

MANAGEMENT REPORT OF FUND PERFORMANCE

This annual management report of fund performance (“MRFP”) is intended to provide readers with the financial highlights and an assessment of the performance of Brookfield Soundvest Split Trust (formerly Brascan SoundVest Rising Distribution Split Trust) (the “Trust”) for the year ended December 31, 2010 (the “Period”). The annual financial statements are audited and have been prepared by and are the responsibility of the manager of the Trust. All figures in the MRFP are in Canadian dollars as at December 31, 2010, unless otherwise indicated.

This annual MRFP contains financial highlights, but does not contain the complete annual financial statements of the Trust. You can get a copy of the annual financial statements at your request, and at no cost, by calling 888-777-4019; by writing to us at 100 Sparks Street, Suite 900, Ottawa, Ontario, K1P 5B7; or by visiting our website at www.brookfieldsoundvest.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the Trust’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Trust’s investment objectives are to provide holders of preferred securities with fixed quarterly interest payments in the amount of \$0.15 per preferred security (\$0.60 per annum to yield 6% per annum on the original subscription price of \$10.00) and the repayment of the original subscription price at maturity. For unitholders, the Trust’s objectives are to provide holders with regular cash distributions and to maximize long-term total return of the Trust’s portfolio.

The Trust’s investment strategy is to invest its net assets in a diversified portfolio of securities consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, real estate investment trusts (“REITs”), 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.

RISKS

The risks of investing in the Trust remain as discussed in the Trust’s Annual Information Form and Prospectus. As stated under “Risk Factors - No Assurances of Achieving Objectives” in the Trust’s Annual Information Form, the Trust intends to make monthly cash distributions to unitholders. However, such distributions may not be made if, after giving effect to the proposed distributions, the Combined Value would be less than 1.4 times the Repayment Price (as such terms are defined in the Trust’s Annual Information Form) (the “Coverage Ratio”). In accordance with its Declaration of Trust, the Trust suspended the distribution on its Capital Units for the months of October, November and December 2008, each month of 2009 and 2010, as well as for January 2011. On February 17, 2011, when it was anticipated that a distribution could be paid without violating the 1.4 times coverage ratio, a quarterly distribution of \$0.01 per Capital Unit was declared, reflecting a current annualized rate of \$0.04 per unit.

On October 23, 2008, the Trust also announced that it was temporarily suspending the annual redemption rights that would have arisen in November 2008 for both its Capital Units and Preferred Securities. The Declaration of Trust provides for the suspension of redemptions when the 1.4 times coverage ratio cannot be maintained. By January 2011 it was anticipated that redemptions could be processed without violating the 1.4 times coverage ratio and the suspension was lifted on January 5, 2011 with a Redemption Date of February 14, 2011. Unitholders tendered 1,310,344 Combined Securities (being one Capital Unit and a \$10.00 principal amount of Preferred Securities) and 260,174 Capital Units were tendered alone. In accordance with the Declaration of Trust, 260,174 Preferred Securities were purchased in the market at a total price of \$2,676,831 to match with the Capital Units tendered alone and total redemption proceeds of \$20,445,419 were paid on March 4, 2011 to settle the Capital Units and Combined Securities surrendered through the redemption process.

There can be no assurance that the Trust will be able to repay the original subscription price. Please refer to the risks discussed under the section “Risk Factors - No Assurances at Achieving Objectives” in the Trust’s Annual Information Form and Prospectus.

RESULTS OF OPERATIONS

The Trust's net assets increased by \$11.8 million or 92.2%, from \$12.8 million as at December 31, 2009 to \$24.6 million as at December 31, 2010. This change is entirely attributable to investment performance (net of expenses) where a gain of \$12.0 million was reported. This gain was reduced by \$200 thousand of unitholder activity consisting of the repurchase of capital units by the Trust. The Trust's investment performance and unitholder activity for 2010 are discussed in more detail below.

