

## AUDIT COMMITTEE CHARTER

1. Requirements for Membership: The Audit Committee shall consist of at least three Directors/Trustees, each of whom has no relationship to the Fund or its management that may interfere with the exercise of their independence from management and the Fund (“Independent”). The restrictions contained in Attachment A to this Charter with respect to the definition of Independent shall apply to every Audit Committee member. Each member of the Audit Committee must also meet the independence requirements of audit committee members, as currently set forth in Section 303A.01 of the New York Stock Exchange’s listing standards. In the event an audit committee member simultaneously serves on the audit committees of more than three public companies, the Boards of Directors/Trustees must determine that such simultaneous service would not impair the ability of such member to effectively serve on the Fund’s audit committee.

The Boards of Directors/Trustees for each Fund will determine annually whether there is at least one member of the Audit Committee who is an audit committee financial expert as defined in Item 3 of Form N-CSR. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Boards of Directors/Trustees in their business judgment, or must become financially literate within a reasonable period of time after appointment to the Audit Committee. At least one member of the Audit Committee must have accounting or related financial management expertise as such qualification is interpreted by the Boards of Directors/Trustees in its business judgment.

2. Purposes: The purposes of the Audit Committee are:

- a. oversight of the Fund’s accounting and financial reporting policies and practices, its internal control over financial reporting and, as appropriate, to inquire into the internal control over financial reporting of certain third-party service providers;
- b. oversight of the quality and integrity of the Fund’s financial statements and the independent audit thereof;
- c. oversight, or, as appropriate, assist the Boards of Directors/Trustees with oversight of, the Fund’s compliance with legal and regulatory requirements that relate to the Fund’s accounting and financial reporting, internal control over financial reporting and independent audits;
- d. responsibility for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund;
- e. maintenance of a liaison between the independent auditors and the Boards of Directors/Trustees;
- f. establishment of procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls or auditing matters, including procedures for the confidential, anonymous submission by employees of the Fund, its investment adviser, administrator, principal underwriter (if any), or any other provider of accounting related services for the Fund of concerns regarding questionable accounting or auditing matters (see Attachment B); and

- g. preparation of an Audit Committee report as required by Item 306 of Regulation S-K to be included in proxy statements relating to the election of Directors/Trustees.

The independent auditors for the Fund shall report directly to the Audit Committee and the Audit Committee shall regularly report to the Boards of Directors/Trustees.

3. Duties and Powers: The duties and powers of the Audit Committee are:

- a. to approve prior to appointment the engagement of auditors to annually prepare and issue an audit report or related work or perform other audit, review or attest services for the Fund and to review and evaluate matters potentially affecting the independence and capabilities of the auditors. In evaluating the auditor's qualifications, performance and independence, the Audit Committee must, among other things, obtain and review a report by the auditor, at least annually, describing the following items:
  - (i) all relationships between the independent auditor and the Fund, as well as the Fund's investment adviser or any control affiliate of the adviser that provides ongoing services to the Fund;
  - (ii) any material issues raised by the most recent internal quality control review, or peer review, of the audit firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with such issues; and
  - (iii) the audit firm's internal quality-control procedures.
- b. to approve prior to appointment the engagement of the auditor to provide non-audit services to the Fund, its investment adviser or any entity controlling, controlled by, or under common control with the investment adviser ("Adviser Affiliate") that provides ongoing services to the Fund, if the engagement relates directly to the operations and financial reporting of the Fund;
- c. to develop, to the extent deemed appropriate by the Audit Committee, policies and procedures for pre-approval of the engagement of the Fund's auditors to provide any of the services described in (a) or (b) above;
- d. to consider the controls applied to the auditors and any measures taken by management in an effort to assure that all items requiring pre-approval by the Audit Committee are identified and referred to the Audit Committee in a timely fashion;
- e. to consider whether the non-audit services provided by the Fund's auditor to the Fund's investment adviser or any Adviser Affiliate that provides ongoing services to the Fund, which services were not pre-approved by the Audit Committee, are compatible with maintaining the auditor's independence; however, the auditor should have all audit and non-audit services for the Fund pre-approved by the Audit Committee before performing such services;
- f. to oversee the independent auditors, using meetings with the auditors, including private meetings, as desired by the Audit Committee or the auditors: (i) to review the plan for and the scope of the annual audit and any special audits; (ii) to discuss any matters of

