

Management's Report on Fund Performance

The following is a report on the performance of BAM Split Corp. (the "company") and contains financial highlights and interim financial statements but does not contain the complete financial statements of the company. This report follows the disclosure obligations under National Instrument 81-106 Investment Fund Continuous Disclosure ("NI-81-106" or the "Instrument") and should be read in conjunction with the financial statements and notes thereto for the year ended September 30, 2008.

You can receive a copy of the company's annual financial statements at your request and at no cost by calling (416) 363-9491, by writing to us at 181 Bay Street, Brookfield Place, Suite 300, P.O. Box 762, Toronto, Ontario M5J 2T3 or by visiting SEDAR at www.sedar.com. Security holders may also contact us using one of these methods to request a copy of the company's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure when that information becomes available.

INVESTMENT OBJECTIVE AND STRATEGIES

The company's investment objective is to invest in Class A Limited Voting Shares ("Brookfield Shares") of Brookfield Asset Management Inc. ("Brookfield") that will generate cash dividends to fund fixed preferential cumulative quarterly dividends for the holders of the company's Preferred Shares and enable the holders of the company's Capital Shares to participate in any capital appreciation in the Brookfield Shares. The company's Capital Shares and Preferred Shares are also referred to collectively as units, with each unit consisting of one Capital Share and one Preferred Share.

RISKS

The risk factors relating to an investment in the company include those disclosed below. A complete list of the risk factors relating to an investment in the company is disclosed in the company's most recent Annual Information Form available at www.sedar.com or by contacting the company by the means described above.

Interest Rate Fluctuations

The market value of a unit may, at any given time, be affected by the level of interest rates prevailing at such time. An increase (decrease) in interest rates will, on its own, likely reduce (increase) the value of a Preferred Share, given that the dividends on such Preferred Shares are fixed rate.

Fluctuations in Value of Brookfield Shares

The value of a unit will vary according to the value of the Brookfield Shares. The value of the investment may be influenced by factors not within the control of the company, including: financial performance of the Brookfield Shares which may result in a decline in value of the investment portfolio and/or in dividend income from the investment; interest rates, general economic conditions, availability of equity and debt financing and financial market conditions.

Foreign Currency Exchange Fluctuations

Brookfield's functional currency is the United States dollar and declares dividends in that currency. Accordingly, changes in the exchange rate between the Canadian and United States currencies may impact the value of the company's investment portfolio and cashflows relative to its financial obligations which are denominated principally in Canadian currency.

RESULTS OF OPERATIONS

Total assets at March 31, 2009 were \$807.5 million, compared to \$1,324.6 million at September 30, 2008. The decrease in the carrying value of the assets reflects a decrease in the quoted market value of the investment portfolio of \$521.2 million. The fair value of the company's investment portfolio at March 31, 2009 was \$801.8 million (September 30, 2008 – \$1,323.0 million).

The company repurchased 9,900 of its Class AA, Series I Preferred Shares which were submitted for retraction during the six months ended March 31, 2009. As a result, the company redeemed an equal number of Capital Shares to reflect the decrease in the number of Preferred Shares outstanding.

As at March 31, 2009, the net asset value of the company was \$334.5 million, a decrease of 60.8% from the value of \$852.5 million at September 30, 2008 which primarily reflects the decline in the quoted market price of a Brookfield Share from \$28.66 at September 30, 2008 to \$17.37 at March 31, 2009. Net asset value is calculated by the differential between total assets and total liabilities. On a per unit basis, which consists of one Capital Share and Preferred Share, net asset value at March 31, 2009 was \$42.43 compared to \$69.59 at September 30, 2008, representing a decrease of 39.0%. This reflects the change in the market value of the investment portfolio noted above.

The company generated income available for distribution for the period ended March 31, 2009 of \$13.6 million, an increase from \$9.5 million for the same period in the prior year. The increase in income available for distribution reflects the impact of a higher U.S. dollar on dividends received by the company, which are declared in U.S. dollars, and additional Brookfield Shares purchased in February 2008.

During the six months ended March 31, 2009, the company paid dividends of \$10.2 million and \$nil to holders of its Preferred Shares and Capital Shares, respectively, compared to \$10.2 million and \$37.1 million for the same period in the prior year. Dividends paid to the holders of Capital Shares in the prior period reflects a special distribution of securities received on a dividend in kind from the company's investment in Brookfield.

