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MANAGEMENT REPORT OF FUND PERFORMANCE

This annual Management Report of Fund Performance ("MRFP") is intended to provide readers with the financial highlights and an assessment of the performance of Soundvest Equity Fund (the "Fund") for the year ended December 31, 2017 (the "Period"). The annual financial statements are audited and have been prepared by and are the responsibility of the Manager of the Fund. All figures in the MRFP are in Canadian dollars as at December 31, 2017, unless otherwise indicated.

This annual MRFP contains financial highlights, but does not contain the complete annual financial statements of the Fund. You can obtain a copy of the annual financial statements at your request, and at no cost, by calling 613-236-7361; by writing to us at 100 Sparks Street, Suite 900, Ottawa, Ontario, K1P 5B7; or by visiting our website at www.soundvestcapital.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 $2.3 million or 27.6%, from $8.5 million as at December 31, 2016 to $6.1 million as at December 31, 2017. This change is attributable to redemptions of $2.0 million, to distributions of $158 thousand and to investment performance (net of expenses), where a loss of $173 thousand was reported. The Fund's investment performance and unitholder activity for 2017 are discussed in more detail below.

Investment Performance

For the twelve-month period ended December 31, 2017 the Fund's published net asset value per unit, which is used for purchases and redemptions, decreased 3.05%, resulting in a total return, including distributions, of negative 1.06%. During the same timeframe the S&P/TSX Composite increased 9.10%.

For the twelve-month period ended December 31, 2017, the Fund generated net realized gains of approximately $876 thousand. Sales were executed to attain desired weightings within the Fund. Net gains were realized from sales in BrightPath Early Learning Inc. ($146 thousand), First National Financial Corp. ($134 thousand), Brookfield Renewable Energy Partners ($130 thousand), Tricon Capital Group Inc. ($78 thousand), Artis REIT ($76 thousand), WPS Global Inc. ($73 thousand), Allied Properties REIT ($62 thousand), Algonquin Power and Utilities ($57 thousand) and Parkland Fuel Corp ($51 thousand). There were no net losses realized from sales.

The Fund's security selection in the Financials and Real Estate sectors contributed positively to performance as the securities held in the Fund outperformed, on average, those held by the S&P/TSX Composite Index ("Index"). The Fund's security selection in the Energy sector detracted from performance. The Fund's underweight position in the Financial sector and overweight position in the Energy sector also detracted from performance relative to the Index.

Fees and Expenses

Fees and expenses for the twelve months ended December 31, 2017 totalled $244 thousand, compared to $278 thousand for the same period in 2016, representing an annualized management expense ratio ("MER") of 3.2% as compared to 2.9% for the twelve months ended December 31, 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 twelve months ended December 31, 2017 and 2016 was 3.2% and 2.9%, respectively. Fees and expenses for the twelve months ended December 31, 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. As per the terms of the Fund's Declaration of Trust, additional liquidity is provided by way of an annual redemption program whereby 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. In 2017, 426,618 units (2016 – 599,694 units) were redeemed and cancelled for cash proceeds of $2.0 million (2016 - $2.7 million) through the annual redemption program.

During 2017, the Fund provided quarterly distributions of $0.025 per unit and paid out distributions that totalled $0.10 per unit or $158 thousand (2016 – $0.10 per unit or $210 thousand). The Fund's distributions included a return of capital of 10.4% or $0.01 per unit (2016 – 23.9% or $0.02 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 December 31, 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 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 the clients of such dealers. During the twelve months ended December 31, 2017, management fees, including taxes accrued or paid to the Manager, totalled $80 thousand (2016 - $102 thousand). Service fees accrued or paid during the twelve months ended December 31, 2017 totalled $29 thousand (2016 - $36 thousand).

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RECENT DEVELOPMENTS

Future Accounting Policy Changes

(i) Financial Instruments

IFRS 9, *Financial Instruments* ("IFRS 9") was issued by the 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 anticipated 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 has determined that the effects of the application of IFRS 9 on its financial statements will be minimal and will have no significant impact on its financial performance.

(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 new standard is effective for annual periods beginning January 1, 2018.

The Fund plans to adopt the standard using the modified retrospective approach. This method will result in a cumulative catch-up adjustment to retained earnings as of January 1, 2018, as if the standard had always been in effect and whereby comparative periods will not be restated.

The Fund has determined that the application of IFRS 15 on its financial statements will result mainly in more extensive note disclosure in its financial statements and will have no significant impact on its financial performance.