concern relating to the financial statements, including any adjustment to the statements recommended by the auditors, or other matters arising from the audit; (iii) to consider the auditors' comments with respect to accounting and financial reporting policies, procedures, and internal control over financial reporting (including the Fund's critical accounting policies and practices), and to consider management's responses to the comments; (iv) to the extent that Audit Committee deems necessary or appropriate, to promote improvements in the quality of the Fund's accounting and financial reporting; (v) to consider any reports of difficulties that may have arisen in the course of the audit, including any limitations on the scope of the audit, and management's response thereto; (vi) to resolve disagreements between management and the auditors regarding financial reporting; (vii) to review and approve the fees proposed to be charged to the Fund by the auditors for each audit and non-audit service; and (viii) to review the form of opinion the auditors propose to submit to the Boards of Directors/Trustees and the shareholders;

- g. to discuss with management and the independent auditor the Fund's annual audited financial statements and other periodic financial statements, including, as applicable to a Fund that is publicly traded on an Exchange, the Fund's disclosures under "Management's Discussion of Fund Performance";
- h. to receive at least annually a report from the independent auditor within 90 days prior to the filing of the auditor's report (or receive an updated report within such 90 day period, if the auditor's annual report is presented to the Audit Committee more than 90 days prior to the filing of the auditor's report) which includes the following: (i) all critical accounting policies and practices used by the Fund, (ii) all material alternative accounting treatments within GAAP that have been discussed with management, including the ramifications of the use of the alternative treatments and the treatment preferred by the accounting firm, (iii) other material written communications between the independent auditor and the management of the Fund, and (iv) a description of all non-audit services provided, including fees associated with the services, to the Fund complex that were not subject to the pre-approval requirements as discussed above;
- i. to consider the effect of any changes in accounting principles or practices proposed by management or the auditors;
- j. to review security valuation procedures employed with respect to any asset or class of asset for which there is not a readily determinable market value;
- k. to review and discuss with management, including any officers certifying the Fund's Form N-CSR, the Fund's audited financial statements as well as any officer's certifications and reports to be filed with the Securities and Exchange Commission on behalf of the Fund; to offer guidance with respect to such audited financial statements, certifications and reports; and to determine whether to recommend that the financial statements be included in the annual report;
- l. to discuss all disclosures made by the Fund's officers certifying the Fund's Form N-CSR to the Audit Committee, based on such officer's most recent evaluation as to (i) all significant deficiencies in the design or operation of internal control over financial reporting which could adversely affect the Fund's ability to record, process, summarize and report financial data, and (ii) any fraud, whether or not material, that involves management or other employees who have significant roles in the Fund's internal control over financial reporting;

- m. to investigate or initiate an investigation of reports of any improprieties or suspected improprieties in Fund activities relating to accounting, financial reporting or internal controls over financial reporting;
- n. to discuss generally the Fund's earnings press releases, if any, as well as any financial information and earnings guidance provided to analysts and rating agencies (if any), e.g., the types of information to be disclosed and the type of presentation to be made;
- o. to review in a general manner, but not as an Audit Committee to assume responsibility for, the Fund's processes with respect to risk assessment and risk management;
- p. to set clear policies relating to the hiring by entities within the Fund's investment company complex of employees or former employees of the independent auditors;
- q. to report on its activities to the Boards of Directors/Trustees on a regular basis and to make any recommendations deemed necessary or appropriate; and
- r. to perform such other functions and to have such powers as may be necessary or appropriate in the efficient and lawful discharge of the powers provided in this Charter.

The Audit Committee shall have the resources and authority appropriate to discharge its responsibilities, including appropriate funding, as determined by the Audit Committee, for payment of compensation to the auditors for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Fund, the authority to retain and compensate special counsel and other experts or consultants as the Audit Committee deems necessary, the authority to obtain specialized training for Audit Committee members, at the expense of the Fund or series, as appropriate, and for ordinary administrative expenses of the Audit Committee that are necessary and appropriate to carry out the Audit Committee's duties.