Investment Performance

For the year ended December 31, 2010, the Trust's published net asset value per unit of the Capital Units, which is used for purchases and redemptions, was \$4.41. The combined net asset value of the Trust was \$14.41 at December 31, 2010, an increase of \$2.09 from December 31, 2009. For the year ended December 31, 2010, the Trust's published net asset value per capital unit, which is used for purchases and redemptions, increased by 90.3%, resulting in a total return, including distributions, of 90.3%. The published NAV of the combined units increased 17.0% for the twelve months ended December 31, 2010. If interest paid on the preferred units is included, the return based on NAV for the twelve months ended December 31, 2010 was 21.9% for the combined units. During the same timeframe, the S&P/TSX Capped Income Trust Total Return Index returned positive 26.7% and the S&P/TSX Composite returned a positive 17.6%.

For the twelve months ended December 31, 2010, the Trust generated net realized losses of approximately \$170 thousand. Most of the sales were executed in order to reduce existing positions and attain desired weightings while others were executed with the intention to exit positions entirely. The net realized loss was largely due to reducing the Trust's positions in Coast Wholesale Income Fund (\$291 thousand loss) to a desired weighting and from exiting the entire position in Avenir Diversified Income Fund (\$425 thousand loss), Yellow Pages Income Fund (\$457 thousand loss) and Paramount Energy Trust (\$356 thousand loss). The losses were partially offset by a number of sales generating capital gains. Gains were realized on the partial sales of the Trust's position in Vermillion Energy (\$149 thousand gain) and Atlantic Power Corp (\$163 thousand gain) which were executed to reduce the holding to its desired weighting. Gains were also realized from selling the entire position of Davis and Henderson Income Fund (\$298 thousand gain) and Bird Construction Income Fund (\$242 thousand gain).

The Trust outperformed the index based on net asset value. The Trust's outperformance can mainly be attributed to security selection and, to a lesser degree, sector selection. Security selection in the oil and gas, REIT, energy and industrial sectors contributed positively to performance as the Trust's sector performance was superior to the index sector performance in all four sectors. The combined effect of an overweight position and security selection in the underperforming business trust sector contributed negatively to performance. The underweight position in the materials sector also detracted from overall returns as the sector outperformed the broad index over the year.

Fees and Expenses

Fees and expenses for the year totalled \$4.6 million, up from \$4.3 million for the same period in 2009, representing an annualized management expense ratio ("MER") of 27.79% as compared to 120.23% for the year ended December 31, 2009. The MER is based on the total expenses of the Trust, including interest on preferred securities, for the stated year (excluding brokerage commissions) and is expressed as an annualized percentage of the daily average net asset value of the capital units for the year. The MER before interest expense for the years ended December 31, 2010 and 2009 was 7.34% and 25.54%, respectively.

Unitholder Activity

To provide liquidity, capital units and preferred securities of the Trust are listed on the TSX under the symbols BSD.UN and BSD.PR.A, respectively. Under terms of the Trust's Declaration of Trust, additional liquidity is provided by way of an annual redemption program, under which the Trust's units and preferred securities, under certain conditions, are redeemable on the last business day of November of each year at 100% of the net asset value per unit. On October 23, 2008, the Trust announced that the annual redemption rights that would have arisen in November 2008 had been temporarily suspended. See "Redemptions" below. In addition, the Trust had a normal course issuer bid that expired on February 10, 2010. There were no units or preferred securities repurchased under the normal course issuer bid in 2010 and no units were redeemed or cancelled under the annual redemption program.

A new normal course issuer bid was established effective October 14, 2010 and the Trust has the right under the bid to purchase for cancellation up to 520,675 of its capital units, representing approximately 10% of the public float of the capital units and 520,675 of its preferred securities, representing approximately 9.19% of the public float of the preferred securities issued and outstanding as at October 12, 2010. During the year, 61,400 capital units and 61,400 of preferred securities were repurchased and cancelled under the NCIB. An additional 200 capital units were purchased under the normal course issuer bid and were matched with preferred securities and cancelled during the period January 1, 2011 through January 11, 2011.

