Brookfield Funds

Brascan SoundVest Rising Distribution Split Trust

BSD.UN / BSD.PR.A

2007 Semi-Annual Report

IN PROFILE

Brascan SoundVest Rising Distribution Split Trust (the "Fund") is managed by a subsidiary of Brookfield Asset Management Inc., a global asset management company focused on property, power and infrastructure assets, with over US$75 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 / BSD.PR.A (TSX LISTED) UNIT INFORMATION

Units Outstanding (June 30, 2007):	6,591,715 capital units and 6,591,715 preferred securities
Targetted 2007 Monthly Distribution:	Capital units: $0.1167 per unit, payable monthly ($1.4004 per unit annually)
Targetted 2007 Quarterly Distribution:	Preferred securities: $0.15 per security, payable quarterly ($0.60 per unit annually)
Record Date:	Capital units: Last business day of each month Preferred securities: Last business day of February, May, August and 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 and December

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REPORT TO UNITHOLDERS

We are committed to providing unitholders with a stable stream of tax-efficient and growing monthly distributions and maximizing 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 enabled us to meet our target capital unit distributions for the six months ended June 30, 2007.

Dear Fellow Unitholders,

The first six months of 2007 has been a strong period for income trusts. We will provide an overview of the income trust sector since the Canadian Government's announcement of its Tax Fairness Plan on October 31, 2006 and comment on the large number of takeovers and strategic reviews in the sector since that date. In addition, we will share our outlook for the remainder of 2007.

MARKET OVERVIEW

The Tax Fairness Plan for Canadians was passed in the most recent Federal Budget and has now become law. Effectively, income trusts can now be viewed as corporations with a tax holiday until 2011. The performance of the income trust sector and the overall Canadian equity market since the announcement is as follows:

	S&P/TSX Capped Income Trust Total Return Index	S&P/TSX Composite Index
October 31, 2006 to June 30, 2007[1]	0.6%	14.6%
November 14, 2006 to June 30, 2007[2]	22.2%	15.1%
January 1, 2007 to June 30, 2007[3]	10.1%	9.1%

1 Subsequent to the Canadian Government's announcement of its Tax Fairness Plan
2 From the lowest close of the S&P/TSX Capped Income Trust Total Return Index
3 For the first six months of the year

In the past eight months, the S&P/TSX Capped Income Trust Total Return Index (the "Index") has regained the value it lost after the Tax Fairness Plan announcement and is now showing a slightly positive return for that period. In addition, the Index has outperformed the S&P/TSX Composite Index on a year-to-date basis.

However, income trust unit performance was not consistent across all sectors during the first six months of 2007. According to the CIBC WM Income Trust Group Indices performance summary, Business Trusts were the top performers with a 22.7% return in the first half of 2007. Returns for the other sectors were as follows: Power and Pipeline Trusts gained 7.0%; Oil and Gas Royalty Trusts gained 6.2%; and Real Estate Investment Trusts ("REITs") gained 3.9%. Oil and Gas Royalty Trusts continue to form the largest portion of the Index representing approximately 47% of the Index as at June 30, 2007. As a result, the Index is highly 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 — A MARKET IN TRANSITION

One of the contributing factors to the strong performance of the income trust sector so far in 2007 has been the large number of takeovers, mergers and sales. The following table provides a breakdown, by sector, of the takeovers, mergers and acquisitions announced from January 1 to June 30, 2007, although only 10 have closed during the same period:

	Business Trusts	Oil and Gas Royalty Trusts	REITs	Power and Pipeline Trusts	Total
Takeover/Merger/Sale[1]	21	1	1	2	25

1 Based on takeover/merger/sale announcement date from January 1, 2007 to June 30, 2007

These corporate actions have been taken by some income trusts in an effort to surface their intrinsic value. Significant value has been extracted with the average takeover/merger/sale premium being 27% according to CIBC WM. With the majority of this corporate activity occurring in the Business Trust sector, it has contributed to this sector's strong performance of 22.7% for the first six months of 2007 and the outperformance of the Business Trust sector relative to the other income trust sectors.

While this corporate activity has provided investors with strong short-term returns, it has also resulted in the reduction of the number of income trusts in the market. The income trust market as of December 31, 2006 was as follows:

Sub-sector	# of Trusts	Market Capitalization[1]	Average Yield
Oil and gas royalty trusts	31	$ 71.0	14.5%
Business trusts	168	85.5	11.2%
Real estate investment trusts (REITs)	33	30.3	6.9%
Power and pipeline trusts	23	18.4	9.4%
Total	255	$ 205.2	10.9%

1 In $ billions

The income trust market as of June 30, 2007 was as follows:

Sub-sector	# of Trusts	Market Capitalization[1]	Average Yield
Oil and gas royalty trusts	31	$ 72.4	12.6%
Business trusts	162	94.9	9.4%
Real estate investment trusts (REITs)	30	28.7	6.9%
Power and pipeline trusts	22	18.1	9.1%
Total	245	$ 214.1	9.5%

1 In $ billions

It is expected that the number of income trusts will continue to decrease. While it is difficult to predict the future, we expect that many of the businesses will continue to exist; however, we expect their form to be different. Some trusts may convert back to corporations and retain their cash flow to fund future growth, while others may become high dividend paying corporations. We also expect some trusts will remain as income trusts. As for those trusts that are acquired, they are likely to be acquired at a premium to their trading price prior to any announcement.

