Brookfield Soundvest Equity Fund
BSE.UN

2017 Semi-Annual Report

Brookfield Soundvest Funds

IN PROFILE

Brookfield Soundvest Equity Fund (the "Fund") is managed by Soundvest Capital Management Ltd., an affiliate of Brookfield Asset Management Inc., a global alternative asset manager focused on property, renewable energy, infrastructure, and private equity, with over US$250 billion of assets under management.

The Fund's investment advisor and manager is Soundvest Capital Management Ltd., an established investment advisor with expertise investing in a variety of asset classes for high net worth and institutional clients since 1970.

BSE.UN (TSX LISTED) UNIT INFORMATION

Units Outstanding (June 30, 2017):	1,681,854
Targeted 2017 Quarterly Distribution:	$0.025 per unit per quarter ($0.10 per unit annually)
Record Date:	Last business day of February, May, August and November
Payment Date:	On or about the 15th day of March, June, September and December

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REPORT TO UNITHOLDERS

Dear Fellow Unitholders,

In this letter we will provide an overview of the returns for the worldwide markets and how this compares to the performance of the Canadian equity market. In addition, we will comment on the current status of the "high yield equity sector" and our expectations for this sector in the future. Also, we will explain the investment performance for the six-month period ended June 30, 2017 and share our outlook for the second half of 2017.

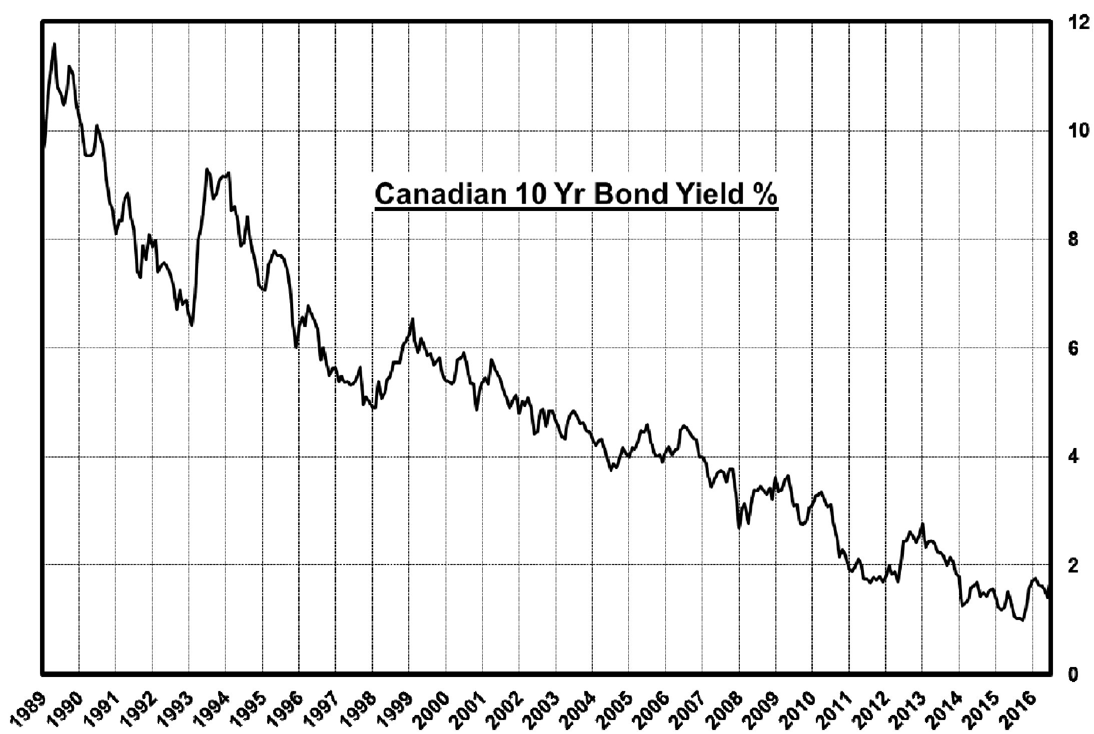
MARKET OVERVIEW

During the six-months ending June 30, 2017 the Canadian market provided a 0.7% rate of return. The Canadian market underperformed both the U.S. and World market. The U.S. and World market provided rates of return of 9.4% and 11.6%, respectively.

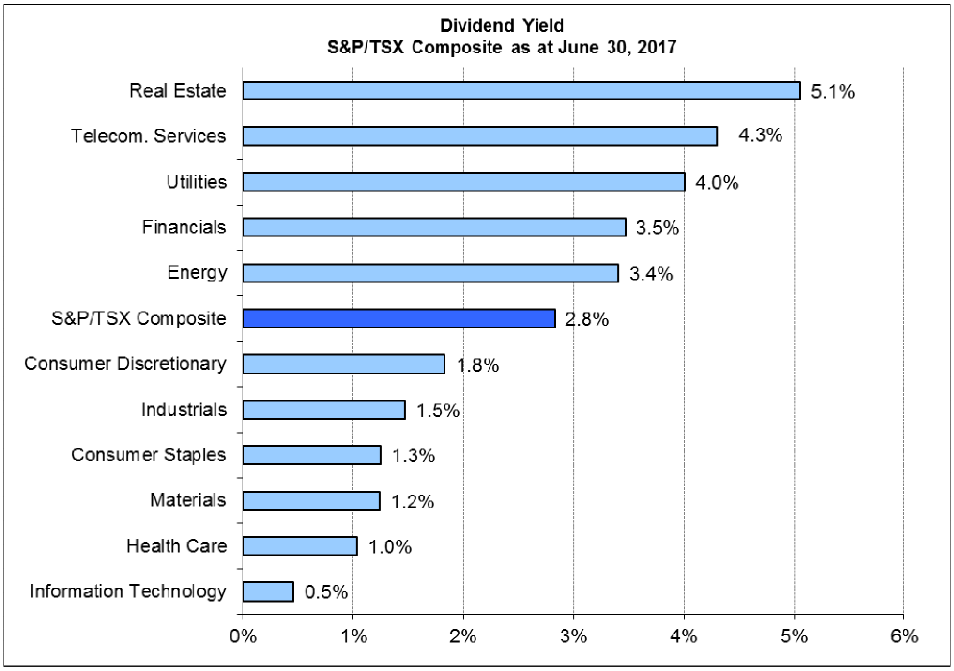
Index	1H 2017 ROR
S&P/TSX Composite	0.7%
S&P 500	9.4%
Dow Jones Industrial Average	8.1%
MSCI EAFE (Europe, Australasia, Far East)	16.0%
MSCI World	11.6%

Canadian High Yield Market

The S&P/TSX Composite provides investors with an opportunity to generate income and enhance their total rate of return. The Canadian market, as measured by the S&P/TSX Composite, provided a dividend yield on market of 2.83% as at June 30, 2017. This compared favorably when comparing against available Government of Canada bond yields. The 10-year Government of Canada bond yield for the period ending June 30, 2017 was 1.76%, up 4 basis points over the six-month period. Interest rates, both domestically and internationally, remained low through the first half of 2017 despite ongoing adjustments to monetary policy in both Canada and the U.S.