In accordance with the Trust's Declaration of Trust and trust indenture, any capital units purchased for cancellation will be accompanied by the Trust repurchasing an equal number of preferred securities, and vice versa. Purchases must terminate on October 13, 2011. The Trust will not purchase in any given 30-day period, in the aggregate, more than 113,252 capital units and 113,252 preferred securities, being 2% of the issued and outstanding capital units and preferred securities as of October 12, 2010. Purchases made pursuant to the normal course issuer bid will be made in the open market through the facilities of the Toronto Stock Exchange. The price that the Trust will pay for any such shares will be the market price of such shares at the time of acquisition. The Manager is of the opinion that capital units and preferred securities of the Trust may become available during the proposed purchase period at prices that would make such purchases in the best interests of the Trust and its securityholders.

On October 23, 2008, the Trust announced that it was temporarily suspending the distribution on its Capital Units, in accordance with its Declaration of Trust, as the Trust's net asset value was below the required 1.4 times coverage ratio. The Trust suspended its distribution on capital units for each month of 2010, as well as for January 2011, and on February 17, 2011, when it was anticipated that a distribution could be paid without violating the 1.4 times coverage ratio, a quarterly distribution of \$0.01 per Capital Unit was declared, reflecting a current annualized rate of \$0.04 per unit.

Redemptions

On October 23, 2008, the Trust also announced that it was temporarily suspending the annual redemption rights that would have arisen in November 2008 for both its capital units and preferred securities. The Declaration of Trust provides for the suspension of redemptions when the 1.4 times coverage ratio cannot be maintained. By January 2011 it was anticipated that redemptions could be processed without violating the 1.4 times coverage ratio and the suspension was lifted on January 5, 2011 with a Redemption Date of February 14, 2011. Unitholders tendered 1,310,344 Combined Securities (being one Capital Unit and a \$10.00 principal amount of Preferred Securities) and 260,174 Capital Units were tendered alone. In accordance with the Declaration of Trust, 260,174 Preferred Securities were purchased in the market at a total price of \$2,676,831 to match with the Capital Units tendered alone and total redemption proceeds of \$20,445,419 were paid on March 4, 2011 to settle the Capital Units and Combined Securities surrendered through the redemption process.

Credit Facility

On March 11, 2010, our 364-day revolving term credit facility with a Canadian chartered bank expired and was subsequently converted to a demand facility. The maximum draw under the demand facility was limited to the lower of \$5.0 million or an amount not exceeding 7% of the value of the assets within the portfolio, nor the sum of collateral asset value, cash and cash equivalents and overnight investments of the Trust. The demand facility bears a variable interest rate at Prime or bankers' acceptance rates.

The demand facility was replaced June 16, 2010 and at December 31, 2010, the Trust arranged for a 364-day revolving term credit facility that expires on March 10, 2011 (the "facility") available with a Canadian chartered bank bearing variable interest at prime or bankers' acceptance rates. The Trust utilizes the borrowings to purchase additional portfolio investments and for general Trust purposes. The maximum draw under the facility is limited to the lower of \$5.0 million or an amount not exceeding 7% of the value of the assets within the portfolio, nor the sum of collateral asset value, cash and cash equivalents and overnight investments of the Trust. The facility is secured by a first-ranking and exclusive charge on all of the Trust's assets. As at December 31, 2010, there was no balance on this facility. The minimum and maximum amounts borrowed under these arrangements during 2010 were \$0 and \$1.8 million respectively.

RELATED-PARTY TRANSACTIONS

At the meeting of unitholders held on April 20, 2010, unitholders approved a proposal that included renaming the Trust “Brookfield Soundvest Split Trust” and changing the manager from Brookfield Investment Funds Management Inc. to Brookfield Soundvest Capital Management Ltd. (collectively the “Manager”). Brookfield Investment Funds Management Inc. is a subsidiary of Brookfield Asset Management Inc. and Brookfield Soundvest Capital Management Ltd., the Investment Advisor to the Trust since its inception, is 50% owned by Brookfield Asset Management Inc.

