No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States or to U.S. persons. See ''Plan of Distribution''.

New Issue/Re-Opening | **PROSPECTUS** | January 27, 2006

Top 10 Split Trust

$76,757,812.50
$13.10 per Capital Unit
5,859,375 Capital Units

$73,242,187.50
$12.50 per Preferred Security
5,859,375 Preferred Securities

This prospectus qualifies the issuance of up to 5,859,375 capital units (the ''Capital Units'') and 5,859,375 preferred securities (the ''Preferred Securities'') of Top 10 Split Trust (the ''Trust'') an investment trust established under the laws of Ontario and constitutes a re-opening of the Trust. The Capital Units and the Preferred Securities are listed on the Toronto Stock Exchange under the symbols TXT.UN and TXT.PR.A. The Preferred Securities are rated Pfd-2 (low) by Dominion Bond Rating Service Limited.

The Trust's investment objectives are:

(i) ***Capital Units —*** (A) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio (defined below); and (B) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the net asset value (the ''NAV'') of the Trust; and

(ii) ***Preferred Securities —*** (A) to pay holders of Preferred Securities fixed quarterly cash interest payments of 6.25% per annum on the $12.50 principal amount of a Preferred Security; and (B) to repay the principal amount of $12.50 per Preferred Security on termination of the Trust on March 31, 2011.

Based upon the existing capital loss carry forwards of approximately $45 million available to the Trust and the interest payable on the Preferred Securities, the Trust expects that all of the quarterly cash distributions payable by it on the Capital Units over the life of the Trust will be return of capital distributions that are generally not subject to tax (returns of capital reduce the adjusted cost base of Capital Units). Accordingly, the distributions on the Capital Units are intended to be tax efficient when compared to those made on units of a trust that depends solely on capital gains, interest, dividends and/or other sources of investment income (net of expenses, losses and loss carry forwards) to pay distributions. Interest on the Preferred Securities is fully taxable to holders of Preferred Securities. See ''Canadian Federal Income Tax Considerations''.

The Trust will invest the net proceeds of this offering exclusively in securities of: (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies (the ''Financial Portfolio''). The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in the securities of each issuer in the Financial Portfolio.

The Financial Portfolio currently includes the common shares of the following issuers:

Banks	**Life Insurance Companies**
Bank of Montreal	Great-West Lifeco Inc.
The Bank of Nova Scotia	Industrial Alliance Insurance and Financial Services Inc.
Canadian Imperial Bank of Commerce	Manulife Financial Corporation
National Bank of Canada	Sun Life Financial Inc.
Royal Bank of Canada	
The Toronto-Dominion Bank	

The Financial Portfolio will be actively managed by Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. To generate additional returns above the dividend income earned on the Financial Portfolio, the Trust will, from time to time, write covered call options in respect of some or all of the securities in the Financial Portfolio. The securities which are subject to call options and the terms of such options will vary from time to time as determined by MCM.

Prices: $13.10 per Capital Unit and $12.50 per Preferred Security

	Price to the Public(1)	Agents' Fees	Net Proceeds to the Trust(2)
Per Capital Unit	$ 13.10	$ 0.786	$ 12.314
Total Offering(3)	$76,757,812.50	$ 4,605,468.75	$72,152,343.75
Per Preferred Security	$ 12.50	$ 0.375	$ 12.125
Total Offering(3)	$73,242,187.50	$ 2,197,265.63	$71,044,921.87

Notes:

(1) The offering price was established by negotiation between the Agents and the manager of the Trust.

(2) Before deducting the expenses of the issue (estimated at $750,000 and subject to a maximum of 1.5% of the gross proceeds of the offering) which, together with the Agents' fees, will be paid out of the proceeds of this offering.

(3) The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable until 30 days after the closing of the offering, to offer up to 878,906 additional Capital Units and up to 878,906 additional Preferred Securities on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option and the Capital Units and Preferred Securities issuable on the exercise thereof. If the Over-Allotment Option is exercised in full, the total price to the public under the offering will be $172,499,993.60, the Agents' fees will be $7,823,144.25 and the net proceeds to the Trust will be $164,676,849.40.

A holder of Capital Units may surrender a Capital Unit for retraction on the last Business Day in December (commencing in December 2006) (a ''Special Annual Retraction'') (without surrendering a corresponding Preferred Security for repayment) and will receive an amount equal to the Combined Value minus the price paid by the Trust for one Preferred Security in the market. A holder of Capital Units who surrenders one Capital Unit and one Preferred Security under a Special Annual Retraction will receive an amount equal to the Combined Value. There are also monthly retraction rights available to holders of Capital Units and Combined Securities. See ''Description of the Capital Units and Preferred Securities — Certain Provisions of the Capital Units — Retraction''.

The Trust will terminate on March 31, 2011 and its net assets will be distributed thereafter to holders of Capital Units and Preferred Securities. See ''Termination of the Trust''.

The Toronto Stock Exchange has conditionally approved the listing of the additional Capital Units and Preferred Securities offered hereunder. Listing is subject to the Trust fulfilling all of the requirements of such stock exchange on or before April 20, 2006.

In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada) (the ''Tax Act''), the Capital Units will be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, and registered education savings plans (collectively, ''Plans''). Provided the Trust qualifies as a mutual fund trust for the purposes of the Tax Act and the Capital Units are listed on a prescribed stock exchange in Canada (which includes the TSX), the Preferred Securities will be qualified investments under the Tax Act for Plans. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.

See ''Risk Factors'' for a discussion of certain factors that should be considered by prospective investors in Capital Units and Preferred Securities. There is no assurance that the Trust will be able to achieve its distribution, NAV preservation or repayment objectives. The Agents may over-allot or effect transactions as described under ''Plan of Distribution''.

The Trust is not a trust company and, accordingly, the Trust is not registered under the trust company legislation of any jurisdiction as it does not carry on business as a trust company. The Trust is an investment trust which offers and sells its Capital Units and Preferred Securities to the public. Capital Units and Preferred Securities are not ''deposits'' within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Blackmont Capital Inc. and Raymond James Ltd. (collectively, the ''Agents'') conditionally offer the Capital Units and Preferred Securities, subject to prior sale, on a best efforts basis, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents. See ''Plan of Distribution''.

Subscriptions will be received for the Capital Units and Preferred Securities offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this offering is expected to occur on or about February 15, 2006, but no later than February 28, 2006. Registrations and transfers of Capital Units and Preferred Securities will be effected only through the book-entry only system administered by The Canadian Depository for Securities Limited. Beneficial owners of Capital Units and Preferred Securities will not have the right to receive physical certificates evidencing their ownership.

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PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Trust

Top 10 Split Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement (the ''Trust Agreement'') dated as of January 22, 1997, as amended from time to time. The manager of the Trust is Mulvihill Fund Services Inc. (''Mulvihill'') and the Trust's investment manager is Mulvihill Capital Management Inc. (''MCM'').

The Offering

Offering: The offering consists of an equal number of capital units (the ''Capital Units'') and preferred securities (the ''Preferred Securities'') of the Trust and constitutes a re-opening of the Trust. The Capital Units and the Preferred Securities are listed on the Toronto Stock Exchange under the symbols TXT.UN and TXT.PR.A. The Preferred Securities are rated Pfd-2 (low) by Dominion Bond Rating Service Limited.

Amounts: $76,757,812.50 (5,859,375 Capital Units)

$73,242,187.50 (5,859,375 Preferred Securities)

While these Capital Units and Preferred Securities will be issued together as a combined unit (a ''Combined Security''), they will trade separately in the market.

Prices: $13.10 per Capital Unit

$12.50 per Preferred Security

The offering price was established by negotiation between the Agents and the manager of the Trust, so as not to be dilutive to existing holders of Capital Units and Preferred Securities. The aggregate of the offering prices of a Capital Unit and a Preferred Security (the ''Combined Security Offering Price'') will be at least equal to the estimated Combined Value on February 15, 2006 plus Agents' fees and expenses of the offering. The expenses include compensation for opportunity cost to current holders of Capital Units and Preferred Securities of the Trust holding cash until closing and advisory fees associated with the reorganization of the Trust (described below), which amount to a total of $0.2372 per Capital Unit. See ''Plan of Distribution''.

Minimum Purchase: 100 Capital Units or 100 Preferred Securities.

Termination Date: The Trust will have an approximate five-year term and will terminate on March 31, 2011 (the ''Termination Date''). The holders of Capital Units may determine to continue the Trust by a majority vote at a meeting called for such purpose. See ''Termination of the Trust''.

Investment Objectives: The Trust's investment objectives are:

(i) ***Capital Units —*** (A) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio (defined below); and (B) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the net asset value (the ''NAV'') of the Trust; and

(ii) ***Preferred Securities —*** (A) to pay holders of Preferred Securities fixed quarterly cash interest payments of 6.25% per annum on the $12.50 principal amount of a Preferred Security; and (B) to repay the principal amount of $12.50 per Preferred Security on termination of the Trust on March 31, 2011.

	See ''Investments of the Trust — Investment Objectives''.
Restructuring of the Trust:	At a meeting of unitholders on November 21, 2005, unitholders approved the proposal described below under ''The Trust — Background to and Restructuring of the Trust'' and the Trust changed its name to Top 10 Split Trust. Based upon the existing capital loss carry forwards of approximately $45 million available to the Trust and the interest payable on the Preferred Securities, the Trust expects that all of the quarterly cash distributions payable by it to holders of Capital Units over the remaining life of the Trust until the Termination Date of March 31, 2011 will be return of capital distributions that are generally not subject to tax, but which will reduce the adjusted cost base of Capital Units. See ''The Trust — Background to and Restructuring of the Trust''.
Investment Portfolio:	The Trust will invest the net proceeds of this offering exclusively in securities of: (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies (the ''Financial Portfolio'').
Investment Strategy:	The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in the securities of each issuer in the Financial Portfolio. See ''Investments of the Trust''. Pending completion of the offering, the Trust will hold its assets in cash and cash equivalents. The Financial Portfolio will be actively managed by MCM. To generate additional returns above the dividend income earned on the Financial Portfolio, the Trust will, from time to time, write covered call options in respect of some or all of the securities in the Financial Portfolio. The securities which are the subject to call options and the terms of such options will vary from time to time as determined by MCM. Based on the assumptions set forth under ''Covered Option Writing — Sensitivity Analysis Relating to Volatility'' and in order to pay the distributions on the Capital Units, the interest on the Preferred Securities, the operating expenses of the Trust and to return the original issue prices of the Capital Units and the Preferred Securities, the Trust would be required to generate a return on the Financial Portfolio, including from the writing of covered call options, of 9.90% per annum.
Financial Portfolio:	The table below sets out, as at January 20, 2006 (unless otherwise indicated), the name of the issuer, market capitalization, closing price, indicated dividend, dividend yield, average 30-day volatility, 5-year compound annual growth rate, dividend growth, return on equity and total return of the common shares included in the Financial Portfolio:

	Market Capitalization ($CAD Million)	Closing Price	Indicated Dividend	Dividend Yield[1]	30-Day Price Volatility	5-Year Price CAGR	Dividend Growth[2]	Return on Equity[3]	Total Return[4]
Banks									
Bank of Montreal	$33,749.79	$67.43	$1.96	2.91%	17.38%	11.21%	13.37%	18.22%	14.64%
The Bank of Nova Scotia	$45,559.13	$46.00	$1.44	3.13%	11.47%	16.75%	20.79%	21.11%	20.31%
Canadian Imperial Bank of Commerce	$26,632.46	$79.70	$2.72	3.41%	15.35%	10.44%	16.58%	-1.67%	14.08%
National Bank of Canada	$10,097.36	$60.90	$1.92	3.15%	12.80%	17.48%	20.35%	20.66%	20.94%
Royal Bank of Canada	$57,707.45	$89.34	$2.56	2.87%	9.65%	11.66%	14.23%	18.32%	15.01%
The Toronto-Dominion Bank	$43,182.73	$60.55	$1.68	2.77%	11.12%	6.98%	9.73%	15.62%	10.25%
Life Insurance Companies									
Great-West Lifeco Inc.	$25,955.83	$29.14	$0.84	2.88%	16.00%	10.76%	20.05%	20.59%	13.73%
Industrial Alliance Insurance and Financial Services Inc.	$ 2,370.07	$29.75	$0.56	1.88%	19.94%	10.87%	13.62%	13.28%	12.76%
Manulife Financial Corporation	$53,807.50	$67.92	$1.20	1.77%	14.29%	10.62%	24.68%	13.55%	12.49%
Sun Life Financial Inc.	$26,920.98	$46.18	$1.02	2.21%	13.89%	6.92%	19.84%	12.39%	9.01%
Average (equally weighted)				**2.70%**	**14.19%**	**11.37%**	**16.47%**[5]	**14.76%**	**14.32%**

(1) Based on last declared quarterly dividend per share annualized as at January 20, 2006.

(2) Based on dividends paid at calendar year end 2001-2005.

(3) Based on most recent quarter as of January 20, 2006.

(4) Annual total return for the five years ending January 20, 2006.

(5) Average dividend growth is based on the compound annual growth rate from 2001-2005.

(6) All data sourced from Bloomberg.

Quarterly Distributions: The Trust will endeavour to make quarterly cash distributions to holders of Capital Units and Preferred Securities on the last day of March, June, September and December in each year. Based upon the existing capital loss carry forwards available to the Trust and the interest payable on the Preferred Securities, the Trust expects that all of the quarterly cash distributions payable by it on the Capital Units over the life of the Trust will be return of capital distributions that are generally not subject to tax (returns of capital reduce the adjusted cost base of Capital Units). Accordingly, the distributions on the Capital Units are intended to be tax efficient when compared to those made on units of a trust that depends solely on capital gains, interest, dividends and/or other sources of investment income (net of expenses, losses and loss carry forwards) to pay distributions. Interest on the Preferred Securities is fully taxable to holders of Preferred Securities. See ''Canadian Federal Income Tax Considerations''.

Covered Call Option Writing: Based on the assumptions referred to under ''Covered Option Writing — Sensitivity Analysis Relating to Volatility'', the following represents the percentage of the Trust's Financial Portfolio against which covered call options would need to be written at different volatility levels to make interest payments of 6.25% per annum on the $12.50 principal amount of the Preferred Securities and to pay the targeted distribution on the Capital Units of 7.5% per annum on the NAV of the Trust.