OUTLOOK

The U.S. economy has continued to perform well, supported by strong employment, a robust housing market and a recently introduced bill reducing corporate and individual taxes. U.S. consumers should continue to drive economic strength as they realize the "wealth effect" benefits from rising home prices and equity market valuations, lower income taxes and relatively cheap borrowing rates. Overall, the U.S. economy continues to enjoy a number of tailwinds. The key question that many are asking is whether the tailwinds outweigh potential headwinds. With equity markets in the U.S. reaching all-time highs, some are expressing concern given that both economic growth and inflation readings remain moderate. The core headwind on a go-forward basis, while well telegraphed and explained, is the expectation that the FOMC will continue its balance sheet and federal funds rate normalization process, which could potentially slow economic growth if borrowing rates continue to trend upwards.

The Canadian economy was strong throughout 2017 as economic growth surprised to the upside, supported by improving employment and a stable housing market. The housing market remained resilient as new mortgage rules were introduced. Western Canada started to show signs of life as energy prices increased while both business and consumer spending provided a welcomed boost. Much like the U.S., Canada's economy has enjoyed low borrowing costs and the benefit of the "wealth effect" as both home and equity valuations have increased materially on average. While we do not have a "bearish" outlook, it should be noted that ongoing NAFTA negotiations and the expectation that the BOC will continue to adjust its overnight rate upwards could potentially lead to lower growth as the economy adjusts to these changes.

We do not know what returns the stock market will provide in any given year. What we do know is the following: buying reasonably priced shares of companies with well-constructed balance sheets and 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]

At December 31	**2017[2]**	2016[2]	2015[2]	2014[2]	2013[2]
Net assets – beginning of period	**$ 5.04**	$ 4.18	$ 4.79	$ 5.20	$ 5.04
Increase (decrease) from operations					
Total revenue	**0.20**	0.18	0.20	0.23	0.25
Total expenses	**(0.15)**	(0.13)	(0.13)	(0.14)	(0.14)
Transaction costs	**(0.01)**	(0.00)	(0.00)	(0.00)	(0.01)
Net realized gains (losses) on sale of investments	**0.56**	0.33	0.34	(0.01)	0.09
Net change in unrealized gains (losses)[6]	**(0.71)**	0.60	(0.79)	(0.10)	0.13
Total increase (decrease) from operations[3,6]	**(0.11)**	0.98	(0.38)	(0.02)	0.32
Distributions					
From investment income	**—**	—	—	—	—
From dividend and distribution income	**(0.09)**	(0.08)	(0.20)	(0.21)	(0.20)
Return of capital	**(0.01)**	(0.02)	(0.02)	(0.03)	(0.04)
Total distributions[4]	**(0.10)**	(0.10)	(0.22)	(0.24)	(0.24)
Net assets - end of period[5]	**$ 4.89**	$ 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 twelve months ended December 31 (audited).*
3 *Net asset 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.*
4 *Distributions were paid in cash.*
5 *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.*
6 *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:

At December 31	**2017[1]**	2016[1]	2015[1]	2014[1]	2013[1]
Net investment income	**$ 67,934**	$ 104,607	$ 172,289	$ 269,464	$ 411,419
Transaction costs	**(1,717)**	(5,836)	(4,704)	(11,040)	(22,068)
Net realized gains (losses) on sale of investments	**875,713**	697,254	858,023	(19,619)	312,329
Net change in unrealized gains (losses)[2]	**(1,114,431)**	1,252,731	(1,961,485)	(309,423)	464,644
Income (loss) from operations[2]	**(172,501)**	2,048,756	(935,877)	(70,618)	1,166,324
Income (loss) from operations per unit[3]	**(0.11)**	0.98	(0.38)	(0.02)	0.32
Net assets per unit[3]	**$ 4.89**	$ 5.04	$ 4.18	$ 4.79	$ 5.20

1 *As at and for the twelve months ended December 31 (audited).*
2 *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.*
3 *Net assets per unit for prior periods have been adjusted to reflect the reporting requirements of IFRS.*

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Ratios and Supplemental Data

At December 31	**2017[1]**	2016[1]	2015[1]	2014[1]	2013[1]
Total net asset value[2]	**$ 6,134,240**	$ 8,476,302	$ 9,360,189	$ 12,360,794	$ 16,703,214
Number of units outstanding	**1,255,236**	1,681,854	2,241,548	2,582,149	3,215,031
Management expense ratio before interest expense	**3.19%**	2.87%	2.77%	2.62%	2.62%
Management expense ratio[3]	**3.19%**	2.87%	2.77%	2.63%	2.82%
Management expense ratio before waivers or absorptions	**3.19%**	2.87%	2.77%	2.63%	2.82%
Trading expense ratio[4]	**0.02%**	0.06%	0.04%	0.07%	0.12%
Portfolio turnover rate[5]	**5.83%**	4.82%	1.24%	1.16%	15.67%
Quarterly distribution per unit[7]	**$ 0.025**	$ 0.025	$ 0.020	$ 0.020	$ 0.020
Annualized trailing yield[6]	**2.14%**	2.11%	5.73%	5.25%	4.85%
Closing market price	**$ 4.67**	$ 4.74	$ 3.84	$ 4.57	$ 5.20

