider, and if thought advisable, to pass, with or without variation, a resolution authorizing a change in the manager of the Continuing Fund from Brookfield Investment Fund Management Inc. (the “**Manager**”) to Brookfield Soundvest Capital Management Ltd. (the “**Investment Advisor**”) and to amend and restate the existing management agreement governing the Continuing Fund to reflect this change.

**4. Other Business:**

For each of the Funds, to transact such other business as may properly come before the Meetings.

The Joint Information Circular dated November 12, 2009 and the form of proxy accompany this Notice. We have provided a complete description of the matters to be considered at the Meetings in the Joint Information Circular. The full texts of the Extraordinary Resolutions to be considered at the Meetings are set out, with respect to the Merger for Brascan Soundvest Diversified Income Fund, in Schedule A to the Joint Information Circular, with respect to the Merger for Brascan Soundvest Total Return Fund, in Schedule B to the Joint Information Circular, with respect to the Merger for Brascan Soundvest Focused Business Trust, in Schedule C to the Joint Information Circular, with respect to amendments to the Declaration of Trust of the Continuing Fund, in Schedule D to the Joint Information Circular, and with respect to the change of manager for Brascan Soundvest Focused Business Trust, in Schedule E to the Joint Information Circular.

Units of the Funds were issued in “book entry only” form; therefore, CDS & CO, the nominee of CDS Clearing and Depository Services Inc., is the only registered holder of Units of the Funds. Accordingly, all non-registered Unitholders who receive these materials through their broker or through another intermediary (“**Intermediary**”), must complete and return the materials in accordance with the instructions provided by their broker or Intermediary. To be effective, a proxy must be received by the Proxy Department of Computershare Investor Services Inc. before 10:00 a.m. (Toronto time) on December 11, 2009 or not less than 24 hours, excluding Saturdays, Sundays and holidays, prior to the date of any subsequent meeting held as a result of the adjournment of the Meeting.

Although the Meetings are scheduled to be held at the same time and place for purposes of convenience, Unitholders of each Fund will vote separately on the matters to be decided upon by them. The Board of Directors of Brookfield Investment Funds Management Inc., as manager of each of the Funds, has fixed the close of business on November 6, 2009 as the record date for the purpose of determining Unitholders entitled to receive notice and vote at the Meetings.

**Unitholders of the Funds may obtain the most recent interim and annual financial statements, annual information forms and other additional information relating to the Funds by accessing the SEDAR website at [www.sedar.com](http://www.sedar.com), by accessing the Manager’s website at [www.brookfieldfunds.com](http://www.brookfieldfunds.com) or by collect call to 416-359-1955.**

**Please complete and return the form of proxy provided to you in accordance with the instructions provided therein.**

**DATED** at Toronto this 12th day of November, 2009.

**COMPUTERSHARE TRUST COMPANY  
OF CANADA, in its capacity as trustee of the Funds, by their manager, BROOKFIELD  
INVESTMENT FUNDS MANAGEMENT INC.**

*(signed) George Myhal*  
President, CEO and Director

**TABLE OF CONTENTS**  
**JOINT INFORMATION CIRCULAR**

<b>SOLICITATION OF PROXIES</b> .....	<b>1</b>
<b>VOTING RIGHTS AT THE MEETING</b> .....	<b>1</b>
<b>QUORUM AND VOTES NECESSARY TO PASS THE EXTRAORDINARY RESOLUTIONS</b> .....	<b>2</b>
<b>PRINCIPAL HOLDERS OF UNITS</b> .....	<b>2</b>
<b>INFORMATION FOR NON-REGISTERED UNITHOLDERS</b> .....	<b>2</b>
Investors in Units are Non-Registered Unitholders.....	2
Delivery of Voting Instructions by Non-Registered Unitholders.....	3
Voting in Person or by Proxy by Non-Registered Unitholders.....	3
<b>DEPOSIT OF PROXIES</b> .....	<b>3</b>
<b>REVOCAION OF PROXIES</b> .....	<b>3</b>
<b>PURPOSE OF THE MEETINGS</b> .....	<b>4</b>
Rationale for the Proposed Reorganization of the Funds .....	5
Rationale for the Change of Manager.....	5
Benefits to Investors .....	6
<b>THE MERGER</b> .....	<b>6</b>
Description of the Merger.....	6
Regulatory Approval .....	7
<b>CHANGES TO THE CONTINUING FUND</b> .....	<b>7</b>
Investment Strategy and Restrictions .....	7
Termination Date & Winding-Up of Continuing Fund .....	8
Repurchase Obligation .....	9
Annual Redemptions .....	9
Other Amendments.....	9
<b>CHANGE OF MANAGER</b> .....	<b>10</b>
Change of Manager .....	10
Reasons for the Proposed Change of Manager .....	11
About Brookfield Soundvest.....	11
Procedures for the Change of Manager .....	12
Regulatory Approval .....	12

<b>DESCRIPTION OF THE CONTINUING FUND .....</b>	<b>12</b>
Investment Objective.....	13
Investment Strategy.....	13
Investment Restrictions .....	15
Use of Derivative Instruments .....	17
Securities Lending.....	17
Recent Performance .....	18
Redemption of Units.....	18
Distribution Policy .....	19
The Investment Advisor .....	19
Independent Review Committee .....	20
The Trustee .....	20
<b>RISK FACTORS OF THE CONTINUING FUND .....</b>	<b>20</b>
No Assurance on Achieving Objectives .....	20
Fluctuations in NAV.....	21
Sensitivity to Interest Rates .....	21
Trading Price of Units .....	21
Business Income Trust Investments .....	21
Real Estate Investments .....	21
Composition of Portfolio .....	22
Reliance on the Investment Advisor.....	22
Marketability of Units .....	22
Use of Leverage .....	22
Illiquid Securities .....	22
Installment Receipts .....	23
Currency Hedging .....	23
Status of the Continuing Fund.....	23
Securities Lending.....	23
Conflicts of Interest.....	23
Nature of Units.....	23
Changes in Legislation .....	24
Payment in Kind on Termination .....	24
Equity Risk .....	24
Small and Medium-Sized Companies .....	24

<b>COMPARISON OF THE TERMINATING FUNDS AND THE CONTINUING FUND.....</b>	<b>25</b>
<b>INFORMATION REGARDING THE FUNDS.....</b>	<b>29</b>
<b>CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....</b>	<b>29</b>
<b>OTHER BUSINESS .....</b>	<b>31</b>
<b>MANAGER’S DISCRETION NOT TO PROCEED WITH PROPOSALS.....</b>	<b>31</b>
<b>EXPENSES OF THE REORGANIZATION.....</b>	<b>31</b>
<b>RECOMMENDATION OF THE INDEPENDENT REVIEW COMMITTEE AND THE MANAGER .....</b>	<b>31</b>
<b>INTERESTS IN MATTERS TO BE ACTED UPON .....</b>	<b>32</b>
<b>AUDITORS AND TRANSFER AGENT .....</b>	<b>32</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>32</b>
<b>APPROVAL .....</b>	<b>33</b>

**BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND  
BRASCAN SOUNDVEST TOTAL RETURN FUND  
BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST**

**JOINT INFORMATION CIRCULAR**

**DATED NOVEMBER 12, 2009**

The information contained in this Joint Information Circular (the “**Circular**”) is furnished in connection with the solicitation by Brookfield Investment Funds Management Inc. (“**Brookfield Investment Funds Management**” or the “**Manager**”) of proxies of Brascan Soundvest Diversified Income Fund, Brascan Soundvest Total Return Fund and Brascan Soundvest Focused Business Trust (collectively, the “**Funds**”), for use at the extraordinary meetings (the “**Meetings**” or individually, a “**Meeting**”) of holders of units (“**Units**”) of each Fund (the “**Unitholders**”) or any adjournment thereof. The Meetings will be held concurrently at 79 Wellington Street West, 33rd Floor, Toronto, Ontario Canada, M5K 1N2 on Tuesday, December 15, 2009 at 10:00 a.m. (Toronto time) for the purposes set forth in the Notice of Extraordinary Meetings of Unitholders (the “**Notice**”) accompanying this Circular.

**SOLICITATION OF PROXIES**

The cost of sending the Notice and the solicitation of proxies will be borne by the Manager. Solicitation of proxies will be by mail and may be supplemented by telephone or other personal contact by officers or employees of the Manager.

**VOTING RIGHTS AT THE MEETING**

On November 6, 2009, each Fund had outstanding the number of Units shown below:

<b>Name of Fund</b>	<b>Total Units Outstanding</b>
Brascan Soundvest Diversified Income Fund	4,473,659
Brascan Soundvest Total Return Fund	2,877,851
Brascan Soundvest Focused Business Trust	1,874,434

Each Unitholder of record at the close of business on November 6, 2009, the record date established for notice of the meeting and for voting, will be entitled to vote on matters proposed to come before the Meetings on the basis of one vote for each Unit held. No person acquiring Units after such date shall be entitled to receive notice of or vote at the Meetings or any adjournment thereof.

Persons entitled to vote are Unitholders shown on the books of a Fund (a “**Registered Unitholder**”) and proxy holders representing Registered Unitholders. **The persons designated in the enclosed form of proxy will vote or withhold from voting Units in respect of which they are appointed by proxy in accordance with the instructions of the Unitholder indicated thereon. If no such specification is made, then the Units will be voted in favour of the proposed extraordinary resolutions (the “Extraordinary Resolutions” or individually, an “Extraordinary Resolution”).**

**The enclosed form of proxy confers discretionary authority with respect to amendments or variations to matters identified in the Notice, and with respect to any other matter which may properly come before the Meetings. In the event that amendments or variations to matters identified in the Notice are properly brought before the Meetings, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matter or business. At the time of printing this Circular, neither the Manager nor Computershare**

**Trust Company of Canada (the “Trustee”) knew of any such amendment, variation or other matter.**

### **QUORUM AND VOTES NECESSARY TO PASS THE EXTRAORDINARY RESOLUTIONS**

A quorum at each Meeting consists of two or more individuals present in person or represented by proxy holding not less than 10% of the outstanding Units of each Fund. In the event that a quorum for any Fund is not present within 30 minutes after the time fixed for the Meeting, the Meeting of all Funds will be adjourned to a day being 14 days later (or if such day is not a business day, the first business day prior to that date). At such adjourned meeting the Unitholders present either personally or by Proxy will constitute a quorum. Accordingly, if the quorum requirement is not satisfied at the Meeting in respect of any Fund, the Manager has determined that the Meeting for all Funds will be adjourned to 10:00 a.m. (Toronto time) on Wednesday, December 30, 2009 to be held at a place to be determined by the Manager. Notice of such adjourned meeting will be published by the Manager in a press release at least 3 days prior to Wednesday, December 30, 2009.

For an Extraordinary Resolution to be approved at each Meeting, it must be passed by more than 66⅔% of the votes cast by Unitholders present or represented by proxy at the Meeting and entitled to vote on the Extraordinary Resolution.

### **PRINCIPAL HOLDERS OF UNITS**

To the knowledge of the Trustee and the Manager, the only person or company who beneficially owns, directly or indirectly, or exercises control or direction over Units carrying more than 10% of the voting rights attached to all outstanding Units is the Manager and/or its affiliates which holds 622,300 Units or approximately 13.9% of the Units of Brascan Soundvest Diversified Income Fund and 833,257 Units or approximately 28.9% of the Units of Brascan Soundvest Total Return Fund. The Manager will not vote its Units at the Meetings.

### **INFORMATION FOR NON-REGISTERED UNITHOLDERS**

#### **Investors in Units are Non-Registered Unitholders**

The ownership of Units in the Funds is tracked only through a book-entry recordkeeping system administered by CDS Clearing and Depository Services Inc. (“**CDS**”). In a book-based system, the only registered Unitholder is CDS, which serves as a clearing agent for all of the brokers and other intermediaries (“**Intermediaries**”) which, in turn, act on behalf of investors in Units (the “**Non-Registered Unitholders**”).

In a book-based system, Non-Registered Unitholders can only exercise their investor rights through CDS or a participant in the CDS depository service (“**CDS Participant**”). This means that in order for a Non-Registered Unitholder to vote their Units at the Meeting of the Fund, they must provide voting instructions to CDS.