Throughout this transition in the income trust market, trusts continue to offer investors a high source for yield. As seen from the table above, the current income trust market continues to offer investors a diverse group of companies, offering relatively high yields. As at June 30, 2007, the average yield for the income trust sector was 9.5%, which is significantly higher than the 2.2% yield offered from the S&P/TSX Composite Index and the 4.6% yield on the 10-year Canada bond. As a result, there continues to be no better place to satisfy an investor's desire for yield than income trusts.

The 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. While the new tax will hinder the ability of a trust to maintain its current distributions in 2011, there are three and a half years before the tax will be enacted and certain trusts will be able to grow their distributable cash over this period to offset the impact of the new tax. Over the three previous years, as summarized in the following charts, approximately 40% of trusts, each year, have increased their distributions. However, on a go forward basis, we expect this figure to be lower as trusts adapt to the future tax, as can be evidenced by the fact that only 12% of income trusts have increased distributions during the six months ended June 30, 2007:

Percentage of TSX Trusts	**2007 YTD**	2006	2005	2004
Increased distributions[1]	**12.0%**	39.2%	44.9%	38.3%
Maintained distributions[1]	**75.2%**	45.1%	46.6%	52.0%
Decreased/omitted/no distribution	**12.8%**	15.7%	8.5%	9.7%

1 Based on date of announcement

There are a number of income trusts that are strong businesses run by experienced management and possess attractive economics, which have managed to grow their distributable cash and increase their distributions in the past. We are confident that the strongest trusts will continue to perform well in the future and will provide attractive long-term investment opportunities if purchased at reasonable prices.

FUND PERFORMANCE

The Fund was formed to actively manage a diversified portfolio of selected income trust securities from four primary sectors: 1) business trusts; 2) power generation and pipeline trusts; 3) oil and gas royalty trusts; and 4) REITs. We invest in trusts in each of these four sectors that we believe are capable of generating high quality cash flows with minimal sustaining capital requirements and that have the potential to appreciate in value.

For the six-month period ended June 30, 2007, the Fund's net asset value per unit increased by 3.5%, resulting in a total return, including distributions, of 11.3%. During the same timeframe, the Index gained 10.1%. Given the split share structure of the Fund, the Fund had leverage in excess of 2.0 times through the first six months of the year, which magnifies both the positive and negative returns of the Fund by approximately two times. As a result, the Fund outperformed the Index largely due to the positive effect of this leverage, however the impact was partially offset by the poor performance of the oil and gas service sector which constituted approximately 25% of the investment portfolio of the Fund as at June 30, 2007.

For the first six months of the year, the Fund realized losses of approximately $3.6 million. This was largely due to realized losses of $2.9 million on Canetic Resources Trusts and $2.0 million on Peyto Energy Trust. The funds from these dispositions were redeployed into Crescent Point Energy Trust and Paramount Energy Trust, respectively. The Fund also realized a $1.1 million loss from the sale of Blackwatch Energy Services Trust which was sold due to the company's deteriorating business prospects. These capital losses were partially offset by realized gains in a number of positions, including $0.4 million on Allied Properties REIT.

Distributions

The Fund declared and paid monthly distributions for the first six months of 2007 at its targeted monthly rate of $0.1167 per unit, or $1.40 per unit per annum. The Fund has increased its distribution once since its original targeted annual distribution of $1.35 per unit per year in May 2006. The Fund has met all its distribution targets since inception and is committed to delivering stable distributions to unitholders. The portfolio is currently expected to generate a reliable flow of cash to meet the Fund's target distributions for the remainder of 2007.

OUTLOOK

We expect the remainder of 2007 to be volatile for the income trust market given the volatility in the global capital markets and more close to home, the high level of acquisition and strategic review activity, along with the heavy influence of oil and gas royalty trusts on the S&P/TSX Capped Income Trust Total Return Index. While we continue to believe that a weighting in oil and gas royalty trusts of almost 50%, as in the Index, is not prudent, we continue to position the Fund 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 continue to believe that the Fund's holdings of income trusts are run by quality management and possess attractive business economics. Over the long term, for any equity investment – whether it is legally constituted as a corporation, a trust, or another legal form – it is the business performance of the entity that will determine the success of the investment. We will continue to monitor the business performance of the Fund's investments and will continue to adapt to the changing income trust sector.

Thank you for your continued support of our Fund.

Bruce Robertson
On behalf of the Manager

Kevin Charlebois
On behalf of the Investment Advisor

August 29, 2007

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 Fund 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.