The Audit Committee may delegate any portion of its authority, including the authority to grant pre-approvals of audit and permitted non-audit services, to a subcommittee of one or more members. Any decisions of the subcommittee to grant pre-approval shall be presented to the full Audit Committee at its next regularly scheduled meeting.

4. Role of the Audit Committee: The function of the Audit Committee is oversight; it is management's responsibility to maintain appropriate systems for accounting and internal control over financial reporting, and the auditor's responsibility to plan and carry out a proper audit. Specifically, Fund's management is responsible for: (1) the preparation, presentation and integrity of the Fund's financial statements; (2) the maintenance of appropriate accounting and financial reporting principles and policies; and (3) the maintenance of internal control over financial reporting and other procedures designed to assure compliance with accounting standards and related laws and regulations. The independent auditors are responsible for planning and carrying out an audit consistent with applicable legal and professional standards and the terms of their engagement letter. Nothing in this Charter shall be construed to reduce the responsibilities or liabilities of the Fund's service providers, including the auditors.

Although the Audit Committee is expected to take a detached and questioning approach to the matters that come before it, the review of a Fund's financial statements by the Audit Committee is not an audit, nor does the Audit Committee's review substitute for the responsibilities of the Fund's management for preparing, or the independent auditors for auditing, the financial statements. Members of the Audit Committee are not full-time employees of the Fund and, in serving on this Audit Committee, are not, and

do not hold themselves out to be, acting as accountants or auditors. As such, it is not the duty or responsibility of the Audit Committee or its members to conduct “field work” or other types of auditing or accounting reviews or procedures.

In discharging their duties, the members of the Audit Committee are entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: (1) one or more officers of the Fund whom the Directors/Trustees reasonably believe to be reliable and competent in the matters presented; (2) legal counsel, public accountants, or other persons as to matters the Director/Trustee reasonably believes are within the person’s professional or expert competence; or (3) a Board committee of which the Director/Trustee is not a member.

5. Operations of the Audit Committee:

- a. the Audit Committee shall meet on a regular basis and may hold special meetings, as desired. Such meetings shall include, at least annually, meetings in separate executive sessions with management and with the independent auditors, as appropriate. The chair or a majority of the members shall be authorized to call a meeting of the Audit Committee and send notice thereof.
- b. the Audit Committee shall ordinarily meet in person; however, members may attend telephonically, and the Audit Committee may act by written consent, to the extent permitted by law and by the Fund’s By-Laws.
- c. the Audit Committee shall have the authority to meet privately and to admit non-members individually by invitation. The Audit Committee shall hold regular meetings with management, independent auditors and with personnel responsible for the internal audit function, as appropriate.
- d. the Audit Committee shall prepare and retain minutes of its meetings and appropriate documentation of decisions made outside of meetings by delegated authority and provide copies thereof to the Board within a reasonable period of time following each meeting.
- e. the Audit Committee may select one of its members to be the chair and may select a vice chair.
- f. a majority of the members of the Audit Committee shall constitute a quorum for the transaction of business at any meeting of the Audit Committee. The action of a majority of the members of the Audit Committee present at a meeting at which a quorum is present shall be the action of the Audit Committee.
- g. the Audit Committee has the authority to retain independent counsel and other advisors as it deems appropriate to discharge its responsibilities.
- h. the Audit Committee has the authority to request that the Fund provide adequate funding for the Audit Committee.
- i. the Audit Committee shall review and assess the adequacy of this Charter on at least an annual basis.
- j. the Audit Committee shall evaluate its performance at least annually.