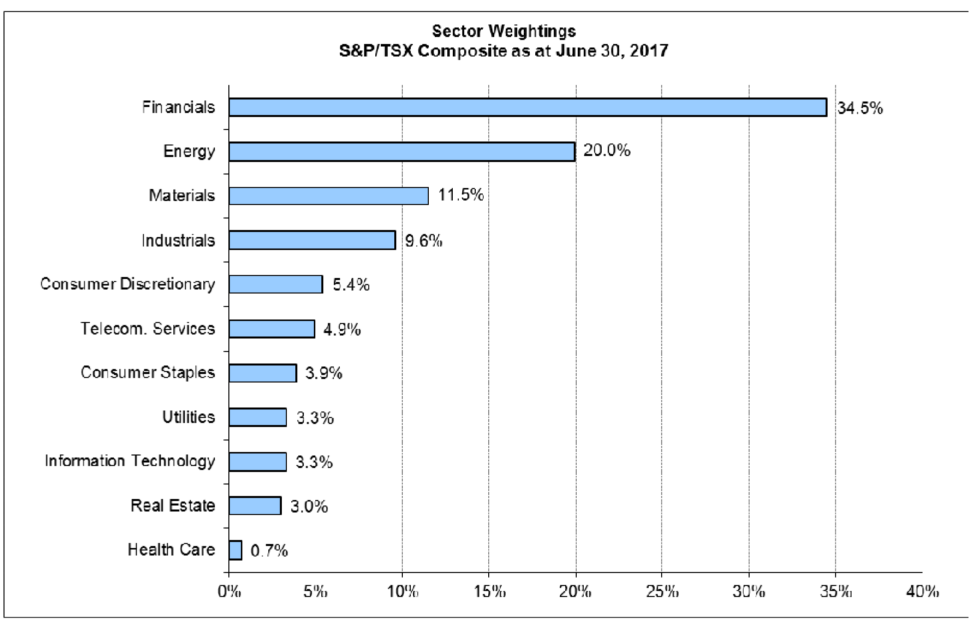


Canada's dividend yield universe is broad and diversified with five of the eleven sectors within the index providing overall yields in excess of 2.0%. The newly formed Real Estate sector, Telecom Services sector and Utilities sectors provided the highest dividend yields with yields of 5.1%, 4.3% and 4.0%, respectively. The Financials sector which is dominated by the big banks also provided a healthy yield, ending the second quarter with a 3.5% yield while the Energy sector continues to provide an attractive 3.4% yield.



Source: TD Newcrest Market Statistics & Returns

The Canadian equity market as represented by the S&P/TSX Composite is dominated by three main sectors, Financials (34.5% weighting), Energy (20.0%) and Materials (11.5%). The three sectors combined weighting was 66.0% at quarter end.



Source: TD Newcrest Market Statistics & Returns

FUND PERFORMANCE

The Fund's investment strategy is to invest its net assets in a diversified portfolio of securities consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, real estate investment trusts ("REITs"), Canadian mortgage-backed securities, and cash and cash equivalents. The Fund may also invest up to 20% of the value of the Portfolio in any other security at the discretion of the Investment Advisor.

For the six-month period ending June 30, 2017 the Fund's published net asset value per unit, which is used for purchases and redemptions, decreased 2.63%, resulting in a total return, including distributions, of negative 1.64%. During the same timeframe, the S&P/TSX Composite increased 0.74%.

For the six-month period ending June 30, 2017, the Fund generated net realized gains of approximately $242 thousand. Sales were executed to attain desired weightings within the Fund. The net gains were realized from sales in Brookfield Renewable Energy ($71 thousand), Parkland Fuel Corp ($51 thousand), Tricon Capital Group Inc. ($35 thousand), Algonquin Power and Utilities ($30 thousand) and WPS Global Inc ($29 thousand). There were no net losses realized from sales.

Distributions

The Fund declared and paid a distribution of $0.05 for the six-month period ended June 30,2017 and $0.05 for the six-month period ended June 30, 2016.

OUTLOOK

The U.S. economy continues to perform well and we expect stable housing, solid employment and a resilient consumer to remain supportive of economic growth. We believe the U.S. Federal Reserve will continue to take a cautious, gradual approach to increasing interest rates and reducing the size of its balance sheet in order to move monetary policy toward more normal levels.

The Canadian economy is expected to remain strong even as Western Canada continues adjusting to lower oil prices and other key geographies adapt to housing policy changes. While we expect volatility to remain in the financial markets, solid employment and stable consumer spending should help facilitate economic growth on a go forward basis.

We do not know what returns the stock market will provide in any given year. What we do know is the following: buying shares at reasonable prices of companies with well-constructed balance sheets, honest and able management who continue to grow their company's earnings, dividends and intrinsic value over time, should reward the shareholders of such companies as the years roll forward.

Thank you for your continued support.

Kevin Charlebois
On behalf of the Manager and the Investment Advisor

Caution Regarding Forward-Looking Statements

The Report to Unitholders and Management Report of Fund Performance contain forward-looking information within the meaning of Canadian provincial securities laws. The words "may", "will", "continue", "resume" and other expressions which are predictions of or indicate future events, trends or prospects and which do not relate to historical matters, identify the above mentioned and other forward-looking statements. These forward-looking statements include, among others, statements with respect to the future performance of the high yield Canadian equity market and particular market sectors, the ability and likelihood of certain companies to increase or decrease their distributable cash, acquisition trends in the equity market, the Fund's annual distribution targets and portfolio weightings, future positioning of the Fund, equity market yields and distribution levels in the future, and other statements with respect to our beliefs, outlooks, plans, expectations and intentions. Although the Manager believes that these forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on them, or any other forward-looking statements or information in these reports. The future performance and prospects of the Fund are subject to a number of known and unknown risks and uncertainties. Factors that could cause actual results of the Fund to differ materially from those contemplated or implied by the statements in these reports include general economic conditions in Canada and elsewhere, changes in legislation including tax laws and regulations and other risks and factors described in the documents filed by the Manager with the securities regulators in Canada including under "Risk Factors" and other risks and factors described in the Fund's prospectus and the Fund's most recently filed Management Report of Fund Performance, Annual Information Form and other continuous disclosure documents available at www.sedar.com or www.brookfieldsoundvest.com. Except as required by law, 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 Brookfield Soundvest Equity Fund (the "Fund") for the six-months ended June 30, 2017. 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 Chartered Professional Accountants Canada. All figures in the MRFP are in Canadian dollars as at June 30, 2017, unless otherwise indicated.

This interim MRFP contains financial highlights and the interim financial statements are included at the end of this section. The annual financial statements of the Fund are not included with this report. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 888-777-4019; by writing to us at 100 Sparks Street, Suite 900, Ottawa, Ontario, K1P 5B7; or by visiting our website at www.brookfieldsoundvest.com or SEDAR at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the 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 unitholders with a stable stream of distributions and maximize long-term total returns.

The Fund's strategy is to invest its net assets in a diversified portfolio of securities consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, real estate investment trusts ("REITs"), Canadian mortgage-backed securities, and cash and cash equivalents. The Fund may also invest up to 20% of the value of the portfolio in any other security that is not otherwise prohibited at the discretion of the Investment Advisor.

RISKS

The risks of investing in the Fund remain as discussed in the Fund's Annual Information Form and the Joint Information Circular dated November 12, 2009.

RESULTS OF OPERATIONS

The Fund's net assets decreased by $200 thousand or 2.6%, from $8.5 million as at December 31, 2016 to $8.3 million as at June 30, 2017. This change is attributable to distributions of $84 thousand and to investment performance (net of expenses) where a loss of $139 thousand was reported. The Fund's investment performance and unitholder activity for 2017 are discussed in more detail below.

