

IN PROFILE

Brascan SoundVest Rising Distribution Split Trust (the “Fund”) is managed by a subsidiary of Brookfield Asset Management Inc., an asset management company focused on property, power and infrastructure assets, with over US\$50 billion of assets under management.

The Fund’s investment advisor and portfolio manager is SoundVest Capital Management Ltd., an established investment advisor with recognized expertise investing in income trusts and equities.

Together, we are partnering for performance, building a track record of sustainable and growing distributions for our unitholders.

BSD.UN

2006 annual target distribution (capital units) **140 cents**

BSD.PR.A

2006 annual target distribution (preferred securities) **60 cents**

We are committed to providing unitholders with a stable stream of monthly distributions and maximizing your long-term total return.

We will continue to seek opportunities to acquire investments in high quality businesses, run by strong management teams at attractive prices.

This approach has enabled us to increase our target distributions in 2006.

REPORT TO UNITHOLDERS

Dear Fellow Unitholders,

The first six months of 2006 was a volatile period for income trusts. However, through this uncertainty, we maintained the steady performance of Brascan SoundVest Rising Distribution Split Trust (the "Fund") and in May 2006, increased our monthly distribution for the Fund.

We are pleased to share with you an overview of the current market conditions, our views on income trusts, as well as our outlook for the remainder of 2006.

MARKET OVERVIEW

For the first six months of 2006, the S&P/TSX Capped Income Trust Total Return Index gained 8.2%. However, this positive return does not reflect the significant market volatility throughout the period. From January 1, 2006 to April 21, 2006, the Index gained 9.8% to close at a high of 252.87. From April 21, 2006 to June 13, 2006, the Index closed at a low of 224.72, a loss of 11.1%, and from June 13, 2006 to June 30, 2006, the Index gained 10.9% closing at 249.17. These three distinct periods of market performance illustrate the significant changes in market conditions and sentiment over the period.

As well, the performance was not consistent across all sectors of the income trust market during this six month period. According to the CIBC WM Income Trust Group Indices, oil and gas royalty trusts were the top performers with a return of 12.7%. REITs returned 4.3%, power and pipeline trusts returned 0.6% and business trusts provided the only negative returns, at 0.1%. Oil and gas royalty trusts account for over 60% of the S&P/TSX Capped Income Trust Total Return Index versus an average of 47% in 2005. As a result, the Index is increasingly sensitive to changes in the prices of oil and gas royalty trusts and therefore changes in the underlying prices of oil and gas.

Income trusts have now become a core component of the S&P/TSX Composite Index, a leading indicator of market activity for the Canadian equity market. Originally added on December 16, 2005, based on 50% weighting of their market capitalization, the remaining 50% weighting was added March 17, 2006. Income trusts now constitute approximately 12% of the Index by weight and represent 73 of the 279 companies in the Index, making income trusts an integral component of the Canadian equity market.

The first six months of 2006 have also seen a rising interest rate environment. The Bank of Canada rate which started the year at 3.50%, now stands at 4.50%. While interest rates may continue to increase slightly over the next 12 to 24 months, we do not expect significant changes. Rising interest rates tend to have a negative impact on equity valuations in general; however, the impact should be muted if interest rates do not materially increase from current levels.

INCOME TRUSTS – GETTING PAID EVERY MONTH

Notwithstanding the significant turbulence in the income trust market in the first six months of the year, we continue to believe that income trusts represent an attractive long term investment opportunity.

The current income trust market offers investors significant diversity and opportunity. From its inception in 1986, to the domination of the oil and gas royalty trusts and REITs in the 1990's, the income trust market has expanded significantly in depth and diversity, as shown in the chart below:

Sub-Sector	# of Trust	Market Capitalization (\$B)	% Market Capitalization
Oil and gas royalty trusts	35	\$ 85.8	42%
Business trusts	162	77.0	37%
REITs	31	24.0	12%
Power and pipeline trusts	23	19.1	9%
Total	251	\$ 205.9	100%

The average market capitalization of an income trust is now over \$820 million and there are 55 income trusts with a market capitalization in excess of \$1 billion.

Distributions of income trusts are not fixed but tend to vary over time based on the economic performance of the business underlying the income trust and its distribution policy. Despite headlines in the newspapers profiling distribution cuts and income trusts with problems, we are firmly focused on the facts as presented in the table below. Over the past two and a half years, the majority of trusts have either maintained or increased their distributions:

	2006 (Six Months)	2005	2004
Increased distribution*	26.3%	44.9%	38.3%
Constant distribution*	63.7%	46.6%	52.0%
Decreased/omitted/no distribution	10.0%	8.5%	9.7%

* Based on announcement date.

Investors also benefit from the high average yield of the overall income trust market. As at June 30, 2006, the average yield on all income trusts was 9.7%. The long-term historical performance for equities over the last 45 years was 10.4% per annum and somewhat lower for bonds.

Lastly, income trusts provide monthly cash flow. Regardless of the volatility of market prices, investors continue to receive their monthly distributions. We not only continued to meet our targeted distributions, but we have increased the targeted distributions for all our Funds that have existed for more than a year. The decision to increase distributions is based primarily on the current and future net cash flow available for distribution from the portfolio of investments in each Fund. Increased distributions from income trust securities held in each portfolio are ultimately passed on to you, the unitholder, through your monthly distributions.