RELATED PARTY TRANSACTIONS

The company's operations are managed by Brookfield, which is entitled to a fee of up to 10% of ordinary expenses of the company. For the six month period ended March 31, 2009, Brookfield charged a fee of \$10,000 (2008 – \$10,000).

FINANCIAL HIGHLIGHTS

The following table shows selected key financial information about the company and is intended to facilitate an understanding of the company's financial performance since inception and is presented in accordance with NI-81-106. This information is derived from the company's unaudited semi-annual interim report and the audited annual financial statements.

	Six months ended	For the years ended September 30			
	March 31, 2009	2008	2007	2006	2005
Net asset value per unit, beginning of period	\$ 69.59	\$ 97.74	\$ 137.04	\$ 100.11	\$ 70.72
Financial instruments transition adjustment	—	—	(0.10)	—	—
Share issuance proceeds (redemption cost)	(0.02)	2.00	13.05	—	—
Share issuance costs	—	—	(0.35)	—	—
Net asset value anti-dilution (dilution) ¹	0.02	(6.96)	(65.64)	—	—
Increase (decrease) from operations:					
Total revenue	0.77	1.23	1.45	1.64	1.33
Total expenses	(0.01)	(0.18)	(0.17)	(0.10)	(0.02)
Unrealized (losses) gains for the period	(27.38)	(21.13)	13.84	36.96	29.39
Total (decrease) increase from operations ²	(26.62)	(20.08)	15.12	38.50	30.70
Distributions:					
From interest and dividends	(0.54)	(3.11) ³	(1.38)	(1.57)	(1.31)
Total annual distributions	(0.54)	(3.11)	(1.38)	(1.57)	(1.31)
Net asset value per unit, end of period	\$ 42.43	\$ 69.59	\$ 97.74	\$ 137.04	\$ 100.11

¹ Anti-dilution/dilution occurred as a result of the redemption/subdivision of Capital Shares following the retraction of Preferred Shares during the six months ended March 31, 2009 and the issuance of Preferred Shares during 2007 and 2008 so that the number of Capital Shares issued and outstanding was equal to the number of Preferred Shares issued and outstanding as required by the articles of the company. There was no anti-dilution/dilution to holders of existing Preferred Shares.

² Net asset value and distributions are based on the actual number of units outstanding over the period. The (decrease) increase from operations is based on the weighted average number of units outstanding over the period.

³ Includes a special distribution to holders of the Capital Shares of securities received on a dividend in kind from the company's investment in Brookfield.

	As at March 31	As at September 30			
	2009	2008	2007	2006	2005
<i>thousands, except per share amounts</i>					
Total assets	\$ 807,498	\$ 1,324,645	\$ 1,715,531	\$ 1,311,924	\$ 955,921
Net asset value	334,537	852,455	1,281,731	1,069,785	717,145
Number of units outstanding	19,022	19,032	17,547	9,548	9,548
Management expense ratio (excluding dividends on Preferred Shares and issue costs)	0.3%	0.4%	0.2%	0.1%	—
Management expense ratio (including dividends on Preferred Shares and issue costs)	3.4%	2.8%	1.6%	1.4%	1.7%
Portfolio turnover rate ¹	N/A	N/A	N/A	N/A	N/A
Redemption price of Preferred Shares					
Class A ²	\$ 25.50	\$ 25.50	\$ 25.75	\$ 26.00	\$ 26.25
Class AA Series I ³	26.00	N/A	N/A	N/A	N/A
Class AA Series III ⁴	N/A	N/A	N/A	N/A	N/A

¹ The company has not sold any securities within its investment portfolio since inception.

² The company amended the mandatory redemption date and redemption price on August 21, 2003.