Investment Performance

For the six-month period ending June 30, 2017 the Fund's published net asset value per unit, which is used for purchases and redemptions, decreased 2.63%, resulting in a total return, including distributions, of negative 1.64%. During the same timeframe, the S&P/TSX Composite increased 0.74%.

For the six-month period ending June 30, 2017, the Fund generated net realized gains of approximately $242 thousand. Sales were executed to attain desired weightings within the Fund. The net gains were realized from sales in Brookfield Renewable Energy ($71 thousand), Parkland Fuel Corp ($51 thousand), Tricon Capital Group Inc. ($35 thousand), Algonquin Power and Utilities ($30 thousand) and WPS Global Inc ($29 thousand). There were no net losses realized from sales.

The Fund's overweight position in the Consumer Discretionary, Utilities and Real Estate sectors contributed positively to performance as all three sectors outperformed the S&P/TSX Composite Index ("Index"). The Funds security selection in the Energy sector detracted from performance while the Fund benefitted from security selection in the Consumer Discretionary, Financials and Real Estate sectors.

Fees and Expenses

Fees and expenses for the six-months ended June 30, 2017 totaled $121 thousand, compared to $156 thousand for the same period in 2016, representing an annualized management expense ratio ("MER") of 2.9% as compared to 3.3% for the six-months ended June 30, 2016. The MER is based on the total expenses of the Fund for the stated period (excluding brokerage commissions) and is expressed as an annualized percentage of the daily average net asset value for the period. The MER before interest expense for the six-months ended June 30, 2017 and 2016 was 2.9% and 3.3%, respectively. Fees and expenses for the six-months ended June 30, 2017 decreased as compared to the same period in 2016 in response to the decrease in management and service fees.

Unitholder Activity

To provide liquidity, units of the Fund are listed on the TSX under the symbol BSE.UN. Under terms of the Fund's Declaration of Trust, additional liquidity is provided by way of an annual redemption program, under which the Fund's units, under certain conditions, are redeemable on the last business day of August of each year at 100% of the net asset value per unit. The last day for requesting redemptions based on the August 31, 2017 net asset value per unit was August 10, 2017. Unitholders have requested redemption for 426,618 units (2016 – 599,694 units). Unitholder payment will take place no later than September 22, 2017.

During 2017, the Fund provided quarterly distributions of $0.025 per unit and paid out distributions that totalled $0.05 per unit or $84 thousand (2016 –$0.05 per unit or $112 thousand). The Fund's distributions included a return of capital of 21.9% or $0.01 per unit (2016 – 24.2% or $0.01 per unit).

Bank Loan

The Fund utilizes borrowings to purchase additional portfolio investments and for general Fund purposes. The margin loan facility was not used in 2017 or 2016 and as at June 30, 2017 and December 31, 2016, there were no balances outstanding on this facility. A reduction or termination in the margin loan facility may limit the Fund's ability to employ leverage to magnify returns. In the current environment, the Fund will seek to cautiously use leverage as deemed appropriate.

RELATED-PARTY TRANSACTIONS

Soundvest Capital Management Ltd. (the "Manager" and "Investment Advisor"), an affiliate of Brookfield Asset Management Inc., has been the Investment Advisor to the Fund since its inception and is also the Manager of the Fund since April 20, 2010, 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 0.95% 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 six-months ended June 30, 2017, management fees including taxes accrued or paid to the Manager totalled $44 thousand (2016 - $51 thousand). Service fees accrued or paid during the six-months ended June 30, 2017 totalled $16 thousand (2016 - $19 thousand).

RECENT DEVELOPMENTS

Future Accounting Policy Changes

(i) Financial Instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by IASB in July 2014 replacing the existing guidance in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

The Fund is reviewing the impact of IFRS 9 on its financial statements.

(ii) Revenue from Contracts with Customers

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. This standard supersedes IAS 18 *Revenue*, IAS 11 *Construction Contracts* and a number of revenue-related interpretations. Application of the Standard is mandatory and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. The IASB has tentatively deferred mandatory adoption of IFRS 15 until periods beginning on or after January 1, 2018 with early application permitted.

The Fund is reviewing the impact of IFRS 15 on its financial statements.

OUTLOOK

The U.S. economy continues to perform well and we expect stable housing, solid employment and a resilient consumer to remain supportive of economic growth. We believe the U.S. Federal Reserve will continue to take a cautious, gradual approach to increasing interest rates and reducing the size of its balance sheet in order to move monetary policy toward more normal levels.

The Canadian economy is expected to remain strong even as Western Canada continues adjusting to lower oil prices and other key geographies adapt to housing policy changes. While we expect volatility to remain in the financial markets, solid employment and stable consumer spending should help facilitate economic growth on a go forward basis.

We do not know what returns the stock market will provide in any given year. What we do know is the following: buying shares at reasonable prices of companies with well-constructed balance sheets, honest and able management who continue to grow their company's earnings, dividends and intrinsic value over time, should reward the shareholders of such companies as the years roll forward.

FINANCIAL HIGHLIGHTS

The following tables provide selected key financial information about the Fund and are intended to assist readers in understanding the Fund's financial performance over the last five years.

The Fund's Net Assets Per Unit[1]

	2017[2]	2016[3]	2015[3]	2014[3]	2013[3]
Net assets – beginning of period	$ **5.04**	$ 4.18	$ 4.79	$ 5.20	$ 5.04
Increase (decrease) from operations					
Total revenue	**0.10**	0.18	0.20	0.23	0.25
Total expenses	**(0.07)**	(0.13)	(0.13)	(0.14)	(0.14)
Transaction costs	**(0.00)**	(0.00)	(0.00)	(0.00)	(0.01)
Net realized gains (losses) on sale of investments	**0.14**	0.33	0.34	(0.01)	0.09
Net change in unrealized gains (losses)[7]	**(0.25)**	0.60	(0.79)	(0.10)	0.13
Total increase (decrease) from operations[4]	**(0.08)**	0.98	(0.38)	(0.02)	0.32
Distributions					
From investment income	**–**	–	–	–	–
From dividend income	**(0.04)**	(0.08)	(0.20)	(0.21)	(0.20)
Return of capital	**(0.01)**	(0.02)	(0.02)	(0.03)	(0.04)
Total distributions[5]	**(0.05)**	(0.10)	(0.22)	(0.24)	(0.24)
Net assets - end of period[6]	**$ 4.91**	$ 5.04	$ 4.18	$ 4.79	$ 5.20

1 This information is derived from the Fund's audited financial statements. The net assets per unit presented in the financial statements are the same as the net asset value calculated for fund pricing purposes. The net assets per unit for prior periods have been adjusted to reflect the reporting requirements of IFRS.
2 As at and for the six months ended June 30 (unaudited).
3 As at and for the twelve months ended December 31 (audited).
4 Net asset value and distributions are based on the actual number of units outstand at the relevant time. The decrease/increase from operation is based on the weighted average number of units outstanding over the financial period.
5 Distributions were paid in cash.
6 Net assets value and distributions are based on the actual number of units outstanding at the relevant time. The decrease/increase from operations is based on the weighted average number of units outstanding over the financial period. Accordingly, totals may not sum in the above table due to the different basis for computing the per unit amounts.
7 Net change in unrealized (losses) gains and total increase (decrease) from operations for prior periods have been adjusted to reflect the reporting requirements of IFRS.