MANAGEMENT REPORT OF FUND PERFORMANCE

This interim 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, 2007 (the "Period"). The interim financial statements are unaudited and have been prepared by and are the responsibility of the manager of the Fund. 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, 2007 unless otherwise indicated.

This interim MRFP contains financial highlights but does not contain either the interim or annual financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by calling 416-359-1955, by writing to us at Brookfield Place – 181 Bay Street, Suite 300, Toronto, Ontario, M5J 2T3 or by visiting our website at www.brookfieldfunds.com or SEDAR at www.sedar.com.

Security holders may also contact us using one of these methods to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

INVESTMENT OBJECTIVES AND STRATEGY

The Fund'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 Fund's objectives are to provide holders with tax efficient and growing monthly cash distributions, a significant portion of which is tax deferred, and capital appreciation on the portfolio.

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.

RISKS

The risks of investing in the Fund remain as discussed in the Fund's Annual Information Form and Prospectus.

RESULTS OF OPERATIONS

The Fund's net assets increased $2.0 million or 3.5%, from $58.8 million as at December 31, 2006 to $60.8 million as at June 30, 2007. Of this change, an increase of $7.8 million is attributable to investment performance (net of expenses) which was partially offset by $4.6 million to distributions paid to unitholders and a $1.1 million reduction in the opening net asset value ("NAV") of the Fund as a result of an accounting policy change during the Period. The Fund's investment performance and unitholder activity for the Period are discussed in more detail below.

Investment Performance

The Fund generated net income from operations of $7.8 million for the Period, which consisted of net investment income of $3.5 million and unrealized gains of $9.7 million, partially offset by net realized losses of $3.6 million and return of capital of $1.8 million.

During the Period, the Fund had net realized losses of approximately $3.6 million. This was largely due to realized losses of $2.9 million on Canetic Resources Trusts and $2.0 million on Peyto Energy Trust. The funds from these dispositions were redeployed into Crescent Point Energy Trust and Paramount Energy Trust, respectively. The Fund also realized a $1.1 million loss from the sale of Blackwatch Energy Services Trust which was sold due to the company's deteriorating business prospects. These capital losses were partially offset by realized gains in a number of positions, including $0.4 million on Allied Properties REIT.

For the six-month period ended June 30, 2007, the Fund's net asset value per unit increased by 3.5%, resulting in a total return, including distributions, of 11.3%. During the same timeframe, the S&P/TSX Capped Income Trust Total Return Index gained 10.1%. Given the split share structure of the Fund, the Fund had leverage in excess of 2.0 times through the first six months of the year, which magnifies both the positive and negative returns of the Fund by approximately two times. As a result, the Fund outperformed the Index largely due to the positive effect of this leverage, however the impact was partially offset by the poor performance of the oil and gas service sector which constituted approximately 25% of the investment portfolio of the Fund as at June 30, 2007.

Fees and Expenses

Fees and expenses for the Period totalled $3.2 million, down from $3.4 million for the same period in 2006, representing an annualized management expense ratio ("MER") of 10.05% as compared to 8.21% for the twelve months ended December 31, 2006. The MER is based on the total expenses of the Fund, including interest on Preferred Securities, for the stated period (excluding brokerage commissions) and is expressed as an annualized percentage of the daily average NAV for the period. Although fees and expenses for the Period declined as compared to the same period in 2006, MER increased as the rate of decline in average net assets was greater than that of fees and expenses. Daily average NAV declined by 26% due primarily to losses from operations generated in the latter half of 2006, while expenses declined by 10% during the same period owing to the fixed nature of the interest on the Preferred Securities.

Unitholder Activity

There was no change in the number of outstanding capital units or preferred securities of the Fund during the six months ended June 30, 2007.

During the Period, the Fund maintained its monthly distribution of $0.1167 per unit and paid out distributions to capital unitholders which totalled $0.70 per unit or $4.6 million.

Credit Facility

As at June 30, 2007, the Fund had a 364-day revolving term credit facility (the "facility") available with a Canadian chartered bank bearing variable interest at prime or bankers' acceptance rates. The Fund utilizes the borrowings to purchase additional portfolio investments, to increase overall distributions and for general Fund purposes. The maximum draw under the facility is limited to the lower of $11.0 million and 7% of the net asset value of the Fund which was reduced from a limit of $15.0 million and 7% of the net value of the Fund as at December 31, 2006. The facility is secured by a first-ranking and exclusive charge on all of the Fund's assets. As at June 30, 2007, $5.9 million was drawn on the facility representing 9.7% of the net assets of the Fund. The minimum and maximum amount borrowed under the facility during the Period was $3.8 million and $5.9 million, respectively.

RELATED PARTY TRANSACTIONS

Brookfield Investment Funds Management Inc. (the "Manager"), a subsidiary of Brookfield Asset Management Inc., is the Manager of the Fund and is responsible for managing all of the Fund's activities. 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 Fund less the amounts outstanding under the credit facility. 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 $0.7 million, of which $0.4 million was paid to SoundVest Capital Management Ltd. (the "Investment Advisor"). Service fees accrued or paid during the Period totalled $0.1 million.