FUND PERFORMANCE

Our Fund was fully invested through to June 30, 2006. For the six months ended June 30, 2006, we met and increased our distributions for the Fund as detailed on the table below:

<i>(per unit)</i>	June 30, 2006¹	Dec. 31, 2005 ²	June 30, 2005 ¹
Beginning NAV	\$ 13.79	\$ 13.79	\$ 13.79
Ending NAV	\$ 12.51	\$ 13.79	\$ 14.65
Change in NAV	\$ (1.28)	\$ —	\$ 0.86
Beginning monthly distribution	\$ 0.1125	\$ 0.1125	\$ 0.1125
Ending monthly distribution	\$ 0.1167	\$ 0.1125	\$ 0.1125

¹ As at and for the six months ended June 30.

² As at and for the twelve months ended December 31, 2005.

OUTLOOK

We expect volatility in the income trust market for the remainder of 2006, given the heavy influence of oil and gas royalty trusts in the S&P/TSX Capped Income Trust Total Return Index. While we continue to believe that is not prudent to have a weighting in oil and gas royalty trusts of over 60%, like that of the Index (or in any single distinct sector), we continue to position our Funds with exposure to the oil and gas sector through direct oil and gas investment, exposure through its service sector, and investing in businesses that are economically connected with Canada's western economy.

We are committed to capital preservation as our top priority and will continue to look for opportunities to acquire high quality businesses run by strong management teams at attractive prices. We will work to take advantage of market volatility and provide our investors with both strong absolute and relative performance over the long term.

Thank you for your continued support of our Fund.



Bruce Robertson
On behalf of the Manager



Kevin Charlebois
On behalf of the Investment Advisor

Forward Looking Statements

The Report to Unitholders and Management Report of Fund Performance contain "forward-looking statements" and information. The words "believe," "typically," "generally," "anticipate," "expect," "will," "potential," "positioned," "should," "seek," and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify forward-looking statements. Although the Fund Manager and Investment Advisor believe that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forward in the forward-looking statements or information include: general economic conditions; changes in interest and exchange rates; changes in legislation or practices governing the income trust sector, and other risks and factors described from time to time in the documents filed by the Manager with the securities regulators in Canada. The Manager undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

BOARD AND MANAGEMENT

ADVISORY BOARD

Bruce K. Robertson

Director, President and Chief Executive Officer of the Manager, and Managing Partner, Brookfield Asset Management Inc.

James C. Bacon

Business Consultant

John P. Barratt

Chief Operating Officer

The Caldwell Partners International Inc.

MANAGEMENT TEAM

The Manager (Brookfield)

Bruce K. Robertson

Director, President and Chief Executive Officer

Kevin Cash

Director, Vice President and Chief Financial Officer

Krista Matheson

Director and Secretary

Investment Advisor (SoundVest)

Kevin Charlebois

President and Chief Investment Officer

Ernest Meszaros

Vice President and Portfolio Manager

Scott Jarvis

Portfolio Manager and Analyst

Brian Durno

Analyst

Seth Powter

Analyst

Tracy Albert

Analyst

CORPORATE INFORMATION

Brookfield Funds welcome inquiries from unitholders, analysts, media representatives or other interested parties.

Head Office

The Manager
Brookfield Investment Funds Management Inc.
(subsidiary of Brookfield Asset Management Inc.)
BCE Place – 181 Bay Street, Suite 300
Toronto, Ontario M5J 2T3

Please direct your inquiries to:

Krista Matheson

Vice President, Structured Products

- t. 416.359.8570
888.777.4019 Toll-free in North America
- f. 416.365.9642
- e. kmatheson@brookfield.com
- w. www.brookfieldfunds.com

The Investment Advisor

SoundVest Capital Management Ltd.
100 Sparks Street, 9th Floor
Ottawa, Ontario K1P 5B7

Trustee, Transfer Agent and Registrar

Unitholder inquiries relating to distributions, address changes and unitholder account information should be directed to:

- Brookfield Funds' Transfer Agent:
Computershare Trust Company of Canada
100 University Avenue, 9th Floor
Toronto, Ontario M5J 2Y1
- t. 800.564.6253 Toll-free in North America
514.982.7555 International
 - f. 866.249.7775 Toll-free in North America
416.263.9524 International
 - e. service@computershare.com
 - w. www.computershare.com

MANAGEMENT REPORT OF FUND PERFORMANCE

This management report of fund performance (“MRFP”) is intended to provide readers with the financial highlights and an assessment of the performance of **Brascan SoundVest Rising Distribution Split Trust** (the “Fund”) for the six months ended June 30, 2006 (the “Period”). The MRFP does not contain the complete interim financial statements of the Fund and should be read in conjunction with the interim financial statements and the accompanying notes. The interim financial statements are unaudited and have been prepared by and are the responsibility of the Manager. The Fund's independent auditor has not performed a review of these interim financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants. All figures in the MRFP are in Canadian dollars as at June 30, 2006 unless otherwise indicated.

Additional information is available on the Manager's website at www.brookfieldfunds.com, on SEDAR at www.sedar.com or by writing to us at Brascan SoundVest Rising Distribution Split Trust, BCE Place – 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3.

Security holders may also contact us to request a copy of the proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure. Unitholders are advised that in 2006, the Fund has made available on its website quarterly disclosure of the investment portfolio within 60 days after the end of the quarter.