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

	2017[1]	2016[2]	2015[2]	2014[2]	2013[2]
Net investment income	**$ 45,773**	$ 104,607	$ 172,289	$ 269,464	$ 411,419
Transaction costs	**(645)**	(5,836)	(4,704)	(11,040)	(22,068)
Net realized gains (losses) on sale of investments	**241,988**	697,254	858,023	(19,619)	312,329
Net change in unrealized gains (losses)[3]	**(425,812)**	1,252,731	(1,961,485)	(309,423)	464,644
Income (loss) from operations[3]	**(138,696)**	2,048,756	(935,877)	(70,618)	1,166,324
Income (loss) from operations per unit[3]	**(0.08)**	0.98	(0.38)	(0.02)	0.32
Net assets per unit[4]	**$ 4.91**	$ 5.04	$ 4.18	$ 4.79	$ 5.20

1 As at and for the six months ended June 30 (unaudited).
2 As at and for the twelve months ended December 31 (audited).
3 Net change in unrealized (losses) gains, income (loss) from operations and income (loss) from operations per unit for prior periods have been adjusted to reflect the reporting requirements of IFRS.
4 Net assets per unit for prior periods have been adjusted to reflect the reporting requirements of IFRS.

Ratios and Supplemental Data

	2017[1]	2016[2]	2015[2]	2014[2]	2013[2]
Total net asset value[3]	**$ 8,253,513**	$ 8,476,302	$ 9,360,189	$ 12,360,794	$ 16,703,214
Number of units outstanding	**1,681,854**	1,681,854	2,241,548	2,582,149	3,215,031
Management expense ratio before interest expense	**2.92%**	2.87%	2.77%	2.62%	2.62%
Management expense ratio[4]	**2.92%**	2.87%	2.77%	2.63%	2.82%
Management expense ratio before waivers or absorptions	**2.92%**	2.87%	2.77%	2.63%	2.82%
Trading expense ratio[6]	**0.02%**	0.06%	0.04%	0.07%	0.12%
Portfolio turnover rate[6]	**4.42%**	4.82%	1.24%	1.16%	15.67%
Quarterly distribution per unit[8]	**$ 0.025**	$ 0.025	$ 0.020	$ 0.020	$ 0.020
Annualized trailing yield[7]	**2.09%**	2.11%	5.73%	5.25%	4.85%
Closing market price	**$ 4.79**	$ 4.74	$ 3.84	$ 4.57	$ 5.20

1 As at and for the six months ended June 30 (unaudited).
2 As at and for the twelve months ended December 31 (audited).
3 The total net asset value for prior periods have been adjusted to reflect the reporting requirements of IFRS.
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 asset value during the period.
5 The trading expense ratio represents commission costs expressed as an annualized percentage of daily average net asset value during the period.
6 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 is 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.
7 Based on annualized cumulative distributions per unit and the closing market price.
8 For 2015, a distribution of $0.02 was made for eleven months whereas for the years 2012 to 2014 there were twelve months of monthly distributions declared and paid. The Fund moved to quarterly payments in 2016.

Management and Service Fees

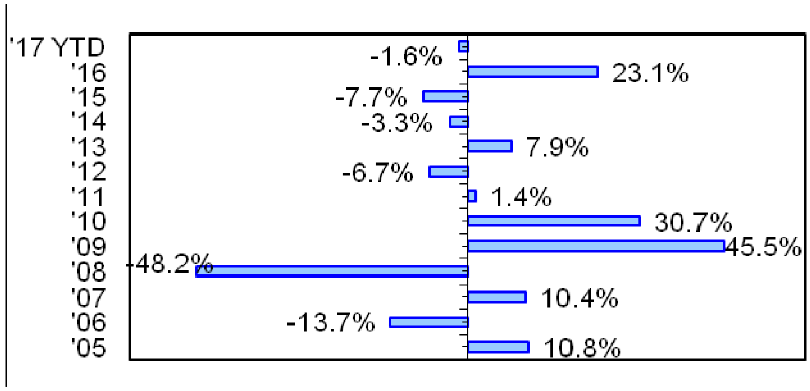
Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.95% per annum of the net asset value of the Fund, calculated and paid monthly, plus applicable taxes. The Fund also pays to the Manager a service 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.

PAST PERFORMANCE

The following chart and table show the past performance of the Fund and does not necessarily indicate how the Fund will perform in the future. Information up to December 31, 2009 is that of Brascan SoundVest Focused Business Trust which became Brookfield Soundvest Equity Fund concurrent with the merger of Brascan Soundvest Diversified Income Fund and Brascan Soundvest Total Return Fund into Brascan Soundvest Focused Business Trust, effective January 1, 2010. Information subsequent to 2009 represents the results for the merged entity. The information shown is based on the net asset value per unit and assumes that distributions made by the Fund in the periods shown were reinvested (at the net asset value per unit) in additional units of the Fund.

Year-by-Year Returns

The bar chart shows the Fund's total returns (based on net asset value per unit) and includes distributions made in each period since inception (October 17, 2005) to June 30, 2017. 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, based on published net asset values, for the periods noted and the annual compound returns, based on net asset values, since inception and for the three-year and five-year periods ended June 30, 2017, compared with the Index.

	2017[1]	2016[2]	3-Year[3]	5-Year[4]	Since Inception[5]
Fund – Net asset value	**(2.6%)**	20.7%	(5.1%)	(1.1%)	0.6%
Fund – Total Return, including distributions	**(1.6%)**	23.1%	(1.9%)	2.6%	4.6%
S&P/TSX Composite Return Index	**0.7%**	21.1%	3.1%	8.7%	6.7%

1 *For the six months ended June 30 (unaudited).*
2 *For the twelve months ended December 31 (audited).*
3 *Period from July 1, 2014 to June 30, 2017.*
4 *Period from July 1, 2012 to June 30, 2017.*
5 *For the period from inception (October 17, 2005) to June 30, 2017.*

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 on our website at www.brookfieldsoundvest.com.

Portfolio Composition

As at June 30, 2017, the Fund was invested in the following sectors in the percentages shown below:

	2017[1] **Percentage of Net Assets**	**2017**[1] **Percentage of Total Investment Portfolio**	**2017**[1] **Permitted Percentage of Total Investment Portfolio**
Canadian Bonds and Debentures	**0.0%**	**0.0%**	0%-100%
Canadian Preferred Stocks	**0.0%**	**0.0%**	0%-100%
Canadian Income Trusts (REITs)	**14.3%**	**16.2%**	0%-100%
Canadian Common Stocks	**69.6%**	**78.6%**	0%-100%
Limited Partnerships	**4.6%**	**5.2%**	0%-20%
Total Investment Portfolio	**88.5%**	**100.0%**	100%
Cash and cash equivalents	**10.7%**		
Other assets in excess of liabilities	**0.8%**		
	100.0%		

1 *Based on market value as at June 30, 2017.*

Top 25 Positions

The top 25 positions held by the Fund as at June 30, 2017 were as follows:

Number of Units		Fair Value	Percentage of Net Assets
	Cash and cash equivalents	884,554	10.7%
32,452	Algonquin Power & Utilities Corp.	442,970	5.3%
7,800	WSP Global Inc.	419,718	5.1%
36,100	Tricon Capital Group Inc.	419,482	5.1%
13,400	Parkland Fuel Corporation	398,114	4.8%
30,300	Artis REIT	396.930	4.8%
18,000	H&R REIT	396,360	4.8%
10,000	Allied Properties REIT	389,200	4.7%
9,200	Brookfield Renewable Energy Partners LP	380,420	4.6%
14,000	First National Financial Corporation	380,100	4.6%
14,900	Inter Pipeline Limited	378,460	4.6%
478,740	Brightpath Early Learning Inc.	378,204	4.6%
7,000	Cineplex Inc.	370,020	4.5%
20,900	Brookfield Real Estate Services Inc.	344,850	4.2%
36,600	Whitecap Resources Inc.	338,916	4.1%
10,000	Exchange Income Corporation	330,600	4.0%
6,690	Emera Inc.	322,525	3.9%
7,000	Vermilion Energy Inc.	287,980	3.5%
16,400	Arc Resources Limited	278,144	3.4%
10,900	Bonterra Energy Corporation	182,466	2.2%
14,400	Crescent Point Energy Corporation	142,848	1.7%
5,000	Tourmaline Oil Corporation	139,400	1.7%
3,000	Keyera Corp.	122,460	1.5%
600	Canadian Imperial Bank of Commerce	63,234	0.8%

Gabrielle Lenz
Chief Financial Officer of the Manager

August 28, 2017

STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at	June 30, 2017	December 31, 2016
Assets		
Financial assets at fair value through profit or loss, (cost: June 30, 2017-$5,179,595; 2016-$5,173,929)	**$ 7,303,401**	$ 7,723,546
Cash and cash equivalents *(Note 8)*	**884,554**	725,549
Distributions and interest receivable	**29,625**	26,724
Prepaid and other	**72,906**	61,560
Total assets	**8,290,486**	8,537,379
Liabilities		
Accounts payable and accrued liabilities *(Note 9)*	**36,973**	61,077
Total liabilities (excluding net assets attributable to holders of redeemable units)	**36,973**	61,077
Net assets attributable to holders of redeemable units	**$ 8,253,513**	$ 8,476,302
Units outstanding *(Note 11)*	**1,681,854**	1,681,854
Net assets attributable to holders of redeemable units per unit	**$ 4.91**	$ 5.04

The accompanying notes are an integral part of the financial statements.

Approved by the Manager, by:

Kevin W. Charlebois
Director

Brian Hurley
Director

STATEMENTS OF COMPREHENSIVE INCOME

(Unaudited)

For the six months ended June 30		2017		2016
Income				
Distributions	$	**166,271**	$	208,770
Net realized gains on financial assets at fair value through profit or loss *(Notes 7 and 14)*		**241,988**		241,123
Net change in unrealized (losses) gains on financial assets at fair value through profit or loss *(Note 7)*		**(425,812)**		1,194,556
Total net (loss) income		**(17,553)**		1,644,449
Expenses				
Management fees *(Note 13)*		**44,037**		51,101
Accounting and administrative		**16,950**		18,645
Service fees *(Note 13)*		**16,409**		19,041
Audit fees		**14,351**		14,125
Trustee fees		**12,433**		11,826
Independent review committee fees		**8,615**		8,521
General and administrative		**5,840**		30,670
Custodial fees		**1,695**		1,695
Transaction costs		**645**		314
Legal and exchange fees		**168**		195
Total expenses		**121,143**		156,133
(Decrease) increase in net assets attributable to holders of redeemable units	**$**	**(138,696)**	$	1,488,316
(Decrease) increase in net assets attributable to holders of redeemable units per unit[1] *(Note 15)*	**$**	**(0.08)**	$	0.66

1 *Based on the weighted average number of units outstanding for the period (Note 11).*

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

(Unaudited)

For the six months ended June 30	**2017**	2016
Net assets attributable to holders of redeemable units – beginning of period	**$ 8,476,301**	$ 9,360,189
(Decrease) increase in net assets attributable to holders of redeemable units	**(138,696)**	1,488,316
Unitholder transactions		
Distributions to holders of redeemable units		
From net investment income	**(65,701)**	(84,948)
From return of capital	**(18,392)**	(27,129)
Total distributions to holders of redeemable units	**(84,093)**	(112,077)
Net (decrease) increase in net assets attributable to holders of redeemable units	**(222,789)**	1,376,239
Net assets attributable to holders of redeemable units - end of period	**$ 8,253,513**	$ 10,736,428

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

(Unaudited)

For the six months ended June 30	**2017**	2016
Operating activities		
(Decrease) increase in net assets attributable to holders of redeemable units	**$ (138,696)**	$ 1,488,316
Adjustments for:		
Net realized gain on sale of investments	**(241,988)**	(241,123)
Net change in unrealized losses (gains) on investments	**425,812**	(1,194,556)
Transaction costs *(Note 14)*	**645**	314
Change in non-cash operating working capital *(Note 16)*	**(38,352)**	(9,993)
Purchase of investment securities *(Note 14)*	**(344,925)**	(126,771)
Proceeds from sale of investments *(Note 14)*	**580,602**	477,142
Net cash provided by operating activities	**243,098**	393,329
Financing activities		
Distributions to holders of redeemable units	**(84,093)**	(112,077)
Net cash used in financing activities	**(84,093)**	(112,077)
Net increase in cash during the period	**159,005**	281,252
Cash and cash equivalents, beginning of period	**725,549**	578,001
Cash and cash equivalents, end of period	**$ 884,554**	$ 859,253

The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

June 30, 2017 and 2016(Unaudited)

1. REPORTING ENTITY

Brookfield Soundvest Equity Fund (the "Fund") is a closed-ended fund established under the laws of the Province of Ontario and is governed by the Declaration of Trust dated September 28, 2005, as amended from time to time. The address of the Fund's registered office is 100 Sparks Street, 9th Floor, Ottawa, Ontario, K1P 5B7.

The Fund invests in a diversified portfolio consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, real estate investment trusts ("REITs"), Canadian mortgage-backed securities, and cash and cash equivalents. The Fund may also invest up to 20% of the value of the portfolio in any other security that is not otherwise prohibited.

The manager and the investment advisor of the Fund is Soundvest Capital Management Ltd. (the "Manager" and the "Investment Advisor"). Computershare Trust Company of Canada is the trustee of the Fund. The Fund is authorized to issue an unlimited number of units. The Fund is listed on the Toronto Stock Exchange and effectively commenced operations on October 17, 2005.

The Fund's investment objectives are to provide unitholders with a stable stream of quarterly distributions and maximize long-term total return to unitholders.

2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE

The interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") on a basis consistent with the accounting policies disclosed in the audited financial statements for the fiscal year ended December 31, 2016.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Fund's presentation currency is the Canadian dollar, which is also the functional currency of the Fund.

These financial statements were authorized for issuance by the Board of Directors of the Fund on August 28, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Financial Instruments

The Fund recognizes a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities include investments in securities, distributions and interest receivable and accounts payable and accrued liabilities.

(i) Classification

The Fund classifies its investments as financial assets at fair value through profit or loss. This category has two sub-categories: financial assets held for trading and financial assets designated at fair value through profit or loss at inception.

- Financial assets held for trading

  A financial asset is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

- Financial assets designated at fair value through profit or loss at inception

  A financial asset classified as designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance is evaluated on the fair value basis in accordance with the Fund's documented investment strategy.

(ii) Recognition

The Fund recognizes financial instruments at fair value upon initial recognition. Financial instruments measured at cost are recognized at fair value upon initial recognition plus transaction costs. Subsequent to initial recognition, changes in fair value of investments are measured at fair value through profit or loss ("FVTPL").