The Manager of the Trust is responsible for managing all of the Trust’s activities and Management fees are paid to the Manager based on terms set out in the management agreement at a rate of 1.10% per annum of the total assets of the Trust less the amount outstanding under the loan facility. In addition, the Trust also pays the Manager a service fee equal to 0.40% per annum of the net asset value. The service fee is, in turn, paid to investment dealers based on the proportionate number of units held by clients of such dealers. During the year, management fees accrued or paid to Brookfield Soundvest Capital Management Ltd, totalled \$0.8 million (2009 - \$0.6 million of which \$0.3 million was paid to the Investment Advisor). Service fees accrued or paid during the year totalled \$74 thousand (\$20 thousand in 2009).

RECENT DEVELOPMENTS

Accounting Policy Changes

Future Accounting Changes - International Financial Reporting Standards

In 2005, the Accounting Standards Board of Canada (AcSB) announced that accounting standards in Canada are to be replaced with International Financial Reporting Standards (“IFRS”). In May 2007, the AcSB published an updated version of its implementation plan which outlines the key decisions that the AcSB will need to make as it implements the Strategic Plan for publicly accountable enterprises that will replace Canadian GAAP with IFRS by January 1, 2011. The key elements of the plan include the disclosures of the qualitative impact in the 2009 and 2010 financial statements, disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS. In February 2008, the AcSB released its final report on progress in preparing for the crossover, noting that the necessary infrastructure and awareness was in place for a successful conversion

Based on the Manager’s current evaluation of the differences between Canadian GAAP and IFRS, the Manager does not expect that the net asset value of the Trust will be impacted by the changeover to IFRS. The Manager expects that the impact of IFRS on the Trust’s financial statements will result in additional disclosures and potentially different presentation.

However, the Accounting Standards Board has approved Canadian investment companies having the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2013. Accordingly, the Trust will adopt IFRS for its fiscal period beginning January 1, 2013, and will issue its initial financial statements in accordance with IFRS, including comparative information, for the interim period ending June 30, 2013.

OUTLOOK

While the income trust era is over, there remains a strong and vibrant “high yield equity sector” in Canada which should continue to play a prominent role in investors’ strategic asset allocation decision making process. While many conventional corporations retain significant amounts of internally generated cash and are expected to do so going forward, many corporations, formerly income trusts, should continue to generate significant free cash flow. This will allow for meaningful cash distributions, providing investors with appealing market yields both on a before and after-tax basis.

The Trust will remain focused on yield oriented investments along with a bias towards total return investing. While many investments provide high yields, not all meet the rigorous requirements for inclusion into the Trust. The Trust remains focused on investments with strong management teams, attractive business economics and reasonable valuations.

FINANCIAL HIGHLIGHTS

The following tables detail selected key financial information about the Trust and are intended to assist readers in understanding the Trust's financial performance since inception.

The Trust's Net Assets Per Capital Unit¹

	2010 ³	2009 ³	2008 ³	2007 ³	2006 ³
Net assets - beginning of year	\$ 2.26	\$ —	\$ 6.76	\$ 8.92	\$ 13.79
Increase (decrease) from operations					
Total revenue	1.07	0.46	1.47	2.00	2.29
Total expenses	(0.82)	(0.07)	(0.72)	(0.91)	(1.00)
Transaction costs	(0.01)	(0.01)	(0.01)	(0.02)	—
Net realized losses on sale of investments	(0.03)	(0.39)	(1.32)	(0.79)	(2.99)
Net changes in unrealized gains (losses)	2.04	2.61	(3.09)	(0.40)	(1.09)
Return of capital	(0.14)	(0.06)	(0.37)	(0.53)	(0.72)
Total increase (decrease) from operations²	2.11	2.54	(4.04)	(0.65)	(3.51)
Distributions					
From dividend income	—	—	(0.10)	(0.05)	—
From investment income	—	—	(0.35)	(0.34)	(0.37)
Return of capital	—	—	(0.31)	(1.01)	(1.01)
Total distributions⁴	—	—	(0.76)	(1.40)	(1.38)
Net assets - end of period⁵	\$ 4.39	\$ 2.26	\$ —	\$ 6.76	\$ 8.92