In accordance with Canadian securities law, the Funds have distributed copies of this Circular and the Notice to the Intermediaries, who will forward the materials to Non-Registered Unitholders who have not previously waived their right to receive such documents.

**If Non-Registered Unitholders wish to vote their Units they must carefully review and follow the voting instructions provided by their Intermediary.**

## **Delivery of Voting Instructions by Non-Registered Unitholders**

Intermediaries are legally required to seek voting instructions from Non-Registered Unitholders in advance of meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Unitholders in order to ensure that their Units are voted at the Meeting. Generally, Non-Registered Unitholders who receive Meeting materials will be given either:

- (a) a form of proxy which has already been signed by the Intermediary, which is restricted to the number of Units beneficially owned by the Non-Registered Unitholder but which is otherwise not completed. This form of proxy need not be signed by the Non-Registered Unitholder. In this case, the Non-Registered Unitholder who wishes to submit a proxy should complete the rest of the form of proxy and deliver the proxy in accordance with the instructions provided by the Intermediary; or
- (b) a voting instruction form, which must be completed and signed by the Non-Registered Unitholder in accordance with the directions on the voting instruction form and returned to the Intermediary or its service company. In some cases, the completion of the voting instruction form by telephone, the Internet, or facsimile is permitted. The purpose of these procedures is to permit Non-Registered Unitholders to direct the voting of the Units that they beneficially own. These procedures do not permit a Non-Registered Unitholder to vote Units in person at a Meeting.

## **Voting in Person or by Proxy by Non-Registered Unitholders**

A Non-Registered Unitholder who receives a form of proxy or a voting instruction form and wishes to vote at the Meeting in person should strike out the names of the persons designated in the form of proxy and insert the Non-Registered Unitholder's name in the blank space provided or, in the case of a voting instruction form, follow the corresponding directions on the form. In either case, Non-Registered Unitholders should carefully follow the instructions of their Intermediary, including those regarding when and where the form of proxy or voting instruction form is to be delivered. A Non-Registered Unitholder who wishes to appoint some other person to represent him/her at the Meeting should follow the instructions provided by their Intermediary regarding such appointments. The person appointed to act as a proxy need not be a Unitholder of the Fund.

## **DEPOSIT OF PROXIES**

To be valid, executed forms of proxy must be deposited with Computershare Investor Services Inc., 9<sup>th</sup> Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1 before 10:00 a.m. (Toronto time) on December 11, 2009 or not less than 24 hours, excluding Saturdays, Sundays and holidays, prior to the date of any subsequent meeting held as a result of the adjournment of the Meeting. The chair of the Meetings retains the discretion to accept proxies filed subsequently. Non-Registered Unitholders must follow the instructions provided by their Intermediary regarding when and where the form of proxy or voting instruction form is to be delivered.

## **REVOCAION OF PROXIES**

A Registered Unitholder who has given a proxy may revoke the proxy by depositing a written instrument, executed in the same manner as a proxy, with Computershare Investor Services Inc., 9<sup>th</sup> Floor, 100 University Avenue Toronto, Ontario, M5J 2Y1 at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, or by depositing the instrument with the

chair of the Meetings on the day of the Meetings or any adjournment thereof. A proxy may also be revoked in any other manner permitted by law.

A Non-Registered Holder may revoke a voting instruction form or a waiver of the right to receive Meeting materials and to vote given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting materials and to vote that is not received by the Intermediary at least seven days prior to the Meetings.

## PURPOSE OF THE MEETINGS

The purpose of the Meetings of Unitholders of the Funds is to consider and, if thought appropriate, to pass the Extraordinary Resolutions in the forms attached as Schedule A through Schedule E hereto approving a reorganization of the Funds. This reorganization would result in certain fundamental changes, including:

- (a) merging Brascan Soundvest Total Return Fund and Brascan Soundvest Diversified Income Fund (together, the “**Terminating Funds**”) into Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) to be renamed “**Brookfield Soundvest Equity Fund**” (the “**Merger**”);
- (b) amending the investment strategy and investment restrictions of the Continuing Fund to broaden the universe of eligible investments to include common shares and preferred shares, income trusts, income securities, including bonds and debentures, real estate investment trusts (“**REIT’s**”), Canadian mortgage-backed securities, and other equity securities and remove some of the existing investment restrictions;
- (c) removing the fixed termination date for the Continuing Fund, which is currently set at November 30, 2015;
- (d) permitting the Manager, in its sole discretion, to wind-up the Continuing Fund should the net asset value (“**NAV**”) of the Continuing Fund fall below \$30 million;
- (e) removing the mandatory Unit repurchase obligation for the Continuing Fund;
- (f) amending the date on which Units of the Continuing Fund can be surrendered for redemption annually from November to August of each year;
- (g) changing the manager of the Continuing Fund from Brookfield Investment Funds Management to Brookfield Soundvest Capital Management Ltd. (“**Brookfield Soundvest**” or the “**Investment Advisor**”) and amending and restating the management agreement between the Trustee and Brookfield Investment Funds Management dated as of September 28, 2005 (the “**Management Agreement**”) and the declaration of trust dated March 28, 2008 (the “**Declaration of Trust**”) to implement the change of manager from Brookfield Investment Funds Management to Brookfield Soundvest and to make amendments of a technical or housekeeping nature; and
- (h) adopting certain amendments to the amended and restated Declaration of Trust of the Continuing Fund to improve the operational flexibility and efficiency of the Continuing Fund and to make amendments of a technical or housekeeping nature.

If approved, the Merger will become effective on or about January 1, 2010 (the “**Effective Date**”). If any of the Extraordinary Resolutions is defeated, then the Manager may choose not to proceed with the Merger and/or any other elements of the proposed reorganization of the Funds. If either of the Terminating Funds fail to approve the Merger, then the Manager may choose not to proceed with the merger of the other Terminating Fund, even though its Unitholders voted in favour of the Merger.

### **Rationale for the Proposed Reorganization of the Funds**

Prior to the announcement of the federal government’s October 31, 2006 decision to tax income trusts (the “**Federal Tax Changes**”), the income trust sector was a vibrant component of the Canadian capital markets. The number of new public income trusts grew significantly in the period leading up to the Federal Tax Changes. Buoyed by a more favourable cost of capital than traditional public corporate entities, income trusts performed well both in absolute and relative terms.

Since the announced Federal Tax Changes, however, uncertainty has grown over the future of the income trust sector. Dozens of income trusts have been taken over, converted to a corporate structure or merged following the announcement. While the new taxes imposed by the Federal Tax Changes do not fully apply to income trusts until 2011, in the interim, the Federal Tax Changes have imposed limitations on income trusts issuing additional equity. This has caused uncertainty regarding the future level of distributions and whether these entities will remain as income trusts. The current number of income trusts may be further significantly reduced through a combination of mergers, acquisitions and corporate conversions.

Since the announcement of the Federal Tax Changes, the Manager has been monitoring their impact on the Funds and reviewing various strategic alternatives to address them. Based on this assessment, the Manager is taking the initiative to propose an amended investment strategy for the Continuing Fund that should continue to meet investor objectives of both regular income and the opportunity for capital appreciation.

In addition, by merging the Funds into a single fund, Unitholders will be provided with the opportunity to continue their investment in a fund with (i) a lower management fee (in the case of Unitholders of Brascan Soundvest Total Return Fund and Brascan Soundvest Focused Business Trust); (ii) a larger market capitalization, (iii) greater liquidity through increased trading volumes; and (iv) reduced general and administration costs on a per Unit basis, as operating expenses are spread over a greater number of Units.

The other changes being proposed by the Manager are intended to enhance the structure of the Continuing Fund to make it a more viable investment vehicle.

### **Rationale for the Change of Manager**

The change of manager being proposed from Brookfield Investment Funds Management to Brookfield Soundvest will be beneficial to Unitholders of the Continuing Fund for the following reasons:

- The Manager believes that by consolidating the management and investment advisory functions of the Continuing Fund, this will simplify the Continuing Fund’s structure, operating expenses, and back-office functions, as well as result in a lower management fee.
- Brookfield Soundvest is an Ottawa-based, investment management firm which provides investment management services to high net-worth individuals, insurance companies, foundations, trusts, and to publicly traded closed-end funds. Brookfield Soundvest is 50% owned by Brookfield Asset Management (“**BAM**”) and 50% owned by entities controlled by Kevin

Charlebois. As such, the Manager believes that since Brookfield Soundvest is closely associated with BAM it will continue to benefit from BAM's resources.

### **Benefits to Investors**

In determining to recommend the Merger, the other Extraordinary Resolutions, and the change of manager, the Manager considered a number of factors that will benefit Unitholders. Unitholders of the Continuing Fund will enjoy increased economies of scale and lower fund operating expenses (which are borne indirectly by Unitholders) as part of a larger combined family of funds. An expanded investment universe will allow the Continuing Fund to invest in a broader range of securities to offset the shrinking universe of income trust investments. The Continuing Fund will have a lower annual management fee at 0.95%. The Merger will result in lower fixed annual operating costs that will be spread across a larger base of assets, which will reduce operating costs on a per Unit basis and correspondingly should improve returns. Larger market capitalizations and a greater number of Units and Unitholders of the Continuing Fund are expected to provide greater liquidity to Unitholders. The Continuing Fund, as a result of its greater NAV and market capitalization, may benefit from a higher profile in the marketplace than the Terminating Funds. Finally, the Merger will be effected on a taxable basis, to allow Unitholders to realize any accrued capital loss on their Units. The income tax consequences of the Merger to Unitholders of a Terminating Fund are discussed under the heading "Certain Canadian Federal Income Tax Considerations" in this Circular. The Independent Review Committee (as defined below) considered these factors as well and concluded that the Merger, the other Extraordinary Resolutions, and the change of manager, are a fair and reasonable result for the Funds.

## **THE MERGER**

### **Description of the Merger**

Each of the Mergers of the Terminating Funds into the Continuing Fund will be completed as described below.

To the extent necessary, the Terminating Fund will distribute a sufficient amount of its net income and net realized capital gains to Unitholders to ensure that it will not be subject to tax under Part I of the Income Tax Act (Canada) (the "**Tax Act**").

The Terminating Fund will transfer all of its assets, except such cash as is required to extinguish the liabilities of the Terminating Fund and amounts required to satisfy distributions to the Unitholders, to the Continuing Fund in exchange for Units of the Continuing Fund and cash payable to unitholders of the Terminating Funds in lieu of fractional Units, as necessary. The Units of the Continuing Fund, and cash in lieu of fractional Units, received by the Terminating Fund will have an aggregate NAV equal to the NAV of the Terminating Fund and the Units will be issued at the NAV per Unit of the Continuing Fund. The exchange ratios will be determined on the basis of the respective NAV's of each Fund as of December 31, 2009 or such other date as the Manager may determine.

Immediately thereafter, the Units of the Continuing Fund received by the Terminating Fund will be distributed to Unitholders of the Terminating Fund in proportion to the number of Units held in the Terminating Fund. If the Merger is approved by the Unitholders, each Unitholder will receive Units of the Continuing Fund, and cash in lieu of any fractional Units, having the same aggregate NAV as their Units of the Terminating Fund, as of the close of business on the Effective Date.

If the Merger is approved by Unitholders, the final monthly distribution of each of the Terminating Funds will be payable to Unitholders of record on December 31, 2009 and will be paid on or about January 15, 2010.

Subsequent to the passing of the Extraordinary Resolutions approving the Merger, no further action will be required by a Unitholder to participate in the Merger. No fractional Units of the Continuing Fund will be issued under the Merger. The Continuing Fund will issue cash in lieu of fractional Units of the Continuing Fund. The amount of cash payable to a Unitholder in lieu of a fractional unit will be determined on the basis of the NAV per unit at the time of the Merger.

As soon as reasonably possible following the Merger, each Terminating Fund will be wound up.

The Manager will issue a press release after the Merger is completed announcing the completion of the Merger and the ratio by which Units of each Terminating Fund were exchanged for Units of the Continuing Fund. The records of the broker or other intermediary through whom a Unitholder holds his or her Units should reflect the Merger within four business days after the Merger.