All other financial assets and liabilities are measured at amortized cost. Under this method, these financial assets and liabilities reflect the amount required to be received or paid, discounted, when appropriate, at the financial instrument's effective interest rate. Amortized cost approximates fair value for these financial assets and liabilities due to their short-term nature. Other financial assets and liabilities include distributions and interest receivable and accounts payable and accrued liabilities. IFRS, IAS 32 *Financial Instruments: Presentation* ("IAS 32"), requires that units of a fund which include a contractual obligation for the issuer to repurchase or redeem units for cash or another financial asset and an obligation to distribute net taxable income and net realized capital gains to ensure that the Fund is not liable for income taxes be classified as financial liabilities. The Fund's units do not meet the criteria in IAS 32 for classification as equity and, therefore, have been reclassified as financial liabilities under IFRS.

(iii) Fair value measurement

The Fund's investments are presented at fair value. Investments held that are traded in an active market through recognized public stock exchanges are valued at quoted market prices at the close of trading on the reporting date. The Fund uses the closing market price for investments where the closing price falls within that day's bid-ask spread. In circumstances where the closing market price does not fall within the bid-ask spread, the Manager determines the point within the bid-ask spread that is the most representative of fair value based on the specific facts and circumstances.

Investments held that are not traded in an active market are valued based on the results of valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques include the use of comparable recent arm's length transactions, reference to other investments that are substantially the same, discounted cash flow analysis, and those which make the maximum use of observable inputs. See Note 6 for more information about the Fund's fair value measurements.

(iv) Impairment of financial assets

At each reporting date the Fund assesses whether there is evidence that financial assets at amortized cost are impaired. If such evidence exists, the Fund recognizes an impairment loss as the difference between the amortized cost of the financial asset and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. Impairment losses on financial assets at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related to an event occurring after the impairment was recognized.

b) Cash and Cash Equivalents

Cash and cash equivalents include deposits with banks and highly liquid financial assets with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the Fund in the management of short-term commitments.

c) Income Recognition

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

d) Income Taxes

The Fund is taxed as a unit trust under the Income Tax Act (Canada). Provided that the Fund makes distributions in each year of its net taxable income and taxable net 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 taxable income and net realized capital gains on an annual basis. Accordingly, no income tax provision has been recorded.

e) Foreign Currency Translation

The fair value of investments and other assets and liabilities that are denominated in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at the reporting date. Foreign currency transactions are translated at the rate of exchange prevailing on the respective dates of such transactions.

f) Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units per Unit

The increase (decrease) in net assets attributable to holders of redeemable units per unit in the statement of comprehensive income is calculated by dividing the increase (decrease) in net assets attributable to holders of redeemable units by the weighted average number of units outstanding during the period. See Note 15 for the calculation.

g) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of investments, which include fees and commissions paid to agents, advisors, brokers and dealers. Transaction costs are immediately recognized in profit or loss as an expense.

h) Future Changes in Accounting Policies

(i) Financial Instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by IASB in July 2014 replacing the existing guidance in IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39). IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

The Fund is reviewing the impact of IFRS 9 on its financial statements.

(ii) Revenue from Contracts with Customers

IFRS 15, *Revenue from Contracts with Customers* ("IFRS 15") specifies how and when revenue should be recognized as well as requiring more informative and relevant disclosures. This standard supersedes IAS 18, *Revenue*, IAS 11, *Construction Contracts* and a number of revenue-related interpretations. Application of the Standard is mandatory and it applies to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts. The IASB has tentatively deferred mandatory adoption of IFRS 15 until periods beginning on or after January 1, 2018 with early application permitted.

The Fund is reviewing the impact of IFRS 15 on its financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires the Manager to make estimates, judgments, and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results could differ from these estimates.

In making estimates and assumptions, the Manager relies on external information and observable conditions where possible, supplemented by internal analysis as required. These estimates and assumptions have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that the Manager believes will materially affect the methodology or assumptions utilized in making these estimates and assumptions in these financial statements. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates and assumptions used in determining the recorded amounts for assets and liabilities in the financial statements include the following:

(i) Fair value measurement of investments not quoted in an active market

The Fund may hold financial instruments that are not quoted in active markets, including investments. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources. Broker quotes as obtained from the pricing sources may be indicative and not executable. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by the Manager.

Models use observable data, to the extent practicable. However, areas such as credit risk, volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Fund considers observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. See Note 6 for more information on the fair value measurement of the Fund’s financial statements.

(ii) Classification and application of the fair value option

In classifying and measuring financial instruments held by the Fund, the Manager is required to make significant judgments about the cash flow characteristics of the instruments and the applicability of the fair value option for financial assets under IFRS 9. The most significant judgment made is the determination of the classification of the Fund’s units as financial liabilities.

5. FINANCIAL INSTRUMENTS RISK

The Fund aims to maximize quarterly distributions primarily through investments in a portfolio of securities consisting primarily of common and preferred shares of Canadian issuers, income securities, including bonds and debentures, income trusts, REITs, Canadian mortgage-backed securities, and cash and cash equivalents. The Manager uses a disciplined and fundamental approach in its investment selection and management approach, which consists of an intensive and ongoing research process of investment opportunities across a broad range of investment vehicles in various industries and geographic regions. The Manager purchases and holds securities for the Fund for the medium to long term. The Manager also determines when to rotate the Fund’s portfolio into other sectors and investment vehicles to enhance the Fund’s portfolio performance and/or to limit risk. The Fund’s investment portfolio and leverage are monitored on a daily basis by the Manager.

The Fund has a risk management framework to monitor, evaluate and manage the principal risks assumed with its financial instruments. The potential risks that may arise from transacting financial instruments include market risk (which includes currency risk, interest rate risk, and price risk), credit risk, and liquidity risk.

Market Risk

Market risk represents the potential loss that can be caused by a change in the fair value of the financial instruments due to changes in market price. The investments of the Fund are subject to normal market fluctuations and the risks inherent in investing in equity markets. The Fund intends to continue to invest taking a long-term perspective while focusing on quality businesses that have the potential to deliver strong returns for unitholders.

The use of any type of credit facilities will expose unitholders to leverage such that any increase or decrease in the net asset value of the investment portfolio will result in a greater proportionate increase or decrease in the net assets attributable to holders of redeemable units of the Fund.

The Manager's best estimate of the effect on net assets attributable to holders of redeemable units due to a reasonably possible change in the S&P/TSX Composite Index, with other variables held constant, is as follows:

	Change in Net Assets of Fund	
Change in Prices on the Index	**June 30, 2017**	December 31, 2016
10%	**7.1%**	7.2%
(10%)	**(7.5%)**	(7.6%)

In practice, the actual results may differ from the above sensitivity analysis and the difference could be material.

(i) Currency risk

Currency risk is the risk that the value of an investment will change due to fluctuations in foreign exchange rates. The investments of the Fund are held in the functional currency of the Fund, which is the Canadian dollar; therefore, the Fund is not exposed to significant foreign currency risks.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Fund's assets at June 30, 2017 and December 31, 2016 are non-interest bearing.

(iii) Price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The Manager aims to moderate this risk through a careful selection and diversification of investments within the limits of the Fund's investment objectives and strategy. A majority of the net assets attributable to holders of redeemable units is expected to be invested in equity securities. The Fund's policy also limits individual equity securities to no more than 10% of net assets attributable to holders of redeemable units. As at June 30, 2017, the Fund's equity investments are publicly traded and are included in the S&P/TSX Composite Index. The Fund's policy requires that the overall market position is monitored on a daily basis by the Manager.