The Trust's Net Assets Per Preferred Security¹

	2010 ³	2009 ³	2008 ³	2007 ³	2006 ³
Net assets - beginning of year	\$ 10.00	\$ 8.43	\$ 10.00	\$ 10.00	\$ 10.00
Increase (decrease) from operations					
Total revenue	—	0.61	0.26	—	—
Total expenses	—	(0.69)	(0.12)	—	—
Transaction costs	—	(0.02)	(0.00)	—	—
Net realized losses on sale of investments	—	(2.60)	(0.96)	—	—
Net changes in unrealized gains (losses)	—	4.06	(2.69)	—	—
Return of capital	—	(0.09)	(0.02)	—	—
Gain on retirement of preferred securities	—	0.02	—	—	—
(Increase) decrease in value of preferred securities	—	(1.57)	1.57	—	—
Total decrease from operations²	—	(0.28)	(1.96)	—	—
Total distributions⁴	(0.60)	(0.60)	(0.60)	(0.60)	(0.60)
Net assets - end of year⁵	\$ 10.00	\$ 10.00	\$ 8.43	\$ 10.00	\$ 10.00

1 This information is derived from the Trust's audited financial statements. The net assets per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. This difference is due to the revaluation of the investment portfolio using bid pricing in determining the net assets of the Trust

2 Net asset value and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

3 As at and for the twelve months ended December 31

4 Distributions were paid in cash

5 Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period. Accordingly, totals may not sum in the above table due to the different basis for computing the per unit amounts

The following table illustrates components of the Trust's overall return:

	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹
Net investment income	\$ 1,400,627	\$ 1,723,700	\$ 5,066,242	\$ 7,102,394	\$ 8,787,805
Transaction costs	(53,501)	(108,873)	(51,783)	(119,925)	—
Net realized losses on sale of investments	(166,175)	(16,967,412)	(12,989,629)	(5,159,373)	(20,385,698)
Net change in unrealized gains (losses)	11,560,843	37,817,202	(32,850,560)	(2,618,968)	(7,415,288)
Return of capital	(766,777)	(853,227)	(2,193,960)	(3,467,509)	(4,945,140)
Gain on retirement of preferred securities	20,488	91,264	—	—	—
(Increase)/Decrease in value of preferred securities	—	(8,921,502)	8,921,502	—	—
Income (loss) from operations	11,995,505	12,781,152	(34,098,188)	(4,263,381)	(23,958,321)
Income (loss) from operations per unit	2.11	2.26	(6.00)	(0.65)	(3.51)
Net assets per unit	\$ 2.39	\$ 2.26	\$ —	\$ 6.76	\$ 8.92

¹ As at and for the twelve months ended December 31

Ratios and Supplemental Data - Capital Units

	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹
Total net asset value	\$ 24,562,842	\$ 12,771,189	\$ —	\$ 38,394,188	\$ 58,781,011
Number of units outstanding	5,601,043	5,662,643	5,682,543	5,682,543	6,591,715
Management expense ratio before interest expense	7.34%	11.30%	3.69%	3.44%	2.90%
Management expense ratio ²	27.79%	11.70%	13.87%	10.83%	8.22%
Management expense ratio before waivers or absorptions	27.79%	11.70%	13.87%	10.83%	8.22%
Trading expense ratio ³	0.32%	1.53%	0.18%	0.21%	0.18%
Portfolio turnover rate ⁴	7.60%	34.26%	12.58%	17.25%	22.58%
Monthly distribution per unit	—	—	\$ 0.084	\$ 0.1167	\$ 0.1167
Annualized trailing yield ⁵	—	—	17.7% ⁶	22.0%	17.3%
Closing market price	\$ 3.71	\$ 1.70	\$ 0.27	\$ 6.37	\$ 8.10