1 *As at and for the twelve months ended December 31 (audited).*
2 *The total net asset value for prior periods has been adjusted to reflect the reporting requirements of IFRS.*
3 *The 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.*
4 *The trading expense ratio represents commission costs expressed as an annualized percentage of daily average net asset value 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 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.*
6 *Based on annualized cumulative distributions per unit and the closing market price.*
7 *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

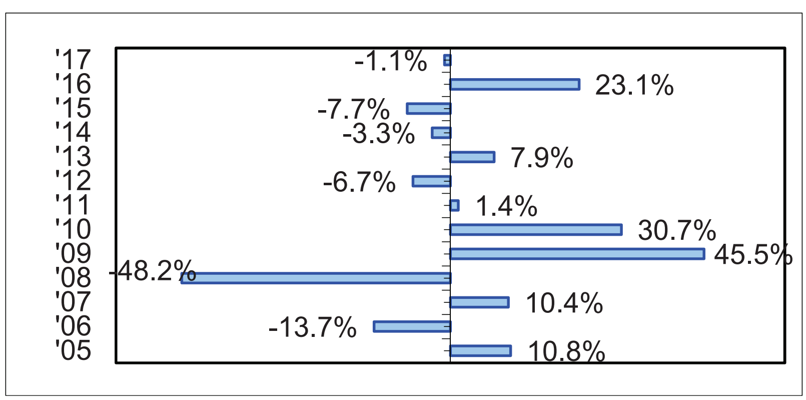
Pursuant to a management agreement, the Manager provides management and administrative services to the Fund, for which it is paid a management fee equal to 0.95% per annum of the net asset value of the Fund, calculated and paid monthly, plus applicable taxes. The Fund also pays to the Manager a service 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 do 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. Effective February 21, 2018, the Fund's name was changed from Brookfield Soundvest Equity Fund to Soundvest Equity Fund. 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 December 31, 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 December 31, 2017, compared with the Index.

	2017[1]	2016[1]	3-Year[2]	5-Year[3]	Since Inception[4]
Fund – Net asset value	**(3.1%)**	20.7%	0.7%	(0.6%)	0.5%
Fund – Total return, including distributions	**(1.1%)**	23.1%	3.6%	2.9%	4.4%
S&P/TSX Composite Return Index	**9.1%**	21.1%	6.6%	8.6%	7.5%

1 *For the twelve months ended December 31 (audited).*
2 *Period from January 1, 2015 to December 31, 2017.*
3 *Period from January 1, 2013 to December 31, 2017.*
4 *For the period from inception (October 17, 2005) to December 31, 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.soundvestcapital.com.

Portfolio Composition

As at December 31, 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)	**15.5%**	**16.2%**	0%-100%
Canadian Common Stocks	**75.4%**	**78.6%**	0%-100%
Limited Partnerships	**5.0%**	**5.2%**	0%-20%
Total Investment Portfolio	**95.9%**	**100.0%**	100%
Cash and cash equivalents	**3.6%**		
Other assets in excess of liabilities	**0.5%**		
	100.0%		

1 *Based on market value as at December 31, 2017.*

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Top 25 Positions

The top 25 positions held by the Fund as at December 31 2017 were as follows:

Number of Units		Fair Value	Percentage of Net Assets
14,900	Inter Pipeline Limited	$ 387,847	6.3%
13,400	Parkland Fuel Corporation	359,790	5.9%
6,000	WSP Global Inc.	359,460	5.9%
10,000	Exchange Income Corporation	356,400	5.8%
36,600	Whitecap Resources Inc.	327,570	5.3%
23,100	Artis REIT	325,710	5.3%
7,700	Allied Properties REIT	324,016	5.3%
28,000	Tricon Capital Group Inc.	323,400	5.3%
7,000	Vermilion Energy Inc.	319,760	5.2%
22,600	Algonquin Power & Utilities Corp.	317,756	5.2%
6,690	Emera Inc.	314,296	5.1%
7,000	Brookfield Renewable Energy Partners L.P.	306,670	5.0%
14,000	H&R REIT	299,040	4.9%
18,000	Brookfield Real Estate Services Inc.	297,360	4.8%
7,000	Cineplex Inc.	261,310	4.3%
16,400	Arc Resources Limited	241,900	3.9%
	Cash and cash equivalents	221,861	3.6%
5,100	Keyera Corp.	180,642	2.9%
10,900	Bonterra Energy Corporation	166,770	2.7%
14,400	Crescent Point Energy Corporation	137,952	2.2%
5,000	Tourmaline Oil Corporation	113,900	1.9%
3,100	First National Financial Corporation	89,280	1.5%
600	Canadian Imperial Bank of Commerce	73,524	1.2%

Gabrielle Lenz
Chief Financial Officer of the Manager

March 20, 2018