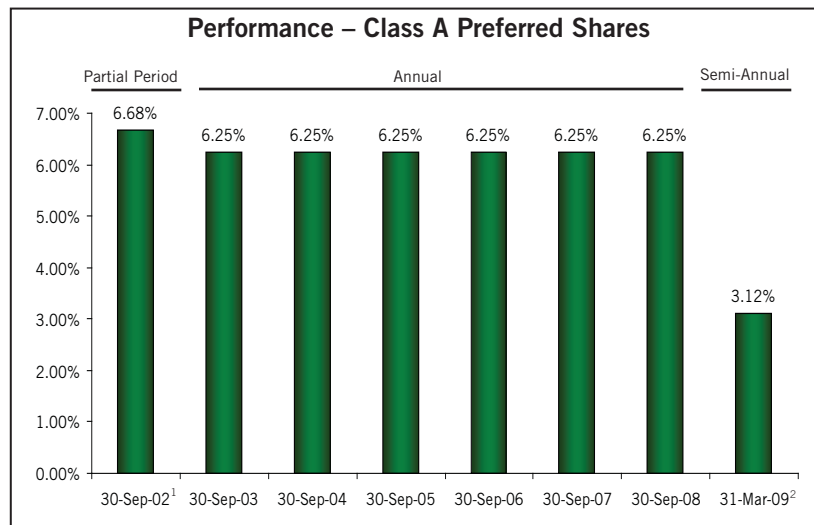
³ Redemption period commenced on March 25, 2009.

⁴ Redemption period commences on January 10, 2012.

PAST PERFORMANCE

Year by Year Returns

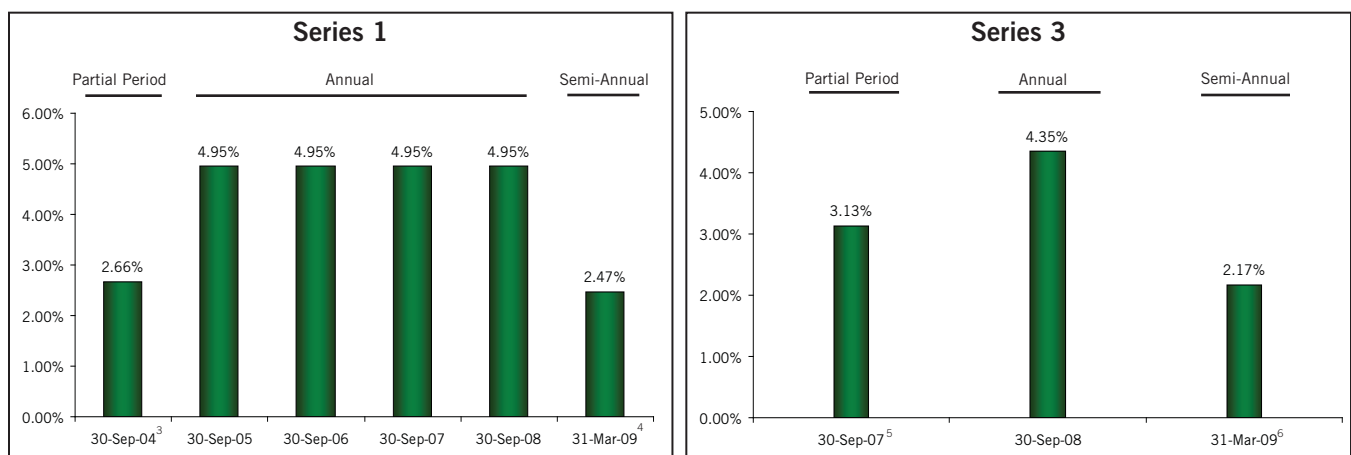
The following charts show the company's annual performance of its Class A Preferred Shares, Class AA Series 1 Preferred Shares and Class AA Series 3 Preferred Shares since issuance indicating, in percentage terms, that an investment made in these Preferred Shares at issuance would yield 3.12%, 2.47% and 2.17%, for the six month period ended March 31, 2009, respectively, assuming the Preferred Shares are sold at redemption price. The charts are not reflective of the current yield to maturity and past performance is not an indication of how the Preferred Shares will perform in the future.



¹ Reflects the period September 5, 2001 to September 30, 2002.

² Reflects the period October 1, 2008 to March 31, 2009.

Performance – Class AA Preferred Shares



³ Reflects the period March 18, 2004 to September 30, 2004.

⁴ Reflects the period October 1, 2008 to March 31, 2009.

⁵ Reflects the period January 10, 2007 to September 30, 2007.