In order to implement the Merger, Unitholders of each Terminating Fund and Unitholders of Brascan Soundvest Focused Business Trust are being asked, separately, to pass the Extraordinary Resolution attached as Schedule A (Brascan Soundvest Diversified Income Fund), Schedule B (in the case of Brascan Soundvest Total Return Fund) and Schedule C (in the case of Brascan Soundvest Focused Business Trust) to this Circular. In order to pass the Extraordinary Resolutions, at least 66⅔% of the votes cast at the meeting of holders of Units of each Terminating Fund must be voted in favour of such resolutions. The Manager will not vote its Units at the Meetings. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE EXTRAORDINARY RESOLUTIONS DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH RESOLUTION.** In the event Unitholder approval is not given, the Merger will not proceed with respect to the Terminating Fund that voted against the resolution and the Merger may not proceed with the other Terminating Fund, even if it is approved by Unitholders of that other Terminating Fund.

### **Regulatory Approval**

A condition precedent to the Merger becoming effective will be that all required regulatory and third party approvals are obtained prior to the Effective Date. Such regulatory approvals include, without limitation, the approval of the TSX. An application to the TSX will be made for approval of the listing of the Continuing Fund Units which are to be issued in connection with the Merger if it is approved by Unitholders and such Units will, subject to such approval and the fulfillment of the requirements of the TSX, be listed and posted for trading on the TSX on or as soon as practicable after the Effective Date. Following the Effective Date, each Terminating Fund's Units will be delisted from the TSX. Completion of the Merger is subject to the TSX approving such transactions.

## **CHANGES TO THE CONTINUING FUND**

### **Investment Strategy and Restrictions**

The Unitholders of the Continuing Fund are being asked to pass an Extraordinary Resolution to amend the Declaration of Trust to amend the investment strategy and restrictions of the Continuing Fund. The rationale for these changes is discussed in greater detail, above, under "Rationale for the Proposed Reorganization of the Funds".

#### ***Investment Strategy***

Currently, the Continuing Fund's portfolio consists primarily of securities of business income trusts ("Business Income Trusts"). Business Income Trusts include securities commonly known as income trusts, as well as enhanced securities (also referred to as income deposit securities or income

participating securities), master limited partnerships and other similar securities structured to deliver a largely yield-based return. Permitted ranges within Business Income Trusts securities have been established for each asset class within the portfolio. At present, the Continuing Fund may invest up to 15% of the value of its portfolio assets in convertible securities of Business Income Trusts or equity securities of issuers that have publicly announced their intention to convert to Business Income Trusts.

The Manager proposes to amend the investment strategy of the Continuing Fund to include investments in assets other than Business Income Trusts. If the proposed investment strategy is adopted, the portfolio will consist of preferred and common shares, income trusts, income securities, including bonds and debentures, Canadian mortgage-backed securities, REIT's, and other equity securities.

The Manager believes that it is in the best interest of the Continuing Fund's Unitholders to update the investment strategies of the Continuing Fund for the following reasons. As a result of the Federal Tax Changes regarding the proposed measures to tax certain distributions from publicly-traded income trusts and partnerships, the Manager believes that the Continuing Fund would benefit from having the flexibility to reduce its holdings in publicly-traded income trusts and partnerships. Further, eliminating the permitted ranges grants the Continuing Fund the ability to consummate the Merger, and the flexibility to achieve its investment objectives. Finally, the amended ranges allow the Continuing Fund to diversify its portfolio to ensure that the Manager has the ability to invest in portfolio securities that it believes present the greatest opportunity to maximize returns for Unitholders.

#### ***Investment Restrictions***

Currently, the Continuing Fund is restricted to specific ranges of Business Income Trusts securities and other asset allocation restrictions. As part of repositioning the Continuing Fund to a broader Canadian equity mandate, it is necessary to eliminate these asset allocation restrictions. In addition, the Manager proposes to eliminate the "foreign property" restriction contained in the Declaration of Trust since it is no longer applicable.

#### **Termination Date & Winding-Up of Continuing Fund**

The Unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust of the Continuing Fund so that the Continuing Fund has no fixed termination date and to permit the Manager, in its sole discretion, to wind-up the Continuing Fund should the NAV of the Continuing Fund fall below \$30 million.

Currently, the Declaration of Trust provides that the Continuing Fund shall terminate on November 30, 2015. The Manager believes that amending the Declaration of Trust of the Continuing Fund so that the Continuing Fund has no fixed termination date would permit the Continuing Fund to invest in portfolio securities with a view towards longer-term investment objectives. The Manager also believes that the amendment of the termination date should result in greater liquidity for the Units of the Continuing Fund. By extending the term of the Fund, Unitholders will have greater flexibility over the timing of any potential exit from their investment in the Continuing Fund.

The Manager believes that amending the Declaration of Trust of the Continuing Fund to allow for the discretionary winding-up of the Continuing Fund by the Manager should the NAV of the Continuing Fund fall below \$30 million would permit the Manager to terminate the Continuing Fund when it is no longer economically practical to continue the Fund. In addition, if the NAV of the Continuing Fund falls below the \$30 million threshold, this would reduce the liquidity of the Units of the Continuing Fund on the Toronto Stock Exchange as well as result in poorer economies of scale.

Under the proposed resolution, the fixed termination date would be eliminated and the Manager, in its sole discretion, would be permitted to wind-up the Continuing Fund if the NAV of the Continuing Fund falls below \$30 million. As a result, the Continuing Fund would no longer have a fixed duration, but would continue to exist until otherwise terminated or wound-up in accordance with the Declaration of Trust. The Manager would also have the ability to terminate the Continuing Fund, if in its opinion, it was no longer economically practical to continue the Fund, or it would be in the best interests of the Continuing Fund's Unitholders to terminate the Fund. The Manager's ability to terminate or wind-up the Continuing Fund is subject to Continuing Fund Unitholders being provided with not less than 60 days' and not more than 90 days' notice of the termination or winding up, as applicable. In addition to complying with the notice requirements above and prior to terminating the Continuing Fund the Manager would issue a press release announcing the termination of the Continuing Fund. These limitations will serve to protect Continuing Fund Unitholders.

Upon the termination or winding-up of the Continuing Fund, the net assets of the Continuing Fund will be distributed to Unitholders in accordance with the provisions of the Declaration of Trust. Upon termination or winding-up, the Manager and the Investment Advisor will, to the extent possible, convert the assets of the Continuing Fund to cash.

### **Repurchase Obligation**

The Unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust of the Continuing Fund so that the Continuing Fund no longer has a mandatory repurchase obligation. The Continuing Fund will no longer be obligated to purchase Units for cancellation offered in the market at or below 95% of the NAV per Unit. The Continuing Fund will maintain the right, but not the obligation, to purchase for cancellation outstanding Units in the market at the prevailing market prices as normal course issuer bids. The Manager believes that the mandatory repurchase obligation imposes an unnecessary restriction on the Fund, and that investors would be better served by enhancing the Manager's discretion to determine if and when to repurchase Units.

### **Annual Redemptions**

The Unitholders of the Continuing Fund are being asked to pass a resolution to amend the Declaration of Trust of the Continuing Fund to change the date of the annual redemption. Currently, the Declaration of Trust provides that Unitholders may surrender Units for redemption in the month of November of each year. The Manager believes that amending the annual redemption date to August of each year is in the best interests of Unitholders because it will permit all new Unitholders of the Continuing Fund to redeem their Units at an earlier date than otherwise permitted under the current Declaration of Trust for the Continuing Fund.

### **Change of Fund Name**

On or about the Effective Date, the name of the Continuing Fund is expected to be changed to Brookfield Soundvest Equity Fund. The Declaration of Trust will be amended to reflect such name.

### **Other Amendments**

In addition to the amendments described above, Unitholders are also being asked to approve a number of other amendments to the Continuing Fund's Declaration of Trust. The Manager is seeking approval to amend the Continuing Fund's Declaration of Trust to provide greater operational flexibility and efficiency consistent with current market practices of similar investment funds. The proposed amendments include:

- (a) amendment to give the Trustee, upon the advice of the Manager, discretion to designate payments on the termination of the Continuing Fund as being payments out of any net income or net realized capital gains of the Continuing Fund; and
- (b) amendments to correct minor errors and cure ambiguities in the Declaration of Trust.

The full text of the Continuing Fund's proposed Declaration of Trust, reflecting all of the amendments referred to herein, may be obtained from the Manager, upon request.

In order to implement the changes to the Continuing Fund as set out above, Unitholders of the Continuing Fund are being asked to pass the Extraordinary Resolution attached as Schedule D to this Circular. In order to pass the Extraordinary Resolution, at least 66 $\frac{2}{3}$ % of the votes cast at the meeting of holders of Units of the Continuing Fund must be voted in favour of such resolution. The Manager will not vote its Units at the Meetings. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE EXTRAORDINARY RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH A RESOLUTION.** In the event Unitholder approval is not given, the proposed changes to the Continuing Fund will not be implemented and the Merger may not proceed, even if it is approved by Unitholders of the Terminating Funds.

### CHANGE OF MANAGER

Brookfield Investment Funds Management has agreed with Brookfield Soundvest that subject to the approval of the Unitholders of the Continuing Fund and all necessary regulatory approvals and the satisfaction of all other conditions precedent to the proposed transaction, the manager of the Continuing Fund will change from Brookfield Investment Funds Management to Brookfield Soundvest (collectively, the "**Change of Manager**") to be effective on the Effective Date.

The Unitholders of the Continuing Fund are being asked to pass an Extraordinary Resolution for the Change of Manager. The rationale for this change is discussed in greater detail, above, under, "Rationale for the Change of Manager."

#### **Change of Manager**

Brookfield Investment Funds Management and Brookfield Soundvest have agreed to the Change of Manager transaction pursuant to which Brookfield Soundvest would become the manager of the Continuing Fund subject to the receipt of all necessary approvals and the satisfaction of the other conditions precedent. Brookfield Soundvest will continue to act as the investment advisor of the Continuing Fund.

As of the Effective Date, the Independent Review Committee of the Continuing Fund will be reconstituted such that the current members appointed by Brookfield Investment Funds Management will cease to act as members and new members will be appointed by Brookfield Soundvest, effective on that date. Such new members will be the same individuals that currently comprise the Independent Review Committee of the Terminating Funds and the Continuing Fund.

The Declaration of Trust and Management Agreement of the Continuing Fund will be amended and restated as required to implement the Change of Manager as described in this Circular.

## Reasons for the Proposed Change of Manager

The Manager believes that by consolidating the management and investment advisory functions of the Continuing Fund, this will simplify the Continuing Fund's structure, operating expenses, and back-office functions, as well as result in a lower management fee.

## About Brookfield Soundvest

Brookfield Soundvest, established in 1970, is a registered investment manager with securities commissions in both Canada and the United States and is located at 100 Sparks Street, Ottawa, Ontario, K1P 5B7. Brookfield Soundvest provides investment management services to high net-worth individuals, insurance companies, foundations, trusts, and to publicly traded closed-end funds. See also, the "Investment Advisor" below.

Brookfield Soundvest is 50% owned by BAM and 50% owned by entities controlled by Kevin Charlebois. On April 3, 2008, Brookfield Soundvest's name was changed from SoundVest Capital Management Ltd. to Brookfield SoundVest Capital Management Ltd. Prior to March 2003, Brookfield Soundvest's name was Queensway Investment Counsel Limited. From 1970 to 1996, Brookfield Soundvest's name was JRF Financial Consultants Ltd.

Brookfield Soundvest also manages the SoundVest Portfolio Fund, an open-ended investment trust established under the laws of the Province of Ontario. The Fund's investment objectives are to provide Unitholders with income, preservation of capital and an opportunity for long-term growth of income and capital. Units of the Fund are offered on a continuous basis in accordance with National Instrument 41-106 Prospectus and Registration Exemptions.