### **Qualified Legal Compliance Committee**

The Audit Committee shall also serve as the Qualified Legal Compliance Committee (“QLCC”) for the Fund for the purpose of compliance with Rules 205.2(k) and 205.3(c) of the Code of Federal Regulations, regarding alternative reporting procedures for attorneys retained or employed by an issuer who appear and practice before the Securities and Exchange Commission on behalf of the issuer (the “issuer attorney”). An issuer attorney who becomes aware of evidence of a material violation by the Fund or by any officer, director, employee, or agent of the Fund, as an alternative to the reporting requirements of Rule 205.3(b), under Rule 205.3(c), may report evidence of such material violation to the QLCC.

Upon receipt of such a report, the QLCC shall have the duty and responsibility:

- (i) to inform the Fund’s chief legal officer and chief executive officer of such report, unless the reporting attorney reasonably believes that it would be futile to report evidence of a material violation to the issuer’s chief legal officer and chief executive officer.
- (ii) to determine whether an investigation is necessary regarding such report and, if it determines an investigation is necessary or appropriate, to notify the Board; initiate an investigation, which may be conducted either by the chief legal officer or by outside attorneys; and retain such additional expert personnel as the QLCC deems necessary.
- (iii) at the conclusion of any such investigation, to recommend, by majority vote, that the Fund implement an appropriate response to evidence of a material violation, and inform the chief legal officer and the chief executive officer and the Board of the results of any such investigation and the appropriate remedial measures to be adopted.

The QLCC shall have the authority and responsibility, acting by majority vote, to take all other appropriate action, including the authority to notify the Securities and Exchange Commission in the event that the Fund fails in any material respect to implement an appropriate response that the QLCC has recommended.

## ATTACHMENT A

### AUDIT COMMITTEE CHARTER DEFINITIONS

Independent: In addition to the definition of Independent provided in the text of the Charter, the following restrictions shall apply to every Audit Committee member:

- (1). Employees. A Director/Trustee who is an employee (including non-employee executive officers) of the Fund may not serve on the Audit Committee until two years following the termination of his or her employment. In the event the employment relationship is with a former parent or predecessor of the Fund, the Director/Trustee could serve on the Audit Committee after two years following the termination of the relationship between the Fund and the former parent or predecessor.
- (2). Business Relationship. A Director/Trustee (i) who is a partner, controlling shareholder, or executive officer of an organization that has a business relationship with the Fund, or (ii) who has a direct business relationship with the Fund (e.g., a consultant) may serve on the Audit Committee only if the Fund's Boards of Directors/Trustees determines in its business judgment that the relationship does not interfere with the Director/Trustee's exercise of independent judgment. In making a determination regarding the independence of a Director/Trustee pursuant to this paragraph, the Boards of Directors/Trustees should consider, among other things, the materiality of the relationship to the Fund, to the Director/Trustee, and, if applicable, to the organization with which the Director/Trustee is affiliated.

"Business Relationships" can include commercial, industrial, banking, consulting, legal, accounting and other relationships. A Director/Trustee can have this relationship directly with the Fund, or the Director/Trustee can be a partner, officer or employee of an organization that has such a relationship. The Director/Trustee may serve on the Audit Committee without the above-referenced Boards of Directors/Trustees' determination after two years following the termination of, as applicable, either (1) the relationship between the organization with which the Director/Trustee is affiliated and the Fund, (2) the relationship between the Director/Trustee and his or her partnership status, shareholder interest or executive officer position, or (3) the direct business relationship between the Director/Trustee and the Fund.

- (3). Cross Compensation Committee Link. A Director/Trustee who is employed as an executive of another corporation where any of the Fund's executives serves on that corporation's compensation committee may not serve on the Audit Committee.
- (4). Immediate Family. A Director/Trustee who is an Immediate Family member of an individual who is an executive officer of the Fund or any of its affiliates cannot serve on the Audit Committee until two years following the termination of such employment relationship.

"Immediate Family" includes a person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than employees) who shares such person's home.

- (5). Compensation. The Audit Committee member may not, other than in his or her capacity as a member of the Audit Committee, the Boards of Directors/Trustees or any other

Board committee: (i) accept directly or indirectly any consulting, advisory or other compensatory fee from the Fund or an affiliate of the Fund; or (ii) be an “interested person” of the Fund as defined in Section 2(a)(19) of the Investment Company Act of 1940 (the “1940 Act”).