⁶ Reflects the period October 1, 2008 to March 31, 2009

Investment Portfolio

The investment in the Brookfield Shares, the associated costs and the fair values as at March 31, 2009, and September 30, 2008 are as follows:

	Number of Shares		Cost		Fair Value	
	March 31 2009	Sept. 30 2008	March 31 2009	Sept. 30 2008	March 31 2009	Sept. 30 2008
<i>thousands</i>						
Brookfield Class A Limited Voting shares	46,161	46,161	\$ 571,155	\$571,155	\$ 801,810	\$1,322,964

Review of Interim Financial Statements

The accompanying unaudited interim financial statements of the company have been prepared by and are the responsibility of the company's management.

On behalf of the Board of Directors,



Edward C. Kress
President
May 28, 2009

Forward-Looking Information

This semi-annual report to shareholders contains forward-looking information concerning the company's business and operations. The words "enable", "believe", "principally", "primarily", "likely", "often", "generally" and other expressions of similar import, or the negative variations thereof, and similar expressions of future or conditional verbs such as "could", "may" or "will", are predictions of or indicate future events, trends or prospects and which do not relate to historical matters or identify forward-looking information. Forward-looking information in this interim report includes, among others, statements with respect to the company's objective of investing in Class A Limited Voting Shares of Brookfield Asset Management Inc. ("Brookfield Shares") to generate cash dividends to fund quarterly fixed cumulative fixed preferential dividends for the holders of the company's Preferred Shares and to enable holders of its Capital Shares to participate in any capital appreciation of the Brookfield Shares, fluctuations in the market value of units of the company due to interest rate levels and the value of Brookfield Shares, fluctuations in the value of the company's investment portfolio and cash flows due to foreign currency exchange rates, and future payments by the company under its contracted indemnification obligations, the company's international financial reporting standards ("IFRS") conversion plan, and the impact of the adoption of IFRS on the company's reported financial position and results of operations.

Although the company believes that the anticipated future results or achievements expressed or implied by the forward-looking information and statements are based upon reasonable assumptions and expectations, the reader should not place undue reliance on the forward-looking statements and information because they involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the company to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking information and statements.

Factors that could cause actual results to differ materially from those contemplated or implied by the forward-looking information include: the behavior of financial markets, including fluctuations in the value of Brookfield Shares and interest and exchange rates, availability of equity and debt financing and other risks and factors detailed from time to time in the company's other documents filed with the Canadian securities regulators.

We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking information to make decisions with respect to the company, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as may be required by law, the company undertakes no obligation to publicly update or revise any forward-looking information or statements, whether written or oral, that may be as a result of new information, future events or otherwise. Reference should be made to the company's most recent Annual Information Form for a description of the major risk factors.

Statements of Net Assets

<i>thousands, except per share amounts</i>	<i>(unaudited)</i> March 31 2009	<i>September 30</i> 2008
Assets		
Cash and cash equivalents	\$ 5,667	\$ —
Investment portfolio, at fair market value	801,810	1,322,964
Accounts receivable	21	1,681
	807,498	1,324,645
Liabilities		
Accounts payable	369	187
Preferred Shares	472,592	472,003
Total liabilities	472,961	472,190
Net asset value	\$ 334,537	\$ 852,455
Shareholders' equity		
Capital Shares	\$ 123,873	\$ 123,937
Retained earnings	210,664	728,518
	\$ 334,537	\$ 852,455
Number of units outstanding	19,022	19,032
Net asset value per Capital Share	\$ 17.59	\$ 44.79
Book value per Preferred Share	24.84	24.80
Net asset value per unit	\$ 42.43	\$ 69.59