**Unitholders may find further information regarding Brookfield Soundvest by contacting its offices during business hours at (613) 236-7361 or on its website at [www.brookfieldsoundvest.com](http://www.brookfieldsoundvest.com).**

The names, municipalities of residence, positions and principal occupations of the directors and executive officers of Brookfield Soundvest are:

<b>Name and Municipality of Residency</b>	<b>Position with the Investment Advisor</b>	<b>Principal Occupation</b>
Kevin Charlebois, CFA Ottawa, Ontario	President, Chief Executive Officer, Secretary and Chief Investment Officer	Same
George Myhal Toronto, Ontario	Chairman	Senior Managing Partner, Brookfield Asset Management Inc.
Michael G. Adams Ottawa, Ontario	Senior Vice President, Marketing	Same
Garry Skinner Ottawa, Ontario	Chief Financial Officer and Controller	Same

## **Procedures for the Change of Manager**

The Change of Manager is, among other things, conditional upon receipt at the meeting of approval by the Unitholders of the Continuing Fund and the approval of the applicable regulatory authorities.

Subsequent to the passing of the Extraordinary Resolution approving the Change of Manager, no further action will be required by a Unitholder of the Continuing Fund.

Upon the Merger taking effect on the Effective Date, the Change of Manager will take effect immediately thereafter.

Pursuant to applicable legislation, the Declaration of Trust and the Management Agreement, the Change of Manager must be approved by the Unitholders of the Continuing Fund. In order to implement the Change of Manager, Unitholders of the Continuing Fund are being asked to pass an Extraordinary Resolution attached as Schedule E to this Circular. In order to pass the Extraordinary Resolution, at least 66⅔% of the votes cast at the meeting of holders of Units of the Continuing Fund must be voted in favour of such resolution. The Manager will not vote its Units at the Meetings. **PROXIES RECEIVED IN FAVOUR OF THE MANAGER WILL BE VOTED FOR THE EXTRAORDINARY RESOLUTION DESCRIBED ABOVE, UNLESS A UNITHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER UNITS ARE TO BE VOTED AGAINST SUCH RESOLUTION.** In the event Unitholder approval is not given, the Change of Manager will not proceed.

By approving the Change of Manager, Unitholders will also be authorizing any director or officer of Brookfield Investment Funds Management to take all such steps as may be necessary or desirable to give effect to the Change of Manager. Brookfield Investment Funds Management will be authorized, in its sole discretion, not to proceed with the Change of Manager even if the Unitholders provide their approval for such change.

## **Regulatory Approval**

A condition precedent to the Change of Manager becoming effective will be that all required regulatory and third party approvals are obtained prior the Effective Date. Such regulatory approvals include, without limitation, the approval of the TSX.

**Should the required approvals be received, the resignation of Brookfield Investment Funds Management as manager of the Continuing Fund will become effective on the Effective Date and Brookfield Soundvest will be appointed to replace Brookfield Investment Funds Management in such role. The Declaration of Trust and Management Agreement of the Continuing Fund will be amended and restated to reflect such change.**

## **DESCRIPTION OF THE CONTINUING FUND**

Following the proposed reorganization of the Funds, the Continuing Fund will have similar characteristics to the current Brascan Soundvest Focused Business Trust, except to the extent such characteristics are changed by the Extraordinary Resolutions.

The Continuing Fund was launched in 2005 with a mandate to deliver a stable stream of monthly distributions and to maximize long-term total return. As of November 6, 2009, the Continuing Fund had

1,874,434 Units outstanding, and its total NAV was \$8,501,880 or \$4.54 per Unit. The Continuing Fund's Units closed at \$4.25 on the TSX on November 6, 2009.

If the Extraordinary Resolutions are approved, the Continuing Fund will change in several important respects: its investment mandate will be broadened, its termination date will be eliminated, the Manager will be changed to Brookfield Soundvest; and some of its other features will be amended, as described in this Circular. The rationales for these changes are discussed in greater detail, above, under both the "Rationale for the Proposed Reorganization of the Funds" and the "Rationale for the Change of Manager."

If the Merger is approved, investors in the Terminating Funds will become investors in the Continuing Fund. This section of the Circular provides Terminating Fund Unitholders with some information about the Continuing Fund in which they will become Unitholders.

### **Investment Objective**

The Continuing Fund's investment objective will be:

- (a) to provide Unitholders with regular distributions; and
- (b) to maximize long-term total return with the Continuing Fund's portfolio.

The investment objectives of the Continuing Fund will not be amended.

### **Investment Strategy**

The Investment Advisor will seek to achieve the Continuing Fund's objectives by diligently selecting and actively managing a diversified portfolio of Canadian equities, including income trust and income securities (the "**Portfolio**"). The Portfolio currently consists primarily of units of Business Income Trusts. Following the completion of the proposed reorganization, the Investment Advisor expects to hold a more diversified equity portfolio including common and preferred shares, income trusts, income securities, including bonds and debentures, REIT's, Canadian mortgage-backed securities, and other equity securities.

The Investment Advisor uses a conservative, long-term "growing-concern" approach to the management of investments in Canadian equities and also applies a rigorous buy/sell discipline to all investments. The Investment Advisor seeks to identify and invest in successful businesses which are run by strong and experienced management teams and which are available at attractive prices. In managing the Portfolio, the Investment Advisor employs risk management and risk reduction techniques to preserve and protect capital.

Securities selection for the Portfolio is based primarily on an assessment of the attractiveness of individual issuers. This involves an in-depth review of the business carried on by each issuer, as well as its prospects, its management and its value. The Investment Advisor also assesses various macro factors to ensure diversification by industry amongst the issuers included in the Portfolio and to enable the Continuing Fund to benefit from trends and other factors affecting a particular industry.

The Investment Advisor's examination of issuers incorporates an intensive and ongoing analysis of the fundamentals of each issuer. As part of the process, the Investment Advisor will generally: (a) conduct interviews with the issuer's management, competitors and investment analysts; (b) assess the competitive position of the issuer's business, factors that affect the issuer's profitability, and the ability of the issuer's management to effectively allocate capital; and (c) analyze the capability of the issuer to

consistently earn a rate of return on its invested capital which is meaningfully higher than its cost of capital.

The criteria used to select specific securities for the Portfolio revolves around three key areas of analysis: management, the micro-economics of the business, and valuation.

**Management:** The Investment Advisor assesses the integrity, competence and track record of management of each issuer by examining a number of factors including the following:

- cost control discipline;
- prudent assumptions for both maintenance and growth capital expenditures;
- conservative approach to the use of leverage;
- margin of safety in the firm's pay-out ratio;
- customer and investor focus;
- selection of conservative accounting practices; and
- sound corporate governance.

**Micro-economics:** The Investment Advisor seeks the following factors in its selection of equity investments:

- sustainable competitive position in a firm's chosen market place;
- ability to consistently generate a steady or growing level of free cash flow on a per security basis through various economic cycles;
- ability to provide an ongoing yield to Unitholders without impairing the underlying prospects of the business; and
- reasonable returns on invested capital with conservative leverage.

**Valuation:** The Investment Advisor seeks to invest in issuers that are priced below their intrinsic value. However, if the intrinsic value of an issuer is growing at a meaningful rate, the Investment Advisor may invest in such an issuer, particularly when cash dividends or distributions are at attractive yield levels. The Investment Advisor determines intrinsic values using the following methods:

- detailed discounted cash flow analysis;
- private market valuation analysis based on standard metrics for the respective industry; and
- comparative business analysis.

To assess the relative attractiveness of a particular security, its intrinsic value is compared with both its market price and an expected trading range as determined by the Investment Advisor.

In keeping with its active management strategy, the Fund's Portfolio composition will vary over time, depending on the Investment Advisor's assessment of the appropriate strategy given overall market conditions and outlook.

The Continuing Fund's investment criteria for the Portfolio provide that the Continuing Fund may purchase:

- (a) common shares of Canadian issuers;
- (b) preferred shares of Canadian issuers;
- (c) income trusts;
- (d) income securities, including bonds and debentures;
- (e) REIT's;
- (f) Canadian mortgage-backed securities;
- (g) cash or cash equivalents, including indebtedness that has a remaining term to maturity of less than one year and that is issued or fully guaranteed by the government of Canada or of a jurisdiction thereof, the government of the United States and of certain other foreign countries having an approved credit rating for the purposes of NI 81-102 (as if the Continuing Fund were subject to NI 81-102) and certain Canadian or foreign financial institutions rated as short-term debt and having an approved credit rating for the purposes of NI 81-102 (as if the Continuing Fund were subject to NI 81-102); or
- (h) up to 20% of the Continuing Fund's portfolio in securities not already listed above and not prohibited by the restrictions below under "Investment Restrictions."

The revised investment strategy for the Continuing Fund differs from its original investment strategy primarily in that the universe of eligible investments will include Canadian common and preferred equities, income securities, including bonds and debentures, income trusts, REITS, Canadian mortgage-backed securities and cash and cash equivalents, rather than just units of Business Income Trusts.

### **Investment Restrictions**

The Continuing Fund will not engage in any undertaking other than the investment of the Continuing Fund's assets in accordance with the Continuing Fund's investment objectives and strategy. The Continuing Fund will be subject to the following investment restrictions pursuant to which the Continuing Fund will not:

- (a) invest more than 10% of the net assets of the Continuing Fund in the securities of any single issuer, other than securities issued or guaranteed by the Government of Canada or a jurisdiction thereof;
- (b) purchase or sell derivative instruments except as described under "Use of Derivative Investments";
- (c) borrow money, other than in connection with the loan facility between the Continuing Fund and a Canadian chartered bank (the "**Loan Facility**");

- (d) make loans, provided that the Continuing Fund may engage in securities lending and may purchase and hold debt obligations (including bonds, debt securities or other obligations and certificates of deposit, bankers' acceptances and fixed term deposits) in accordance with the Continuing Fund's investment strategy, objectives and criteria specified herein;
- (e) purchase real estate or real estate mortgage loans, other than units of REITs and Canadian mortgage-backed securities;
- (f) purchase or sell commodities or commodities contracts;
- (g) make short sales of securities or maintain short positions;
- (h) own more than 10% of any class of securities of any one issuer or purchase the securities of an issuer for the purpose of exercising control over management of any issuer;
- (i) guarantee the securities or obligations of any person other than the Manager, and then only in respect of the activities of the Continuing Fund;
- (j) act as underwriter, except to the extent that the Continuing Fund may be deemed to be an underwriter in connection with the sale of Portfolio securities;
- (k) make or hold any investment that would result in the Continuing Fund failing to qualify as a "unit trust" within the meaning of paragraph 108(2)(b) of the *Income Tax Act* (Canada) (the "Tax Act"). Among other requirements, in order for the Continuing Fund to so qualify:
  - (i) at all times at least 80% of the property of the Continuing Fund must consist of a combination of: shares; property that, under the terms or conditions of which or under an agreement is convertible into, exchangeable for, or confers a right to acquire, shares; cash; bonds, debentures, mortgages, hypothecary claims, notes and other similar obligations; marketable securities; real property situated in Canada and interests in real property situated in Canada; or rights to and interests in any rental or royalty computed by reference to the amount or value of production from a natural accumulation of petroleum or natural gas in Canada, from an oil or gas well in Canada or from a mineral resource in Canada;
  - (ii) not less than 95% of the Continuing Fund's income for each year must be derived from, or from the disposition of, investments described in (i) above; and
  - (iii) at no time may more than 10% of the Continuing Fund's property consist of bonds, securities or shares in the capital stock of any one corporation or debtor other than Her Majesty in right of Canada or a province or a Canadian municipality;
- (l) make or hold any investment that would result in the Continuing Fund failing to qualify as a "mutual fund trust" within the meaning of the Tax Act;
- (m) invest in or hold the securities of any non-resident corporation or trust or other non-resident entity (or in interests in any partnership that holds such securities) if the Continuing Fund (or the partnership) would be required to include any significant amounts in income in respect of such securities pursuant to proposed sections 94.1 or 94.3 of the Tax Act, or to mark to market its investment in such securities in accordance

with proposed section 94.2 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities announced by the Minister of Finance (Canada) on November 9, 2006 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

- (n) invest in securities of a non-resident trust (or in interests in any partnership that holds interests in such trust) other than an “exempt foreign trust” as such term is defined in the proposed amendments to the Tax Act dealing with non-resident trusts announced by the Minister of Finance (Canada) on November 9, 2006 (or amendments to such proposed provisions, provisions as enacted into law or successor provisions thereto);
- (o) make or hold any investment that is a “tax shelter investment” for purposes of section 143.2 of the Tax Act;
- (p) with the exception of securities of the Continuing Fund’s own issue, purchase securities from, sell securities to, or otherwise contract for the acquisition or disposition of securities with the Manager or the Investment Advisor or any of their respective affiliates, with any officer, director or shareholders of any of them, with any person, trust, firm or corporation managed by the Manager or the Investment Advisor or any of their respective affiliates or with any firm or corporation in which any officer, director or shareholder of the Manager or the Investment Advisory may have a material interest (which, for these purposes, includes beneficial ownership of more than 10% of the voting securities of such entity) unless, with respect to any such purchase or sale of securities, any such transaction is effected through normal market facilities, and the purchase price approximates the prevailing market price;
- (q) make or hold any investment that is “non-portfolio property” for purposes of section 122.1 of the Tax Act; or
- (r) invest more than 20% of the value of the Portfolio of the Continuing Fund in securities not listed already listed above in the Continuing Fund’s “Investment Criteria” and not otherwise prohibited by the Continuing Fund’s “Investment Restrictions”.