## **ATTACHMENT B**

### **PROCEDURES FOR THE REPORTING OF CONCERNS REGARDING ACCOUNTING, INTERNAL ACCOUNTING CONTROLS OR AUDITING MATTERS FOR REGISTERED INVESTMENT COMPANIES ADVISED BY BROOKFIELD INVESTMENT MANAGEMENT INC.**

Section 301 of the Sarbanes-Oxley Act of 2002 (the “Act”) requires national securities exchanges to adopt listing standards requiring that audit committees of the Boards of Directors/Trustees of exchange-listed public companies establish procedures for: (i) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters (“Accounting Concerns”); and (ii) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.

The New York Stock Exchange (the “NYSE”) has listing standards that require each listed company to comply with the above requirements of the Act. In addition, the NYSE listing standards acknowledge that registered investment companies do not technically have employees. Therefore, the listing standards require that NYSE-listed registered investment companies provide for the confidential, anonymous submission of questionable accounting or auditing matters by employees of (1) the registered investment company, (2) the investment adviser, (3) the administrator, (4) the principal underwriter, and (5) any other provider of accounting related services for the registered investment company (each an “Interested Party” and collectively, the “Interested Parties”).

These procedures (the “Procedures”) outline the requirements and the process for complying with Section 301 of the Act and NYSE listing standards by the registered investment companies (each a “Fund” and collectively, the “Funds”) advised and/or administered by Brookfield Investment Management Inc. (“BIM”). These Procedures have been adopted by the audit committee of each Fund (the “Audit Committee”) to ensure compliance with Section 301 of the Act and NYSE requirements and are effective as of March 2004. These Procedures are hereby incorporated into and attached as Appendix B to the Audit Committee Charter of each Fund.

#### **PROCEDURES:**

##### **I. Scope of Matters Covered by These Procedures**

These procedures relate to Accounting Concerns reported by Interested Parties including, without limitation, the following:

- Fraud, deliberate error or misrepresentation in the preparation, evaluation, review or audit of any financial statement of the Fund;
- Fraud, deliberate error or misrepresentation in the recording and maintaining of financial records of the Fund;
- Deficiencies in or noncompliance with the Fund’s internal accounting controls;
- Misrepresentation or false statements to or by a senior officer or accountant regarding a matter contained in the *financial* records, financial reports or audit reports of the Fund; and
- Deviation from full and fair reporting of the Fund’s financial condition.

## **II. Reporting of Accounting Concerns**

An Interested Party may submit a good faith report of an Accounting Concern to the Fund. A report may be submitted to BIM's Chief Compliance Officer or to the Fund's Audit Committee (or the person designated by the Fund's Audit Committee to receive such a report on its behalf).

**An Interested Party need not disclose his or her identity.**

- A. Any Interested Party may confidentially and, if desired, anonymously communicate in writing any Accounting Concerns to:

Brookfield Investment Management Inc.  
c/o Chief Compliance Officer  
Brookfield Place  
250 Vesey Street, 15th Floor  
New York, NY 10281-1023

- B. An Interested Party may also confidentially and, if desired, anonymously, report any Accounting Concerns by sending the concern to the following website:  
<http://www.shareholder.com>.

- C. An Interested Party may also confidentially and, if desired, anonymously, report any Accounting Concerns to the Fund's Audit Committee at:

[Name of Fund]  
Audit Committee  
c/o Brookfield Investment Management Inc.  
Brookfield Place  
250 Vesey Street, 15th Floor  
New York, NY 10281-1023

## **III. Receipt and Retention of Accounting Concerns**

The BIM Chief Compliance Officer may appoint an attorney to handle receipt and investigation of an Accounting Concern (the "BIM Designee"). The BIM Chief Compliance Officer and BIM Designee shall record all Accounting Concerns received in a log that shall include a summary of the reported concern and the date and time received. The BIM Designee shall retain the original mailings received in accordance with the Fund's document retention policy and advice of the BIM Chief Compliance Officer.