THE FUND

The Fund is a closed-ended investment trust, issuing capital units (“units”) and preferred securities, both listed on the Toronto Stock Exchange under the symbols BSD.UN and BSD.PR.A, respectively. The Fund commenced operations on March 16, 2005 (“Inception”), issuing 7,370,000 units at \$15.00 per unit through an initial public offering. The Fund also issued an equal number of preferred securities at \$10.00 per unit as part of the initial public offering.

The Fund will terminate on March 31, 2015 and its net assets will be distributed thereafter to unitholders unless unitholders determine to continue the Fund by a majority vote at a meeting called for such purpose.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund is an actively managed investment fund, which invests in a diversified portfolio of income trusts. The Fund may also opportunistically invest in high-yielding, equity based securities, up to a maximum of 10% of the value of the Portfolio.

The Fund's investment objectives are to:

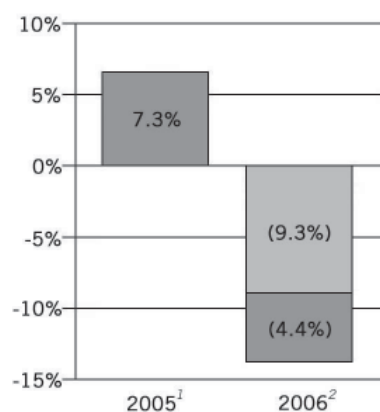
- a) provide holders of preferred securities with i) fixed quarterly interest payments of \$0.15 per preferred security (\$0.60 per annum to yield 6% per annum on the original subscription price of \$10.00), and ii) repayment of the original subscription price at maturity;
- b) provide holders of units with i) tax efficient and growing monthly cash distributions, a significant portion of which is tax deferred; and ii) capital appreciation on the portfolio.

FUND PERFORMANCE

The Fund was fully invested as of June 30, 2006. The Fund was formed to select and actively manage a diversified portfolio of income trust securities from four primary sectors: 1) business trusts; 2) power generation and pipeline trusts; 3) oil and gas royalty trusts; and 4) real estate investment trusts (“REITs”). We focus on trusts in each of these four sectors that are capable of generating high quality cash flows with minimal sustaining capital requirements and the potential to appreciate in value.

For the six month period ended June 30, 2006, the Fund's net asset value per unit decreased 9.3% from \$13.79 at December 31, 2005 to \$12.51 at June 30, 2006. The Fund distributed \$0.6834 per unit during the Period for a total return of negative 4.4%. The S&P/TSX Capped Income Trust Total Return Index gained 8.2% during the six month period ended June 30, 2006.

Period Return



	2006 ²	2005 ¹
Fund – NAV Return	(9.3%)	—%
Fund – Total Return	(4.4%)	7.3%
S&P/TSX Capped Income Trust Total Return Index	8.2%	22.6%

¹ Period from inception (March 16, 2005) to December 31, 2005.

² Six months ended June 30, 2006.

While the Fund continued to meet its target distribution objective, results for the first six months of 2006 were lower than the comparable index returns on a relative basis. The underperformance of the Fund was largely due to the Fund's continued underweight position in oil and gas royalty trusts and overweight position in business trusts. The strong performance of oil and gas royalty trusts continued for the first six months of 2006 while business trusts continued to underperform. According to the CIBC WM Income Trust Group Indices, for the six months ended June 30, 2006, oil and gas royalty trusts returned 12.7% while business trusts had a negative return of 0.1%. The Fund's weighting in oil and gas royalty trusts was approximately 26% during the six month period while the S&P/TSX Capped Income Trust Total Return Index had a weighting of over 60% in oil and gas royalty trusts as at June 30, 2006. We continue to be underweight oil and gas royalty trusts as we do not believe it is prudent to have over half of a diversified fund invested in a sector which we believe is attractive but historically very volatile.

The Fund declared and paid monthly distributions on its capital units for the first four months of 2006 at its targeted monthly rate of \$0.1125 per unit and increased its distribution to \$0.1167 per unit per month or \$1.40 per unit per year starting with its distribution for May 2006 payable in June 2006. The Fund declared and paid fixed quarterly interest payments of \$0.15 per preferred security (\$0.60 per annum to yield 6% on the original subscription price of \$10.00). The Fund has met all its distribution targets since inception and remains committed to delivering stable distributions to unitholders. The portfolio is expected to generate a reliable flow of cash which will be sufficient to meet the Fund's target distribution.

Ratios and Supplemental Data

	June 30 2006 ⁵	December 31 2005 ⁶
Net assets	\$ 85,566,900	\$ 94,364,187
Number of units outstanding	6,842,341	6,842,341
Management expense ratio before preferred securities and other interest expense	2.68%	2.64%
Management expense ratio including preferred securities and other interest expense ¹	7.52%	7.33%
Management expense ratio before waivers or absorptions	7.52%	7.33%
Management expense ratio including one time agents' fees and issuance costs	7.52%	18.27%
Portfolio turnover rate ²	14.88%	35.23%
Monthly distribution per unit	\$ 0.1167	\$ 0.1125
Annualized trailing yield ³	12.3%	10.98%
Trading expense ratio ⁴	0.18%	0.50%
Closing market price – units	\$ 11.40	\$ 12.30
Closing market price – preferred securities	\$ 9.95	\$ 10.74

¹ Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of weekly average net assets during the period.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund 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 fund 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 Fund.

³ Based on annualized cumulative distributions per unit and the closing market price.

⁴ The trading expense ratio represents commission costs expressed as an annualized percentage of weekly average net assets during the period.

⁵ As at and for the six months ended June 30, 2006.