% Of Financial Portfolio Required To Be Written To Achieve Interest Payments and Target Distribution and Return the Original Issue Prices (Net of Fees and Expenses)(1)

		Average Volatility Of The Individual Stocks In The Financial Portfolio										
		10%	**12%**	**14%**	**16%**	**18%**	**20%**	**22%**	**24%**	**26%**	**28%**	**30%**
% Out-Of-The-Money	**2%**	127.7%	98.8%	79.7%	66.5%	56.8%	49.5%	43.7%	39.2%	35.5%	32.4%	29.8%
	1%	86.9%	70.6%	59.4%	51.2%	44.9%	40.0%	36.1%	32.8%	30.1%	27.8%	25.8%
	0%	59.5%	51.1%	44.8%	39.9%	35.9%	32.7%	30.0%	27.7%	25.7%	24.0%	22.5%

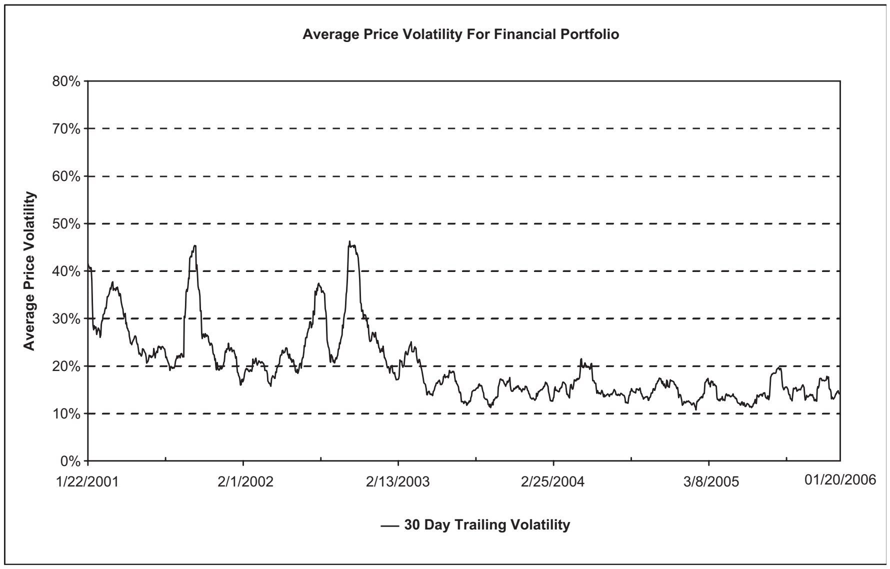
(1) Based on the assumptions set forth under ''Covered Option Writing — Sensitivity Analysis Relating to Volatility'' and in order to pay the distributions on the Capital Units, the interest on the Preferred Securities, the operating expenses of the Trust and to return the original issue prices of the Capital Units and the Preferred Securities, the Trust would be required to generate a return on the Financial Portfolio, including from the writing of covered call options, of 9.90% per annum.

The composition of the Financial Portfolio, the securities which may be subject to call options and put options and the terms of such options will vary from time to time, based on MCM's assessment of the market conditions. See ''Investments of the Trust''.

Volatility History:	The historical average, low, high and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in the Financial Portfolio for the five years ended January 20, 2006 is as follows:

5-Year Volatility

	Average	Low	High	Current
Financial Portfolio	19.75%	10.71%	46.27%	14.19%



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Financial Portfolio.

Eligibility for Investment:	In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, the Capital Units will be qualified investments for trusts governed by registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and registered education savings plans (collectively, ''Plans''). Provided the Trust qualifies as a mutual fund trust for the purposes of the Tax Act and the Capital Units are listed on a prescribed stock exchange in Canada (which includes the TSX), the Preferred Securities will be qualified investments under the Tax Act for Plans. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.
Investment Manager:	MCM is the investment manager of the Trust. MCM is one of the largest managers of covered call option funds in Canada. MCM is an employee-owned investment counsellor which manages, in addition to the Mulvihill family of funds, investments for numerous pension and endowment funds and for individuals having a significant net worth. MCM's total assets under management exceed $3 billion. See ''Management of the Trust — The Investment Manager''.
Manager:	Mulvihill is the Manager of the Trust and is responsible for providing or arranging for the provision of administrative services required by the Trust. See ''Management of the Trust — The Manager''.
Trustee:	The Royal Trust Company is the trustee of the Trust, acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust. See ''Management of the Trust — The Trustee''.

Indenture Trustee:	Computershare Trust Company of Canada is the indenture trustee (the ''Indenture Trustee'') of the Trust for the Preferred Securities pursuant to the Trust Indenture (the ''Trust Indenture'') dated December 2, 2005 between the Trust and the Indenture Trustee. See ''Management of the Trust — The Indenture Trustee''.

Capital Units

Distributions:	The Trust intends to provide holders of Capital Units with the opportunity to receive quarterly cash distributions. The Trust will endeavour to pay quarterly cash distributions to holders of Capital Units in an amount targeted to be 7.5% of NAV of the Trust per annum. The quarterly distributions will be determined using the last NAV prior to the declaration date for the distribution. Distributions will be payable on the last Business Day of March, June, September and December in each year. The Trust expects that the initial distribution for the period from the date of closing to March 31, 2006 will be paid on March 31, 2006. Distributions on the issued and outstanding Capital Units were paid on December 31, 2005 and will be paid on the day before the date of closing of this offering, which is currently anticipated to be February 15, 2006. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Distributions''.
Retractions:	A holder of Capital Units may surrender at any time (a ''Regular Monthly Retraction'') a Capital Unit for retraction (either alone or together with the surrender of a Preferred Security for repayment) at least five (5) Business Days prior to the last Business Day in the month (the ''Retraction Date'') for retraction, subject to the Trust's right to suspend retractions or to postpone payment of retraction proceeds in certain circumstances described under ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Suspension of Retractions and Repayments''. Capital Units and Preferred Securities surrendered for retraction and repayment in this manner will be retracted on the Retraction Date. A holder will receive payment therefor on or before the fifth Business Day following such Retraction Date (the ''Retraction Payment Date''). *Regular Monthly Retraction:* A holder of Capital Units retracting Capital Units under a Regular Monthly Retraction (without surrendering a corresponding Preferred Security) will receive the amount, if any, by which 95% of the Combined Value exceeds the aggregate of (i) the price paid by the Trust for one Preferred Security in the market; and (ii) $0.50. *Concurrent Retraction:* A holder who surrenders a Capital Unit together with a Preferred Security will receive an amount equal to 95% of the Combined Value less $0.50. *Special Annual Retraction:* A holder who surrenders a Capital Unit for retraction on the last Business Day in December (commencing in December 2006) (a ''Special Annual Retraction'') (without surrendering a corresponding Preferred Security for repayment) will receive an amount equal to the Combined Value, minus the price paid by the Trust for one Preferred Security in the market. A holder of Capital Units who surrenders one Capital Unit and one Preferred Security under a Special Annual Retraction will receive an amount equal to the Combined Value. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Retraction''.

Redemption Upon Termination of the Trust:	Any outstanding Capital Units will be redeemed by the Trust on the Termination Date and each holder of Capital Units will be entitled to receive for each Capital Unit so redeemed the amount, if any, described under the heading ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Retraction''.
Ranking:	The payment of interest on the Preferred Securities will be made in priority to any distributions on the Capital Units. Distributions on the Capital Units are conditional upon the Trust being current in its obligation to pay interest on the Preferred Securities in accordance with the terms of the Trust Indenture. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Distributions''.
	Preferred Securities
Credit Rating:	The Preferred Securities are rated Pfd-2 (low) by Dominion Bond Rating Service Limited. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Credit Rating''.
Interest Payments:	From and after the date of closing, the Trust will pay holders of Preferred Securities cash interest payments of 6.25% per annum on the $12.50 principal amount of a Preferred Security (the ''Preferred Security Interest Amount''), which will be paid quarterly in arrears on the last day of each of March, June, September and December of each year up to and including the Maturity Date (or if the last day is not a Business Day, no later than the following Business Day). Interest will accrue on all unpaid interest amounts. The Trust expects that the initial interest payment for the period from the date of closing to March 31, 2006 will be paid on March 31, 2006. The Trust currently pays interest on the Preferred Securities at a rate equal to 6.00% per annum. Interest on the issued and outstanding Preferred Securities was paid on December 31, 2005 and will be paid on the day before the date of closing of this offering, which is currently anticipated to be February 15, 2006. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Interest Payments''.
Payment on Maturity:	The Preferred Securities will mature on March 31, 2011, or automatically on such earlier date upon which the Trust terminates (any such date being the ''Maturity Date''), at which date the Repayment Price of each Preferred Security will be payable by the Trust, by payment by the Trust of such amount to the Indenture Trustee. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Payment on Maturity''.
Concurrent Retraction:	A holder of Preferred Securities may surrender a Preferred Security for repayment together with a Capital Unit under a Regular Monthly Retraction or a Special Annual Retraction. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Retraction'' and ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Suspension of Retractions and Repayments''. See ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Preferred Securities — Concurrent Retraction''.
Priority:	The payment of interest on the Preferred Securities will be made in priority to any distributions on the Capital Units.

Risk Factors

An investment in Capital Units and Preferred Securities is subject to certain risk factors, including:

(i) NAV per Capital Unit will vary as the value of the securities in the Financial Portfolio varies;

(ii) all of the securities held in the Financial Portfolio will be securities of companies in the financial services and life insurance industries and as a result, the Trust's holdings will not be diversified;

(iii) the fact that the amount of dividends, distributions and option premiums received by the Trust and the value of the securities comprising the Financial Portfolio will be influenced by factors beyond the Trust's control means that there are no assurances that the Trust will be able to achieve its stated investment goals;

(iv) the fact that dividends and distributions received by the Trust will not be sufficient to meet the objectives of the Trust in respect of the payment of interest on the Preferred Securities or cash distributions on the Capital Units, therefore the Trust will depend on the receipt of option premiums and the realization of capital gains to meet those objectives;

(v) fluctuations in prevailing interest rates;

(vi) liquidity and counterparty risks associated with the writing of covered call options and cash covered put options;

(vii) the Capital Units may trade at a discount to NAV and the Preferred Securities may trade at a discount to their Repayment Price;

(viii) the Trust's reliance on its investment manager, MCM;

(ix) counterparty risks associated with securities lending;

(x) risks associated with leverage;

(xi) distributions on the Capital Units will vary with the NAV of the Trust;

(xii) risks associated with the structure of the Trust;

(xiii) the Preferred Securities are unsecured and subordinated to all indebtedness of the Trust ranking senior to the Capital Units;

(xiv) a revision or withdrawal of the rating of the Preferred Securities may have an adverse effect on the market price of the Preferred Securities;

(xv) the risk that the Trust may lose its status as a mutual fund trust;

(xvi) the fact that the Trust is relying on CRA's published administrative practice regarding the manner in which the Trust will treat the dispositions of securities and option transactions for tax purposes and that no advance income tax ruling in respect thereof has been requested or received; and

(xvii) the fact that, under proposals to amend the Tax Act, losses that could otherwise reduce the Trust's taxable income could be denied.

See ''Risk Factors''.

Canadian Federal Income Tax Considerations

The Trust will designate to the extent permitted by the Tax Act the portion of the net income distributed to holders of Capital Units as may reasonably be considered to consist of net realized taxable capital gains of the Trust, net of realized capital losses and net capital loss carry forwards, and the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations net of expenses and non-capital loss carry forwards. Any such designated amount will be deemed for purposes of the Tax Act to be received or realized by holders of Capital Units in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. On November 23, 2005, Tax Proposals were released by the Minister of Finance which propose that the Tax Act be amended to provide an enhanced gross-up and dividend tax credit on eligible dividends paid to eligible shareholders. There can be no assurance that the new federal government, which was elected on January 23, 2006, will seek enactment of this proposal.

In determining its income for tax purposes, the Trust intends, in accordance with CRA's published administrative practice, to treat gains and losses realized on the disposition of securities in the Financial Portfolio, option premiums received on the writing of covered call options and cash covered put options (and which are not exercised prior to the end of the year) and any losses sustained on closing out such options, as capital gains and capital losses.

Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a holder of Capital Units. Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable the Trust to utilize, in a particular year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a holder of Capital Units but not deducted by the Trust will not be required to be included in the income of such holder. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been designated in respect of the holder of Capital Units, the adjusted cost base of the holder's Capital Units would be reduced by such amount.

A holder of Preferred Securities who is an individual will generally be required to include, in computing income for a taxation year, all interest on the Preferred Securities that is received or receivable (depending on the method regularly followed) or deemed to be received by the holder of Preferred Securities in that taxation year, except to the extent that the interest was included in the holder's income for a preceding taxation year.

A disposition of a Preferred Security or a Capital Unit held as capital property, whether to the Trust or otherwise, may result in a capital gain or a capital loss to the holder thereof based on the proceeds of such disposition (excluding, in the case of the Preferred Securities, amounts received or deemed to be received as interest).

For a detailed explanation of the Canadian federal income tax considerations, see ''Canadian Federal Income Tax Considerations''.

Summary Of Fees And Expenses Payable By The Trust

The following table contains a summary of the fees and expenses payable by the Trust. For further particulars, see ''Fees and Expenses''.

Type of Charge	Description
Fees payable to the Agents for selling Capital Units and Preferred Securities	\$0.786 per Capital Unit (6.00% per Capital Unit) \$0.375 per Preferred Security (3.00% per Preferred Security)
Expenses of issue	The Trust will pay the expenses incurred in connection with the offering of Capital Units and Preferred Securities by the Trust (estimated to be \$750,000 subject to a maximum of 1.5% of the gross proceeds of the offering).
Fee payable to MCM for acting as investment manager of the Trust	Annual rate of 1.0% of the Trust's total assets calculated and payable monthly, plus applicable taxes.
Fee payable to Mulvihill for acting as manager of the Trust	Annual rate of 0.10% of the Trust's total assets calculated and payable monthly, plus applicable taxes described below.
Operating expenses of the Trust	The Trust will pay all ordinary expenses incurred in connection with its operation and administration, estimated to be \$210,000 per annum. The Trust will also be responsible for commissions and other costs of securities transactions and any extraordinary expenses which may be incurred by it from time to time.
Service Fee	The Trust will pay a service fee (the ''Service Fee'') which will be paid to each dealer whose clients hold Capital Units. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the value of the Capital Units held by clients of the dealer.

GLOSSARY

Black-Scholes Model — a widely used option pricing model developed by Fischer Black and Myron Scholes in 1973. The model can be used to calculate the theoretical value of an option based on the current price of the underlying security, the strike price and term of the option, prevailing interest rates and the volatility of the price of the underlying security.

Business Day — any day on which the Toronto Stock Exchange is open for business.

call option — the right, but not the obligation, of the option holder to buy a security from the seller of the option at a specified price at any time during a specified time period or at expiry.

cash covered put option — a put option entered into in circumstances where the seller of the put option holds cash equivalents or other acceptable cash cover (as defined in NI 81-102) sufficient to acquire the securities underlying the option at the strike price throughout the term of the option.

cash equivalents — means, and for the purposes of ''cash cover'' and ''cash covered put option'', ''cash'' as used therein means:

(a) cash on deposit at the Trust's custodian; or

(b) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

  (i) any of the Federal or Provincial Governments of Canada; or

  (ii) the Government of the United States; or

  (iii) a Canadian financial institution;

provided that, in the case of (b) (ii) and (iii), such evidence of indebtedness has a rating of at least R-1 (mid) by Dominion Bond Rating Service Limited or the equivalent rating from another approved rating organization; or

(c) other cash cover as defined in NI 81-102.

Combined Security — is considered to consist of one Preferred Security and one Capital Unit.

Combined Value — is the amount determined on a particular Business Day equal to the NAV per Capital Unit plus the Repayment Price.

covered call option — a call option entered into in circumstances where the seller of the call option holds the underlying security throughout the term of the option.

in-the-money — in relation to a call option, means a call option with a strike price less than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price greater than the current market price of the underlying security.

NAV per Capital Unit — the NAV of the Trust divided by the number of Capital Units then outstanding.