Ratios and Supplemental Data - Preferred Securities

	2010 ¹	2009 ¹	2008 ¹	2007 ¹	2006 ¹
Total net asset value	\$ 56,012,430	\$ 56,626,430	\$ 47,903,928	\$ 56,825,430	\$ 65,917,150
Number of units outstanding	5,601,243	5,662,643	5,682,543	5,682,543	6,591,715
Management expense ratio before interest expense	—	0.97%	0.20%	—	—
Management expense ratio ²	—	7.39%	1.29%	—	—
Management expense ratio before waivers or absorptions	—	7.39%	1.29%	—	—
Trading expense ratio ³	—	0.10%	0.02%	—	—
Portfolio turnover rate ⁴	—	34.26%	12.58%	17.25%	22.58%
Quarterly distribution per unit	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15	\$ 0.15
Annualized trailing yield ⁵	6.15%	7.23%	14.2%	6.6%	6.0%
Closing market price	\$ 9.75	\$ 8.30	\$ 4.23	\$ 9.06	\$ 10.02

¹ As at and for the twelve months ended December 31

² Management expense ratio of a particular series is based on total expenses (excluding commissions and other portfolio transaction costs) attributable to that series for the stated period and is expressed as an annualized percentage of daily average net assets of that series during the period. Total expenses include interest on the Trust's Preferred Shares. The Preferred Shares form part of the Trust's dual security capital structure. As long as the Net Assets per unit of the Trust is above \$10 per unit, then the expenses of the Trust are borne by the Capital Units. If the Net Assets per unit of the Trust falls to or below \$10 per unit, then the expenses of the Trust are borne by the Preferred Shares until such time as the Net Assets per unit of the Trust returns to \$10 per unit or more.

³ The trading expense ratio represents commission costs expressed as an annualized percentage of daily average net asset value during the period

⁴ The Trust's portfolio turnover rate indicates how actively the Trust's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Trust buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the Trust in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Trust

⁵ Based on annualized cumulative distributions per unit and the closing market price

⁶ Annualized trailing yield for 2008 on the capital units utilizes a closing price for purposes of the calculation of \$4.28, or the closing price as of September 30, 2008, which is the last month of distributions in that year.

Management and Service Fees

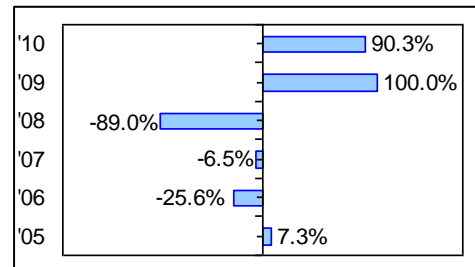
Pursuant to a management agreement, the Manager provides management and administrative services to the Trust, for which it is paid a management fee equal to 1.10% per annum of the total assets of the Trust less the amount outstanding under the loan facility, calculated and paid monthly, plus applicable taxes. The Trust also pays to the Manager a service fee equal to 0.40% per annum of the net asset value, calculated and paid quarterly. The service fee is in turn paid by the Manager to investment dealers based on the proportionate number of units held by clients of such dealers at the end of each calendar quarter.

PAST PERFORMANCE

The following chart and table show the past performance of the Trust and do not necessarily indicate how the Trust will perform in the future. The information shown is based on the net assets per unit and assumes that distributions made by the Trust in the periods shown were reinvested (at the net assets per unit) in additional units of the Trust.

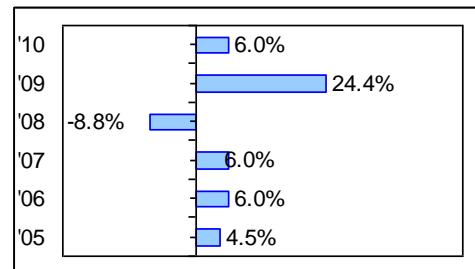
Year-by-Year Returns - Capital Units

The bar chart shows the Trust's total returns (based on net assets per capital unit) and includes distributions made in each period since inception to December 31, 2010. The chart shows, in percentage terms, how an investment held on the first day of each fiscal period would have increased or decreased by the last day of the fiscal period.



Year-by-Year Returns - Preferred Securities

The bar chart shows the Trust's total returns (based on net assets per preferred security) and includes distributions made in each period since inception to December 31, 2010. The chart shows, in percentage terms, how an investment held on the first day of each fiscal period would have increased or decreased by the last day of the fiscal period.