⁶ As at and for the period from Inception (March 16, 2005) to December 31, 2005.

FINANCIAL HIGHLIGHTS AND RESULTS OF OPERATIONS

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

For the six months ended June 30	2006	2005 ¹
Net investment income	\$ 4,636,317	\$ 2,151,699
Realized gain (loss)	(3,693,745)	597,049
Return of capital	(2,526,060)	(771,239)
Unrealized gains (loss)	(2,537,747)	6,863,324
Income (loss) from operations	(4,121,235)	8,840,833
Income (loss) from operations per unit	(0.60)	1.20
Net asset value per unit	12.51	14.65

¹ Period from inception (March 16, 2005) to June 30, 2005.

Net loss from operations for the six months ended June 30, 2006 totalled \$4.1 million, which consisted of net investment income of \$4.6 million, realized losses of \$3.7 million and unrealized losses of \$2.5 million, less a return of capital of \$2.5 million. Net loss from operations for the six months ended June 30, 2005 totalled \$8.8 million, which consisted of net investment income of \$2.2 million, realized gain of \$0.6 million and unrealized gain of \$6.9 million, less a return of capital of \$0.8 million.

The net investment income of \$4.6 million for the Period primarily represents distributions received from income trust units held in the investment portfolio and interest income net of interest expense, management fees, service fees and general expenses of the Fund. Fees and expenses for the Period totalled \$3.4 million, which included \$2 million of interest on preferred securities and \$0.2 million of interest on our credit facility. The annualized management expense ratio based on total expenses (including interest expense on preferred securities and on the Fund's loan facility) for the Period is 7.52% (December 31, 2005 – 7.33%). The management expense ratio adjusted for interest expenses and based on the annualized percentage of weekly average net assets plus preferred securities during the Period is 2.68% (December 31, 2005 – 2.64%).

CAPITAL RESOURCES, LIQUIDITY AND UNITS

As at June 30, 2006, the Fund had a credit facility available through Prime Rate Loans or Bankers Acceptances. The Fund will use borrowings to purchase additional investments and for general Fund purposes. Under the current terms of the credit facility, the maximum draw is limited to the lower of \$15 million and 7% of the total value of the assets in the portfolio. The facility is secured by a first-ranking and exclusive charge on all of the Fund's assets. As at June 30, 2006, \$6.6 million (December 31, 2005 – \$6.4 million) is due under the facility.

As at June 30, 2006, the Fund had a working capital position of \$0.2 million (December 31, 2005 – deficit \$0.1 million) comprised of \$1.7 million (December 31, 2005 – \$1.6 million) of current assets offset by \$1.5 million (December 31, 2005 – \$1.7 million) of current liabilities. Current assets of \$1.7 million were comprised of \$0.5 million of cash and equivalents, and \$1.2 million of distributions and interest receivable. Current liabilities of \$1.5 million were comprised of \$0.8 million of distributions payable to unitholders, \$0.2 million of management and service fees payable, interest payable of \$0.3 million, and \$0.2 million of other amounts payable.

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Units may be surrendered for redemption at any time during November of any year, but at least 15 business days prior to the last business day in November (the "Redemption Date"). Redemption of surrendered units will be effected at net asset value on the Redemption Date each year and will be settled on or before the 15th business day following such effective date.

SUMMARY OF INVESTMENT PORTFOLIO¹

As at June 30, 2006, the Fund was invested in 40 securities (December 31, 2005 – 40 securities) from the following sectors in the percentages shown below:

	Actual Weighting as at June 30, 2006 ²	Actual Weighting as at December 31, 2005 ³	Actual Weighting as at June 30, 2005 ⁴	Permitted Weighting
Cash and cash equivalents	0.0%	0.0%	0.0%	0% – 10%
Business trusts	52.0%	52.5%	57.1%	20% – 60%
Power generation and pipeline trusts	5.3%	5.2%	5.1%	5% – 35%
Oil and gas royalty trusts	25.7%	26.3%	20.5%	10% – 50%
REITs	15.9%	13.7%	10.6%	5% – 45%
High-yielding equity-based securities	1.1%	2.3%	6.7%	0% – 10%

¹ The Summary of Investment Portfolio may change due to ongoing portfolio transactions of investments in the Fund and a quarterly update is available.

² Based on market value as at June 30, 2006.

³ Based on market value as at December 31, 2005.

⁴ Based on market value as at June 30, 2005.

Top 25 positions held within the Fund as at June 30, 2006 were as follows:

Number of Units		Market Value	Percentage of Investment Portfolio
579,300	Energy Savings Income Fund	\$ 10,717,050	6.7%
315,000	BFI Income Trust	9,103,500	5.7%
915,000	Newport Partners Income Fund	8,143,500	5.1%
320,000	Peyto Energy Trust	7,577,600	4.7%
1,080,000	Eveready Income Fund	7,560,000	4.7%
419,000	Trinidad Energy Services Income Fund	7,441,440	4.6%
497,800	Altus Group Income Fund	7,432,154	4.6%
201,100	Bonavista Energy Trust	7,038,500	4.4%
425,000	Progress Energy Trust	6,927,500	4.3%
295,000	Canetic Resources Trust	6,814,500	4.2%
478,666	Westfield Reit	6,696,537	4.2%
2,441,600	Huntingdon Reit	5,127,360	3.2%
607,500	Vault Energy Trust	5,163,750	3.2%
580,900	TerraVest Income Fund	4,995,740	3.1%
319,900	XS Cargo Income Fund	4,414,620	2.8%
698,000	Madacy Entertainment Income Fund	3,615,640	2.3%
355,000	Atlantic Power Corporation	3,408,000	2.1%
290,000	First National Financial Income Fund	3,332,100	2.1%
74,000	Penn West Energy Trust	3,322,600	2.1%
174,500	Trilogy Energy Trust	3,298,050	2.1%
899,000	Whiterock Reit	3,038,620	1.9%
350,000	Coast Wholesale Appliances Income Fund	2,975,000	1.9%
120,000	H&R Reit	2,757,600	1.7%
280,000	OFI Income Fund	2,592,800	1.6%
100,000	Calloway Reit	2,445,000	1.5%