Net Asset Value or NAV — the net asset value of the Trust which, on any date, will be equal to the difference between the aggregate value of the assets of the Trust and the aggregate value of the liabilities of the Trust on that date, including the Repayment Price of the Preferred Securities. See ''Description of the Capital Units and the Preferred Securities — Net Asset Value''.

NI 81-102 — National Instrument 81-102 of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.

option premium — the purchase price of an option.

out-of-the-money — in relation to a call option, means a call option with a strike price greater than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price less than the current market price of the underlying security.

probability	a numerical measure, generally expressed as a percentage, of the likelihood that an event will occur.
put option	the right, but not the obligation, of the option holder to sell a security to the seller of the option at a specified price at anytime during a specified time period or at expiry.
Repayment Price	is the amount, in respect of a Preferred Security, equal to the principal amount thereof, together with any accrued and unpaid interest thereon.
Tax Act	means the *Income Tax Act* (Canada).
strike price	in relation to a call option, means the price specified in the option that must be paid by the option holder to acquire the underlying security or, in relation to a put option, the price at which the option holder may sell the underlying security.
Valuation Date	means one Business Day every week, December 31 of each year and March 31, 2011, as well as any other date on which the Manager elects, in its discretion, to have the NAV of the Trust and the NAV per Capital Unit calculated.
volatility	in respect of the price of a security, is a numerical measure of the tendency of the price to vary over time.
$	means Canadian dollars unless otherwise indicated.

THE TRUST

Top 10 Split Trust (the ''Trust''), formerly First Premium U.S. Income Trust, is an investment trust established under the laws of the Province of Ontario pursuant to a trust agreement dated as of January 22, 1997, as amended from time to time (the ''Trust Agreement'') between Mulvihill Fund Services Inc. (''Mulvihill''), as manager, and The Royal Trust Company (the ''Trustee''), as trustee. Mulvihill is a wholly-owned subsidiary of Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. See ''Management of the Trust''.

The principal office of the Trust, of Mulvihill and of MCM is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario, M5H 3T9.

Background to and Restructuring of the Trust

At a meeting of unitholders (''Unitholders'') of the Trust on November 21, 2005, Unitholders approved the proposal described below and the Trust changed its name to Top 10 Split Trust. The Trust previously invested in a diversified portfolio (the ''Prior Portfolio'') consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard & Poor's 100 Index on the basis of market capitalization. In an effort to provide the Trust with the ability to grow in size, increase in value and extend the term of the Trust in order to utilize the accumulated capital loss carry forwards described below, Unitholders were asked to consider and vote upon the proposal outlined below which repositioned the Trust's investment portfolio and allowed the Trust to issue new securities consisting of capital units (''Capital Units'') and preferred securities (''Preferred Securities'') in order to enable the Trust to continue with a ''split trust'' structure going forward. In addition, Mulvihill and MCM agreed to reduce their fees from a total of 1.75% per annum on the net asset value of the Trust to 1.10% per annum of the Trust's total assets from and after December 1, 2005. Based upon the existing capital loss carry forwards of approximately $45 million available to the Trust, and because the Trust will be able to deduct the interest on the Preferred Securities, the Trust expects that all of the quarterly cash distributions payable by it to holders of Capital Units over the remaining life of the Trust until its March 31, 2011 termination date will be return of capital distributions that are generally not subject to tax, but which will reduce the adjusted cost base of Capital Units.

Under the proposal, the Trust:

- amended its investment strategy and investment restrictions. The Trust now invests exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- extended the termination date of the Trust to March 31, 2011 from January 1, 2007;
- changed the capital structure of the Trust to a ''split trust'' structure. Under this proposal, existing Units were first consolidated such that after giving effect to the consolidation, net asset value (''NAV'') per Unit was $25.00. Unitholders received for each Unit held: (i) one Capital Unit of the Trust with an initial NAV of $12.50 and (ii) $12.50 which was automatically invested in one Preferred Security of the Trust with a principal amount of $12.50;
- amended its investment objectives. The Trust's new investment objectives are (i) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio and (ii) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% of the NAV of the Trust. The Trust's investment objectives for the Preferred Securities are (i) to pay holders of Preferred Securities fixed quarterly cash interest payments at least equal to 6.00% per annum on the $12.50 principal amount of a Preferred Security and (ii) to repay the principal amount of $12.50 per Preferred Security on the Termination Date of the Trust;
- moved the redemption right available to Unitholders at 100% of NAV from December 31, 2005 to November 30, 2005;
- may issue additional Capital Units and Preferred Securities on a non-dilutive basis; and
- will pay an annual service fee of 0.40% per annum of the net asset value of the Capital Units provided the Trust completes this offering.

On December 2, 2005, the Units of the Trust were consolidated based on the Trust's net asset value of $10.9349 at the end of November 30, 2005 and 1,659,931 Capital Units and 1,659,931 Preferred Securities were issued. The Capital Units and Preferred Securities began trading under the Trust's new name and ticker symbol of TXT.UN and TXT.PR.A, respectively, on December 7, 2005.

Status of the Trust

While the Trust is technically considered to be a mutual fund under the securities legislation of certain provinces of Canada, the Trust is not a conventional mutual fund and has been exempted from certain requirements of NI 81-102.

The Trust differs from a conventional mutual fund in a number of respects, most notably as follows: (i) the Capital Units or Combined Securities are redeemable monthly whereas the securities of most conventional mutual funds are redeemable daily; (ii) the securities of most conventional mutual funds do not have stock exchange listings; and (iii) unlike most conventional mutual funds, the Capital Units and Preferred Securities will not be offered on a continuous basis.

INVESTMENTS OF THE TRUST

Investment Objectives

The Trust's investment objectives are:

(i) ***Capital Units —*** (A) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio (defined below); and (B) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the net asset value (the ''NAV'') of the Trust; and

(ii) ***Preferred Securities —*** (A) to pay holders of Preferred Securities fixed quarterly cash interest payments equal to 6.25% per annum on the $12.50 principal amount of a Preferred Security; and (B) to repay the principal amount of $12.50 per Preferred Security on the Termination Date of the Trust.

Investment Strategy

The Trust will invest the net proceeds of this offering exclusively in securities of: (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies (the ''Financial Portfolio''). The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in the securities of each issuer in the Financial Portfolio.

The Financial Portfolio currently includes the common shares of the following issuers:

Banks	**Life Insurance Companies**
Bank of Montreal	Great-West Lifeco Inc.
The Bank of Nova Scotia	Industrial Alliance Insurance and Financial Services Inc.
Canadian Imperial Bank of Commerce	Manulife Financial Corporation
National Bank of Canada	Sun Life Financial Inc.
Royal Bank of Canada	
The Toronto-Dominion Bank	

Pending completion of the offering, the Trust will hold its assets in cash and cash equivalents. The Financial Portfolio will be actively managed by MCM, the Trust's investment manager. To generate additional returns above the dividend income earned on the Financial Portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the Financial Portfolio. In addition, the Trust may hold a portion of its assets in cash equivalents which may be used to provide cover in respect of the writing of cash covered put options in respect of securities in which the Trust is permitted to invest. The composition of the Financial Portfolio, the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based upon MCM's assessment of market conditions.

Based on the assumptions set forth under ''Covered Option Writing — Sensitivity Analysis Relating to Volatility'' and in order to pay the distributions on the Capital Units, the interest on the Preferred Securities, the operating expenses of the Trust and to return the original issue prices of the Capital Units and the Preferred Securities, the Trust would be required to generate a return on the Financial Portfolio, including from the writing of covered call options, of 9.90% per annum.

Investment Criteria

The Trust is subject to certain investment criteria that, among other things, limit the common shares and other securities the Trust may acquire to comprise the Financial Portfolio. The Trust's investment criteria may not be changed without the approval of the holders of Capital Units by a two-thirds majority vote at a meeting called for such purpose. See ''Matters Regarding Capital Units — Acts Requiring Approval by Holders of Capital Units''. The Trust's investment criteria provides that the Trust may:

(i) purchase securities of an issuer only if such securities are common equity securities of issuers included in the Financial Portfolio. The Trust will generally invest not less than 5% and not more than 15% of the Trust's assets in the securities of each issuer in the Financial Portfolio;

(ii) not purchase equity securities of issuers other than those permitted under paragraph (i) and may only purchase debt securities if such securities are cash equivalents;

(iii) write a call option in respect of any security only if such security is actually held by the Trust at the time the option is written;

(iv) not dispose of any security included in the Financial Portfolio that is subject to a call option written by the Trust unless such option has either terminated or expired;

(v) write put options in respect of any security only if (a) the Trust is permitted to invest in such security, and (b) so long as the options are exercisable, the Trust continues to hold cash equivalents sufficient to acquire the securities underlying the options at the aggregate strike price of such options;

(vi) reduce the total amount of cash equivalents held by the Trust, only if the total amount of cash equivalents held by the Trust remains an amount not less than the aggregate strike price of all outstanding put options written by the Trust;

(vii) not enter into any arrangement (including the acquisition of securities for the Financial Portfolio and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the Tax Act;

(viii) purchase put options on individual securities in the Financial Portfolio or exchange-traded indexed put options and purchase call options and put options with the effect of closing out existing call options and put options written by the Trust;

(ix) not make or hold any investment that would result in more than 10% (by fair market value) of the Trust's property being ''taxable Canadian property'' or other ''specified property'' as described in proposed amendments to the Tax Act released by the Minister of Finance (Canada) on September 16, 2004; and

(x) not make or hold any investments that would result in the Trust failing to qualify as a ''mutual fund trust'' or a ''unit trust'' within the meaning of the Tax Act.

Use of Other Derivative Instruments

The Trust may purchase put options on individual securities in the Financial Portfolio or exchange-traded indexed put options in order to protect the Trust from declines in the market prices of the individual securities in the Financial Portfolio or in the value of the Financial Portfolio as a whole. The Trust may enter into trades to close out positions in such permitted derivatives. In addition to writing covered call options and cash covered put options, and to the extent permitted by Canadian securities regulators from time to time, the Trust may purchase call options and put options with the effect of closing out existing call options and put options written by the Trust.

Securities Lending

In order to generate additional returns, the Trust may lend Financial Portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (a ''Securities Lending Agreement''). Under a Securities Lending Agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as ''securities lending arrangements'' for the purposes of the Tax Act; and (iii) the Trust will receive prescribed collateral security. Any securities lending by the Trust will be done in accordance with NI 81-102.

FINANCIAL PORTFOLIO INVESTMENTS

The Trust will invest, as soon as possible after closing of this offering, the net proceeds of this offering in accordance with the Trust's investment objectives, strategy and criteria. To enhance returns to the Trust, MCM may, from time to time, adjust the composition of, and relative weightings within, the Financial Portfolio. See ''Investments of the Trust''.

The Financial Portfolio

The tables below set out, as at January 20, 2006 (unless otherwise indicated), the following information for each issuer whose securities are included in the Financial Portfolio: name, market capitalization, closing price, indicated dividend, dividend yield, the average 30-day volatility, the 5-year price compound annual growth rate, dividend growth, return on equity and total return of its common shares.

	Market Capitalization ($CAD Million)	Closing Price	Indicated Dividend	Dividend Yield(1)	30-Day Price Volatility	5-Year Price CAGR	Dividend Growth(2)	Return on Equity(3)	Total Return(4)
Banks									
Bank of Montreal	$33,749.79	$67.43	$1.96	2.91%	17.38%	11.21%	13.37%	18.22%	14.64%
The Bank of Nova Scotia	$45,559.13	$46.00	$1.44	3.13%	11.47%	16.75%	20.79%	21.11%	20.31%
Canadian Imperial Bank of Commerce	$26,632.46	$79.70	$2.72	3.41%	15.35%	10.44%	16.58%	-1.67%	14.08%
National Bank of Canada	$10,097.36	$60.90	$1.92	3.15%	12.80%	17.48%	20.35%	20.66%	20.94%
Royal Bank of Canada	$57,707.45	$89.34	$2.56	2.87%	9.65%	11.66%	14.23%	18.32%	15.01%
The Toronto-Dominion Bank	$43,182.73	$60.55	$1.68	2.77%	11.12%	6.98%	9.73%	15.62%	10.25%
Life Insurance Companies									
Great-West Lifeco Inc.	$25,955.83	$29.14	$0.84	2.88%	16.00%	10.76%	20.05%	20.59%	13.73%
Industrial Alliance Insurance and Financial Services Inc.	$ 2,370.07	$29.75	$0.56	1.88%	19.94%	10.87%	13.62%	13.28%	12.76%
Manulife Financial Corporation	$53,807.50	$67.92	$1.20	1.77%	14.29%	10.62%	24.68%	13.55%	12.49%
Sun Life Financial Inc.	$26,920.98	$46.18	$1.02	2.21%	13.89%	6.92%	19.84%	12.39%	9.01%
Average (equally weighted)				**2.70%**	**14.19%**	**11.37%**	**16.47%**(5)	**14.76%**	**14.32%**

(1) Based on last declared quarterly dividend per share annualized as at January 20, 2006.

(2) Based on dividends paid at calendar year end 2001-2005.

(3) Based on most recent quarter as of January 20, 2006.

(4) Annual total return for the five years ending January 20, 2006.

(5) Average dividend growth is based on the compound annual growth rate from 2001-2005.

(6) All data sourced from Bloomberg.

Voting Rights in the Financial Portfolio

Holders of Capital Units and Preferred Securities will have no voting rights in respect of the securities comprising the Financial Portfolio. Such securities will be voted in accordance with the proxy voting policy of the Trust described below.

Proxy Voting Policy

The Trust has adopted the following proxy guidelines (the ''Proxy Guidelines'') with respect to the voting of proxies received by it relating to voting securities held by the Trust:

(a) *Auditors:* The Trust will vote for proposals to ratify auditors except where non-audit-related fees paid to such auditors exceed audit-related fees.

(b) *Board of Directors:* The Trust will vote for nominees of management on a case-by-case basis, examining the following factors: independence of the board and key board committees, attendance at board meetings, corporate governance positions, takeover activity, long-term company performance, excessive executive compensation, responsiveness to shareholder proposals and any egregious board actions. The Trust will withhold voting for any nominee who is an insider and sits on the audit committee or the compensation committee. The Trust will also withhold support for those individual nominees who have attended less than 75% of the board meetings held within the past year without a valid excuse for these absences.