RECENT DEVELOPMENTS

Accounting Policy Change

Effective January 1, 2007, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, requires that the fair value of financial instruments which are actively traded be measured based on the bid price for the security. Previously, fair value for generally accepted accounting principles ("GAAP") was based on the last traded price for the day, when available. For financial reporting purposes, on January 1, 2007, the Fund adopted the amended valuation policy for actively traded securities held by the Fund on a prospective basis (without restatement of prior periods). This change impacts the reported value of the Fund's investments in its interim and annual financial statements prepared in accordance with GAAP ("Financial Statement NAV"). However, as a result of a temporary exemption provided by the Canadian Securities Administrators, the value used to determine the daily price of the Fund's securities for purchase and redemption by clients ("Published NAV") is not affected. The impact of adopting the amended valuation policy for financial reporting purposes for the Period resulted in a reduction of the Financial Statement NAV of the Fund as at December 31, 2006 by $1,128,281 or $0.17 per unit.

Takeover, Mergers and Sales of Income Trusts

The Tax Fairness Plan for Canadians was passed in the most recent Federal Budget and has now become law. Effectively, income trusts can now be viewed as corporations with a tax holiday until 2011. Largely as a result of this change in tax status there have been a large number of takeovers, mergers and sales of some income trusts to monetize their underlying intrinsic value.

While this corporate activity has provided some investors with strong short-term returns, it has also resulted in the reduction of the number of income trusts in the market, which are expected to continue to decline as we approach January 1, 2011.

FINANCIAL HIGHLIGHTS

The following tables detail selected key financial information about the Fund and are intended to assist readers understand the Fund's financial performance since inception. This information is derived from the Fund's audited financial statements.

The Fund's Net Asset Value Per Unit

		2007[1]		2006[2]		2005[3]
Net asset value – beginning of period	**$**	**8.92**	$	13.79	$	13.79[4]
Increase (decrease) from operations						
Total revenue		**1.02**		2.29		1.78
Total expenses		**(0.48)**		(1.00)		(0.82)
Realized losses for the period		**(0.55)**		(2.99)		(0.51)
Unrealized gains (losses) for the period		**1.47**		(1.09)		0.97
Return of capital		**(0.28)**		(0.72)		(0.50)
Total increase (decrease) from operations		**1.18**		(3.51)		0.92
Distributions						
From investment income		**(0.42)**		(0.37)		(0.26)
Return of capital		**(0.28)**		(1.01)		(0.75)
Total distributions[5]		**(0.70)**		(1.38)		(1.01)
Net asset value – end of period[6]	**$**	**9.23**	$	8.92	$	13.79

1 As at and for the six months ended June 30, 2007
2 As at and for the twelve months ended December 31, 2006
3 As at and for the period from inception (March 16, 2005) to December 31, 2005
4 Initial public offering price of $10.00 per unit, net of issuance costs
5 Distributions were paid in cash.
6 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 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 Fund's overall return:

		2007[1]		2006[2]		2005[3]
Net investment income	**$**	**3,540,542**	$	8,787,805	$	7,034,556
Realized losses		**(3,594,286)**		(20,385,698)		(3,714,117)
Unrealized gains (losses)		**9,683,748**		(7,415,288)		7,077,409
Return of capital		**(1,843,910)**		(4,945,140)		(3,642,936)
Income (loss) from operations		**7,786,094**		(23,958,321)		6,754,912
Income (loss) from operations per unit		**1.18**		(3.51)		0.96
Net asset value per unit	**$**	**9.23**	$	8.92	$	13.79

1 As at and for the six months ended June 30, 2007
2 As at and for the twelve months ended December 31, 2006
3 As at and for the period from inception (March 16, 2005) to December 31, 2005

Ratios and Supplemental Data

	2007[1]	2006[2]	2005[3]
Net assets	**$ 60,823,305**	$ 58,781,011	$ 94,364,187
Number of units outstanding	**6,591,715**	6,591,715	6,842,341
Management expense ratio before interest expense	**3.17%**	2.90%	2.64%
Management expense ratio[4]	**10.05%**	8.22%	7.33%
Management expense ratio before waivers or absorptions	**10.05%**	8.22%	7.33%
Management expense ratio including one time agent's fees and issuance costs	**10.05%**	8.22%	18.27%
Portfolio turnover rate[5]	**12.21%**	22.58%	35.23%
Monthly distribution per unit	**$ 0.1167**	$ 0.1167	$ 0.1125
Annualized trailing yield[6]	**14.51%**	17.3%	11.0%
Trading expense ratio[7]	**0.29%**	0.18%	0.50%
Closing market price	**$ 9.65**	$ 8.10	$ 12.30

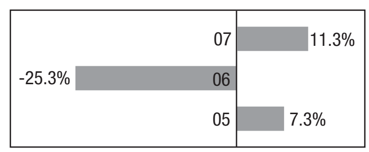
1 As at and for the six months ended June 30, 2007
2 As at and for the twelve months ended December 31, 2006
3 As at and for the period from inception (March 16, 2005) to December 31, 2005
4 Management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net assets during the period.
5 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.
6 Based on annualized cumulative distributions of $1.40 per unit and the closing market price
7 The trading expense ratio represents commission costs expressed as an annualized percentage of daily average net assets during the period.