¹ The Summary of Investment Portfolio may change due to ongoing portfolio transactions of investments in the Fund and a quarterly update is available.

RECENT DEVELOPMENTS

As of June 27, 2006, Brascan Rising Distribution Split Management Ltd. has been amalgamated into Brookfield Investment Funds Management Inc. (the “Manager”), which will continue to be responsible for managing the Fund’s activities. Brookfield Investment Funds Management Inc. is a subsidiary of Brookfield Asset Management Inc. This is not a material change to the management of this fund as the management of the company remains the same and we continue to be dedicated to providing superior service to our unitholders.

TRANSACTIONS WITH RELATED PARTIES

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 net asset value of the Fund. In addition, the Fund also pays the Manager a service fee equal to 0.40% per annum of the net asset value of the Fund. The service fee is, in turn, paid to the investment dealers based on the proportionate number of units held by clients of such dealers. During the Period, management fees accrued or paid to the Manager totalled \$0.88 million (Inception to June 30, 2005 – \$0.6 million), of which \$0.44 million (Inception to June 30, 2005 – \$0.2 million) was paid to SoundVest Capital Management Ltd. (the “Investment Advisor”). Service fees accrued or paid during the Period totalled \$0.2 million (Inception to June 30, 2005 – \$0.1 million).

RISKS AND MITIGATING FACTORS

There is no other material event during the year that affected the overall level of risk associated with the Fund’s investment portfolio. Risk factors remain as disclosed in the Fund’s prospectus and unitholders are encouraged to review these risks. A summary of risks and their mitigating factors can be found in the Fund’s Annual Information Form (“AIF”) filed on SEDAR at www.sedar.com.

OUTLOOK

We continue to seek opportunities to acquire high quality businesses run by strong management teams at attractive prices. As always, capital preservation is our top priority. We believe that investors that are able to withstand the ups and downs of stock market prices will eventually be rewarded with both strong absolute and relative returns over the long term. Based on the current quality and mix of investments, we anticipate that the Fund will continue to meet its target monthly distributions of \$0.1167 per unit and quarterly distributions of \$0.15 per preferred security.



Kevin Cash
Vice President and Chief Financial Officer of the Manager
August 29, 2006

STATEMENTS OF NET ASSETS

(unaudited)

As at	June 30 2006	December 31 2005
Assets		
Investments, at market value	\$ 160,362,120	\$ 169,271,644
Cash and equivalents <i>(note 10)</i>	533,364	170,904
Distributions and interest receivable	1,234,096	1,450,212
Total assets	\$ 162,129,580	\$ 170,892,760
Liabilities		
Accounts payable and accrued liabilities <i>(note 3)</i>	\$ 1,541,355	\$ 1,718,025
Loan payable <i>(note 4)</i>	6,597,915	6,387,138
Preferred securities <i>(note 5)</i>	68,423,410	68,423,410
Total liabilities	76,562,680	76,528,573
Net assets representing unitholders' equity	\$ 85,566,900	\$ 94,364,187
Units outstanding <i>(note 6)</i>	6,842,341	6,842,341
Net asset value per unit	\$ 12.51	\$ 13.79

The accompanying notes are integral to these financial statements.

Approved by the Manager, by:



Bruce K. Robertson
Director



Kevin Cash
Director

STATEMENTS OF OPERATIONS

(unaudited)

For the six months ended June 30	2006	2005 ²
Income and distributions		
Distributions from income trusts	\$ 5,481,260	\$ 3,157,951
Interest income	73,290	303,660
Return of capital	2,526,060	771,239
	\$ 8,080,610	\$ 4,232,850
Expenses		
Preferred securities interest expense	2,035,830	1,287,226
Management fees (note 8)	888,264	558,565
Service fees (note 8)	184,380	117,520
Other interest expense	180,726	15,931
General and administrative	113,761	70,432
Accounting and administration	26,053	17,008
Custodian fees	9,929	6,204
Directors fees	5,350	8,265
	3,444,293	2,081,151
Net investment income	4,636,317	2,151,699
Net realized gain (loss) on sale of investments (note 9)	(3,693,745)	597,049
Return of capital	(2,526,060)	(771,239)
Net change in unrealized gain (loss) on investments	(2,537,747)	6,863,324
Results of operations	\$ (4,121,235)	\$ 8,840,833
Results of operations per unit¹		
Net investment income	\$ 0.68	\$ 0.29
Net realized gain (loss) on sale of investments	(0.54)	0.08
Return of capital	(0.37)	(0.10)
Net change in unrealized gain (loss) on investments	(0.37)	0.93
	\$ (0.60)	\$ 1.20

¹ Based on the weighted average number of units outstanding for the period (note 6).

² Period from inception (March 16, 2005) to June 30, 2005.