The revised investment restrictions for the Continuing Fund differ from its original investment restrictions primarily in the elimination of specific restrictions requiring that the Portfolio maintain specific asset allocation ranges for investments in Business Income Trusts.

### **Use of Derivative Instruments**

The Continuing Fund may invest in or use derivative instruments for hedging purposes consistent with its investment objectives and investment strategy and subject to its investment restrictions, as permitted by Canadian securities regulators from time to time. For example, the Continuing Fund may use derivatives, including interest rate and foreign exchange hedges with the intention of offsetting or reducing risks associated with an investment or group of investments. These risks include currency value fluctuations, commodity price fluctuations, stock market risks and interest rate changes.

### **Securities Lending**

In order to generate additional returns, the Continuing Fund may lend Portfolio securities to borrowers acceptable to the Continuing Fund pursuant to the terms of a securities lending agreement between the Continuing Fund and each borrower (a “**Securities Lending Agreement**”). Under a Securities Lending Agreement: (i) the borrower will pay to the Continuing Fund a negotiated securities

lending fee and will make compensation payments to the Continuing Fund equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as “securities lending arrangements” for the purposes of the Tax Act as proposed to be amended; and (iii) the Continuing Fund will receive collateral security which it may pledge as security as necessary under the Loan Facility.

## **Recent Performance**

On December 31, 2008, the Continuing Fund’s NAV per Unit was \$3.44; since then, it has appreciated by approximately 32% to \$4.54 as of November 6, 2009. In addition, the Continuing Fund has continued to pay its regular monthly distribution of \$0.027 per Unit. The Continuing Fund’s investment performance and Unitholder activity for 2008 are discussed in more detail in the Brascan Soundvest Focused Business Trust Annual Report for the year ended December 31, 2008 — Results of Operations, as incorporated by reference into this Circular.

If the Extraordinary Resolutions are approved, the Continuing Fund’s investment strategy and restrictions will be amended. As a result of the increased flexibility these amendments will offer the Investment Advisor, it is likely that the Continuing Fund’s portfolio and its investment performance will be different in the future. The Continuing Fund’s past performance should not be relied upon as an indicator of how the Continuing Fund will perform in the future.

## **Redemption of Units**

Units of the Continuing Fund may be surrendered for redemption in the month of August of each year to the Registrar and Transfer Agent at its principal offices located in Toronto, Ontario. Units properly surrendered for redemption by a Unitholder at least 15 business days prior to the last business day in August (the “**Redemption Date**”) will be redeemed on such Redemption Date and the Unitholder will receive payment on or before the 15th business day following such Redemption Date.

Unitholders whose Units are redeemed will be entitled to receive the Unit Redemption Price, minus an amount equal to the aggregate of all brokerage fees, commissions and other costs relating to the disposition of the appropriate number of Portfolio securities to fund such redemption. For this purpose, “**Unit Redemption Price**” means the amount which is equal to the Net Asset Value per Unit, determined as of the applicable Redemption Date prior to giving effect to any redemptions; provided that, at the sole option of the Manager for the purposes of calculating the Unit Redemption Price, the Manager may value any security which is listed or traded upon a stock exchange (or if more than one, on the stock exchange in which the security primarily trades, as determined by the Manager) by taking the volume weighted average trading price of the security on such exchange during the three most recent trading days of such exchange ending on and including such Redemption Date, or lacking any sales during such period or any record thereof, the simple average of the latest available offer price and the latest available bid price (unless in the opinion of the Manager such value does not reflect the value thereof and in which case the fair market value as determined by the Manager shall be used), as at the Redemption Date, all as reported by any means in common use. The Trust may designate a portion of a Unitholder’s Unit redemption proceeds as a payment out of the Net Income or Net Realized Capital Gains to effect an equitable allocation of such amounts among Unitholders. Any unpaid distribution declared payable to holders of Trust Units of record on or before a Redemption Date on which Trust Units are redeemed (or would be redeemed but for the Trust’s election to recirculate such Trust Units) will be paid to the Unitholders who surrendered such Trust Units for redemption on or before the applicable Distribution Payment Date.

The basic structure of the Continuing Fund’s annual redemption feature is not being changed, only the timing for which a Unitholder can surrender their Units for redemptions is being amended.

## **Distribution Policy**

Since its inception, the Continuing Fund has paid a monthly distribution to Unitholders. Although it is the Manager's current intention that distributions will continue to be payable to Unitholders of record on the last business day of each month and will be paid on or about the 15<sup>th</sup> day of the following month, it is possible that the Manager may decrease the frequency or amount of distributions as it pursues the amended investment strategies in the event the Extraordinary Resolutions are approved. In addition, it is possible that the Continuing Fund may make special distributions if the Manager considers it prudent to do so.

The Continuing Fund will not have a fixed monthly distribution target, but may determine and announce each December an anticipated distribution amount (the "**Anticipated Distribution**") for the following year based upon prevailing market conditions and the Fund's estimate of distributable cash flow for the year. The Continuing Fund's current Anticipated Distribution, which has been unchanged since the beginning of 2006, is \$0.027 per month. If the Merger is implemented, it is expected that the Anticipated Distribution amount for the Continuing Fund will be revised to \$0.30 per Unit per annum, starting with the record date on January 29, 2010 which will be paid on February 15, 2010. It is possible that a monthly distribution may include a return of capital.

## **The Manager**

If the Change of Manager is approved by Unitholders, Brookfield Investment Funds Management Inc. will cease to be the Manager of the Continuing Fund on the Effective Date and Brookfield Soundvest Capital Management Ltd. will become the manager on that date. The Continuing Fund expects to enter into an amended management agreement dated as of the Effective Date between Brookfield Soundvest and the Continuing Fund (the "**Amended Management Agreement**") pursuant to which Brookfield Soundvest will be appointed to act as the manager of the Continuing Fund and will be given the authority to manage the activities and day to day operations of the Continuing Fund, including providing and arranging for the provision of marketing and administrative services required by the Continuing Fund.

Currently, the Management Agreement, provides that the Manager is entitled to a management fee at an annual rate of 1.10% of the NAV. Fees payable to the Manager are calculated and payable monthly based on the NAV as at the last valuation date of each month. Upon the Change of Manager on the Effective Date and pursuant to the Amended Management Agreement, the management fee that Brookfield Soundvest will be entitled to will be reduced from an annual rate of 1.10% to 0.95% of the NAV of the Continuing Fund.

If the Change of Manager is approved by the Unitholders of the Continuing Fund, the manager of the Continuing Fund will not be the same as the Manager for the Terminating Funds. In addition, the management fee of the Continuing Fund will be lower than for the Terminating Funds. This lower management fee is a significant benefit to Unitholders of the Terminating Funds if the Merger is approved.

## **The Investment Advisor**

Pursuant to an investment advisory agreement (the "**Investment Advisory Agreement**") dated September 28, 2005, the Investment Advisor, Brookfield Soundvest, was retained by the Manager to provide investment advisory and portfolio management services to the Continuing Fund. The Investment Advisor, established in 1970, is registered as an investment manager with securities commissions in both Canada and the United States and is located at 100 Sparks Street, Ottawa, Ontario, K1P 5B7. Pursuant to the terms of the Investment Advisory Agreement, the Investment Advisor is entitled to an advisory fee which is payable by the Manager out of the management fee. For additional information on the

Investment Advisor see the Brascan Soundvest Focused Business Trust's Annual Information Form dated March 31, 2009 — The Investment Advisor, as incorporated by reference into this Circular.

The Investment Advisor of the Continuing Fund is the same as for the Terminating Funds.

### **Independent Review Committee**

The Manager has established an independent review committee (the “**Independent Review Committee**” or the “**IRC**”) as required by National Instrument 81-107 *Independent Review Committee for Investment Funds*, for all publicly offered investment funds managed by the Manager. The IRC is responsible for reviewing and, if desirable, providing input to the Manager on, the Manager's written policies and procedures which deal with conflicts of interest involving the Manager as well as any other matter that the Manager requests the IRC to review. The members of the Independent Review Committee are John P. Barratt, James C. Bacon and James L.R. Kelly. Each member is independent as that term is defined under NI 81-107. The members of the Independent Review Committee are required to act honestly and in good faith and in the best interests of the Continuing Fund and in connection with that duty exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. For additional information on the IRC see the Brascan Soundvest Focused Business Trust's Annual Information Form dated March 31, 2009 (the “**2009 Continuing Fund AIF**”) — The Independent Review Committee, as incorporated by reference into this Circular.

The Independent Review Committee of the Continuing Fund is the same as for the Terminating Funds.

### **The Trustee**

Computershare Trust Company of Canada is the Trustee of the Continuing Fund under the Declaration of Trust. The address of the Trustee is 100 University Avenue, 11<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1. The Trustee receives fees for acting as trustee of the Continuing Fund and will be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with its duties. For additional information on the Trustee see the 2009 Continuing Fund AIF — The Trustee, as incorporated by reference into this Circular.

The Trustee of the Continuing Fund is the same as for the Terminating Funds.

## **RISK FACTORS OF THE CONTINUING FUND**

The risk factors that Unitholders of the Continuing Fund, should be aware of are listed on pages 29-33 of the Annual Information Form of the 2009 Continuing Fund AIF, incorporated by reference into this Circular. Unitholders of the Terminating Funds, who will become Unitholders of the Continuing Fund if the Merger is approved, should also be aware of these risk factors. Unitholders are urged to carefully review those risk factors as well as those additional risk factors described below.

### **No Assurance on Achieving Objectives**

There is no assurance that the Continuing Fund will be able to achieve its investment objectives, including being able to pay the Anticipated Distributions. The funds available for distribution to Unitholders will vary according to, among other things, the levels of distributions paid on the securities comprising the Portfolio and the market value of the securities comprising the Portfolio. There is no assurance the Portfolio will earn any return.

The Manager, on behalf of the Continuing Fund, may at any time re-evaluate the Continuing Fund's targeted distributions.

An investment in the Continuing Fund is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment and who can withstand the effect of the Anticipated Distribution not being met in any period.

### **Fluctuations in NAV**

The NAV per Unit and the funds available for distribution will vary according to, among other things, the value of the Portfolio securities acquired by the Continuing Fund and the distributions paid and interest earned thereon. Fluctuations in the market value of the Portfolio securities in which the Continuing Fund invests may occur for a number of reasons beyond the control of the Manager, the Investment Advisor or the Continuing Fund.

### **Sensitivity to Interest Rates**

It is anticipated that the market price for the Units and the value of the Portfolio at any given time will be affected by the level of interest rates prevailing at such time. A rise in interest rates will increase the costs to the Continuing Fund of borrowing and may have a negative effect on the market price of the Units.

### **Trading Price of Units**

Units may trade in the market at a premium or discount to NAV per Unit and there can be no assurance that Units will trade at a price equal to NAV per Unit. This risk is separate and distinct from the risk that the NAV per Unit may decrease.

In recognition of the possibility that the Units may trade at a discount, the terms and conditions attaching to the Units have been designed to attempt to reduce market value discounts from NAV per Unit by way of optional purchases of Units by the Continuing Fund, and by way of the annual redemptions described under "Redemption of Units" above. There can be no assurance that purchases and/or redemptions of Units by the Continuing Fund will result in the Units trading at a price which is equal to the NAV per Unit. The Continuing Fund anticipates that the market price of the Units will in any event vary from the NAV per Unit. The market price of the Units will be determined by, among other things, the relative demand for and supply of Units in the market, the Continuing Fund's investment performance, the Unit's yield and investor perception of the Continuing Fund's overall attractiveness as an investment as compared with other investment alternatives.