PAST PERFORMANCE

The following chart and table show the past performance of the Fund and do not necessarily indicate how the Fund will perform in the future.

Year-by-Year Return

The bar chart shows the Fund's total return (based on net asset value per unit) and includes distributions made in each period since inception to June 30, 2007. 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 Fund's compound return for the periods noted and the annual compound return since inception, compared with the Index.

	2007[1]	2006[2]	2005[3]	Since Inception[4]
Fund - Net asset value	**3.5%**	(35.3%)	—%	(16.1%)
Fund – Total Return, including distributions	**11.3%**	(25.3%)	7.3%	(4.8%)
S&P/TSX Capped Income Trust Total Return Index	**10.1%**	(2.8%)	22.6%	12.5%

1 As at and for the six months ended June 30, 2007
2 As at and for the twelve months ended December 31, 2006
3 As at and for the period from inception (March 16, 2005) to December 31, 2005
4 As at and for the period from inception (March 16, 2005) to June 30, 2007

SUMMARY OF INVESTMENT PORTFOLIO

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

Portfolio Composition

As at June 30, 2007, the Fund was invested in the following sectors in the percentages shown below:

	Actual Weighting 2007[1]	Actual Weighting 2006[2]	Actual Weighting 2005[3]	Permitted Weighting
Business trusts	**47.4%**	44.2%	52.5%	20% – 60%
Power generation and pipeline trusts	**5.0%**	7.2%	5.2%	5% - 35%
Oil and gas royalty trusts	**24.5%**	24.3%	26.3%	10% - 50%
REITs	**21.8%**	23.0%	13.7%	5% - 45%
Total income trusts	**98.7%**	98.7%	97.7%	90% – 100%
High-yielding equity-based securities	**1.3%**	1.3%	2.3%	0% - 15%
	100.0%	100.0%	100.0%	

1 Based on market value as at June 30, 2007
2 Based on market value as at December 31, 2006
3 Based on market value as at December 31, 2005

Top 25 Positions

Top 25 positions held by the Fund as at June 30, 2007, were as follows:

Number of Units[1]		Market Value	Percentage of Investment Portfolio
579,300	Energy Savings Income Fund	$ 8,811,153	6.6%
421,900	Crescent Point Energy Trust	8,277,678	6.2%
249,000	Bonavista Energy Trust	7,574,580	5.7%
440,000	Artis REIT	7,326,000	5.5%
1,270,000	Eveready Income Fund	6,553,200	4.9%
497,800	Altus Group Income Fund	6,446,510	4.9%
219,400	BFI Canada Income Fund	6,158,558	4.6%
290,000	First National Financial Income Fund	6,119,000	4.6%
2,441,600	Huntingdon REIT	5,835,424	4.4%
389,000	Trinidad Energy Services Income Trust	5,819,440	4.4%
895,000	Newport Partners Income Fund	5,316,300	4.0%
411,000	Progress Energy Trust	5,252,580	4.0%
314,400	Coast Wholesale Appliances Income Fund	3,288,624	2.5%
649,400	Lakeview Hotel REIT	3,279,470	2.5%
607,500	Vault Energy Trust	3,104,325	2.3%
380,000	Petrowest Energy Services Trust	2,793,000	2.1%
260,300	Macquarie Power & Infrastructure Income Fund	2,733,150	2.1%
303,300	Avenir Diversified Income Trust	2,547,720	1.9%
930,000	BTB REIT	2,511,000	1.9%
68,000	Penn West Energy Trust	2,415,360	1.8%
200,400	AutoCanada Income Fund	2,296,584	1.7%
129,000	Focus Energy Trust	2,296,200	1.7%
91,000	Calloway REIT	2,266,810	1.7%
169,550	Whiterock REIT	2,068,510	1.6%
160,000	Exchange Industrial Fund	2,032,000	1.5%

1 Unless otherwise stated

Kevin Cash
Vice President & Chief Financial Officer of the Manager

August 29, 2007

STATEMENTS OF NET ASSETS

(Unaudited)

As at	**June 30, 2007**	December 31, 2006
Assets		
Investments, at market value	**$ 132,624,949**	$ 129,527,795
Cash	**317,943**	939,562
Distributions and interest receivable	**1,150,290**	1,204,871
Total assets	**$ 134,093,182**	$ 131,672,228
Liabilities		
Accounts payable and accrued liabilities *(note 4)*	**1,478,635**	1,390,302
Loan payable *(note 5)*	**5,874,092**	5,583,765
Preferred securities *(note 6)*	**65,917,150**	65,917,150
Total liabilities	**73,269,877**	72,891,217
Net assets representing unitholders' equity	**$ 60,823,305**	$ 58,781,011
Units outstanding *(note 7)*	**6,591,715**	6,591,715
Net asset value per unit	**$ 9.23**	$ 8.92