## **IV. Treatment and Handling of Accounting Concerns**

- A. With respect to Accounting Concerns received in writing, the BIM Designee shall forward a copy of any communication (including information on the date received) to the BIM Chief Compliance Officer.
- B. With respect to Accounting Concerns reported via the BIM Compliance Hotline, the Head of Compliance for BIM (or his/her designee) shall: (a) summarize all reports received; and (b) deliver contemporaneously such summary to the BIM Chief Compliance Officer and the Fund's Audit Committee Chairman.

- C. The BIM Chief Compliance Officer or BIM Designee will maintain a log of Accounting Concerns, tracking their receipt, investigation and resolution. The BIM Chief Compliance Officer or BIM Designee shall take all reasonable steps to investigate reported Accounting Concerns in a timely manner. All reports and investigations will be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation. The BIM Chief Compliance Officer or BIM Designee shall retain records relating to each Accounting Concern received and the follow-up actions taken to investigate and respond to each Accounting Concern in accordance with the Fund's document retention policy and advice of the BIM Chief Compliance Officer.
- D. The BIM Chief Compliance Officer or BIM Designee will take all reasonable steps to investigate the Accounting Concern and will report his or her findings to the Audit Committee at the next Audit Committee meeting. If, in the opinion of the BIM Chief Compliance Officer and the BIM Designee, the matter requires immediate attention, he or she will discuss the matter with the Chairman of the Fund's Audit Committee.
- E. The BIM Designee will inform the BIM Chief Compliance Officer as appropriate of the results of his or her investigation and actions deemed appropriate. The BIM Chief Compliance Officer and BIM Designee shall consider whether retention of outside independent or expert advisors is necessary or advisable.
- F. The BIM Chief Compliance Officer or BIM Designee will provide a summary report quarterly to the Fund's Audit Committee on the reports received by him or her and the results of the investigations. If investigations confirm that a material Accounting Concern has occurred, the Fund's Audit Committee will be informed promptly of this conclusion and the remedial measures being adopted.

**V. Handling of Accounting Concerns by Audit Committee**

- A. The Audit committee shall be entitled to receive any information or updates it may request from the BIM Chief Compliance Officer or the BIM Designee with respect to any reported Accounting Concern.
- B. The Audit Committee shall review and take any action it deems appropriate in its judgment with respect to any Accounting Concern it is made aware of, including retention of any independent or expert advisors or meeting with officers of the Fund or employees of BIM. Any review and evaluation of such report will include consideration of whether the matter(s) described in the report pertain to an Accounting Concern, the merits of the report, and whether further review and/or investigation is warranted. Any decision by the Audit Committee to review or investigate any matter brought to its attention as a result of these procedures will not in any way be, or be deemed to be, a determination by the Audit Committee or the Fund that any actions or inactions that are the subject of the report have, in fact, occurred or constitute an Accounting Concern.
- C. At any time during a review and/or investigation of a report, the Chair of the Audit Committee may notify the Fund's chief executive officer, chief financial officer, or the BIM Chief Compliance Officer of the receipt of a report and/or the progress or results of any review and/or investigation of the report and will provide such information as may be necessary to allow for appropriate consideration by such parties of the Fund's disclosure obligations, including with regard to any required officer certifications.

- D. The Audit Committee hereby delegates to the Chairman of the Audit Committee the authority to receive and review any specific Accounting Concern on an emergency basis. Any exercise of such authority by the Chairman shall be reported to the Audit Committee at its next regularly scheduled meeting.

**VI. Response to Reporting Interested Parties**

The BIM Chief Compliance Officer or BIM Designee or other appropriate person will, when possible or as appropriate: (i) acknowledge receipt of the Accounting Concern to the reporting Interested Party, and (ii) provide a response to the Interested Party who has raised an Accounting Concern and identified him/herself.

**VII. Non-Retaliation Policy**

The Audit Committee also wants to ensure that any Interested Party wishing to submit a report of the type contemplated in the Procedures shall be free to do so without fear of dismissal or retaliation.

**VIII. Amendments to the Procedures**

The Audit Committee may amend the Procedures from time to time to maintain compliance with Section 301 and the Act and the rules implemented there under and NYSE listing standards.