### **Business Income Trust Investments**

The value of the Continuing Fund's investments in Business Income Trusts and the income generated by such trusts, are subject to changes in general economic conditions and in industry specific conditions including the performance of competitors and demand for specific products and services, and may be adversely affected by a change in any of such conditions.

### **Real Estate Investments**

Investments in REIT's are subject to the general risks associated with real property investments. Real property investments are affected by various factors including changes in general economic conditions (such as the availability of long term mortgage funds) and in local conditions (such as

oversupply of space or a reduction in demand for real estate in the area), the attractiveness of the properties to tenants, competition from other available space and various other factors.

The value of real estate property and any improvements thereto may also depend on the credit and financial stability of the tenants. A REIT's income and funds available for distribution to Unitholders would be adversely affected if a significant number of tenants were to become unable to meet their obligations to the REIT or if the REIT were unable to lease a significant amount of available space in its properties on economically favourable lease terms.

### **Composition of Portfolio**

The composition of Portfolio will vary widely from time to time and may from time to time be concentrated by type of security, industry or geography, resulting in the Portfolio being less diversified than at other times. The returns of the Portfolio may change as its composition changes.

### **Reliance on the Investment Advisor**

The Investment Advisor will advise the Continuing Fund in a manner consistent with the investment objectives, strategy and criteria of the Continuing Fund, subject to the investment restrictions, as revised as a result of the Extraordinary Resolutions, if approved. Although the employees of the Investment Advisor who are primarily responsible for the management of the Continuing Fund's Portfolio have extensive experience in managing investment portfolios, there is no certainty that such individuals will continue to be employees of the Investment Advisor throughout the term of the Continuing Fund.

### **Marketability of Units**

Although the Units are currently listed on the TSX, there can be no assurance that an active public market will continue indefinitely.

### **Use of Leverage**

It is anticipated that the Continuing Fund may at times incur indebtedness under the Loan Facility in an amount up to an amount not exceeding the lesser of (i) a fixed amount as negotiated with Lenders, (ii) 25% of the value of assets within the Portfolio or (iii) the sum of readily marketable stocks, preferred shares, income trusts, government of Canada or provincial government direct or guaranteed bonds or treasury bills, bankers acceptances and cash or equivalents. The indebtedness will be secured by the Portfolio. There can be no assurance that such a strategy will enhance returns and in fact the strategy may reduce returns (both distributions and capital). If the securities in the Portfolio suffer a decrease in value, the leverage component will cause a decrease in NAV in excess of that which would otherwise be experienced. In the event that the Loan Facility is called by the Lender, the Continuing Fund may be required to liquidate the Portfolio to repay the indebtedness at a time when the market for the securities in the Portfolio may be depressed, thereby forcing the Continuing Fund to incur losses.

### **Illiquid Securities**

There is no assurance that an adequate market will exist for Portfolio securities acquired by the Continuing Fund. Portfolio securities purchased on a private placement basis or issued by issuers that are not reporting issuers in all provinces may be subject to hold periods under certain provincial securities legislation. The Continuing Fund cannot predict whether the Portfolio securities held by it will trade at a discount to, a premium to, or at their respective net asset values.

In addition, if the Manager is unable, or determines that it is inappropriate, to dispose of some or all of the Portfolio securities prior to the Termination Date, Unitholders may, subject to applicable laws, receive distributions of securities in kind upon the termination of the Continuing Fund, for which there may be an illiquid market or which may be subject to resale restrictions of indefinite duration. Further, if the Investment Advisor determines that it is appropriate to acquire certain securities for the Continuing Fund, the Investment Advisor may be unable to acquire the number of such securities, or to acquire such securities at a price acceptable to the Investment Advisor, if the market for such securities is particularly illiquid.

### **Installment Receipts**

The Continuing Fund may purchase certain Portfolio securities as installment receipts representing ownership interests in trust units, the original issue price of which is payable on an installment basis. The Continuing Fund may be required to pay subsequent installments despite a decline in the value of the securities of an issuer in which the Continuing Fund invests.

### **Currency Hedging**

The Continuing Fund may invest in and use derivative instruments for currency hedging purposes to the extent, if any, considered appropriate by the Investment Advisor, taking into account factors including transaction costs. There can be no assurance that the Continuing Fund's hedging strategies will be effective.

### **Status of the Continuing Fund**

As the Continuing Fund is not considered to be a mutual fund under Canadian securities legislation, the Continuing Fund is not subject to the various policies and regulations that apply to open-end mutual funds. The Continuing Fund will, however, be a mutual fund trust for purposes of the Tax Act.

### **Securities Lending**

The Continuing Fund may engage in securities lending. Although the Continuing Fund will receive collateral for the loans and such collateral will be marked-to-market, the Continuing Fund will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

### **Conflicts of Interest**

The Investment Advisor and its directors and officers and their respective affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest primarily in securities similar to the Portfolio securities.

Although none of the directors or officers of the Investment Advisor devotes his or her full time to the business and affairs of the Continuing Fund, each devotes as much time as is necessary to provide portfolio advice to the Continuing Fund.

### **Nature of Units**

A Unit represents an undivided beneficial interest in the net assets of the Continuing Fund. Unitholders will not have the statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring "oppression" or "derivative" actions. Units are

dissimilar to debt instruments in that there is no principal amount nor interest obligations owing to Unitholders.

### **Changes in Legislation**

There can be no assurance that certain laws applicable to the Continuing Fund, including income tax laws, will not be changed or further changed in a manner which could adversely affect the distributions received by the Continuing Fund or by the Unitholders.

### **Payment in Kind on Termination**

It is possible that on termination of the Continuing Fund, it may not be possible to convert all of the Continuing Fund's assets to cash. In such a circumstance, certain assets of the Continuing Fund will be distributed in kind. It is possible that assets of the Continuing Fund delivered to Unitholders in connection with the termination of the Continuing Fund will not be listed on any stock exchange and that no market will develop for such assets. Assets so distributed may be subject to resale restrictions under applicable securities laws and may not be qualified investments for registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans, registered disability savings plans or tax-free savings accounts (collectively, "**Registered Plans**") which would have adverse tax consequences to such plans and/or their annuitants or beneficiaries.

In addition to the risk factors set out above, if the Extraordinary Resolutions are approved, all Unitholders should consider the following additional risk factors relating to owning Units of the Continuing Fund:

### **Equity Risk**

The Continuing Fund may invest in equities, which are affected by stock market movements. When the economy is strong, the outlook for many companies will be good, and share prices will generally rise, as will the value of funds that own these shares. On the other hand, share prices usually decline in times of general economic or industry downturn. Equity securities of certain companies or companies within a particular industry sector may fluctuate differently than the overall stock market because of changes in the outlook for those individual companies or the particular industry.

### **Small and Medium-Sized Companies**

Investments in small and medium-sized companies may be more volatile than investments in larger companies, as small and medium-sized companies generally experience higher growth and failure rates. The trading volume of these securities is normally lower than that of larger companies. Such securities may be less liquid than others and could make it difficult to purchase or sell a security at a time or price desired. Changes in the demand of these securities generally have a disproportionate effect on their market price, tending to make prices rise more in response to buying demand and fall more in response to selling pressure.

## COMPARISON OF THE TERMINATING FUNDS AND THE CONTINUING FUND

	<b>Total Return Fund</b> <i>(Terminating Fund)</i>	<b>Diversified Income Fund</b> <i>(Terminating Fund)</i>	<b>Focused Business Trust</b> <i>(prior to reorganization)</i>	<b>Brookfield Soundvest Equity Fund</b> <i>(Continuing Fund if all Extraordinary Resolutions are approved)</i>
<i>Performance as of September 30, 2009:</i>	Year-to-date 44.5% 1 Year: (12.3%) 2 Year: (12.0%) Since Inception: (2.0%)	Year-to-date 42.6% 1 Year: (11.1%) 2 Year: (12.5%) Since Inception: (1.9%)	Year-to-date 36.9% 1 Year: (13.4%) 2 Year: (19.3%) Since Inception: (10.8%)	Year-to-date N/A 1 Year: N/A 2 Year: N/A Since Inception: N/A
<i>NAV per Unit as of September 30, 2009:</i>	\$5.28	\$4.36	\$4.38	N/A
<i>Total Assets as of September 30, 2009:</i>	\$19,779,598	\$31,384,324	\$8,218,192	\$59,382,114 (pro-forma)
<i>Current Monthly Distribution Rate per Unit</i>	\$0.028	\$0.042	\$0.027	\$0.025 (anticipated)
<i>Investment Objectives:</i>	Same as Focused Business Trust	To provide Unitholders with tax-efficient monthly distributions; to maximize long-term total return within the Fund's portfolio; and to return the original issue price (\$10.00) of the Units initially issued by the Fund to Unitholders upon termination of the Fund.	To provide Unitholders with a stable stream of monthly distributions; and to maximize long-term total return to Unitholders.	Same as Focused Business Trust
<i>Investment Strategies and Criteria:</i>	The investment advisor employs an active asset and active security selection strategy, investing in a portfolio comprised primarily of income trusts, common shares and other equity securities.	The investment advisor employs a diversified strategy, investing in a portfolio primarily consisting of business income trusts, power generation and pipeline trusts, oil and gas royalty trusts and REITS.	The investment advisor employs a diversified strategy, investing in a portfolio comprised primarily of business income trusts.	The investment advisor will employ a diversified strategy, investing in a portfolio primarily consisting of common and preferred shares of Canadian issuers, income trusts, income securities, including bonds and debentures, real estate investment trusts, Canadian mortgage-backed securities, and other equity securities.

<b>Total Return Fund</b>		<b>Diversified Income Fund</b>		<b>Focused Business Trust</b>		<b>Brookfield Soundvest Equity Fund</b>	
<i>(Terminating Fund)</i>		<i>(Terminating Fund)</i>		<i>(prior to reorganization)</i>		<i>(Continuing Fund if all Extraordinary Resolutions are approved)</i>	
Various income trusts, common shares and equity securities which may comprise the portfolio and permitted ranges of each such asset class:		Various income trusts which may comprise the portfolio and permitted ranges of each such asset class:		Various business income trusts which may comprise the portfolio and permitted ranges of each such asset class:		There will be no investment restrictions prescribing particular asset or sector allocations other than permitting the Continuing Fund to invest up to 20% of its portfolio in securities which are neither expressly permitted by the investment criteria nor prohibited by the investment restrictions of the Continuing Fund	
<i>Asset Class</i>	<i>Permitted Ranges</i>	<i>Asset Class</i>	<i>Permitted Ranges</i>	<i>Asset Class</i>	<i>Permitted Ranges</i>		
Income		Income Trusts:		Business			
Trusts.....	25-95%	Business		Income			
		Trusts.....	20-75%	Trusts .....	85-100%		

	<b>Total Return Fund</b>	<b>Diversified Income Fund</b>	<b>Focused Business Trust</b>	<b>Brookfield Soundvest Equity Fund</b>
	<i>(Terminating Fund)</i>	<i>(Terminating Fund)</i>	<i>(prior to reorganization)</i>	<i>(Continuing Fund if all Extraordinary Resolutions are approved)</i>
	Common Shares and Other Equity Securities ..... 5-75% Common Shares of U.S. Issuers.....0-10% Convertible Securities or Preferred Shares.....0-10% High Yield Debt.....0-20%	Power Generation and Pipeline Trusts..... 5-35% Oil and Gas Royalty Trusts..... 10-45% REITS.....10-40% High Yield Equity Based Securities ..... 0-10% Cash and Cash Equivalents . ....0-20%	Convertible Securities of Business Income Trusts/Equity Securities of issuers who have publicly announced their intention to convert to business income trust ..... 0-15% Securities of Issuers not listed on any stock exchange....0-5% “Restricted Securities” within meaning of NI 81-102 ..... 0-10% Cash or Cash Equivalents .....0%- what the investment advisor deems advisable	
<i>Annual Redemption Date:</i>	Last business day of September.	Last business day of November.	Last business day of November.	Last business day of August
<i>Termination Dates:</i>	September 30, 2014	December 31, 2010	November 30, 2015	No fixed termination date.
				Manager, in its sole discretion will be permitted to wind-up the Continuing Fund should the net asset value of the Continuing Fund fall below \$30 million.