Annual Compound Returns

The following table shows the Trust's compound return, based on published net asset values, for the periods noted and the annual compound returns, based on net asset values, since inception and for the three-year period ended December 31, 2010, compared with the Index.

Capital Units

	2010 ¹	3-Year ²	5-Year ³	Since Inception ⁴
Trust - Net asset value	90.3%	(13.8%)	(20.4%)	(17.9%)
Trust - Total Return, including distributions	90.3%	(9.2%)	(10.4%)	(7.2%)
S&P/TSX Capped Income Trust Total Return Index	26.7%	10.0%	6.6%	9.5%

Preferred Securities

	2010 ¹	3-Year ²	5-Year ³	Since Inception ⁴
Trust - Net asset value	—%	—%	—%	—%
Trust - Total Return, including distributions	6.0%	5.7%	5.4%	5.2%
S&P/TSX Capped Income Trust Total Return Index	26.7%	10.0%	6.6%	9.5%

¹ For the twelve months ended December 31

² Period from January 1, 2008 to December 31, 2010

³ Period from January 1, 2006 to December 31, 2010

⁴ For the period from inception (March 16, 2005) to December 31, 2010, net of issuance costs

SUMMARY OF INVESTMENT PORTFOLIO

The Summary of Investment Portfolio may change due to ongoing portfolio transactions of investments in the Trust. A quarterly update is available on our website at www.brookfieldfunds.com.

Portfolio Composition

As at December 31, 2010, the Trust was invested in the following sectors in the percentages shown below:

	2010¹	
	Percentage of	Permitted Percentage
	Net Assets	of Total Investment Portfolio
Canadian Bonds and Debentures	0.0%	0%-100%
Canadian Preferred Stocks	0.0%	0%-100%
Canadian Income Trusts	242.6%	0%-100%
Canadian Common Stocks	56.9%	0%-100%
Other	0.0%	0%-20%
Total Investment Portfolio	299.5%	100%
Cash and Equivalents	28.5%	
Liabilities in excess of other assets	(228.0%)	
Net Assets	100.0%	

¹ Based on market value as at December 31, 2010

**Top 25 Positions**

The top 25 positions held by the Trust as at December 31, 2010, were as follows:

Number of Units		Fair Value	Percentage of Investment Portfolio
225,000	Bonavista Energy Trust	6,471,000	8.9%
270,000	First National Financial Income Fund	5,008,500	6.9%
328,428	Just Energy Income Fund	4,916,567	6.7%
100,000	Vermilion Energy Trust	4,618,000	6.3%
180,000	ARC Energy Trust	4,573,800	6.2%
341,000	Artis REIT	4,504,610	6.2%
140,000	Enerplus Resources Fund	4,291,000	5.8%
160,000	Zargon Energy Trust	3,556,800	4.8%
251,300	Altus Group Income Fund	3,261,874	4.4%
65,000	Crescent Point Energy Corporation	2,871,050	3.8%
123,600	Tourmaline Oil Corporation	2,688,300	3.7%
150,000	Exchange Income Corporation	2,626,500	3.6%
220,000	CML Healthcare Income Fund	2,512,400	3.4%
110,000	H&R REIT	2,137,300	2.9%
162,800	Pengrowth Energy Trust	2,077,328	2.8%
95,000	Allied Properties REIT	2,046,300	2.8%
80,000	Calloway REIT	1,869,600	2.5%
57,000	Genivar Income Fund	1,721,970	2.3%
120,000	IBI Group Income Fund	1,614,000	2.2%
40,000	Keyera Facilities Income Fund	1,406,000	1.9%
60,000	Cineplex Galaxy Income Fund	1,344,000	1.8%
80,000	Atlantic Power Corporation	1,175,200	1.6%
140,000	Macquarie Power & Infrastructure Income Fund	1,143,800	1.6%
244,900	Coast Wholesale Appliances Income Fund	1,126,540	1.5%
70,000	Inter Pipeline Fund	1,043,700	1.4%

Garry M. Skinner
Chief Financial Officer of the Manager