(c)	*Compensation Plans:*	The Trust will vote on matters dealing with share-based compensation plans on a case-by-case basis. The Trust will review share-based compensation plans with a primary focus on the transfer of shareholder wealth. The Trust will generally vote for compensation plans only where the cost is within the industry maximum except where (i) participation by outsiders is discretionary or excessive or the plan does not include reasonable limits on participation or (ii) the plan provides for option re-pricing without shareholder approval. The Trust will also vote against any proposals to reprice options.
(d)	*Management Compensation:*	The Trust will vote on employee stock purchase plan (''ESPPs'') on a case-by-case basis. The Trust will generally vote for broadly based ESPPs where all of the following apply: (i) there is a limit on employee contribution; (ii) the purchase price is at least 85% of fair market value; (iii) there is no discount purchase price with maximum employer contribution of up to 25% of employee contribution; (iv) the offering period is 27 months or less; and (v) potential dilution is 10% of outstanding securities or less. The Trust will also vote on a case-by-case basis for shareholder proposals targeting executive and director pay, taking into account the issuer's performance, absolute and relative pay levels as well as the wording of the proposal itself. The Trust will generally vote for shareholder proposals requesting that the issuer expense options or that the exercise of some, but not all options be tied to the achievement of performance hurdles.
(e)	*Capital Structure:*	The Trust will vote on proposals to increase the number of securities of an issuer authorized for issuance on a case-by-case basis. The Trust will vote for proposals to approve increases where the issuer's securities are in danger of being delisted or if the issuer's ability to continue to operate is uncertain. The Trust will vote against proposals to approve unlimited capital authorization.
(f)	*Constating Documents:*	The Trust will generally vote for changes to constating documents which are necessary and can be classified as ''housekeeping''. The following amendments will be opposed: (i) the quorum for a meeting of shareholders is set below two persons holding 25% of the eligible vote (this may be reduced in the case of a small organization where it clearly has difficulty achieving quorum at a higher level, but the Trust will oppose any quorum below 10%); (ii) the quorum for a meeting of directors should not be less than 50% of the number of directors; and (iii) the chair of the board has a casting vote in the event of a deadlock at a meeting of directors if that chair is not an independent director.

The Proxy Guidelines also include policies and procedures pursuant to which the Trust will determine how to cause proxies to be voted on other non-routine matters including shareholder rights plans, proxy contests, mergers and restructurings and social and environmental issues.

The Trust has retained Institutional Shareholder Services Canada Corp. (''ISS'') to administer and implement the Proxy Guidelines for the Trust as well as to ensure that portfolio securities held by the Trust are voted in accordance with the instructions of the Trust. The Trust will monitor the voting performed on its behalf by ISS to ensure that it is consistent with the Proxy Guidelines.

The Trust must prepare a proxy voting record on an annual basis for the period ending on June 30 of each year. The Trust will send the most recent copy of the Trust's Proxy Guidelines and proxy voting policy, without change, to holders of Capital Units and Preferred Securities, upon request made by such holder after August 31 of each year. The Trust's proxy voting policy will also be made available on its website at www.mulvihill.com before August 31 of each year.

COVERED OPTION WRITING

General

The writing of call options by the Trust will involve the selling of call options in respect of some or all of the securities in the Financial Portfolio. Such call options may be either exchange traded options or over-the-counter options. Because call options will be written only in respect of securities that are in the Financial Portfolio and because the investment criteria of the Trust prohibit the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Trust at the strike price per security. By selling call options, the Trust will receive option premiums, which are generally paid within one Business Day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Trust will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Trust may repurchase a call option which is in-the-money by paying the market value of the call option. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium. See ''Call Option Pricing'' below.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security. The higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See ''Call Option Pricing'' below.

If a call option is written on a security in the Financial Portfolio, the amounts that the Trust will be able to realize on the security during the term of the call option will be limited to the dividends received during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Trust will forgo potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

the volatility of the price of the underlying security	the volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or ''trailing'' the date of calculation.
the difference between the strike price and the market price of the underlying security at the time the option is written	the smaller the positive difference (or the larger the negative difference), the greater the option premium.
the term of the option	the longer the term, the greater the call option premium.

the "risk-free" or benchmark interest rate in the market in which the option is issued	the higher the risk-free interest rate, the greater the call option premium.
the dividends expected to be paid on the underlying security during the relevant term	the greater the dividends, the lower the call option premium.

Sensitivity Analysis Relating to Option Premium

The table below illustrates the sensitivity of annualized option premiums from writing call options on securities to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the range of volatility shown in the table approximates the range of the historical average volatility of securities in the Financial Portfolio;
2. all options are exercisable at maturity and are written at the same percentage out-of-the-money;
3. all options have a term of 30 days (for illustrative purposes only — this assumption is not necessarily indicative of the extent to which options will be written by the Trust);
4. the Canadian risk-free or benchmark interest rate equals 3.29%; and
5. the average return from the dividends paid on the securities comprising the Financial Portfolio is 2.70%.

ANNUALIZED PREMIUMS FROM WRITING COVERED CALL OPTIONS (MEASURED AS A % RETURN)

Average Volatility Of The Individual Stocks In The Financial Portfolio

		10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
	2%	5.1%	7.3%	9.7%	12.2%	14.7%	17.3%	19.9%	22.6%	25.2%	27.9%	30.6%
% Out-Of-The-Money	**1%**	8.7%	11.3%	14.0%	16.6%	19.3%	22.0%	24.7%	27.4%	30.2%	32.9%	35.6%
	0%	13.9%	16.7%	19.4%	22.1%	24.8%	27.6%	30.3%	33.0%	35.8%	38.5%	41.2%

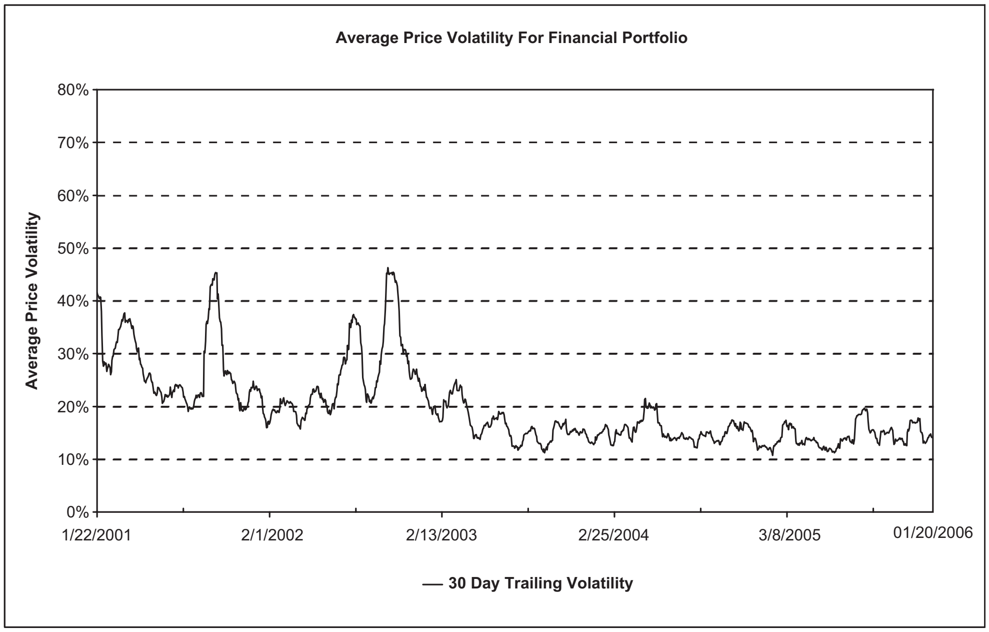
The composition of the Financial Portfolio, the securities which may be subject to call options and put options and the terms of such options will vary from time to time, based on MCM's assessment of the market conditions. See ''Investments of the Trust''.

Volatility History

The historical average, low, high and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in the Financial Portfolio for the five years ended January 20, 2006 is as follows:

5-Year Volatility

	Average	Low	High	Current
Financial Portfolio	19.75%	10.71%	46.27%	14.19%



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Financial Portfolio.

Sensitivity Analysis Relating to Volatility

Based on the assumptions set out below, and assuming no gains or losses in the underlying Financial Portfolio securities at the expiration of the option, the following represents the percentage of the Trust's Financial Portfolio against which covered call options would need to be written at different volatility levels, to make interest payments of 6.25% per annum on the $12.50 principal amount of the Preferred Securities and to pay the targeted distribution of 7.5% per annum on the NAV of the Trust:

1. the gross proceeds from the offering are $100 million;

2. interest payments are 6.25% per Preferred Security on the $12.50 principal amount and distributions on the Capital Units are 7.5% per annum of the NAV of the Trust;

3. the range of volatility shown in the table approximates the range of the historical average volatility of the securities in the Financial Portfolio;

4. all call options are exercisable at maturity and are written at the same percentage out-of-the-money;

5. all securities comprising the Financial Portfolio are subject to 30-day call options throughout the relevant period (for illustrative purposes only — this assumption is not necessarily indicative of the extent to which covered call options will be written by the Trust);

6. the Canadian risk-free or benchmark interest rate equals 3.29%;

7. the average return from the dividends paid on the securities in the Financial Portfolio is 2.70%; and

8. annual expenses (ordinary and extraordinary) for the Trust are $210,000, plus the fees payable to MCM and Mulvihill, which total 1.10% of the total assets of the Trust, plus applicable tax.

% Of Financial Portfolio Required To Be Written To Achieve Interest Payments and Target Distribution and Return the Original Issue Prices (Net of Fees and Expenses)[(1)]

Average Volatility Of The Individual Stocks In The Financial Portfolio

		10%	12%	14%	16%	18%	20%	22%	24%	26%	28%	30%
	2%	127.7%	98.8%	79.7%	66.5%	56.8%	49.5%	43.7%	39.2%	35.5%	32.4%	29.8%
% Out-Of-The-Money	**1%**	86.9%	70.6%	59.4%	51.2%	44.9%	40.0%	36.1%	32.8%	30.1%	27.8%	25.8%
	0%	59.5%	51.1%	44.8%	39.9%	35.9%	32.7%	30.0%	27.7%	25.7%	24.0%	22.5%

(1) Based on the assumptions set forth above and in order to pay the distributions on the Capital Units, the interest on the Preferred Securities, the operating expenses of the Trust and to return the original issue prices of the Capital Units and the Preferred Securities, the Trust would be required to generate a return on the Financial Portfolio, including from the writing of covered call options, of 9.90% per annum.

Utilization of Cash Equivalents

The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. Such cash covered put options will only be written in respect of securities in which the Trust is permitted to invest. See ‘‘Investments of the Trust — Investment Criteria’’.

The holder of a put option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Trust at the strike price per security. By selling put options, the Trust will receive option premiums, which are generally paid within one Business Day of the writing of the option. The Trust however, must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written. If at any time during the term of a put option or at expiry, the market price of the underlying securities is below the strike price, the holder of the option may exercise the option and the Trust will be obligated to buy the securities from the holder at the strike price per security. In such case, the Trust will be obligated to acquire a security at a strike price which may exceed the then current market value of such security. If, however, the option is out-of-the-money at the expiration of the put option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium.

MANAGEMENT OF THE TRUST

The Manager

Pursuant to the Trust Agreement, Mulvihill is the manager of the Trust and, as such, is responsible for providing or arranging for required administrative services to the Trust including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Trust; preparing financial statements and financial and accounting information as required by the Trust; ensuring that holders of Capital Units are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Trust complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Trust’s reports to holders of Capital Units and the Canadian securities regulatory authorities; providing the Trustee with information and reports necessary for it to fulfil its fiduciary responsibilities; determining the amount of distributions to be made by the Trust; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Mulvihill is a wholly-owned subsidiary of MCM.

Mulvihill shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of holders of Capital Units, and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

Mulvihill may resign as manager of the Trust upon 60 days’ notice to the Trust and to the holders of Capital Units or upon such lesser notice period as the Trustee may accept. If Mulvihill resigns it may appoint its successor but, unless its successor is an affiliate of Mulvihill, its successor must be approved by holders of Capital Units. If Mulvihill is in material default of its obligations under the Trust Agreement and such default has not been cured within 30 days after notice of same has been given to Mulvihill, the Trustee shall give notice thereof to holders of Capital Units and the holders of Capital Units may direct the Trustee to remove Mulvihill and appoint a successor manager. Except as described above, Mulvihill cannot be terminated as manager of the Trust.

Mulvihill is entitled to fees for its services under the Trust Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by Mulvihill on behalf of the Trust. In addition, Mulvihill and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Mulvihill or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from Mulvihill's wilful misconduct, bad faith, negligence or breach of its obligations under the Trust Agreement.

The management services of Mulvihill under the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents Mulvihill from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities.

The name and municipality of residence of each of the directors and officers of Mulvihill are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, Secretary and Director
SHEILA S. SZELA Toronto, Ontario	Chief Financial Officer and Director
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President and Director

The Investment Manager

MCM will manage the Trust's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Trust pursuant to an investment management agreement (the ''Investment Management Agreement'') made between Mulvihill as manager and on behalf of the Trust and MCM dated January 22, 1997 as amended on November 30, 2005.

MCM was incorporated in 1984 by The Canada Trust Company under the name CT Investment Counsel Inc. (''CTIC'') to manage the institutional pension fund business of The Canada Trust Company. In 1985, The Canada Trust Company and The Canada Permanent Trust Company amalgamated resulting in all of the pension assets managed by The Canada Permanent Trust Company being transferred to CTIC management. In addition, the investment professionals of The Canada Permanent Trust Company joined the CTIC team.

In February 1995, John P. Mulvihill purchased 100% of CTIC from The Canada Trust Company and changed CTIC's name to Mulvihill Capital Management Inc. During 1995, MCM also established a wealth management division headed by John H. Simpson, who joined the firm from Fidelity Investments Canada Limited.

MCM is the portfolio manager of the following funds which have completed prospectus offerings of shares or units in the respective amounts indicated: First Premium Income Trust ($165 million), Premium Income Corporation ($501 million), Top 10 Split Trust (formerly First Premium U.S. Income Trust) ($335 million), First Premium Oil and Gas Income Trust ($54.7 million), MCM Split Share Corp. ($189.7 million), Global Telecom Split Share Corp. ($170 million), Sixty Plus Income Trust ($100 million), Global Plus Income Trust ($121 million), Top 10 Canadian Financial Trust (formerly Digital World Trust) ($151 million), Pro-AMS U.S. Trust ($570.5 million), Pro-AMS Trust ($1.13 billion), Mulvihill Pro-AMS 100^{PLUS} (Cdn$) Trust ($178.1 million), Mulvihill Pro-AMS 100^{PLUS} (US$) Trust (U.S.$37.4 million), Mulvihill Pro-AMS RSP Split Share Corp. ($105 million) and World Financial Split Corp. ($471.2 million).

MCM is an employee-owned investment counsellor which, in addition to its management of the Mulvihill family of funds, manages investments for numerous pension and endowment funds and investment portfolios of individuals having a significant net worth. MCM's total assets under management exceed $3 billion.

Directors and Officers of MCM

The name and municipality of residence of the director and each of the officers are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, Chief Executive Officer, Secretary, Treasurer and Director
DONALD BIGGS Ancaster, Ontario	Senior Vice-President
JOHN A. BOYD Toronto, Ontario	Vice-President
MARK CARPANI Toronto, Ontario	Vice-President
JOHN GERMAIN Toronto, Ontario	Vice-President
PAUL MEYER Toronto, Ontario	Vice-President
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President
SHEILA S. SZELA Toronto, Ontario	Vice-President, Finance and Chief Financial Officer
JACK WAY Toronto, Ontario	Vice-President
JENNIFER ZABANAH Toronto, Ontario	Vice-President
PEGGY SHIU Toronto, Ontario	Vice-President
JEFF FRKETICH Toronto, Ontario	Vice-President

Except as indicated below, each of the foregoing has held his or her current office or has held a similar office in MCM during the five years preceding the date hereof.