	<b>Total Return Fund</b> <i>(Terminating Fund)</i>	<b>Diversified Income Fund</b> <i>(Terminating Fund)</i>	<b>Focused Business Trust</b> <i>(prior to reorganization)</i>	<b>Brookfield Soundvest Equity Fund</b> <i>(Continuing Fund if all Extraordinary Resolutions are approved)</i>
<i>Registered Plan Eligibility:</i>	Same as Focused Business Trust	Same as Focused Business Trust	As long as the Fund qualifies as a mutual fund trust, Units are qualified investments under the <i>Income Tax Act</i> (Canada) for registered plans such as registered retirement savings plans, registered retirement income funds, registered education savings plans and deferred profit sharing plans.	Same as Focused Business Trust
<i>Annual Management Fees:</i>	1.10%	0.95%	1.10%	0.95%
<i>Manager:</i>	Same as Focused Business Trust	Same as Focused Business Trust	Brookfield Investment Funds Management Inc.	Brookfield Soundvest Capital Management Ltd
<i>Trustee</i>	Same as Focused Business Trust	Same as Focused Business Trust	Computershare Trust Company of Canada	Same as Focused Business Trust

## INFORMATION REGARDING THE FUNDS

Additional information about each of the Funds is included in documents filed by the Funds with securities commissions or similar authorities in Canada. Copies of these documents are available on the System for Electronic Disclosure and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com) and the Manager’s website at [www.brookfieldfunds.com](http://www.brookfieldfunds.com), or may be obtained upon request without charge by toll-free call to 1-888-777-4019 or by email at [inquiries@brookfieldfunds.com](mailto:inquiries@brookfieldfunds.com), or from your dealer.

The following documents for each Fund are filed with the securities commissions or similar authorities in Canada and are specifically incorporated by reference into and form an integral part of this Circular:

- Annual Financial Statements of the Funds for the year ended December 31, 2008 as filed March 31, 2009;
- Press release announcing the Merger, dated November 4, 2009;
- Annual Management Report of Fund Performance for the year ended December 31, 2008 as filed March 31, 2009; and
- Annual Information Form for the year ended December 31, 2008 as filed March 31, 2009.
- Management Agreement dated September 28, 2005.

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

This is a general summary of the principal Canadian federal income tax considerations, as of the date hereof, relevant to Unitholders of a Terminating Fund who, for the purposes of the Tax Act, are individuals (other than trusts) resident in Canada, deal at arm’s length and are not affiliated with the Terminating Fund and who hold Units of the Terminating Fund as capital property. This summary assumes that each of the Terminating Funds and the Continuing Fund is a “mutual fund trust” under the Tax Act at all material times. This summary also assumes that the Terminating Funds are not “SIFT trusts” as defined in the Tax Act.

This summary is based upon the current provisions of the Tax Act and regulations thereunder, all specific proposals to amend the Tax Act and such regulations publicly announced by the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”) and counsel’s understanding of the current published administrative and assessing policies of the Canada Revenue Agency. Other than the Tax Proposals, this summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations.

**This summary is of a general nature only and is not intended to be, nor should it be construed to be legal or tax advice to any particular Unitholder. Accordingly, Unitholders should consult their own tax advisors with respect to the tax consequences of the Merger in their particular circumstances.**

A Unitholder who redeems Units of a Terminating Fund before the date of the Merger, will realize a capital gain (or capital loss) to the extent that the proceeds of disposition exceed (or are exceeded by) the aggregate of the Unitholder’s adjusted cost base of the Units and any reasonable costs of the disposition. Unless the Units so redeemed are held in a Registered Plan, one-half of any such capital gain

must be included in computing the Unitholder's income and one-half of any such capital loss may be deducted against taxable capital gains, subject to, and in accordance with, the detailed provisions of the Tax Act.

Assets in the portfolio of a Terminating Fund may need to be liquidated prior to the Merger. Such liquidation may result in the Terminating Fund realizing income or loss or accrued capital gains or capital losses. Each Terminating Fund is expected to have sufficient loss carryforwards to shelter any income or net realized capital gains resulting from the liquidation of portfolio assets.

On the Effective Date of the Merger, each Terminating Fund will dispose of each of its remaining portfolio assets to the Continuing Fund for proceeds of disposition equal to the fair market value thereof at that time. Accordingly, each Terminating Fund will realize income or loss or accrued capital gains or capital losses. Each Terminating Fund is expected to have sufficient loss carryforwards to shelter any income or net realized capital gains resulting from the disposition of portfolio assets to the Continuing Fund. Any unused loss carryforwards of a Terminating Fund will expire on the termination of the Terminating Fund following the Merger.

To ensure that it will not be subject to tax for its taxation year that includes the Effective Date, immediately prior to the Merger each Terminating Fund will, if necessary, distribute a sufficient amount of its net income and net realized capital gains to its Unitholders. The determination of net income and net realized capital gains will include any income or loss or capital gains or capital losses realized on the liquidation of portfolio assets described above. Unitholders other than those who hold their Units in a Registered Plan, will receive a statement for tax purposes identifying their share of the Terminating Funds' income, if any, for such taxation year and the income reported thereon must be included in the Unitholder's income for the 2010 taxation year.

The cost to each Terminating Fund of the Units of the Continuing Fund received in the course of the Merger will be equal to the fair market value of that Terminating Fund's assets transferred to the Continuing Fund (less the amount of any cash received by the Terminating Fund in lieu of fractional Continuing Fund Units). The distribution of Units of the Continuing Fund to Unitholders in exchange for Units of a Terminating Fund will not result in a capital gain or loss to that Terminating Fund, provided that such distribution occurs immediately after the transfer of the portfolio assets to the Continuing Fund.

Upon the distribution of Units of the Continuing Fund (and cash in lieu of fractional Units) in exchange for Units of a Terminating Fund, Unitholders will have a disposition of their Units of the Terminating Fund and will receive proceeds of disposition equal to the fair market value of the Units of the Continuing Fund received plus the amount of any cash received in lieu of fractional Units. As a result, Unitholders will realize a capital gain (or a capital loss) equal to the amount by which such proceeds of disposition exceed (or are exceeded by) the adjusted cost base of the Unitholder's Units of the Terminating Fund and any reasonable costs of disposition. Unless the Units are held in a Registered Plan, one-half of any capital gain must be included in computing the Unitholder's income and one-half of any capital loss may be deducted against taxable capital gains subject to, and in accordance with, the detailed provisions of the Tax Act. A Unitholder will acquire Units of the Continuing Fund received on the Merger at a cost equal to the fair market value of such Units at the time of the Merger. In determining the adjusted cost base of the Unitholder's Units of the Continuing Fund, the cost of the new Units of the Continuing Fund will be averaged with the adjusted cost base of any other identical Units of the Continuing Fund already held by the Unitholder.

The Merger will have no immediate tax consequences to the Continuing Fund or to the Unitholders of the Continuing Fund.

## **Eligibility for Registered Plans**

On the basis that each Terminating Fund and the Continuing Fund is a mutual fund trust under the Tax Act at all material times, Units of the Terminating Funds and the Continuing Fund are qualified investments under the Tax Act for Registered Plans. Notwithstanding the foregoing, if the Units are “prohibited investments” for the purposes of a tax-free savings account, a holder will be subject to a penalty tax as set out in the Tax Act. Unitholders are advised to consult their own tax advisors in this regard.

Please refer to the 2009 Continuing Fund AIF — Canadian Federal Income Tax Considerations for a description of the general Canadian Federal income tax consequences of acquiring, holding and disposing of Units of the Continuing Fund.

## **OTHER BUSINESS**

Management knows of no other business to be presented at the Meeting. If any additional matters should be properly presented, it is intended that the enclosed Proxy will be voted in accordance with the judgment of the persons named in the Proxy.

## **MANAGER’S DISCRETION NOT TO PROCEED WITH PROPOSALS**

Pursuant to the terms of each Extraordinary Resolution to be considered at the Meetings, the Manager may, without further notice to, or action on the part of, Unitholders, determine not to proceed with the transactions contemplated by such resolution if the Manager determines in its sole judgment that it would be inadvisable for the Fund to proceed with the matters contemplated by the resolution. In particular, the Manager may choose not to proceed with the Mergers and the Change of Manager, even if they are approved by Unitholders of the Terminating Funds and the Continuing Fund, as applicable, if the other Extraordinary Resolutions are not approved by Unitholders of the Continuing Fund.

## **EXPENSES OF THE REORGANIZATION**

All expenses of the Merger, the Change of Manager and the other Extraordinary Resolutions, including the preparation of materials for and the holding of the Meetings, will be borne by the Manager. If the Extraordinary Resolutions are approved, then the Continuing Fund will incur portfolio transaction costs associated with repositioning its investment portfolio to reflect the revised investment strategy and restrictions, and these costs will be borne by the Continuing Fund.

## **DETERMINATION OF THE INDEPENDENT REVIEW COMMITTEE AND THE MANAGER**

The board of directors of the Manager has determined that the proposed Extraordinary Resolutions are in the best interest of Unitholders of each Fund, and recommends that Unitholders of each Fund vote in favour of the Extraordinary Resolutions. The Manager and its affiliates currently hold 622,300 Units (or approximately 13.9% of the outstanding Units) of Brascan Soundvest Diversified Income Fund, and 833,257 Units (or approximately 28.9% of the outstanding Units) of Brascan Soundvest Total Return Fund, and 0 Units (or approximately 0% of the outstanding Units) of Brascan Soundvest Focused Business Trust. The Manager will not vote its Units at the Meetings.

Based on the reasons outlined above under Purpose of the Meetings — Rationale for the Proposed Reorganization of the Funds — Benefits to Investors, the Independent Review Committee of each Fund has determined that the Extraordinary Resolutions achieve a fair and reasonable result for each Fund.

In addition, based upon the reasons outlined above under Rational for Change of Manager, the Independent Review Committee of the Continuing Fund has determined that this is a fair and reasonable result for each Fund.

**The Independent Review Committee and the Manager make no recommendation regarding whether any Unitholder of any Fund should continue to hold their Units, sell their Units in the market, or tender their Units for redemption pursuant to the annual redemption right. These are determinations that each Unitholder should make in consultation with his or her financial advisors.**

#### **INTERESTS IN MATTERS TO BE ACTED UPON**

The Manager is entitled to receive management fees for its services to the Funds and is entitled to be reimbursed by the Funds for all expenses incurred in connection with the operation and administration of the Funds.

#### **AUDITORS AND TRANSFER AGENT**

The auditors of each Fund are Deloitte & Touche LLP, Toronto, Canada.

Computershare Investor Services Inc., at its principal offices located in Toronto, is the registrar and transfer agent for the Units.

#### **ADDITIONAL INFORMATION**

Additional information about the Funds is available on SEDAR at [www.sedar.com](http://www.sedar.com). Additional financial information for the Funds is available from the Manager upon request at Brookfield Investment Funds Management Inc., Suite 300, 181 Bay Street, Brookfield Place, Toronto, Ontario, M5J 2T3.

## **APPROVAL**

The contents of this Circular and its sending to Unitholders of each Fund have been approved by the directors of the Manager.

The information given in this Circular is as of November 6, 2009 except where otherwise indicated.

DATED at Toronto, Ontario this 12th day of November, 2009.