The accompanying notes are integral to these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

(unaudited)

For the six months ended June 30	2006	2005
Net assets – beginning of period¹	\$ 94,364,187	\$ —
Operations		
Net investment income	4,636,317	2,151,699
Net realized gain (loss) on sale of investments	(3,693,745)	597,049
Return of capital	(2,526,060)	(771,239)
Net change in unrealized gain (loss) on investments	(2,537,747)	6,863,324
	(4,121,235)	8,840,833
Unitholder transactions		
Proceeds from issuance of units, net <i>(note 6)</i>	—	101,650,875
Distribution to unitholders		
From net investment income	(2,149,992)	(1,716,136)
From return of capital	(2,526,060)	(771,239)
	(4,676,052)	99,163,500
Net increase (decrease) in net assets during the period	(8,797,287)	108,004,333
Net assets – end of period	\$ 85,566,900	\$ 108,004,333

¹ 2006 balance based on the beginning net asset value as at January 1, 2006. The balance for 2005 is based on the beginning net asset value at inception, March 16, 2005.

The accompanying notes are integral to these financial statements.

STATEMENTS OF CASH FLOWS

(unaudited)

For the six months ended June 30	2006	2005
Operating activities		
Net investment income	\$ 4,636,317	\$ 2,151,699
Return of capital	(2,526,060)	(771,239)
Change in other assets and liabilities	39,446	413,481
	2,149,703	1,793,941
Financing activities		
Loan payable	210,777	9,700,871
Distributions to unitholders	(4,676,052)	(2,487,375)
Proceeds from issuance of capital units and preferred securities	—	175,350,875
	(4,465,275)	182,564,371
Investing activities		
Purchase of investment securities	(25,202,968)	(197,516,498)
Proceeds from sale of investments	27,881,000	13,794,861
	2,678,032	(183,721,637)
Net increase in cash and equivalents – during the period	362,460	636,675
Cash and equivalents – beginning of period	170,904	—
Cash and equivalents – end of period	\$ 533,364	\$ 636,675

The accompanying notes are integral to these financial statements.

STATEMENT OF INVESTMENTS¹

As at June 30, 2006 (unaudited)

Number of Units		Cost	Market Value	Percentage of Net Assets
Business Trusts				
579,300	Energy Savings Income Fund	\$ 9,549,647	\$ 10,717,050	12.5%
315,000	BFI Income Trust	8,057,481	9,103,500	10.6%
915,000	Newport Partners Income Fund	8,646,626	8,143,500	9.5%
1,080,000	Eveready Income Fund	4,124,780	7,560,000	8.8%
419,000	Trinidad Energy Services Income Fund	4,426,055	7,441,440	8.7%
497,800	Altus Group Income Fund	4,905,766	7,432,154	8.7%
580,900	TerraVest Income Fund	7,231,879	4,995,740	5.8%
319,900	XS Cargo Income Fund	3,118,028	4,414,620	5.2%
698,000	Madacy Entertainment Income Fund	6,561,383	3,615,640	4.2%
290,000	First National Financial Income Fund	2,900,000	3,332,100	3.9%
350,000	Coast Wholesale Appliances Income Fund	3,390,806	2,975,000	3.5%
280,000	OFI Income Fund	2,774,344	2,592,800	3.0%
625,000	CanWel Building Materials Income Fund	5,350,370	2,275,000	2.7%
176,000	AutoCanada Income Fund	1,874,670	1,927,200	2.3%
120,000	Bird Construction Income Fund	1,430,263	1,747,200	2.0%
219,200	Avenir Diversified Income Fund	1,773,087	1,725,104	2.0%
750,000	Entertainment One Income Fund	7,613,087	1,387,500	1.6%
199,000	Big Eagle Trust – Private Placement	995,000	995,000	1.2%
109,600	Essential Energy Services Trust	979,127	948,040	1.1%
		85,702,399	83,328,588	97.4%
Power Generation and Pipeline Trusts				
355,000	Atlantic Power Corporation	3,577,215	3,408,000	4.0%
217,300	Macquarie Power & Infrastructure Income Fund	2,299,034	2,220,806	2.6%
62,000	AltaGas Income Trust	1,478,455	1,798,000	2.1%
114,000	Primary Energy Recycling Corporation	1,123,269	1,140,000	1.3%
		8,477,973	8,566,806	10.0%
Oil and Gas Royalty Trusts				
320,000	Peyto Energy Trust	7,918,436	7,577,600	8.9%
201,100	Bonavista Energy Trust	6,338,403	7,038,500	8.2%
425,000	Progress Energy Trust	5,513,731	6,927,500	8.1%
295,000	Canetic Resources Trust	7,089,286	6,814,500	8.0%
607,500	Vault Energy Trust	5,711,068	5,163,750	6.0%
74,000	Penn West Energy Trust	2,423,429	3,322,600	3.9%
174,500	Trilogy Energy Trust	2,629,871	3,298,050	3.9%
50,000	Crescent Point Energy Trust	1,092,245	1,091,500	1.3%
		38,716,469	41,234,000	48.2%
Real Estate Investment Trusts (“REITs”)				
478,666	Westfield Reit	5,309,091	6,696,536	7.8%
2,441,600	Huntingdon Reit	5,403,474	5,127,360	6.0%
899,000	Whiterock Reit	1,720,350	3,038,620	3.6%
120,000	H&R Reit	2,138,153	2,757,600	3.2%
100,000	Calloway Reit	1,790,058	2,445,000	2.9%
130,000	Allied Properties Reit	1,696,932	2,303,600	2.7%
408,000	Lakeview Hotel Reit – Private Placement	1,315,131	1,248,480	1.5%
273,500	Whiterock Reit – Private Placement	888,875	888,876	1.0%
241,400	Lakeview Hotel Reit	673,438	738,684	0.9%
29,000	IPC US Reit	290,117	287,970	0.3%
		21,225,619	25,532,726	29.8%
High-Yielding Equity-Based Securities				
1,700	Lanesborough Reit Debenture	1,700,000	1,700,000	2.0%
Total investment portfolio		\$ 155,822,460	\$ 160,362,120	187.4%
Cash and equivalents			533,364	0.6%
Liabilities in excess of other assets			(75,328,584)	(88.0%)
Net assets			\$ 85,566,900	100.0%