Prior to re-joining MCM, Mr. Carpani was Vice-President, Portfolio/Risk Manager from 1998 to 1999 and then Senior Vice-President, Chief Operating Officer of Reinsurance Group of America, Financial Products. Prior to joining MCM, Ms. Szela was at Deloitte & Touche LLP from January 1997 to May 2002. She was a Senior Manager, Assurance and Advisory Services at Deloitte & Touche LLP from September 2000 to May 2002, and a Manager, Assurance and Advisory Services prior to August 2000. Prior to joining MCM, Mr. Frketich was Director, Investments & Debt Services, Department of Finance from 1989 to 2002 for the Yukon Territorial Government.

The team of individuals responsible for investment management at MCM all have significant experience in managing investment portfolios. The officers of MCM who will primarily be responsible for the management of the Trust's portfolio are John P. Mulvihill and Donald Biggs. Also assisting in the management of the investment portfolios are: Jennifer Zabanah, Paul Meyer, Jack Way, Sheila Szela, John Germain, Jeff Dobson and Dylan D'Costa.

John P. Mulvihill, President, Chairman, Chief Executive Officer, Secretary and Treasurer of MCM, is the senior portfolio manager of MCM and has over 30 years of investment management experience. Prior to purchasing CTIC from The Canada Trust Company in 1995, Mr. Mulvihill had been Chairman of CTIC since 1988. At CTIC he had primary responsibility for the asset allocation and portfolio management of CTIC's pension and mutual fund assets.

Jennifer Zabanah, prior to joining MCM in June 1997, had been employed from 1988 at The Canada Trust Company. For the last three years of her employment at The Canada Trust Company, she was a member of the Capital Markets Group and was a Risk Position Portfolio Manager at the time of her departure. In this capacity, she worked extensively with options and other derivative instruments.

Paul Meyer has been with MCM since September 1990 and is currently a Portfolio Manager and member of the Equity Team. Paul is a key member of the portfolio management group at MCM and has investment experience in the Canadian, U.S. and ADR markets.

Jack Way has been with MCM since August 1998 and brings an extensive background in asset management with over 23 years of experience as an investment manager of which the past eight years were spent working in the U.S. market.

John Germain has been with MCM and the Structured Products Team since March 1997. Prior to joining MCM, he had been employed at Merrill Lynch Canada Inc. since 1992. For the last two years of his employment at Merrill Lynch Canada Inc., he was a member of the Fixed Income Trading Group.

Jeff Dobson joined MCM in April 2001 after nearly 16 years at Scotia Capital. He brings extensive experience in portfolio management, especially in the use of equity options. His most recent position prior to joining MCM was managing a portfolio of volatility comprised of equity options, their underlying stocks, as well as, equity index derivatives.

Donald Biggs, Senior Vice-President of MCM, has extensive experience in managing derivative instruments. Prior to joining MCM, Mr. Biggs was Vice-President, Bonds and Cash Management at OMERS where he had overall responsibility for Derivative Products.

Sheila S. Szela, Vice-President, Finance and Chief Financial Officer, joined MCM in June 2002. For the 5½ years prior to joining MCM, Ms. Szela worked with Deloitte & Touche LLP where she was most recently Senior Manager in their financial services group. Ms. Szela is a chartered accountant and CFA.

Dylan D'Costa, has been with MCM and the Structured Products Team since January 2001 where he has worked extensively on valuing, pricing and trading equity options. Prior to joining MCM, he had been employed at CIBC Mellon where he worked with the valuations group.

Ownership of MCM

MCM is controlled by John P. Mulvihill.

Investment Management Agreement

The services to be provided by MCM pursuant to the Investment Management Agreement will include making all investment decisions for the Trust and managing the call option writing and put option writing of the Trust, all in accordance with the investment objectives, strategy and criteria of the Trust. Decisions as to the purchase and sale of securities and as to the execution of all portfolio and other transactions will be made by MCM. In the purchase and sale of securities for the Trust and the writing of option contracts, MCM will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Investment Management Agreement, MCM is required to act at all times on a basis which is fair and reasonable to the Trust, to act honestly and in good faith with a view to the best interests of the holders of Capital Units of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement provides that MCM shall not be liable in any way for any default, failure or defect in any of the securities of the Trust, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. MCM will, however, incur liability in cases of wilful misfeasance, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement, unless terminated as described below, will continue in effect until the termination of the Trust on March 31, 2011. The Trustee may terminate the Investment Management Agreement if MCM has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and such breach has not been cured within 30 days after notice thereof has been given to MCM by the Trustee. Except as described above, MCM cannot be terminated as investment manager of the Trust.

Except as set out below, MCM may not terminate the Investment Management Agreement or assign the same except to an affiliate of MCM, without approval of holders of Capital Units. MCM may terminate the Investment Management Agreement if the Trust is in material breach or default of the provisions thereof and such breach or default has not been cured within 30 days of notice of same to the Trustee or if there is a material change in the fundamental investment objectives, strategy or criteria of the Trust.

If the Investment Management Agreement is terminated, Mulvihill will promptly appoint a successor investment manager to carry out the activities of MCM until a meeting of holders of Capital Units is held to confirm such appointment.

MCM is entitled to fees for its services under the Investment Management Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by MCM on behalf of the Trust. In addition, MCM and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against MCM or any of its officers, directors, employees or agents in the exercise of its duties as investment manager, except those resulting from MCM's wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Advisory Board

The Trust has established an advisory board (the ''Advisory Board'') currently consisting of five members appointed by Mulvihill to assist Mulvihill in performing its services under the Trust Agreement. All fees and expenses of the Advisory Board are paid by the Trust.

The names, municipalities of residence and principal occupations of the members of the Advisory Board are as follows:

Name and Municipality of Residence	Principal Occupation
John P. Mulvihill Toronto, Ontario	Chairman, President, Chief Executive Officer, Secretary and Treasurer, MCM
Michael M. Koerner Toronto, Ontario	Corporate Director
Robert K. Korthals Toronto, Ontario	Corporate Director
C. Edward Medland Toronto, Ontario	President, Beauwood Investments Inc. (private investment company)
Sheila S. Szela Toronto, Ontario	Vice President, Finance and Chief Financial Officer, MCM

The Trustee

The Royal Trust Company is the trustee of the Trust under the Trust Agreement. It acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Trust Agreement, including executing instruments on behalf of the Trust, processing redemptions, calculating NAV, net income and net realized capital gains of the Trust and maintaining the books and records of the Trust.

The Trustee may resign upon 60 days' notice to holders of Capital Units and Mulvihill or such lesser notice as Mulvihill may accept. The Trustee may be removed with the approval of a two-thirds majority vote cast at a meeting of holders of Capital Units of the Trust called for such purpose or by Mulvihill in the event the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Trust Agreement which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns or is removed by Mulvihill, its successor may be appointed by Mulvihill. The successor must be approved by holders of Capital Units if the Trustee is removed by holders of Capital Units. If no successor has been appointed within 60 days, the Trustee or any holder of Capital Units may apply to a court of competent jurisdiction for the appointment of a successor.

The Trust Agreement provides that the Trustee shall not be liable in carrying out its duties under the Trust Agreement except where it is in breach of its obligations under the Trust Agreement or where the Trustee fails to act honestly and in good faith, and in the best interests of holders of Capital Units to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Trust Agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

The address of the Trustee is 77 King Street West, 11th Floor, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario M5W 1P9.

The Trustee is entitled to receive fees from the Trust as described under ‘‘Fees and Expenses’’ and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

The Indenture Trustee

Computershare Trust Company of Canada is the indenture trustee (the ‘‘Indenture Trustee’’) of the Trust for the Preferred Securities pursuant to the Trust Indenture (the ‘‘Trust Indenture’’) dated December 2, 2005 between the Trust and the Indenture Trustee.

CONFLICTS OF INTEREST

MCM is engaged in a wide range of investment management, investment advisory and other business activities. The services of MCM under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents MCM or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Trust) or from engaging in other activities. MCM’s investment decisions for the Trust will be made independently of those made for its other clients and independently of its own investments. On occasion, however, MCM may make the same investment for the Trust and for one or more of its other clients. If the Trust and one or more of the other clients of MCM are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

DESCRIPTION OF THE CAPITAL UNITS AND THE PREFERRED SECURITIES

The Trust is authorized to issue an unlimited number of Capital Units and Preferred Securities. As of the date hereof, there are 1,659,931 Capital Units and 1,659,931 Preferred Securities outstanding after giving effect to the proposal described under ‘‘The Trust — Background to and Restructuring of the Trust’’ and the redemption of Units on November 30, 2005.

Net Asset Value

The NAV on a particular Valuation Date will be equal to the aggregate value of the assets of the Trust, less the aggregate value of the liabilities of the Trust, including any income, net realized capital gains or other amounts made payable to holders on or before such Valuation Date. The liabilities of the Trust include the obligation to repay the principal amount of, and any accrued and unpaid interest on, the Preferred Securities.

NAV per Capital Unit

The NAV per Capital Unit is the amount obtained by dividing the NAV of the Trust on a particular Valuation Date by the total number of Capital Units outstanding on that date. The NAV per Capital Unit determined on any Valuation Date will remain in effect until the next time NAV per Capital Unit is determined.

Repayment Price

The ‘‘Repayment Price’’ is the amount, in respect of a Preferred Security, equal to the principal amount, together with any accrued and unpaid interest thereon.

Combined Value

A ‘‘Combined Security’’ is considered to consist of one Preferred Security and one Capital Unit. The ‘‘Combined Value’’ is the amount determined on a particular Business Day equal to the NAV per Capital Unit plus the Repayment Price.

Publication of Information

The NAV, the NAV per Capital Unit, the Repayment Price and the Combined Value will be made available through the Internet at *www.mulvihill.com*.

Certain Provisions of the Capital Units

General

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each representing an equal, undivided beneficial interest in the net assets of the Trust. All Capital Units have equal rights and privileges. Each whole Capital Unit is entitled to one vote at all meetings of holders and is entitled to participate equally with respect to any and all distributions made by the Trust, including distributions of net income and net realized capital gains, and any distributions upon the termination of the Trust after payment of debts and liabilities, including, without limitation, the aggregate Repayment Price of the Preferred Securities, and liquidation expenses of the Trust. Capital Units are issued only as fully paid and are non-assessable. Fractions of Capital Units are proportionately entitled to all of these rights except voting rights.

Distributions

The Trust intends to provide holders of Capital Units with the opportunity to receive quarterly cash distributions. The Trust will endeavour to pay quarterly cash distributions to holders of Capital Units in an amount targeted to be 7.5% of NAV of the Trust per annum. The quarterly distributions will be determined using the last NAV prior to the declaration date for the distribution.

Distributions will be payable on the last Business Day of March, June, September and December in each year. The Trust expects that the initial distribution for the period from the date of closing to March 31, 2006 will be paid on March 31, 2006.

Distributions on the issued and outstanding Capital Units were paid on December 31, 2005 and will be paid on the day before the date of closing of this offering, which is currently anticipated to be February 15, 2006.

The payment of interest on the Preferred Securities will be made in priority to any distributions on the Capital Units. Distributions on the Capital Units are conditional upon the Trust being current in its obligation to pay interest on the Preferred Securities in accordance with the terms of the Trust Indenture.

If, in any year after payment of the aggregate Preferred Security Interest Amount and any distributions paid on the Capital Units, there would otherwise remain in the Trust net income or net realized capital gains, the Trust intends on or before December 31 of that year to make a special distribution of such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under Part I of the Tax Act. If the Trust does not have sufficient cash available to fund all of such additional distributions, additional Capital Units having a net asset value equal to the deficiency will be issued. Immediately after such issuance, the number of outstanding Capital Units will be consolidated such that each holder will hold after the consolidation the same number of Capital Units as the holder held before the issuance of the additional Capital Units.

The Trust intends that the aggregate distributions of net income and net realized capital gains made in each year will be sufficient to ensure that the Trust will not be liable for ordinary income tax thereon under the Tax Act, except to the extent that any tax payable on net realized capital gains of the Trust for a year that are retained by the Trust would be recoverable by it in such year.

Retraction

A holder of Capital Units may surrender at any time (a ''Regular Monthly Retraction'') a Capital Unit for retraction (either alone or together with the surrender of a Preferred Security for repayment), to Computershare Investor Services Inc. (in the manner described below) at least five (5) Business Days prior to the last Business Day in the month (the ''Retraction Date'') for retraction and repayment on the Retraction Date, subject to the Trust's right to suspend retractions or to postpone payment of retraction proceeds in certain circumstances described below under ''Certain Provisions of the Preferred Securities — Suspension of Retractions and Repayments''. Capital Units and Preferred Securities surrendered for retraction and repayment in this manner will be retracted on the Retraction Date (unless the Trust elects to re-circulate those Capital Units and Preferred Securities and the holder has not withheld its consent to such recirculation; see ''Certain Provisions of the Preferred Securities — Resale'' below). A holder who retracts Capital Units and surrenders Preferred Securities will receive payment therefor on or before the fifth Business Day following such Retraction Date (the ''Retraction Payment Date'').

Regular Monthly Retraction: A holder of Capital Units retracting Capital Units under a Regular Monthly Retraction (without surrendering a corresponding Preferred Security) will receive the amount, if any, by which 95% of the Combined Value exceeds the aggregate of (i) the price paid by the Trust for one Preferred Security in the market; and (ii) $0.50.

Concurrent Retraction: A holder who surrenders a Capital Unit together with a Preferred Security will receive an amount equal to 95% of the Combined Value less $0.50.

Special Annual Retraction: A holder who surrenders a Capital Unit for retraction on the last Business Day in December (commencing in December 2006) (a ''Special Annual Retraction'') (without surrendering a corresponding Preferred Security for repayment) will receive an amount equal to the Combined Value minus the price paid by the Trust for one Preferred Security in the market.

A holder of Capital Units who surrenders one Capital Unit and one Preferred Security under a Special Annual Retraction will receive an amount equal to the Combined Value.

Any unpaid distribution payable on or before the Retraction Date in respect of Capital Units tendered for retraction on a Retraction Date will also be paid on the distribution payment date. **The NAV per Capital Unit may be lower than the original subscription price. The NAV per Capital Unit will vary depending on a number of market factors, including interest rates, volatility in the equity and debt markets and the volatility of the Financial Portfolio securities.**

The retraction proceeds paid by the Trust in connection with the retraction of a Combined Security shall be allocated as follows (i) as to the portion of such value equal to the principal amount of, and any accrued and unpaid interest on, the Preferred Security, as a repayment in full of such Preferred Security, and (ii) as to the remainder of such value, as the proceeds of retraction of the Capital Unit.

The retraction right and, as applicable, the repayment right must be exercised by causing written notice to be given to Computershare Investor Services Inc. and the Trust not later than 5:00 p.m. (Toronto time) on the fifth Business Day prior to a Retraction Date. The surrender of Capital Units and Preferred Securities will be irrevocable upon the delivery of notice to Computershare Investor Services Inc., except with respect to those Capital Units or Preferred Securities which are not paid for by the Trust on the relevant Retraction Payment Date.

Any Capital Units outstanding on the Termination Date will be redeemed by the Trust on such date. On such redemption, each holder will receive for each Capital Unit redeemed the amount, if any, equal to a pro rata share of the net assets of the Trust remaining after payment or accrual of all debts and liabilities (including the aggregate Repayment Price and contingent expenses) and liquidation expenses of the Trust.