On behalf of the Board,



Edward C. Kress
Director



Brian D. Lawson
Director

Statements of Investment Operations and Retained Earnings

<i>(unaudited)</i> <i>thousands, except per share amounts</i>	<i>Six months ended March 31</i>	
	2009	2008
Income		
Dividend income	\$ 14,570	\$ 10,504
Interest and other income	55	4
	14,625	10,508
Expenses		
Amortization of share issuance costs	837	837
Legal and audit fees	14	50
Listing fees	60	77
Management fees	10	10
Administrative fees	16	13
Directors fees	16	13
Custodial fees	5	5
Transfer agent fees	14	15
Rating fees	5	5
Other	5	6
	982	1,031
Income available for distribution	13,643	9,477
Dividends paid on Preferred Shares	(10,234)	(10,237)
Income available for distribution on Capital Shares	3,409	(760)
Change in unrealized depreciation on investment portfolio	(521,154)	(439,559)
Results of investment operations	\$ (517,745)	\$ (440,319)
Opening retained earnings	\$ 728,518	\$ 1,157,793
Results of investment operations	(517,745)	(440,319)
Dividends paid on Capital Shares	—	(37,087)
Redemption of Capital Shares	(109)	—
Retained earnings, end of period	\$ 210,664	\$ 680,387
Results of investment operations per Capital Share¹	\$ (27.21)	\$ (24.47)

¹ Based on weighted average number of Capital Shares outstanding.

Statements of Changes in Net Assets

<i>(unaudited)</i> <i>thousands</i>	<i>Six months ended March 31</i>	
	2009	2008
Investment transactions		
Change in unrealized depreciation of investment portfolio	\$ (521,154)	\$ (439,559)
Income transactions		
Income available for distribution	13,643	9,477
Dividends paid on Preferred Shares	(10,234)	(10,237)
	3,409	(760)
Capital transactions		
Dividends paid on Capital Shares	—	(37,087)
Change in net asset value during the period	(517,745)	(477,406)
Net asset value, beginning of period	852,455	1,281,730
Redemption of Capital Shares	(173)	—
Net asset value, end of period	\$ 334,537	\$ 804,324

Statements of Cash Flows

<i>(unaudited)</i> <i>thousands</i>	<i>Six months ended March 31</i>	
	2009	2008
Cash flow from operating activities		
Income available for distribution	\$ 13,643	\$ 9,477
Add (deduct) non-cash items:		
Amortization of share issuance costs	837	837
Net change in non-cash working capital	1,636	370
	16,116	10,684
Cash flow used in financing activities		
Preferred Share dividends	(10,234)	(10,237)
Preferred Shares redeemed	(215)	—
	(10,449)	(10,237)
Increase in cash and cash equivalents	5,667	447
Cash and cash equivalents balance, beginning of period	—	6
Cash and cash equivalents balance, end of period	\$ 5,667	\$ 453

Notes to the Financial Statements

1. BASIS OF PRESENTATION

Reference is made to the company's annual financial statements for 2008 that includes information necessary or useful to the understanding of the company's business and financial statement presentation. The interim financial statements are unaudited and follow the accounting policies summarized in the notes to the annual financial statements.

The company's portfolio of Class A Limited Voting Shares ("Brookfield Shares" or the "portfolio") of Brookfield Asset Management Inc. ("Brookfield") is carried at fair market value, which is the bid price on a recognized exchange, with any adjustment required being recorded as an unrealized appreciation (depreciation) on the Statements of Investment Operations and Retained Earnings.

Cash and cash equivalents include any instruments with a maturity of less than 90 days.

Dividend income is recorded on the ex-dividend date.

Certain comparative figures have been reclassified to conform with the current year's presentation.

2. FUTURE CHANGES IN ACCOUNTING POLICY

The AcSB confirmed in February 2008 that International Financial Reporting Standards ("IFRS") will replace Canadian GAAP for publicly accountable enterprises for financial periods beginning on and after January 1, 2011. The Company is in the process of developing and implementing an IFRS conversion plan that will address changes in accounting policy, the restatement of comparative periods, organizational and internal control, the modification of existing systems and the training and awareness of staff, in addition to other related business matters. Overall responsibility for the implementation and success of the Company's conversion plan rests with the Company's senior financial management who report to and are overseen by the Company's Audit Committee.

IFRS are premised on a conceptual framework similar to Canadian GAAP, however, significant differences exist in certain matters of recognition, measurement and disclosure. The company's activities are generally limited to the ownership of investments, and because of the similarities between Canadian GAAP and IFRS, management does not believe the adoption of IFRS in this regard will result in material changes to the reported financial position and results of operations of the Company. A detailed analysis of the differences between IFRS and the Company's current accounting policies under Canadian GAAP is currently in process.

3. INVESTMENT PORTFOLIO

The company accounts for its investment in Brookfield at fair market value, which is considered for their purposes to be the bid price on a recognized exchange, with any adjustments required being recorded as an unrealized appreciation (depreciation) in the Statements of Investment Operations and Retained Earnings.