¹ The Statement of Investments may change due to ongoing portfolio transactions of investments in the Fund and a quarterly update is available. The accompanying notes are integral to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2006 (unaudited)

1. OPERATIONS

Brascan SoundVest Rising Distribution Split Trust (the “Fund”) was established under the laws of the Province of Ontario by a declaration of trust dated as at March 16, 2005. The Manager of the Fund is Brookfield Investment Funds Management Inc., a subsidiary of Brookfield Asset Management Inc. (in such capacity, the “Manager”) and the investment advisor is SoundVest Capital Management Ltd. (the “Investment Advisor”). Computershare Trust Company of Canada is the trustee of the Fund. The Fund is authorized to issue an unlimited number of capital units (“units”) and preferred securities. The Fund is listed on the Toronto Stock Exchange and effectively commenced operations on March 16, 2005.

The Fund’s investment objectives are to:

- a) provide holders of preferred securities with i) 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 ii) repayment of the original subscription price at maturity;
- b) provide holders of units with i) tax efficient and growing monthly cash distributions, a significant portion of which is tax deferred; and ii) capital appreciation on the portfolio.

The Fund seeks to achieve these objectives by investing in a diversified portfolio of income trusts. The Fund may also opportunistically invest in high-yielding, equity based securities, up to a maximum of 10% of the value of the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared using the following policies determined under Canadian generally accepted accounting principles and they include estimates and assumptions made by the Manager that affect the reported amounts of assets and liabilities at the date of these financial statements and the reported amounts of income and expenses during the period. Actual results could differ from these estimates.

a) *Cash and Equivalents*

Cash and equivalents are cash balances and short-term, highly liquid investments with original maturities of 90 days or less, and are carried at cost plus accrued interest.

b) *Valuation of Investments*

The Fund’s investments are presented at market value. Investments that are publicly traded are valued at their last closing price. If a closing price is not available, then these investments are valued using an average of the latest bid and ask prices. Securities which are listed on the stock exchange and which are subject to a hold period or other trading restrictions will be valued as described above, with an appropriate discount as determined by the Manager, acting reasonably. Short-term investments are valued at cost which, when taken together with accrued interest income, approximates their market value. The value of any security or other asset for which no published market exists, including securities of private issuers, will be determined by the Manager in accordance with the following: (i) such securities or other assets will normally be carried at cost unless: (a) there is an arm’s length transaction which in the Manager’s reasonable opinion establishes a different value, or (b) a material change in the value of an issuer occurs as determined by the Manager, acting reasonably.

The process of valuing investments for which no published market exists is based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments and may differ from the prices at which the investments may be sold. These differences could be material to the fair value of investments as a portfolio.

c) *Investment Transactions and Income Recognition*

Investment transactions are recorded on trade date and any realized gains or losses are recognized using the average cost of the investments. Interest income is recognized on an accrual basis, with dividends recorded on the ex-dividend date. Distributions from income funds include trusts and limited partnerships and are recognized on the ex-distribution date. Net realized gains (losses) on sale of investments include net realized gains or losses from foreign currency changes.

d) Income Taxes

The Fund is taxed as a mutual fund trust under the Income Tax Act (Canada). Provided that the Fund makes distributions in each year of its net income and capital gains, the Fund will not generally be liable for income tax. It is the intention of the Fund to distribute all of its net income and net realized capital gains on an annual basis. Accordingly, no income tax provision has been recorded.

e) Foreign Exchange

The market value of investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the closing rate of exchange on each valuation date. Purchases and sales of investments and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

f) Return of Capital

Distributions from the Fund's investments that represent a return of capital reduce the carrying amount of the investments. Return of capital received during the period is disclosed in the statement of operations.

g) Fair Value of Financial Instruments

The fair value of the Fund's financial instruments, which are comprised of cash and equivalents, distributions and interest receivable, loan payable, accounts payable and accrued liabilities, approximate their carrying value.

3. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following:

As at	June 30 2006	December 31 2005
Distributions payable to unitholders and security holders <i>(note 6, 7)</i>	\$ 798,501	\$ 769,763
Interest payable	328,076	344,948
Issuance costs payable	—	202,841
Other accounts payable and accrued liabilities	196,918	158,579
Management fees payable	131,504	147,400
Service fees payable	86,356	94,494
	\$ 1,541,355	\$ 1,718,025

4. LOAN FACILITY

The Fund has a 364-day revolving term credit facility with a Canadian chartered bank up to a maximum amount of \$15 million, but not exceeding 7% of the net asset value of the portfolio. The facility is secured by a first-ranking and exclusive charge on all of the Fund's assets. The Fund uses borrowings to purchase additional investments and for general Fund purposes. As at June 30, 2006, \$6,597,915 (December 31, 2005 – \$6,387,138) was drawn on the facility. The credit facility pays interest at a rate of bankers' acceptance plus 40 basis points. As the loan is payable at anytime and the interest rate is variable based on the prime rate, its fair value approximates its carrying value.