Market Purchases

The Trust may at any time, in its discretion, and subject to the receipt of any necessary regulatory approvals, purchase Capital Units offered in the market provided that, at the time of any such purchase, the Trust must concurrently purchase an equal number of Preferred Securities and the aggregate of the market price per Preferred Security and the market price per Capital Unit is less than the Combined Value at such time.

Certain Provisions of the Preferred Securities

General

The Preferred Securities will be direct unsecured debt obligations issued by the Trust and will not be secured by any mortgage, pledge, hypothec or other charge. See ''— Subordination'' below. The Preferred Securities will be issuable only in denominations of $12.50 and integral multiples thereof.

Interest Payments

From and after the date of closing, the Trust will pay holders of Preferred Securities cash interest payments of 6.25% per annum on the $12.50 principal amount of a Preferred Security (the ''Preferred Security Interest Amount''), which will be paid, net of applicable non-resident withholding tax, quarterly in arrears on the last day of each of March, June, September and December of each year up to and including the Maturity Date. The Trust expects that the initial interest payment for the period from the date of closing to March 31, 2006 will be paid on March 31, 2006.

The Trust currently pays interest on the Preferred Securities at a rate equal to 6.00% per annum. Interest on the issued and outstanding Preferred Securities was paid on December 31, 2005 and will be paid on the day before the date of closing of this offering, which is currently anticipated to be February 15, 2006.

Payment on Maturity

The Preferred Securities will mature on March 31, 2011, or automatically on such earlier date upon which the Trust terminates (any such date being the ''Maturity Date''), at which date the Repayment Price of each Preferred Security will be payable by the Trust, by payment by the Trust of such amount to the Indenture Trustee. The Maturity Date also may be extended by holders of Capital Units and Preferred Securities as described under ''Termination of the Trust''.

Notice of repayment will be given to CDS Participants on behalf of the beneficial owners of Preferred Securities at least 45 days prior to the Maturity Date.

Concurrent Retraction

A holder of Preferred Securities may surrender a Preferred Security for repayment together with a Capital Unit under a Regular Monthly Retraction or a Special Annual Retraction. See ''Certain Provisions of the Capital Units — Retraction'' above and ''— Suspension of Retractions and Repayments'' below.

Preferred Securities which have been surrendered to the Trust for repayment in the manner described above are, subject to the Trust's right to recirculate Capital Units and Preferred Securities described below under the heading ''— Resale'', deemed to be outstanding until (but not after) the close of business on the Retraction Date, unless not repaid on or before the Retraction Payment Date in which event such Preferred Securities will remain outstanding.

Subordination

The payment of the principal of, and interest on, the Preferred Securities will be subordinated in right of payment, as set forth in the Trust Indenture governing the Preferred Securities, to the prior payment in full of all ''Senior Indebtedness'' of the Trust, which is defined in the Trust Indenture as the principal of and premium, if any, and interest on, and other amounts in respect of, all indebtedness of the Trust (whether outstanding as at the date of the Trust Indenture or thereafter incurred, and including, without limitation, indebtedness to trade creditors of the Trust and ordinary and extraordinary liabilities), other than indebtedness evidenced by the Preferred Securities, and all other existing and future notes or other instruments of the Trust which, by the terms of the instrument creating or evidencing the indebtedness, is expressed to rank pari passu with, or subordinate in right of payment to, the Preferred Securities.

The Trust Indenture provides that in the event of any insolvency or bankruptcy proceedings, or any receivership, liquidation, reorganization or other similar proceedings relating to the Trust, or to its property or assets, or in the event of any proceedings for voluntary liquidation, dissolution or other winding-up of the Trust, whether or not involving insolvency or bankruptcy, or any marshalling of the assets and liabilities of the Trust, then those holders of Senior Indebtedness, including any indebtedness to trade creditors, will receive payment in full before the holders of Preferred Securities will be entitled to receive any payment or distribution of any kind or character, whether in cash, property or securities, which may be payable or deliverable in any such event in respect of any of the Preferred Securities or any accrued and unpaid interest thereon. The Trust Indenture also provides that the Trust will not make any payment, and the holders of Preferred Securities will not be entitled to demand, institute proceedings for the collection of, or receive any payment or benefit (including without limitation by set-off, combination of accounts or realization of security or otherwise in any manner whatsoever) on account of indebtedness represented by the Preferred Securities (a) in a manner inconsistent with the terms (as they exist on the date of issue) of the Preferred Securities, or (b) at any time when an event of default has occurred under the Senior Indebtedness and is continuing and the notice of such event of default has been given by or on behalf of the holders of Senior Indebtedness to the Trust, unless the Senior Indebtedness has been repaid in full.

Priority Over Capital Unit Distributions

The payment of interest on the Preferred Securities will be made in priority to any distributions on the Capital Units.

The Trust will fund the repayment to the holders of Preferred Securities on the Maturity Date of the aggregate Repayment Price with the proceeds from the sale or redemption of the Financial Portfolio securities and any other net assets of the Trust in priority to any distribution of assets of the Trust on the Capital Units.

The Preferred Securities will not represent interests in or obligations of Computershare Trust Company of Canada (other than in its capacity as the Indenture Trustee), The Royal Trust Company (other than in its capacity as the Trustee), the Manager, the beneficiaries of the Trust or any affiliate or any of the foregoing. As such, recourse under the Preferred Securities is limited to the assets of the Trust. A holder of Preferred Securities will have no recourse against the Indenture Trustee or the Trustee in their respective personal capacities or to the assets of the Indenture Trustee or the Trustee other than the assets of the Trust, nor any recourse to holders of Capital Units or their assets.

Events of Default

The Trust Indenture provides that an event of default (''Event of Default'') in respect of the Preferred Securities will occur if any one or more of the following described events has occurred and is continuing with respect to the Preferred Securities: (a) failure to pay the Preferred Security Interest Amount for more than four calendar quarters after such amount becomes due; (b) failure to pay the Repayment Price of the Preferred Securities, whether at maturity, by declaration or otherwise (other than pursuant to a redemption when a suspension is in effect); (c) certain events of bankruptcy, insolvency or reorganization of the Trust; or (d) default in the observance or performance of any material covenant or condition of the Trust Indenture and the continuance of such default for a period of 30 days after notice in writing has been given by the Indenture Trustee to the Trust specifying such default and requiring the Trust to rectify the same. If an Event of Default has occurred and is continuing, the Indenture Trustee may, in its discretion, and must upon request of holders of Preferred Securities holding not less than 25% of the number of Preferred Securities then outstanding (subject to receipt of an appropriate indemnity), declare the aggregate principal amount of, and interest on, all outstanding Preferred Securities to be immediately due and payable. In certain cases, the holders of Preferred Securities holding a majority of the number of the Preferred Securities then outstanding may, on behalf all holders of Preferred Securities, waive any Event of Default and/or cancel any such declaration upon such terms and conditions as such holders of Preferred Securities prescribe.

Modification

The rights of the holders of Preferred Securities, as well as holders of any other series of securities that may be issued under the Trust Indenture, may be modified in accordance with the terms of the Trust Indenture. For that purpose, among others, the Trust Indenture contains certain provisions that will make binding on all holders of Preferred Securities resolutions passed at meetings of holders of Preferred Securities by votes cast thereat by holders of Preferred Securities holding not less than 66⅔% of the number of Preferred Securities present at the meeting or represented by proxy, or rendered by instruments in writing signed by the holders of Preferred Securities holding not less than 66⅔% of the number of Preferred Securities. In addition, the Maturity Date also may be extended by holders of Preferred Securities by a majority vote. Quorum for a meeting of holders of Preferred Securities will consist of two or more holders of Preferred Securities present in person or by proxy representing not less than 10% of the number of Preferred Securities then outstanding.

In addition, the Trust Indenture provides that where the Indenture Trustee determines, on the advice of counsel, that any modification to the Trust Agreement that require the approval of holders of Preferred Securities would affect the timeliness or priority of payments to holders of Preferred Securities, or otherwise materially adversely affects the holders of Preferred Securities as a class, such change may not be made to the Trust Agreement unless (i) the Indenture Trustee has determined, on the advice of counsel, that such modification does not require the approval of holders of Preferred Securities, or (ii) holders of Preferred Securities have approved such modification as required under the Trust Indenture.

Limitation on Issuance of Additional Preferred Securities

The Trust Indenture will provide that the Trust shall not issue additional debt securities ranking in preference to the Preferred Securities. The Trust will only issue additional Preferred Securities on the basis that, immediately following such issuance, an equal number of Preferred Securities and Capital Units will be outstanding.

Market Purchases

The Trust may at any time, in its discretion, and subject to the receipt of any necessary regulatory approvals, purchase Preferred Securities offered in the market; provided, however, that if any such purchase is not made in conjunction with the redemption of Capital Units, the Trust will not purchase Preferred Securities unless it at the same time purchases an equal number of Capital Units and the aggregate of the market price per Preferred Security and the market price per Capital Unit is less than the Combined Value at such time.

Credit Rating

The Preferred Securities are rated Pfd-2 (low) by Dominion Bond Rating Service Limited (''DBRS''). Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. DBRS' rating of the Preferred Securities is on a preferred security rating scale that ranges from Pfd-1 to Pfd-5, which represents the range from highest to lowest quality of such securities rated. Securities rated in the Pfd-2 rating category by DBRS are in the second highest category of the relevant scale and are considered by DBRS to be of satisfactory credit quality. The credit rating accorded to the Preferred Securities is not a recommendations to purchase, hold or sell the Preferred Securities. There can be no assurance that any rating will remain in effect for any given period of time or that any rating will not be withdrawn or revised by a rating agency at any time.

Suspension of Retractions and Repayments

The Trust may suspend the retraction of Capital Units and the repayment of Preferred Securities or postpone repayment of retraction proceeds: (i) during any period when normal trading is suspended on a market where more than 50% of the securities in the Financial Portfolio (in terms of dollar value) trade and, if those securities are not traded on any other exchange that represents a reasonably practical alternative for the Trust; (ii) with the permission of the securities regulatory authorities (if required), for any period not exceeding 120 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust; or (iii) if the Trust would be insolvent or otherwise unable to pay its liabilities as they become due after giving effect to such retractions (and repayment, if applicable). The suspension shall apply to all requests for retraction or repayment received prior to the suspension date but for which payment has not been made, as well as to all requests received while the suspension is in effect. All holders of Capital Units or Preferred Securities making such requests will be advised by the Manager of the suspension and that the retraction or repayment will be effected at a price determined following the resumption of retractions and repayments. All such holders of Capital Units and Preferred Securities will have, and will be advised that they have, the right to withdraw their requests for retraction or repayment if such requests were submitted prior to a suspension and payment has not been made, or if such requests were submitted during a period of suspension. Retractions and repayments will resume in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other circumstances under which a suspension is authorized then exists. Notwithstanding any suspension of retractions and repayments, the Trust will be required to repay the Preferred Securities and redeem the Capital Units on the Termination Date. To the extent it is not inconsistent with rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of suspension made by the Manager will be conclusive.

Resale

The Trust will enter into an agreement (a ''Recirculation Agreement'') with RBC Dominion Securities Inc. (the ''Recirculation Agent'') whereby the Recirculation Agent will agree to use commercially reasonable efforts to find purchasers for any Capital Units and Preferred Securities properly surrendered for retraction or repayment, provided that the holder of the Capital Units so surrendered has not withheld consent thereto. The Trust may from time to time appoint additional dealers to act as recirculation agents for any Capital Units and Preferred Securities surrendered for retraction or repayment. The Trust may, but will not be obligated to, require the Recirculation Agent to seek such purchasers and, in such event, the amount to be paid to the holder on the Retraction Payment Date will be an amount equal to the proceeds of the sale of the Capital Units less any applicable commission and the amount to be received for Preferred Securities will be an amount equal to the proceeds of sale of the Preferred Securities less any applicable commission. Such amounts will not be less than the retraction proceeds otherwise payable for such Capital Units and the Repayment Price otherwise payable for such Preferred Securities, respectively.

Net Asset Value

The Net Asset Value on a particular date will be equal to the aggregate value of the assets of the Trust, less the aggregate value of the liabilities of the Trust, including any income, net realized capital gains and other amounts payable to holders of the Units on or before such date, expressed in Canadian dollars at the applicable exchange rate on such date. The ''NAV per Capital Unit'' on any day is obtained by dividing the NAV on such day by the number of Capital Units then outstanding.

The NAV and the NAV per Capital Unit will be calculated one Business Day every week, other than the last week of the month, in which case the NAV per Capital Unit will be calculated on the last day of the month, December 31 of each year and the Termination Date. If the Trust elects to have a December 15 year end for tax purposes as permitted by the Tax Act, the NAV per Capital Unit will also be calculated on December 15 if it is not otherwise the last Business Day in a week. Such information will be provided by Mulvihill to holders of Capital Units on request.

In determining the NAV per Capital Unit at any time:

(i) the value of common shares and other securities will be the last board lot sale price of such common shares or other securities on the principal stock exchange on which they are traded prior to the determination of the NAV or, if no such sale price is available at that time, the closing price quoted for the security provided that where bid and ask quotes are available, at the average of the bid and the asked price instead of at the quoted closing price;

(ii) where a covered clearing corporation option, option on futures or an over-the-counter option is written, the option premium received by the Trust will, so long as the option is outstanding, be reflected as a deferred credit which will be valued at an amount equal to the current market value of an option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV;

(iii) the value of any cash on hand or on deposit, prepaid expenses, cash dividends or distributions declared and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;

(iv) the value of a futures contract or of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the futures contract or the forward contract, as the case may be, were to be closed out unless ''daily limits'' are in effect, in which case fair value shall be based on the current market value of the underlying interest;

(v) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(vi) notes, money market instruments and other debt securities shall be valued by taking the bid price at the calculation time;

(vii) if a Valuation Date is not a Business Day, then the securities comprising the Financial Portfolio and other Trust property will be valued as if such Valuation Date were the preceding Business Day;

(viii) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Trustee to be inappropriate under the circumstances, then notwithstanding such rules, the Trustee shall make such valuation as it considers fair and reasonable; and

(ix) the value of all assets of the Trust quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Trust in foreign currency and the value of all liabilities and contractual obligations payable by the Trust in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the date as of which the NAV is computed.

BOOK-ENTRY ONLY SYSTEM

Registration of interests in and transfers of the Capital Units and Preferred Securities will be made only through the book-entry only system. On or about February 15, 2006, but no later than February 28, 2006, the Trustee will deliver to CDS certificates evidencing the aggregate Capital Units and Preferred Securities subscribed for under this offering. Capital Units and Preferred Securities must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Capital Units and Preferred Securities must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Capital Units or Preferred Securities. Upon purchase of any Capital Units or Preferred Securities, the owner will receive only the customary confirmation. References in this prospectus to a holder of Capital Units and Preferred Securities means, unless the context otherwise requires, the owner of the beneficial interest in such Capital Units and Preferred Securities.