The investment in the Brookfield Shares, the associated cost amounts and the fair values as at March 31, 2009 and September 30, 2008 are as follows:

	Number of Shares		Cost		Fair Value	
	Mar. 31 2009	Sept. 30 2008	Mar. 31 2009	Sept. 30 2008	Mar. 31 2009	Sept. 30 2008
<i>thousands</i>						
Brookfield Class A Limited Voting Shares	46,161	46,161	\$ 571,155	\$ 571,155	\$ 801,810	\$ 1,322,964

4. PREFERRED SHARES

The company is authorized to issue an unlimited number of Class A, Class AA and 2,500,000 Class AAA Preferred Shares.

	Issued and Outstanding			
	March 31 2009	September 30 2008	March 31 2009	September 30 2008
6.25% Class A	5,000,000	5,000,000	\$ 125,000,000	\$ 125,000,000
4.95% Class AA, Series I	3,189,100	3,199,000	79,727,500	79,975,000
0.00% Class AA, Series II	1,348,000	1,348,000	33,700,000	33,700,000
4.35% Class AA, Series III	8,000,000	8,000,000	200,000,000	200,000,000
0.00% Class AAA, Series I	1,484,672	1,484,000	37,116,800	37,116,800
Deferred financing costs			(2,952,712)	(3,789,271)
			\$ 472,591,588	\$ 472,002,529

The company repurchased 9,900 Class AA, Series I Preferred Shares which were submitted for retraction during the period ended March 31, 2009.

5. SHARE CAPITAL

The company is authorized to issue an unlimited number of Capital Shares.

The issued and outstanding share capital consists of:

	Issued and Outstanding			
	March 31 2009	September 30 2008	March 31 2009	September 30 2008
Capital Shares	19,021,772	19,031,672	\$ 123,872,494	\$ 123,937,000
Class A Voting Shares	100	100	100	100
			\$ 123,872,594	\$ 123,937,100

The company redeemed 9,900 Capital Shares during the six months ended March 31, 2009.

6. OTHER

Guarantees

In the normal course of operations, the company may execute agreements that provide for indemnification and guarantees to third parties. The nature of substantially all the indemnification undertakings precludes the possibility of making a reasonable estimate of the maximum potential amount that the company could be required to pay to third parties as the agreements often do not specify a maximum amount and the amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. Historically the company has not made any significant payments under such indemnification agreements and guarantees.

Corporate Information

OFFICERS AND DIRECTORS

Frank N. C. Lochan
Director and Chairman

Edward C. Kress
Director and President

John P. Barratt^{(1) (2)}
Director

Derek E. Gorgi
Director and Chief Financial Officer

James L. R. Kelly^{(1) (2)}
Director

Brian D. Lawson
Director

R. Frank Lewarne⁽¹⁾
Director

Loretta M. Corso
Corporate Secretary

(1) Member of the Audit Committee

(2) Member of the Independent Review Committee

AUDITORS

Deloitte & Touche LLP
Chartered Accountants

LEGAL COUNSEL

Torys LLP

STOCK EXCHANGE LISTING

The company's Preferred Shares are listed on the Toronto Stock Exchange under the following symbols:

<i>Security</i>	<i>Symbol</i>
Class A Preferred Shares	BNA.PR.A
Class AA Preferred Shares, Series 1	BNA.PR.B
Class AA Preferred Shares, Series 3	BNA.PR.C

YEAR END

September 30

Enquiries

Enquiries relating to the operations of the company should be directed to the company's Head Office:

BAM Split Corp.
Brookfield Place, 181 Bay Street
Suite 300, P.O. Box 770
Toronto, Ontario
M5J 2T3

Tel: (416) 363-9491
Fax: (416) 365-9642
Website: www.bamsplit.com

Enquiries relating to dividends, address changes and Share certificates should be directed to the company's Transfer Agent:

CIBC Mellon Trust Company
P.O. Box 7010
Adelaide Street Postal Station
Toronto, Ontario
M5C 2W9

Tel: (416) 643-5500 or
(800) 387-0825
(toll free within North America)
Fax: (416) 643-5501
Website: www.cibcmellon.com
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