Credit Risk

Credit risk represents the potential loss that the Fund would incur if the counterparties failed to perform in accordance with the terms of their obligations to the Fund. The Fund maintains all of its cash and cash equivalents at its custodian or with a Canadian chartered bank. All transactions in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Fund limits its exposure to credit loss by dealing with counterparties of high credit quality. To maximize the credit quality of its investments, the Fund's Manager performs ongoing credit evaluations based upon factors surrounding the credit risk of counterparties, historical trends and other information.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with the its financial liabilities. As at June 30, 2017 the Fund invests all of its assets in investments that are traded in an active market and can be readily disposed of since it invests only a limited proportion of its assets in investments not actively traded on a stock exchange. There can be no assurance that an active trading market for the investments will exist at all times or that the prices at which the securities trade accurately reflect their values. Thin trading in a security could make it difficult to liquidate holdings quickly. The Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity; therefore, the liquidity risk for the Fund is considered minimal.

The Fund is also exposed to annual cash redemptions of Fund units; however, the Fund has up to approximately 42 days to raise the necessary cash to fund the required redemption payment amount. The Fund maintains liquid investments that are traded in an active market and can be readily disposed of, subject to the limitations noted above, to maintain adequate liquidity.

The tables below analyze the Fund's financial liabilities as at June 30, 2017 and December 31, 2016 into relevant groupings based on contractual maturity dates. The amounts in the tables are contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

As at June 30, 2017	**On Demand**	**1-3 Months**	**Greater than 3 Months**	**No Stated Maturity**	**Total**
Accounts payable and accrued liabilities	$ -	$ 36,973	$ -	$ -	$ 36,973
Total liabilities	**$ -**	**$ 36,973**	**$ -**	**$ -**	**$ 36,973**

As at December 31, 2016	On Demand	1-3 Months	Greater than 3 Months	No Stated Maturity	Total
Accounts payable and accrued liabilities	$ -	$ 61,077	$ -	$ -	$ 61,077
Total liabilities	$ -	$ 61,077	$ -	$ -	$ 61,077

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	June 30, 2017 %	December 31, 2016 %
Financials	**25.0**	23.1
Utilities	**20.1**	18.4
Consumer discretionary	**18.2**	16.8
Energy	**16.7**	23.4
Cash and cash equivalents	**10.8**	8.6
Industrial	**9.2**	9.7
	100.0	100.0

Capital Risk Management

The Fund's capital structure is composed of units issued. The Fund's objective is to utilize prudent levels of leverage to lower the Fund's cost of capital to increase the total return to unitholders. In managing its capital structure, the Manager may adjust the amount of distributions paid to unitholders or re-evaluate the Fund's leverage ratios. The Manager also manages the composition of its investment portfolio to ensure that the Fund is within its investment objectives.

6. FAIR VALUE MEASUREMENT

The Fund classifies and discloses fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The three-level hierarchy is as follows:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Manager has the ability to access at the measurement date
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
Level 3	Inputs for the asset or liability that are not based on observable market data. Additional quantitative disclosures are required for Level 3 securities

If inputs of different levels are used to measure an asset's or liability's fair value, the classification within the hierarchy is based on the lowest level input that is significant to the fair value measurement. The following fair value hierarchy tables present information about the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

As at June 30, 2017	**Level 1**	**Level 2**	**Level 3**	**Total Financial Assets at Fair Value**
Financial assets designated as fair value through profit or loss:				
Real Estate Investment Trusts	**$ 1,182,490**	**-**	**-**	**$ 1,182,490**
Limited partnerships	**380,420**	**-**	**-**	**380,420**
Canadian common stocks	**5,740,491**	**-**	**-**	**5,740,491**
Total financial assets measured at fair value	**$ 7,303,401**	**$ -**	**$ -**	**$ 7,303,401**

As at December 31, 2016	Level 1	Level 2	Level 3	Total Financial Assets at Fair Value
Financial assets designated as fair value through profit or loss:				
Real Estate Investment Trusts	$ 1,168,560	-	-	$ 1,168,560
Limited partnerships	478,200	-	-	478,200
Canadian common stocks	6,076,786	-	-	6,076,786
Total financial assets measured at fair value	$ 7,723,546	$ -	$ -	$ 7,723,546

The carrying values of cash and cash equivalents, distributions and interest receivable and accounts payable and accrued liabilities approximate their fair values due to their short-term nature. Fair values are classified as Level 1 when the related security is actively traded and a quoted price is available. If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such cases, instruments are reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3.

(i) Equities

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. As at June 30, 2017, all of the Fund's equities trade frequently and therefore observable prices are available.

7. FINANCIAL INSTRUMENTS BY CATEGORY

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2017:

	Financial assets at fair value through profit or loss				
Assets	**Held for trading**	**Designated as fair value through profit or loss**	**Total**	**Financial assets at amortized cost**	**Total**
Financial assets at fair value through profit or loss	**$ -**	**$ 7,303,401**	**$ 7,303,401**	**$ -**	**$ 7,303,401**
Cash and cash equivalents	**-**	**-**	**-**	**884,554**	**884,554**
Distributions and interest receivable	**-**	**-**	**-**	**29,625**	**29,625**
Total	**$ -**	**$ 7,303,401**	**$ 7,303,401**	**$ 914,179**	**$ 8,217,580**

	Financial liabilities at fair value through profit or loss				
Liabilities	**Held for trading**	**Designated as fair value through profit or loss**	**Total**	**Financial liabilities at amortized cost**	**Total**
Accounts payable and accrued Liabilities	**$ -**	**$ -**	**$ -**	**$ 36,973**	**$ 36,973**
Total	**$ -**	**$ -**	**$ -**	**$ 36,973**	**$ 36,973**

The following tables present the carrying amounts of the Fund's financial assets by category as at December 31, 2016.

Assets	Financial assets at fair value through profit or loss: Held for trading	Designated as fair value through profit or loss	Total	Financial assets at amortized cost	Total
Financial assets at fair value through profit or loss	$ -	$ 7,723,546	$ 7,723,546	$ -	$ 7,723,546
Cash	-	-	-	725,549	725,549
Distributions and interest receivable	-	-	-	26,724	26,724
Total	$ -	$ 7,723,546	$ 7,723,546	$ 752,273	$ 8,475,819

Liabilities	Financial liabilities at fair value through profit or loss: Held for trading	Designated as fair value through profit or loss	Total	Financial liabilities at amortized cost	Total
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ 61,077	$ 61,077
Total	$ -	$ -	$ -	$ 61,077	$ 61,077

The following table presents the net gains (losses) on financial instruments at fair value through profit or loss by category for the year ended June 30, 2017 and 2016:

	2017	2016
Net realized gains on financial assets at fair value through profit or loss:		
Designated as fair value through profit or loss	**$ 241,988**	$ 241,123
Net unrealized (losses) gains on financial assets at fair value through profit or loss:		
Designated as fair value through profit or loss	**(425,812)**	1,194,556
Total net realized/unrealized gains (losses) on financial assets at fair value through profit or loss	**$ (183,824)**	$ 1,435,679

8. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents are the following:

	June 30, 2017	December 31, 2016
Cash	**$ 19,214**	$ 10,744
Cash equivalents	**865,340**	714,805
	$ 884,554	$ 725,549

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Included in accounts payable and accrued liabilities are the following:

	June 30, 2017	December 31, 2016
Other accounts payable and accrued liabilities	$ 22,479	$ 45,296
Service fees payable *(note 13)*	7,379	8,525
Management fees payable *(note 13)*	7,115	7,256
	$ 36,973	$ 61,077

10. LOAN FACILITY

The Fund utilizes borrowings to purchase additional portfolio investments and for general Fund purposes. The margin loan facility was not used in 2017 or 2016 and as at June 30, 2017 and December 31, 2016, there were no balances outstanding on this facility. A reduction or termination in the margin loan facility may limit the Fund's ability to employ leverage to magnify returns. In the current environment, the Fund will seek to cautiously use leverage as deemed appropriate.