The ability of a beneficial owner of Capital Units or Preferred Securities to pledge such Capital Units or Preferred Securities or otherwise take action with respect to such owner's interest in such Capital Units or Preferred Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of Capital Units or Preferred Securities who desires to exercise retraction or redemption privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner's intention to redeem, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to retract or redeem Capital Units or Combined Securities should ensure that the CDS Participant is provided with notice (the ''Redemption Notice'') of his or her intention to exercise his or her retraction or redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Redemption Notice will be available from a CDS Participant or Computershare Investor Services Inc., the Trust's registrar and transfer agent. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the retraction or redemption privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to retract or redeem Capital Units or Combined Securities, an owner shall be deemed to have irrevocably surrendered his Capital Units or Combined Securities for retraction or redemption and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the retraction or redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the retraction or redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise retraction or redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Trust to the CDS Participant or to the owner.

The Trust has the option to terminate registration of the Capital Units or Preferred Securities through the book-entry only system in which case certificates for Capital Units and Preferred Securities in fully registered form would be issued to beneficial owners of such shares or to their nominees.

MATTERS REGARDING CAPITAL UNITS

Meetings of Holders of Capital Units

A meeting of holders of Capital Units of the Trust may be convened by Mulvihill or the Trustee at any time and must be convened if requisitioned by the holders of not less than 10% of the Capital Units then outstanding, unless such Capital Units are entitled to be voted at such meeting) by a written requisition specifying the purpose of the meeting. Not less than 21 days' notice will be given of any meeting of holders of Capital Units. The quorum at any such meeting is two holders of Capital Units present in person or by proxy and representing not less than 10% of the Capital Units then outstanding. If no quorum is present at such meeting when called, the meeting, if called on the requisition of holders of Capital Units, will be terminated and otherwise will be adjourned for not less than 10 days and at the adjourned meeting the holders of Capital Units then present in person or represented by proxy will form the necessary quorum. At any such meeting, each holder of Capital Units will be entitled to one vote for each whole Capital Unit registered in the holder's name.

The Trust does not intend to hold annual meetings of holders of Capital Units.

Acts Requiring Approval of Holders of Capital Units

Pursuant to the Trust Agreement, the following matters require the approval of holders of Capital Units by a two-thirds majority vote (other than items (iii), (vi), (vii) and (xii) which require approval by a simple majority vote) of those Capital Units represented and voting at a meeting called and held for such purpose:

(i) a change in the fundamental investment objectives and strategy of the Trust as described under ''Investments of the Trust — Investment Objectives'' and ''Investments of the Trust — Investment Strategy'';

(ii) a change in the investment criteria of the Trust as described under ''Investments of the Trust — Investment Criteria'';

(iii) the entering into by the Trust of transactions involving derivatives other than the writing of covered call options or cash covered put options, the purchase of call options or put options and the entering into of trades by the Trust to close out positions in such derivatives, the purchase of put options to protect the Trust from declines in the market price of the individual securities in the Financial Portfolio or in the value of the Financial Portfolio as a whole and the use of derivatives permitted under NI 81-102 to hedge the Trust's foreign exchange exposure;

(iv) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust;

(v) a change of the manager of the Trust, other than a change resulting in an affiliate of such person assuming such position or, except as described herein, a change in the investment manager or trustee of the Trust, other than a change resulting in an affiliate of such person assuming such position;

(vi) a decrease in the frequency of calculating the NAV per Capital Unit or of redeeming Capital Units;

(vii) a change of the auditors of the Trust;

(viii) a termination of the Investment Management Agreement (except as described under ''Management of the Trust — Investment Management Agreement'');

(ix) a termination of the Trust prior to the Termination Date;

(x) an extension of the Trust beyond the Termination Date; and

(xi) an amendment, modification or variation in the provisions or rights attaching to the Capital Units.

Mulvihill and the Trustee may, without the approval of or notice to holders of Capital Units, amend the Trust Agreement for certain limited purposes specified therein, including to:

(i) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Agreement and any provisions of any law or regulation applicable to or affecting the Trust;

(ii) make any change or correction in the Trust Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(iii) bring the Trust Agreement into conformity with NI 81-102 or other applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interest of any holder of Capital Units;

(iv) maintain the status of the Trust as a ''mutual fund trust'' for the purposes of the Tax Act or

(v) provide added protection to holders of Capital Units.

Except for changes to the Trust Agreement which require the approval of holders of Capital Units or changes described above which do not require approval or prior notice to holders of Capital Units, the Trust Agreement may be amended from time to time by Mulvihill and the Trustee upon not less than 30 days' prior written notice to holders of Capital Units.

Reporting to Holders of Capital Units

The Trust will deliver to holders of Capital Units annual and interim financial statements of the Trust.

Non-Resident Holders of Capital Units

At no time may: (i) non-residents of Canada; (ii) partnerships that are not Canadian partnerships; or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Capital Units, and the Manager shall inform the registrar and transfer agent of the Trust of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Capital Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Capital Units then outstanding are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Capital Units are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-resident holders of Capital Units and partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Capital Units or a portion thereof within a specified period of not less than 30 days. If the holders of Capital Units receiving such notice have not sold the specified number of Capital Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such holders of Capital Units sell such Capital Units and, in the interim, shall suspend the voting and distribution rights attached to such Capital Units. Upon such sale, the affected holders shall cease to be beneficial holders of Capital Units and their rights shall be limited to receiving the net proceeds of sale of such Capital Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of the Trust as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Trust as a mutual fund trust for purposes of the Tax Act.

TERMINATION OF THE TRUST

The Trust will have a remaining term of approximately five years and will terminate on March 31, 2011 (the ''Termination Date''). The holders of Capital Units may determine to continue the Trust by a majority vote at a meeting called for such purpose. Immediately prior to the Termination Date, MCM will, to the extent possible, convert the assets of the Trust to cash and the Trustee shall, after paying or making adequate provision for all of the Trust's liabilities, distribute the net assets of the Trust to holders of Capital Units as soon as practicable after the Termination Date.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Trust, and Davies Ward Phillips & Vineberg LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to prospective purchasers acquiring Capital Units or Preferred Securities pursuant to this prospectus who are individuals (other than trusts) and who, for purposes of the Tax Act, are resident in Canada, deal at arm's length with the Trust and hold their Capital Units or Preferred Securities as capital property. This summary is based upon the facts set out in this prospectus, the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative practices of Canada Revenue Agency (the ''CRA'') and the specific proposals to amend the Tax Act and regulations thereunder announced prior to the date hereof by the Minister of Finance (the ''Tax Proposals''). No assurances can be given that the Tax Proposals will become law as proposed or at all. This summary is also based on the assumption that the Trust was not established and will not be maintained primarily for the benefit of non-residents of Canada for purposes of the Tax Act. This summary is also based on the assumptions that (i) none of the issuers of the securities in the Financial Portfolio will be a foreign affiliate of the Trust or any holder of Capital Units or Preferred Securities, (ii) none of the securities in the Financial Portfolio will be a ''tax shelter investment'' within the meaning of section 143.2 of the Tax Act, and (iii) none of the securities in the Financial Portfolio will be a ''participating interest'' in a ''tracking entity'' or a ''foreign investment entity'' (other than an ''exempt interest''), or an interest in a non-resident trust other than an ''exempt foreign trust'' under revised draft legislation released by the Minister of Finance (Canada) on July 18, 2005 (or such proposals as amended or enacted, or successor provisions thereto).

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign or provincial income tax considerations, which might differ from the federal considerations summarized herein.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Prospective investors are advised to consult their own tax advisors with respect to the tax consequences to them of a prospective investment in Capital Units or Preferred Securities in their individual circumstances.

Status of the Trust

Provided that the Trust meets certain prescribed conditions (''minimum distribution requirements'') relating to the number of holders of Capital Units, dispersal of ownership of Capital Units and public trading of its Capital Units at such time and provided that its sole undertaking is and continues to be the investing of its funds in property (other than real property or an interest in real property) as described in this prospectus, the Trust will qualify at a particular time as a ''mutual fund trust'' as defined in the Tax Act. This summary assumes that the Trust satisfies the minimum distribution requirements, and that it elected to be deemed to be a mutual fund trust from the date that it was established, and that it has satisfied, and will continuously satisfy, the minimum distribution requirements at all relevant times. An additional condition to qualify as a mutual fund trust for purposes of the Tax Act is that the Trust may not be established or maintained primarily for the benefit of non-resident persons unless, at all times, substantially all of its property consists of property other than ''taxable Canadian property'' within the meaning of the Tax Act. If certain Tax Proposals released on September 16, 2004 are enacted as proposed, the Trust would cease to qualify as a mutual fund trust for purposes of the Tax Act if, at any time after 2004, the fair market value of all Capital Units held by non-residents, or partnerships that are not ''Canadian partnerships'' for the purpose of the Tax Act, or any combination of the foregoing, is more than 50% of the fair market value of all issued and outstanding Capital Units unless no more than 10% (based on fair market value) of the Trust's property is at any time ''taxable Canadian property'' within the meaning of the Tax Act and certain other types of specified property. The Trust's investment restrictions prohibit the Trust from exceeding these limits and restrictions on the ownership of Capital Units are intended to limit the number of Capital Units held by non-residents such that non-residents, partnerships that are not Canadian partnerships, or any combination of the foregoing, may not own Capital Units representing more than 50% of the fair market value of all Capital Units.

If the Trust were not to qualify as a mutual fund trust, the income tax consequences described below and under ''Eligibility for Investment'' would in some respects be materially different.

Taxation of the Trust

The Trust is subject to tax in each taxation year under Part I of the Tax Act on the amount of its income for the year computed pursuant to the Tax Act, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to holders of Capital Units in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable to its holders of Capital Units is recoverable by the Trust to the extent and in the circumstances provided in the Tax Act.

In determining the income of the Trust, premiums received by the Trust on covered call options and cash covered put options written by the Trust (and which are not exercised prior to the end of the year) will constitute capital gains of the Trust in the year received, and gains or losses realized upon dispositions of securities of the Trust (whether upon the exercise of call options written by the Trust or otherwise) will constitute capital gains or capital losses of the Trust in the year realized unless the Trust is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Trust will purchase the Financial Portfolio with the objective of earning dividends thereon over the life of the Trust including dividends on securities acquired upon the exercise of cash covered put options written by the Trust, will write covered call options with the objective of increasing the yield on the Financial Portfolio beyond the dividends received on the Financial Portfolio and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options. In accordance with CRA's published administrative practice, transactions undertaken by the Trust in respect of covered options and shares will be treated and reported for purposes of the Tax Act on capital account and designations by the Trust with respect to its income and capital gains, as described below, will be made and reported to holders of Capital Units on this basis. Premiums received by the Trust on covered call (or cash covered put) options which are exercised in the taxation year in which the option is written by the Trust are added in computing the proceeds of disposition (deducted in computing the adjusted cost base) to the Trust of the securities disposed of (acquired by) the Trust on exercise of such call (put) options.

The Manager has advised counsel that the Trust has elected in accordance with the Tax Act to have each of its ''Canadian securities'' (as defined in subsection 39(6) of the Tax Act) treated as capital property. Such an election will ensure that gains or losses realized by the Trust on dispositions of Canadian securities will be taxed as capital gains or capital losses.

If the Trust purchases a Preferred Security in the market in the manner in which any Preferred Security would be purchased in the open market by any member of the public, it will realize a capital gain to the extent that the issue price of the Preferred Security exceeds the purchase price paid by the Trust for the Preferred Security. The Trust will realize a capital loss under such circumstances to the extent that the purchase price exceeds the greater of the principal amount of the Preferred Security and its issue price.

In computing its income for tax purposes, the Trust may deduct reasonable expenses incurred to earn income, including interest on Preferred Securities.

On October 31, 2003, Tax Proposals were released by the Department of Finance for public comment which propose that the Tax Act be amended to require, for taxation years commencing after 2004, that there be a ''reasonable expectation of cumulative profit'' from a business or property in order for a taxpayer to deduct any loss incurred by the taxpayer from the business or property, and would provide that profit, for this purpose, does not include capital gains. The October 31, 2003 Tax Proposals could potentially have an adverse effect on the deductibility by the Trust of certain otherwise deductible expenses, including interest on the Preferred Securities. On February 23, 2005, the Department of Finance announced it has developed an alternative proposal to the October 31 Tax Proposals which it intends to release for comment. No such alternative proposal has been released as of the date hereof.

The Trust generally intends to deduct in computing its income in each taxation year for purposes of the Tax Act the full amount available for deduction in each year (computed on the assumption that options outstanding after the year end will expire unexercised) and therefore, provided that the Trust makes distributions in each year of its net income including net realized capital gains net of realized capital losses and net capital loss carry forwards as described under the heading ''Description of the Capital Units and the Preferred Securities — Certain Provisions of the Capital Units — Distributions'', it will generally not be liable in such year for income tax under Part I of the Tax Act other than such tax on net realized capital gains that would be recoverable by it in such year.

The Tax Act provides for a special tax on designated income of certain trusts which have designated beneficiaries. This special tax does not apply to a trust for a taxation year if the trust is a mutual fund trust throughout such year. Accordingly, provided that the Trust qualifies, or is deemed to qualify, as a mutual fund trust throughout a taxation year, it will not be subject to the special tax for such taxation year.

Taxation of Holders of Capital Units

A holder of Capital Units will generally be required to include in the calculation of the holder's income under the Tax Act the net income and the net realized taxable capital gains of the Trust paid or payable to the holder of Capital Units in the year or deemed so paid or payable, whether received in cash or in additional Capital Units. To the extent that distributions by the Trust to a holder of Capital Units in any year exceed the net income including net realized capital gains of the Trust for the year computed pursuant to the Tax Act, such distributions generally will not be included in the calculation of the holder's income for the year but will reduce the adjusted cost base of the holder's Capital Units.

The Trust will designate to the extent permitted by the Tax Act the portion of the net income distributed to holders of Capital Units as may reasonably be considered to consist of net realized taxable capital gains of the Trust net of realized capital losses and net capital loss carry forwards, and the taxable dividends received, or deemed to be received, by the Trust on shares of taxable Canadian corporations net of expenses and non-capital loss carryforwards. Any such designated amount will be deemed for purposes of the Tax Act to be received or realized by holders of Capital Units in the year as a taxable capital gain or taxable dividend from a taxable Canadian corporation, as the case may be. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply. On November 23, 2005, Tax Proposals were released by the Minister of Finance which propose that the Tax Act be amended to provide an enhanced gross-up and dividend tax credit on eligible dividends paid to eligible shareholders. There can be no assurance that the new federal government, which was elected on January 23, 2006, will seek enactment of this proposal.

Any loss of the Trust for purposes of the Tax Act cannot be allocated to, and cannot be treated as the loss of, a holder of Capital Units. Under the Tax Act, a trust is permitted to deduct in computing its income an amount which is less than the amount of its distributions. This will enable the Trust to utilize, in a particular year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a holder of Capital Units but not deducted by the Trust will not be required to be included in the income of the holder of Capital Units. However, unless such amount relates to the non-taxable portion of capital gains, the taxable portion of which has been designated in respect of the holder of Capital Units, the adjusted cost base of the holder's Capital Units would be reduced by such amount.

The NAV per Capital Unit of the Trust will reflect any income and gains of the Trust that have accrued or have been realized but not made payable at the time Capital Units are acquired. Consequently, holders of Capital Units of the Trust that acquire additional Capital Units may become taxable on their share of income and gains of the Trust that accrued or were realized before the Capital Units were acquired and not made payable at such time.