**BRASCAN SOUNDVEST  
DIVERSIFIED INCOME FUND,  
by its manager BROOKFIELD  
INVESTMENT FUNDS  
MANAGEMENT INC.**

*(Signed) George Myhal*  
CEO, President, and Director

**BROOKFIELD SOUNDVEST  
TOTAL RETURN FUND,  
by its manager BROOKFIELD  
INVESTMENT FUNDS  
MANAGEMENT INC.**

*(Signed) George Myhal*  
CEO, President and Director

**BRASCAN SOUNDVEST  
FOCUSED BUSINESS TRUST,  
by its manager BROOKFIELD  
INVESTMENT FUNDS  
MANAGEMENT INC.**

*(Signed) George Myhal*  
CEO, President and Director

**TABLE OF SCHEDULES  
TO  
JOINT INFORMATION CIRCULAR**

**Schedule A**

Diversified Income Fund .....Merger

**Schedule B**

Total Return Fund .....Merger

**Schedule C**

Focused Business Trust .....Merger

**Schedule D**

Focused Business Trust .....Declaration of Trust Amendments

**Schedule E**

Focused Business Trust .....Change of Manager

## SCHEDULE A

### EXTRAORDINARY RESOLUTION OF BRASCAN SOUNDVEST DIVERSIFIED INCOME FUND

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. The merger of Brascan Soundvest Diversified Income Fund (the “**Terminating Fund**”) into Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) substantially in accordance with the description thereof in the Circular is hereby approved.
2. The Terminating Fund’s amended and restated declaration of trust dated as of March 28, 2008 be amended as the Manager, in its discretion, may determine is necessary or desirable to give effect to the Merger, substantially as described in the Circular.
3. The Manager and the Trustee be and they are hereby authorized and directed to take all such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this extraordinary resolution.
4. Notwithstanding the provisions hereof, the Manager is hereby authorized, without further approval of the Unitholders of the Terminating Fund, to determine not to proceed with the transactions contemplated in this extraordinary resolution and to revoke this extraordinary resolution at any time prior to the execution of amendments to the Terminating Fund’s amended and restated declaration of trust giving effect to this extraordinary resolution.
5. All capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Circular.

## SCHEDULE B

### EXTRAORDINARY RESOLUTION OF BRASCAN SOUNDVEST TOTAL RETURN FUND

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. The merger of Brascan Soundvest Total Return Fund (the “**Terminating Fund**”) into Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) substantially in accordance with the description thereof in the Circular is hereby approved.
2. The Terminating Fund’s amended and restated declaration of trust dated as of March 28, 2008 be amended as the Manager, in its discretion, may determine is necessary or desirable to give effect to the Merger, substantially as described in the Circular.
3. The Manager and the Trustee be and they are hereby authorized and directed to take all such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this extraordinary resolution.
4. Notwithstanding the provisions hereof, the Manager is hereby authorized, without further approval of the Unitholders of the Terminating Fund, to determine not to proceed with the transactions contemplated in this extraordinary resolution and to revoke this extraordinary resolution at any time prior to the execution of amendments to the Terminating Fund’s amended and restated declaration of trust giving effect to this extraordinary resolution.
5. All capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Circular.

## SCHEDULE C

### EXTRAORDINARY RESOLUTION OF BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. The merger of Brascan Soundvest Total Return Fund and Brascan Soundvest Diversified Income Fund (the “**Terminating Funds**”) into Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) substantially in accordance with the description thereof in the Circular is hereby approved.
2. The Continuing Fund’s amended and restated declaration of trust dated as of March 28, 2008 be amended as the Manager, in its discretion, may determine is necessary or desirable to give effect to the Merger, substantially as described in the Circular.
3. The Manager and the Trustee be and they are hereby authorized and directed to take all such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this extraordinary resolution.
4. Notwithstanding the provisions hereof, the Manager is hereby authorized, without further approval of the Unitholders of the Continuing Fund, to determine not to proceed with the transactions contemplated in this extraordinary resolution and to revoke this extraordinary resolution at any time prior to the execution of amendments to the Continuing Fund’s amended and restated declaration of trust giving effect to this extraordinary resolution.
5. All capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Circular.

## SCHEDULE D

### EXTRAORDINARY RESOLUTION OF BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. The Manager and the Trustee be and are hereby authorized to amend the Declaration of Trust to change the investment strategy and restrictions of the Continuing Fund, substantially in accordance with the description thereof in the Circular, including amendments to the Declaration of Trust as follows:

- (a) section 5.2 be deleted in its entirety and replaced by:

In order to achieve the Trust's investment objectives set out in Section 5.1, the Trust shall invest its net assets in a diversified portfolio of securities (the "**Portfolio**") consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, real estate investment trusts ("**REIT's**") Canadian mortgage-backed securities and cash and cash equivalents. The Trust may also invest up to 20% of the value of the Portfolio in any other security, in the discretion of the Investment Advisor, that is not otherwise prohibited as provided in Section 5.4.

For the purposes of this Article 5, the term "income trusts" includes securities commonly known as income trusts, as well as enhanced securities, income deposit securities, income participation securities, master limited partnerships and other similar securities structured to deliver a largely yield-based return. The term "income securities" includes bonds, debentures, and other fixed income investments.

- (b) Section 5.3 be deleted in its entirety and replaced by:

The Trust may purchase:

- 1) common shares of Canadian issuers;
    - 2) preferred shares of Canadian issuers;
    - 3) income securities, including bonds and debentures;
    - 4) income trusts;
    - 5) REIT's;
    - 6) Canadian mortgage-backed securities;
    - 7) cash or cash equivalents, in such amounts as the Investment Advisor deems advisable, including indebtedness that has a remaining term to maturity of less than one year and that is issued by the Government of Canada or of a jurisdiction thereof, the government of the United States and of certain other

foreign countries having an approved credit rating for the purposes of NI 81-102 (as if the Trust were subject to NI 81-102) and certain Canadian or foreign financial institutions rated as short term debt and having an approved credit rating for the purposes of NI 81-102 (as if the Trust were subject to NI 81 102); and

- 8) up to 20% of the value of the Portfolio in securities not already listed in subsections 5.3(1) - (7) above and not otherwise prohibited by the restrictions in Section 5.4.
  - (c) Subsection 5.4(1)(b) be deleted in its entirety.
  - (d) Subsection 5.4(1)(q) be added with the following:

make or hold any investment that is “non-portfolio property” for purposes of section 122.1 of the Tax Act;
  - (e) Subsection 5.4(1)(r) be added with the following:

invest more than 20% of the value of the Portfolio in securities not already listed in subsections 5.3(1)-(7) and not otherwise prohibited by this Section 5.4.
2. The Manager and the Trustee be and are hereby authorized to amend the Declaration of Trust to eliminate the Termination Date and permit the Manager, in its sole discretion, to wind-up the Fund if the net asset value of the Fund falls below \$30 million, such that the Continuing Fund will not have a fixed duration, and to permit the Manager, in its discretion, to terminate the Continuing Fund if in its opinion it is no longer economically practical to continue the Continuing Fund or the Manager determines that it would be in the best interests of the Continuing Fund’s Unitholders to terminate the Continuing Fund, including amendments to the Declaration of Trust as follows:
- (a) subsection 1.1(45) be deleted in its entirety and replaced by:

**“Termination Date”** shall mean such date for the termination of the Trust as may be determined pursuant to Section 16.1;
  - (b) subsection 14.3(1)(f) be deleted in its entirety and replaced by:

except in the circumstances set forth in Section 16.1, the liquidation, dissolution or termination of the Trust; and
  - (c) subsection 16.1(1) be deleted in its entirety and replaced by:

16.1 Termination and Winding-Up of the Trust

    - 1) The Trust does not have a fixed termination date but may be terminated at any time upon not less than 90 days’ written notice to the Trustee from the Manager with the prior approval of Unitholders by a resolution passed by holders of more than 50% of the Units voting thereon at a meeting duly convened for the consideration of such termination, provided that

Unitholders holding at least 10% of the Units outstanding on the record date for voting at the meeting vote in favour of such resolution.

The Manager may, in its sole discretion, wind-up the Trust, without the approval of Unitholders, if the net asset value of the Trust falls below \$30 million. In addition, the Manager may, in its discretion, terminate the Trust without the approval of Unitholders, if it believes it is no longer economically practical to continue the Trust or the Manager determines that it would be in the best interests of Unitholders to terminate the Trust. The Manager may not wind-up or terminate the trust without the approval of Unitholders unless Unitholders are provided not less than 60 days' and not more than 90 days' notice of the termination or winding up, as applicable, and the issuance of a press release announcing the termination of the Trust to be issued prior to the termination.

Any such event is referred to as the "Termination Date". The Manager may, in its discretion and upon not less than 30 days' prior written notice to Unitholders, extend the Termination Date by a maximum of 180 days if the Manager would be unable to convert all the assets of the trust to cash and the Manager determines that it would be in the best interests of the Unitholders to do so.

3. The Manager and the Trustee be and are hereby authorized to amend the Declaration of Trust to eliminate the mandatory Unit repurchase obligations, substantially in accordance with the description thereof in the Circular, including amendments to the Declaration of Trust as follows:
  - (a) subsection 6.17(1) be deleted in its entirety; and
  - (b) subsection 6.17(2) be amended by deleting the opening phrase "Notwithstanding Section 6.17(1) and".
4. The Manager and the Trustee be and are hereby authorized to amend the Declaration of Trust to change the annual redemption date substantially in accordance with the description thereof in the Circular, including amendments to the Declaration of Trust as follows:
  - (a) subsection 1.1(39) be revised by deleting the phrase "shall mean the last business day in November of each year, commencing in 2006" and replacing it by:

shall mean the last business day in August of each year, commencing in 2010;
  - (b) subsection 6.18(1) be revised by deleting the phrase "in the month of November" and replacing it by:

in the month of August
5. The Manager and the Trustee be and are hereby authorized to amend the Declaration of trust to reflect the amendments substantially in accordance with the description thereof in the Circular under "Changes to the Continuing Fund - Other Amendments", including amendments to the Declaration of Trust as follows:

- (a) section 5.6 be revised by inserting “as proposed to be amended” after “for purposes of the Tax Act”;
- (b) subsection 6.3(2) be revised by inserting “together” before “non-residents”;
- (c) section 8.9 be deleted in its entirety and replaced by:

Where the Trust distributes its assets in accordance with Section 16.1 in connection with a termination of the Trust on such date as specified therein, the Trustee upon the advice of the Manager shall designate a portion of such Unitholder’s distribution from the Trust as payment out of any Net Income or Net Realized Capital Gains of the Trust not previously allocated to Unitholders, whether arising before or as a consequence of such distribution, and the provisions of Section 8.2 shall not apply to such distribution;

- 6. The Manager and the Trustee be and they are hereby authorized and directed to take all such action and to execute and deliver all such documentation as may be necessary or desirable for the implementation of this extraordinary resolution.
- 7. Notwithstanding the provisions hereof, the Manager is hereby authorized, without further approval of the Unitholders of the Continuing Fund, to determine not to proceed with the transactions contemplated in this extraordinary resolution and to revoke this extraordinary resolution at any time prior to the execution of amendments to the Continuing Fund’s amended and restated declaration of trust giving effect to this extraordinary resolution.
- 8. All capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Circular.

## SCHEDULE E

### EXTRAORDINARY RESOLUTION OF BRASCAN SOUNDVEST FOCUSED BUSINESS TRUST

BE IT RESOLVED AS AN EXTRAORDINARY RESOLUTION THAT:

1. The change in the manager of the Brascan Soundvest Focused Business Trust (the “**Continuing Fund**”) from Brookfield Investment Funds Management Inc. (the “**Manager**”) to Brookfield Soundvest Capital Management Inc. (the “**Change of Manager**”) substantially in accordance with the description thereof in the Circular is hereby approved.
2. The Continuing Fund’s amended and restated declaration of trust dated March 28, 2008 (the “**Declaration of Trust**”) and management agreement dated September 28, 2005 (the “**Management Agreement**”) be amended and restated as may be required to implement or give effect to the Change of Manager as described in the Circular.
3. The Trustee be and is hereby authorized and directed to take all such action and execute and deliver all such documentation (including any appropriate amendment to, or amendment and restatement of, the Declaration of Trust and Management Agreement of the Continuing Fund) as may be necessary or desirable for the implementation of this extraordinary resolution.
4. Notwithstanding the provisions hereof, either the Trustee or the Manager are hereby authorized, without further approval of the Unitholders of the Continuing Fund, to determine not to proceed with the Change of Manager as contemplated in this extraordinary resolution and to revoke this extraordinary resolution at any time prior to the execution of the amended and restated declaration of trust and management agreement of the Continuing Fund.
5. All capitalized terms not otherwise defined in this resolution have the meanings ascribed thereto in the Circular.