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		2007		2006
Income and distributions				
Distributions from income trusts	$	**4,783,987**	$	5,481,260
Return of capital		**1,843,910**		2,526,060
Interest income		**74,881**		73,290
		6,702,778		8,080,610
Expenses[1]				
Preferred securities interest expense		**1,977,515**		2,035,830
Management fees *(note 9)*		**704,233**		888,264
Service fees *(note 9)*		**119,018**		184,380
Other interest expense		**125,699**		180,726
Commissions expense *(note 2a, 10)*		**89,605**		—
General and administrative		**70,126**		72,387
Custodial fees		**19,113**		22,508
Trustee fees		**18,988**		9,929
Accounting and administrative		**17,329**		26,053
Audit fees		**12,500**		12,000
Directors' fees		**5,350**		5,350
Unitholders communication fees		**2,760**		6,866
		3,162,236		3,444,293
Net investment income		**3,540,542**		4,636,317
Net realized losses on sale of investments *(note 10)*		**(3,594,286)**		(3,693,745)
Net change in unrealized gains (losses) on investments		**9,683,748**		(2,537,747)
Return of capital		**(1,843,910)**		(2,526,060)
Results of operations	$	**7,786,094**	$	(4,121,235)
Results of operations per unit[2]				
Net investment income	$	**0.54**	$	0.68
Net realized losses on sale of investments		**(0.55)**		(0.54)
Net change in unrealized gains (losses) on investments		**1.47**		(0.37)
Return of capital		**(0.28)**		(0.37)
Increase (decrease) in net asset value from operations	$	**1.18**	$	(0.60)

1 Certain comparative figures have been reclassified to conform with current year presentation

2 Based on the weighted average number of units outstanding for the period (note 7)

The accompanying notes are integral to these financial statements.

STATEMENTS OF CHANGES IN NET ASSETS

(Unaudited)

For the six months ended June 30	2007	2006
Net assets – beginning of period	**$ 58,781,011**	$ 94,364,187
Fair value adjustment		
Adjustment from December 31, 2006 closing prices to bid prices *(note 2a)*	**(1,128,281)**	–
	(1,128,281)	–
Operations		
Net investment income	**3,540,542**	4,636,317
Net realized losses on sale of investments *(note 10)*	**(3,594,286)**	(3,693,745)
Net change in unrealized gains (losses) on investments	**9,683,748**	(2,537,747)
Return of capital	**(1,843,910)**	(2,526,060)
	7,786,094	(4,121,235)
Unitholder transactions		
Distribution to unitholders		
From net investment income	**(2,771,609)**	(2,149,992)
From return of capital	**(1,843,910)**	(2,526,060)
	(4,615,519)	(4,676,052)
Net increase (decrease) in net assets during the period	**2,042,294**	(8,797,287)
Net assets – end of period	**$ 60,823,305**	$ 85,566,900

The accompanying notes are integral to these financial statements.

STATEMENTS OF CASH FLOWS

(Unaudited)

For the six months ended June 30	2007	2006
Operating activities		
Net investment income	**$ 3,540,542**	$ 4,636,317
Return of capital	**(1,843,910)**	(2,526,060)
Change in other assets and liabilities	**142,914**	39,446
	1,839,546	2,149,703
Financing activities		
Loan payable, net borrowings	**290,327**	210,777
Distributions to unitholders	**(4,615,519)**	(4,676,052)
	(4,325,192)	(4,465,275)
Investing activities		
Purchase of investment securities *(note 10)*	**(16,049,336)**	(25,202,968)
Proceeds from sale of investments *(note 10)*	**17,913,363**	27,881,000
	1,864,027	2,678,032
Net (decrease) increase in cash during the period	**(621,619)**	362,460
Cash, beginning of period	**939,562**	170,904
Cash, end of period	**$ 317,943**	$ 533,364

The accompanying notes are integral to these financial statements.

STATEMENT OF INVESTMENTS

(Unaudited)