11. REDEEMABLE UNITS

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 August of any year, but at least fifteen business days prior to the last business day in August (the "Redemption Date"). Redemption of surrendered units will be affected 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. The last day for requesting redemptions based on the August 31, 2017 net asset value per unit was August 10, 2017. Unitholders have requested redemption for 426,618 units (2016 – 599,694 units). Unitholder payment will take place no later than September 22, 2017.

A continuity of the units of the Fund is as follows:

Issued	Number of Units	Amount
Units - December 31, 2015	2,241,548	22,544,360
Redeemed for cash:		
Share redemption program	(559,694)	(2,722,481)
Units - December 31, 2016	1,681,854	19,821,879
Redeemed for cash:		
Share redemption program	-	-
Units - June 30, 2017	**1,681,854**	**$ 19,821,879**

The weighted average number of units outstanding for the six-months ended June 30, 2017 was 1,681,854 (December 31, 2016 – 2,085,458).

12. DISTRIBUTIONS PAYABLE TO UNITHOLDERS

Distributions, as declared by the Manager, are made on a quarterly basis to unitholders of record on the last business day of February, May, August and November. The distributions are payable no later than the 15th day of March, June, September and December. Distributions payable as at June 30, 2017 totalled $nil (December 31, 2016 - $nil).

13. RELATED-PARTY TRANSACTIONS

Soundvest Capital Management Ltd., the Manager and Investment Advisor to the Fund, is 50% owned by Brookfield Asset Management Inc. ("Brookfield"). Brookfield and its affiliates are related parties of the Fund by virtue of its 50% ownership of the Manager. Transactions with related parties, including investment transactions, are conducted in the normal course of operations and are recorded at exchange amounts, which are equivalent to normal market terms.

(i) 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 0.95% per annum of the net asset value of the Fund, calculated and paid monthly, plus applicable taxes. Management fees payable as at June 30, 2017 totalled $7,115 (December 31, 2016 - $7,256).

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. Service fees payable as at June 30, 2017 totalled $7,379 (December 31, 2016 - $8,525).

14. INVESTMENT TRANSACTIONS

Investment transactions for the six-months ended June 30, 2017 and 2016 were as follows:

	2017	2016
Proceeds from sale of investments	**$ 580,602**	$ 477,142
Less cost of investments sold		
Investments at cost – beginning of period	**5,173,929**	7,445,072
Investments purchased during the period	**344,925**	126,771
Transaction costs	**(645)**	(314)
Investments at cost – end of period	**5,179,595**	7,335,510
Cost of investments sold during the period	**338,614**	236,019
Net realized gains on sale of investments	**$ 241,988**	$ 241,123

15. INCREASE(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT

The increase (decrease) in net assets attributable to holders of redeemable units per unit for the six-months ended June 30, 2017 and 2016 is calculated as follows:

	June 30, 2017	June 30, 2016
Increase (decrease) in net assets attributable to holders of redeemable units	**$ (138,696)**	$ 1,488,316
Weighted average units outstanding during the year	**1,681,854**	2,241,548
Increase (decrease) in net assets attributable to holders of redeemable units per unit	**$ (0.08)**	$ 0.66

16. SUPPLEMENTARY INFORMATION TO THE STATEMENTS OF CASH FLOWS

Changes in non-cash operating working capital items:

		June 30, 2017		June 30, 2016
Distributions and interest receivable	$	(2,901)	$	2,859
Prepaid and other		(11,346)		(10,738)
Accounts payable and accrued liabilities		(24,105)		(2,114)
	$	(38,352)	$	(9,993)

SCHEDULE OF INVESTMENT PORTFOLIO

As at June 30, 2017

Number of Units[1]		Average Cost	Fair Value	Percentage of Net Assets
	Canadian Common Stocks			
32,452	Algonquin Power & Utilities Corp.	347,094	442,970	5.3%
7,800	WSP Global Inc.	206,359	419,718	5.1%
36,100	Tricon Capital Group Inc.	195,514	419,482	5.1%
13,400	Parkland Fuel Corporation	129,001	398,114	4.8%
14,000	First National Financial Corporation	233,368	380,100	4.6%
14,900	Inter Pipeline Limited	361,027	378,460	4.6%
478,740	Brightpath Early Learning Inc.	239,370	378,204	4.6%
7,000	Cineplex Inc.	119,019	370,020	4.5%
20,900	Brookfield Real Estate Services Inc.	243,226	344,850	4.2%
36,600	Whitecap Resources Inc.	315,268	338,916	4.1%
10,000	Exchange Income Corporation	132,000	330,600	4.0%
6,690	Emera Inc.	283,892	322,525	3.9%
7,000	Vermilion Energy Inc.	226,940	287,980	3.5%
16,400	Arc Resources Limited	326,426	278,144	3.4%
10,900	Bonterra Energy Corporation	377,794	182,466	2.2%
14,400	Crescent Point Energy Corporation	545,537	142,848	1.7%
5,000	Tourmaline Oil Corporation	105,172	139,400	1.7%
3,000	Keyera Corp.	115,390	122,460	1.5%
600	Canadian Imperial Bank of Commerce	63,179	63,234	0.8%
		4,565,576	5,740,491	69.6%
	Real Estate Investment Trusts (REITs)			
30,300	Artis REIT	124,311	396,930	4.8%
18,000	H&R REIT	219,059	396,360	4.8%
10,000	Allied Properties REIT	122,592	389,200	4.7%
		465,962	1,182,490	14.3%
	Limited Partnerships			
9,200	Brookfield Renewable Energy Partners LP	157,915	380,420	4.6%
		157,915	380,420	4.6%
Investment portfolio		5,189,453	7,303,401	88.5%
Transaction costs		(9,858)	-	-
Total investment portfolio		5,179,595	7,303,401	88.5%
Cash and cash equivalents			884,554	10.7%
Other assets in excess of liabilities			65,558	0.8%
Net assets attributable to holders of redeemable units			8,253,513	100.0%

1 *The summary of investment portfolio may change due to ongoing portfolio transactions in the Fund. A quarterly update is available at www.brookfieldsoundvest.com.*

BOARD AND MANAGEMENT

INDEPENDENT REVIEW COMMITTEE

John P. Barratt *(Chair)*
Corporate Director

Frank N.C. Lochan
Corporate Director

James L. R. Kelly
President
Earth Power Tractors and Equipment Inc.

MANAGER

Soundvest Capital Management Ltd.

Kevin W. Charlebois
Director, President, Secretary & Chief Executive Officer

Gabrielle Lenz
Chief Financial Officer

Seth Gelman
Director & Chairman of the Board

Brian Hurley
Director

Audrey J. Charlebois
Director

Investment Advisor (Soundvest Capital Management Ltd.)

Kevin W. Charlebois
Chief Investment Officer

Ryan Cody
Portfolio Manager and Equity Analyst

CORPORATE INFORMATION

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Trustee, Transfer Agent and Registrar

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

Fund's Transfer Agent:

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