5. PREFERRED SECURITIES

On March 16, 2005, as part of the initial public offering of the Fund, 7,370,000 preferred securities were issued at a price of \$10.00 per security for cash proceeds of \$73,700,000. \$5,276,590 of preferred securities were redeemed during 2005.

Holders of the preferred securities are entitled to receive fixed quarterly interest payments of \$0.15 per preferred security, or 6% per annum, beginning on June 15, 2005, on the original subscription price of \$10.00. The interest payments are paid in arrears on June 15, September 15, December 15, and March 15 of each year. Preferred securities may be surrendered for redemption together with an equal number of units beginning in November of 2005 and each year thereafter. During the six months ended June 30, 2006 (December 31, 2005 – \$5,276,590) no preferred securities were redeemed.

The preferred securities will mature on March 31, 2015. The securities may be called and purchased prior to the maturity date if the aggregate amount of preferred securities outstanding would exceed the aggregate number of units outstanding. In such case, preferred securities will be redeemed at a price per security, which until March 31, 2006 will be equal to \$11.00 and will decline by \$0.10 each year thereafter to \$10.10 after March 31, 2014 to March 30, 2015, plus any accrued and unpaid interest.

6. UNITS OF THE FUND

On March 16, 2005, the Fund completed its initial public offering of 7,370,000 units at a price of \$15.00 per unit. Proceeds raised, net of agents' fees and issuance costs of \$8,899,125 totalled \$101,650,875.

The Fund is authorized to issue an unlimited number of transferable, redeemable units of beneficial interest, each of which represents an equal, undivided interest in the net assets of the Fund. Each unit entitles the holder to one vote and to participate equally with respect to any and all distributions made by the Fund. Units may be surrendered for redemption at any time during November of any year, but at least 15 business days prior to the last business day in November (the "Redemption Date"). Redemption of surrendered units will be effected at the net asset value on the Redemption Date each year and will be settled on or before the 15th business day following such effective date.

Issued	Number of Units	Amount
Units – at inception	—	\$ —
Issued		
Initial public offering	7,370,000	110,550,000
Agents' fees and issue costs	—	(8,899,125)
Cancelled after redemption for cash	(527,659)	(6,638,837)
Units – December 31, 2005	6,842,341	\$ 95,012,038
Units – June 30, 2006	6,842,341	\$ 95,012,038

The weighted average number of units outstanding for the period ended June 30, 2006 was 6,842,341 (December 31, 2005 – 7,304,802).

7. DISTRIBUTIONS PAYABLE TO UNITHOLDERS AND SECURITY HOLDERS

Distributions on units, as declared by the Manager, are made on a monthly basis to unitholders of record on the last business day of each month. The distributions are payable no later than the 15th day or the first business day after the 15th, during the month following the record date. Distributions on preferred securities, as declared by the Manager, are made on a quarterly basis to security holders of record on the last business day of February, May, August and November and payable on the 15th day of the subsequent month.

8. MANAGEMENT AND SERVICE FEES

Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 1.10% per annum of the net asset value of the Fund, calculated and paid monthly, plus applicable taxes. The Fund also pays to the Manager a service fee equal to 0.40% per annum of the net asset value of the Fund, 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.

9. INVESTMENT TRANSACTIONS

Investment transactions for the six month period June 30, 2006 were as follows¹:

Proceeds from sale of investments	\$ 27,881,000
Less cost of investments sold	
Investments at cost – beginning of period	162,194,235
Investments purchased during the period	25,202,968
Investments at cost – end of period	155,822,460
Cost of investments sold during the period	31,574,745
Net realized loss on sale of investments	\$ (3,693,745)

¹ All balances have been adjusted for Return of Capital amounts.

Brokerage commissions on securities purchased and sold during the six months ended June 30, 2006 totalled \$80,537 and are included in the cost or sale proceeds of the related investment.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include \$84,889 of cash, and \$448,475 of short-term investments.

UNIT INFORMATION

Brascan SoundVest Rising Distribution Split Trust

Toronto Stock Exchange:	BSD.UN (Capital Units) and BSD.PR.A (Preferred Securities)
Units Outstanding (June 30, 2006):	6,842,341 Capital Units and 6,842,341 Preferred Securities
Targeted 2006 Monthly Distribution:	Capital Units: \$0.1167 per unit, payable monthly (\$1.40 annual)
Targeted 2006 Quarterly Distribution:	Preferred Securities: \$0.15 per security, payable quarterly (\$0.60 annual)
Record Date:	Capital Units: Last business day of each month Preferred Securities: Last business day of February, May, August, November
Payment Date:	Capital Units: On or about the 15th day of each subsequent month Preferred Securities: On or about the 15th day of March, June, September, December
Termination:	The Fund will terminate on March 31, 2015 and its net assets will be distributed thereafter to Unitholders unless Unitholders determine to continue the Fund by a majority vote at a meeting called for such purpose.
Redemption:	Units may redeemed on the last business day of November of each year at 100% of net asset value (less associated fees). Unitholders must provide 15 business days notice when surrendering their units.