As at June 30, 2007

Number of Units[1]		Cost	Market Value	Percentage of Net Assets
	Business Trusts			
579,300	Energy Savings Income Fund	$ 9,524,190	$ 8,811,153	14.5%
1,270,000	Eveready Income Fund	5,051,880	6,553,200	10.8%
497,800	Altus Group Income Fund	4,879,781	6,446,510	10.6%
219,400	BFI Canada Income Fund	5,549,832	6,158,558	10.1%
290,000	First National Financial Income Fund	2,796,638	6,119,000	10.0%
389,000	Trinidad Energy Services Income Trust	4,058,575	5,819,440	9.6%
895,000	Newport Partners Income Fund	7,793,703	5,316,300	8.7%
314,400	Coast Wholesale Appliances Income Fund	2,934,629	3,288,624	5.4%
380,000	Petrowest Energy Services Trust	3,716,520	2,793,000	4.6%
303,300	Avenir Diversified Income Fund	2,378,931	2,547,720	4.2%
200,400	AutoCanada Income Fund	2,063,571	2,296,584	3.8%
160,000	Exchange Industrial Fund	2,000,000	2,032,000	3.3%
319,900	XS Cargo Income Fund	3,123,791	1,861,818	3.1%
199,000	Big Eagle Services Trust – Private Placement	995,000	995,000	1.6%
21,000	CCS Income Trust	804,290	960,330	1.6%
162,100	OFI Income Fund	1,606,147	828,331	1.4%
		59,277,478	62,827,568	103.3%
	Power Generation and Pipeline Trusts			
260,300	Macquarie Power & Infrastructure Income Fund	2,441,182	2,733,150	4.5%
300,000	Primary Energy Recycling Corporation	2,877,717	2,031,000	3.3%
173,500	Atlantic Power Corporation	1,710,755	1,865,125	3.1%
		7,029,654	6,629,275	10.9%
	Oil and Gas Royalty Trusts			
421,900	Crescent Point Energy Trust	7,681,667	8,277,678	13.6%
249,000	Bonavista Energy Trust	7,783,094	7,574,580	12.5%
411,000	Progress Energy Trust	5,302,510	5,252,580	8.6%
607,500	Vault Energy Trust	5,484,714	3,104,325	5.1%
68,000	Penn West Energy Trust	2,226,935	2,415,360	4.0%
129,000	Focus Energy Trust	2,629,110	2,296,200	3.8%
169,000	Paramount Energy Trust	1,707,182	1,962,090	3.2%
174,500	Trilogy Energy Trust	2,669,153	1,669,965	2.7%
		35,484,365	32,552,778	53.5%
	Real Estate Investment Trusts (REITs)			
440,000	Artis REIT	4,818,742	7,326,000	12.0%
2,441,600	Huntingdon REIT	4,748,241	5,835,424	9.6%
649,400	Lakeview Hotel REIT	1,826,426	3,279,470	5.4%
930,000	BTB REIT	1,872,621	2,511,000	4.1%
91,000	Calloway REIT	1,551,859	2,266,810	3.7%
169,550	Whiterock REIT	1,497,957	2,068,510	3.4%
391,600	InterRent REIT	2,113,207	1,911,008	3.2%
82,400	Allied Properties REIT	1,046,934	1,774,896	2.9%
71,000	H&R REIT	1,218,635	1,626,610	2.7%
60,000	Holloway Lodging REIT	254,862	315,600	0.5%
		20,949,484	28,915,328	47.5%
	High-Yielding Equity-Based Securities			
1,700,000	Lanesborough REIT Convertible Debenture	1,700,000	1,700,000	2.8%
Investment portfolio		124,440,981	132,624,949	218.0%
Commissions expense *(Note 2a, 10)*		(33,620)	–	0.0%
Total investment portfolio		$ 124,407,361	132,624,949	218.0%
Cash			317,943	0.6%
Liabilities in excess of other assets			(72,119,587)	(118.6%)
Net assets			$ 60,823,305	100.0%

1 Unless otherwise stated

The accompanying notes are integral to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2007 (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 Ltd., 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 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 repayment of the original subscription price at maturity. For unitholders, the Fund's objectives are to provide holders of units with tax efficient and growing monthly cash distributions, a significant portion of which is tax deferred, and 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 unaudited interim 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 six-month period ended June 30, 2007. Actual results could differ from these estimates. The notes to these interim financial statements are presented in a condensed or summarized format and, therefore, should be read in conjunction with the Fund's December 31, 2006 annual financial statements. These financial statements follow the same accounting policies and methods of their application as those used in preparing the annual financial statements except for the following:

a) Accounting Policy Change

Effective October 1, 2006, CICA Handbook Section 3855, Financial Instruments – Recognition and Measurement, requires that the fair value of financial instruments which are actively traded be measured based on the bid price for the security. Previously, fair value for generally accepted accounting principles ("GAAP") was based on the last traded price for the day, when available. For financial reporting purposes, on January 1, 2007, the Fund adopted the amended valuation policy for actively traded securities held by the Fund on a retroactive basis (without restatement of prior periods). This change impacts the reported value of the Fund's investments in its annual and interim financial statements prepared in accordance with GAAP ("Financial Statement NAV"). However, as a result of a temporary exemption provided by the Canadian Securities Administrators, the value used to determine the daily price of the Fund's securities for purchase and redemption by clients ("Published NAV") is not affected. The impact of adopting the amended valuation policy for financial reporting purposes for the Period resulted in a reduction of the Financial Statement NAV of the Fund as at December 31, 2006 by $1,128,281 or $0.17 per unit.

Effective January 1, 2007, brokerage commissions incurred for portfolio transactions are included as an expense in the Statement of Operations. Brokerage commissions incurred prior to January 1, 2007, were included in the cost of investments purchased or as a reduction of the proceeds received upon the sale of investments. The Statement of Investment Portfolio includes an adjustment to reduce the cost of investments for this change in accounting policy.

b) Valuation of Investments

The Fund's investments are presented at market value. Investments that are publicly traded are valued at their last bid price. As nothed above, prior to January 1, 2007, such investments were generally valued at their last closing price. 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 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: such securities or other assets will normally be carried at cost unless: (i) there is an arm's length transaction which in the Manager's reasonable opinion establishes a different value; or (ii) 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.

3. NET ASSET VALUE PER UNIT

For financial statement reporting purposes, the fair value of the Trust's investments are measured in accordance with Section 3855 of the CICA Handbook, which for publicly listed securities is based on closing bid prices on the recognized stock exchange on which the investments are listed or principally traded. However, pursuant to a temporary exemption provided by the Canadian securities regulatory authorities, the Trust continues to calculate the Published NAV using the closing sale price.

The difference between the Published NAV per unit and the Financial Statement NAV per unit reflected in the financial statements as at June 30 is as follows:

	2007
Published NAV	**$ 9.31**
Difference between Published NAV and Financial Statement NAV	**(0.08)**
Financial Statement NAV	**$ 9.23**

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following:

	June 30, 2007	December 31, 2006
Distributions payable to unitholders and security holders *(notes 6, 7)*	**$ 769,253**	$ 769,253
Interest payable	**329,586**	344,949
Other accounts payable and accrued liabilities	**202,181**	106,351
Management fees payable	**116,426**	111,363
Service fees payable	**61,189**	58,386
	$ 1,478,635	$ 1,390,302

5. LOAN FACILITY

The Fund has a 364-day revolving term credit facility with a Canadian chartered bank up to a maximum amount of $11.0 million, but not exceeding 7% of the net asset value of the Fund, which was reduced from the lower of $15.0 million and 7% of the total value of the net assets of the Fund as at December 31, 2006. 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, 2007, $5,874,092 was drawn on the facility (2006 – $5,583,765), representing 9.7% of the net assets of the Fund. The credit facility pays interest at bankers’ acceptance rates 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. The minimum and maximum borrowed during the six months ended June 30, 2007 was $3.8 million and $5.9 million, respectively.

6. PREFERRED SECURITIES

There have been no securities redeemed during the six months ended June 30, 2007 (2006 – nil). The weighted average number of Preferred Securities outstanding for the six months ended June 30, 2007 was 6,591,715 (2006 - 6,842,341).

7. UNITS OF THE FUND

There have been no units redeemed during the six months ended June 30, 2007 (2006 – nil). The weighted average number of units outstanding for the six months ended June 30, 2007 was 6,591,715 (twelve months ended December 31, 2006 - 6,826,461).

8. DISTRIBUTIONS PAYABLE TO UNITHOLDERS

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. Distributions declared to unitholders for the six months ended June 30, 2007 totalled $4,615,519 (2006 – $4,676,052).

9. 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.

10. INVESTMENT TRANSACTIONS

Investment transactions[1] for the six months ended June 30 were as follows:

	2007	2006
Proceeds from sale of investments	**$ 17,913,363**	$ 27,881,000
Less cost of investments sold		
Investments at cost – beginning of period	**129,865,674**	162,194,235
Investments purchased during the period	**16,049,336**	25,202,968
Investments at cost – end of period	**124,407,361**	155,822,460
Cost of investments sold during the period	**21,507,649**	31,574,745
Net realized loss on sale of investments	**$ (3,594,286)**	$ (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, 2007 totalled $89,605 and are included as an expense in the Statement of Operations. Brokerage commissions on securities purchased and sold during the six months ended June, 2006 totalled $80,537 and are included in the cost of securities purchased or proceeds received from securities sold in the prior year.

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BOARD AND MANAGEMENT

ADVISORY BOARD

Bruce K. Robertson
Director & President 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[1]
Director & President

Kevin Cash[1]
Director, Vice President & Chief Financial Officer

Carlo Perri[1]
Vice President & Secretary

Zev Korman
Director of Investor Relations & Communications

Investment Advisor (SoundVest)

Kevin Charlebois
President & Chief Investment Officer

Ernest Meszaros
Vice President & Portfolio Manager

Scott Jarvis
Portfolio Manager & Analyst

Brian Durno
Analyst

Seth Powter
Analyst

1 Titles subject to regulatory approval

CORPORATE INFORMATION

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

Head Office of The Manager

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

Please direct your inquiries to:
Zev Korman
Director of Investor Relations & Communications
t. 416.359.1955
f. 416.363.2856
e. zkorman@brookfield.com
w. www.brookfieldfunds.com

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. 1.800.564.6253 (toll-free North America)
International 514.982.7555

f. 1.866.249.7775 (toll-free North America)
International 416.263.9524

e. service@computershare.com

w. www.computershare.com

www.brookfieldfunds.com

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