Upon the actual or deemed disposition of a Capital Unit, including on a sale or redemption, a capital gain (or capital loss) will generally be realized by the holder of Capital Units to the extent that the holder's proceeds of disposition exceed (or are less than) the aggregate of the adjusted cost base to the holder of Capital Units of the Capital Unit and any reasonable costs of disposition. For the purpose of determining the adjusted cost base to a holder of Capital Units, when a Capital Unit is acquired the cost of the newly-acquired Capital Unit will be averaged with the adjusted cost base of all of the Capital Units owned by the holder as capital property before that time.

One half of any capital gains (''taxable capital gains'') realized will be included in computing the income of a holder of Capital Units and one half of any capital loss realized may be deducted against taxable capital gains in accordance with the provisions of the Tax Act.

Holders of Capital Units are generally subject to an alternative minimum tax. In general terms, net income of the Trust paid or payable to a holder of Capital Units will not increase the holder's liability under the Tax Act for alternative minimum tax. Amounts designated as net realized capital gains paid or payable to a holder of Capital Units by the Trust or realized on the disposition of Capital Units by the holder of Capital Units may increase the holder's liability for alternative minimum tax.

Taxation of Holders of Preferred Securities

A holder of Preferred Securities will generally be required to include, in computing income for a taxation year, all interest on the Preferred Securities that is received or receivable (depending on the method regularly followed by the holder in computing income) by the holder in that taxation year, except to the extent that the interest was included in the holder's income for a preceding taxation year.

If the Trust redeems or repurchases a Preferred Security prior to maturity or repays a Preferred Security upon maturity, the holder of such Preferred Security will be considered to have disposed of the Preferred Security for proceeds of disposition equal to the amount received by the holder (other than the amount received or deemed to be received as interest (as described below)) on such redemption or repayment. A disposition or deemed disposition of a Preferred Security by a holder will generally result in the holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition are greater (or less) than the aggregate of the holder's adjusted cost base thereof and any reasonable costs of disposition. Any such capital gains or capital losses will be treated, for tax purposes, in the same manner as capital gains and capital losses arising from a disposition of Capital Units, which treatment is discussed above under ''Taxation of Holders of Capital Units''. Upon such a disposition or deemed disposition of a Preferred Security, interest accrued thereon to the date of disposition will be included in computing the income of the holder, except to the extent such amount was otherwise included in the income of such holder, and will be excluded in computing such holder's proceeds of disposition of the Preferred Security.

In general terms, capital gains realized on the disposition of Preferred Securities may increase the liability of a holder of such securities for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP, and Davies Ward Phillips & Vineberg LLP, provided that the Trust qualifies as a mutual fund trust within the meaning of the Tax Act, Capital Units will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or registered education savings plans (collectively, ''Plans''). Provided the Trust qualifies as a mutual fund trust for the purposes of the Tax Act and the Capital Units are listed on a prescribed stock exchange in Canada (which includes the TSX), the Preferred Securities will be qualified investments under the Tax Act for Plans.

USE OF PROCEEDS

The net proceeds from the issue of Capital Units and Preferred Securities offered hereby (after payment of the Agents' fee and expenses of the issue) are estimated to be $142,447,265.60 and will be used to purchase securities for the Financial Portfolio following closing. See ''Financial Portfolio Investments''.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of January 27, 2006 (the ''Agency Agreement'') between RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Blackmont Capital Inc. and Raymond James Ltd. (collectively, the ''Agents'') and Mulvihill, MCM and the Trust, the Agents have agreed to offer the Capital Units and Preferred Securities for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee equal to $0.786 for each Capital Unit sold and $0.375 for each Preferred Security sold and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Capital Units and Preferred Securities offered hereby, the Agents will not be obligated to purchase Capital Units and Preferred Securities which are not sold.

The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable for a period of 30 days from the closing of the offering, to purchase up to 878,906 additional Capital Units and up to 878,906 additional Preferred Securities on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option, and the Capital Units and Preferred Securities issuable on the exercise thereof. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of this offering. To the extent that the Over-Allotment Option is exercised, the additional Capital Units and Preferred Securities will be purchased at the offering prices hereunder and the Agents will be entitled to a fee of $0.786 per Capital Unit and $0.375 per Preferred Security purchased.

The offering price was established by negotiation between the Agents and the manager of the Trust, so as not to be dilutive to existing holders of Capital Units and Preferred Securities. As such, the offering price was set to be not less than the NAV per Capital Unit and the principal amount per Preferred Security plus the Agents' fee referred to above, expenses of the offering of $750,000 plus compensation of $190,000 for the opportunity cost to current holders of Capital Units and Preferred Securities of the Trust holding cash until the closing of the offering. In addition, there are advisory fees of $450,000 associated with the reorganization of the Trust payable to RBC Dominion Securities Inc. All these costs and expenses amount to a total of $0.2372 per Capital Unit.

Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Subscriptions for Capital Units and Preferred Securities will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will take place on February 15, 2006 or such later date as may be agreed upon by the Trust and the Agents that is on or before February 28, 2006.

The Toronto Stock Exchange has conditionally approved the listing of the additional Capital Units and Preferred Securities offered hereunder. Listing is subject to the Trust fulfilling all of the requirements of such stock exchange on or before April 20, 2006.

The Capital Units and Preferred Securities have not been and will not be registered under the United States *Securities Act of 1933*, as amended and may not be offered or sold in the United States or to U.S. persons.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Capital Units and Preferred Securities. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Capital Units and Preferred Securities. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this offering, the Agents may over-allot or effect transactions in connection with their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

FEES AND EXPENSES

Offering Expenses

The expenses of this offering (including the costs of printing and preparing this prospectus, legal expenses of the Trust, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses subject to a maximum of 1.5% of the gross proceeds of the offering) will, together with the Agent's fees, be paid from the gross proceeds of this offering.

Fees and Other Expenses

Pursuant to the terms of the Investment Management Agreement, MCM is entitled to a fee at an annual rate of 1.0% per annum on the total assets of the Trust.

Pursuant to the terms of the Trust Agreement, Mulvihill is entitled to a fee at an annual rate of 0.10% per annum on the total assets of the Trust. Fees payable to MCM and Mulvihill will be calculated and payable monthly based on the value of the Trust as at the Valuation Date of each month.

The Trust will pay for all expenses incurred in connection with the operation and administration of the Trust. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to holders of Capital Units; (b) fees payable to the Trustee for acting as trustee and custodian of the assets of the Trust and performing certain administrative services under the Trust Agreement; (c) fees payable to Computershare Investor Services Inc. for acting as registrar and transfer agent with respect to Capital Units and Preferred Securities; (d) fees payable to members of the Advisory Board; (e) any additional fees payable to Mulvihill for performance of extraordinary services on behalf of the Trust; (f) fees payable to the auditors and legal advisors of the Trust; (g) regulatory filing, stock exchange and licensing fees; and (h) expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Mulvihill or MCM is entitled to indemnity by the Trust. See ''Management of the Trust''. The Trust will also be responsible for all commissions and other costs of securities transactions. All such expenses will be subject to an independent audit and report thereon to the Trustee and Mulvihill will provide reasonable access to its books and records for such purpose.

The Trust will pay the service fee to be paid to each dealer whose clients hold Capital Units. Such service fee will be equal to 0.40% annually of the net asset value of the Capital Units held by clients of the dealers.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

MCM, Mulvihill and the Trustee will receive the fees described under ''Fees and Expenses'' for their respective services to the Trust and will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Capital Units and Preferred Securities:

(a) the Trust Agreement described under ''The Trust'';

(b) the Investment Management Agreement described under ''Management of the Trust — Investment Management Agreement'';

(c) the Trust Indenture described under ''Management of the Trust — The Indenture Trustee''; and

(d) the Agency Agreement described under ''Plan of Distribution''.

Copies of the foregoing agreements, after the execution thereof, may be inspected during business hours at the principal office of the Trust during the course of distribution of the Capital Units and Preferred Securities offered hereby.

RISK FACTORS

The following are certain considerations relating to an investment in Capital Units and Preferred Securities which prospective investors should consider before purchasing such securities:

Performance of the Financial Portfolio

NAV per Capital Unit will vary as the value of the securities in the Financial Portfolio varies. The Trust has no control over the factors that affect the value of the securities in the Financial Portfolio, including factors that affect all of the issuers in the Financial Portfolio such as fluctuations in interest rates and factors unique to each issuer such as changes in its management, changes in its strategic direction, achievement of its strategic goals, mergers, acquisitions and divestitures, changes in its dividend policies and other events that may affect the value of its equity securities.

Concentration Risk

The Financial Portfolio will consist only of securities of the companies in the financial services and life insurance industries and, as a result, the Trust's holdings will not be diversified and the NAV may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time in response to economic conditions and regulatory changes that specifically affect the provision of financial services or life insurance. This may have a negative impact on the value of the Capital Units and the Preferred Securities.

No Assurances on Achieving Objectives

There is no assurance that the Trust will be able to achieve it objectives, including being able to pay the interest on, and repay the principal amount of, the Preferred Securities, or being able to pay the anticipated distributions on the Capital Units or provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio. Furthermore, there can be no assurance that the Trust's NAV will be preserved.

The Trust expects to pay the interest on the Preferred Securities, in part, from dividends and distributions from the Financial Portfolio securities. Dividends and distributions received by the Trust in respect of Financial Portfolio securities will not be sufficient to fund the interest on the Preferred Securities.

The Trust intends to make quarterly cash distributions on the Capital Units. However, such distributions are conditional upon the Trust being current in its obligation to pay interest on the Preferred Securities in accordance with the terms of the Trust Indenture.

There is no assurance that the Trust will be able to pay any quarterly cash distributions to holders of Capital Units. The funds available for distribution to holders of Capital Units and Preferred Securities will vary according to, among other things, the dividends and distributions paid on all of the securities comprising the Financial Portfolio, the level of option premiums received and the value of the securities comprising the Financial Portfolio. As the dividends and distributions received by the Trust will not be sufficient to meet the objectives of the Trust in respect of the payment of interest on the Preferred Securities or cash distributions to holders of Capital Units, the Trust will depend on the receipt of option premiums and the realization of capital gains to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such a pricing model can be attained.

An investment in the Trust is appropriate only for investors who have the capacity to absorb a loss of some or all of their investment and who can withstand the effect of no distributions (in respect of Capital Units) or interest (in respect of Preferred Securities) being paid in any given period. Failure to pay interest only gives rise to an Event of Default after four quarters.

Interest Rate Fluctuations

It is anticipated that the market price of the Capital Units and the Preferred Securities will at any time be affected by the level of interest rates prevailing at such time. A rise or decline in interest rates may have a negative effect on the market price of the Capital Units and the Preferred Securities.

Use of Options and Other Derivative Instruments

The Trust is subject to the risk of its investment position in the securities comprising the Financial Portfolio, including those securities that are subject to outstanding call options, and those securities underlying put options written by the Trust, should the market price of such securities decline. In addition, the Trust will not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options.

There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Trust to write covered call options or cash covered put options on desired terms or to close out option positions should MCM desire to do so. The ability of the Trust to close out its positions may also be affected by exchange imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Trust is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires. In addition, upon the exercise of a put option, the Trust will be obligated to acquire a security at the strike price which may exceed the then current market value of such security.

In purchasing call or put options, the Trust is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations.

Trading at a Discount

The Trust cannot predict whether Capital Units will trade above, at or below NAV per Capital Unit or whether the Preferred Securities will trade above, at or below their Repayment Price.

Reliance on the Investment Manager

MCM will manage the Trust in a manner consistent with the investment objectives, strategy and criteria of the Trust. The officers of MCM who will be primarily responsible for the management of the Financial Portfolio have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of MCM throughout the term of the Trust.

Securities Lending

The Trust may engage in securities lending as described under ''Investments of the Trust — Securities Lending''. Although the Trust will receive collateral for the loans and such collateral is marked to market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Leverage

Holders of Capital Units will be subject to a form of leverage such that any capital appreciation in the Capital Units after repaying the Preferred Securities and all accrued and unpaid interest thereon, and any other indebtedness of the Trust, and any other expenses and liabilities of the Trust will be for the benefit of the holders of Capital Units. In the event of a decrease in the value of the Financial Portfolio, this leverage will work to the disadvantage of holders of Capital Units, with the result that any net capital loss incurred by the Trust on its investment in the Financial Portfolio will effectively first be for the account of holders of Capital Units. Accordingly, any decrease in the value of the Financial Portfolio will result in a greater proportionate decrease in the value of the Capital Units. If, at the Termination Date, the total assets of the Trust are less than or equal to the amount of the aggregate of all liabilities of the Trust (including the aggregate principal amount of the Preferred Securities and all accrued and unpaid interest thereon and other indebtedness of the Trust), the Capital Units will have no value. There is no assurance that there will be any capital appreciation on the Capital Units.

Distributions on the Capital Units

Distributions on the Capital Units will vary with the NAV per Capital Unit. There can be no assurance that the NAV will remain stable or at current levels. A decrease in the NAV per Capital Unit will result in a decrease on the distributions on the Capital Units.

Risks Specific to the Structure of the Trust

Distributions on Financial Portfolio securities will be used to pay the expenses and other liabilities of the Trust and the Preferred Security Interest Amount. In addition to periodic interest on the Preferred Securities, the Repayment Price of the Preferred Securities must be repaid on the Maturity Date. The amount to be repaid depends on the aggregate principal amount of the Preferred Securities then outstanding, together with any accrued and unpaid interest thereon. A reduction in the total assets of the Trust does not change the amount that must be paid on account of the Preferred Securities. Due to this required repayment of the Preferred Securities, decreases in the total assets of the Trust will cause the value of a Capital Unit to decrease to a proportionately greater extent, as compared to the situation where the Trust did not issue Preferred Securities. There can be no assurance that the total assets of the Trust will not decrease.

There is a risk that the Preferred Securities may be repaid by the Trust prior to the Maturity Date. In such event, the aggregate amount of interest payable to a securityholder would be less than if Preferred Securities were held until the Maturity Date.

Status of Preferred Securities

The Preferred Securities will be subordinate to all indebtedness of the Trust ranking senior to the Capital Units, including indebtedness to trade creditors of the Trust. The Preferred Securities will be direct unsecured debt obligations issued by the Trust. See ''Description of the Capital Units and Preferred Securities — Certain Provisions of the Preferred Securities — Subordination''.

Change or Withdrawal of Rating on the Preferred Securities

There can be no assurance that the provisional rating on the Preferred Securities of Pfd-2 (low) by DBRS will remain in effect or not be revised. If such rating is withdrawn or revised, there may be an adverse effect on the market price of the Preferred Securities.

Potential Conflicts of Interest

The Investment Advisor and its directors and officers and its affiliates and associates may engage in the promotion, management or investment management of one or more funds or trusts which invest primarily in securities similar to the Financial Portfolio securities.

Although none of the directors or officers of the Investment Advisor will devote his or her full time to the business and affairs of the Trust, each will devote as much time as is necessary to provide portfolio advice to the Trust.

Status of the Trust

While the Trust is technically considered to be a ''mutual fund'' for securities law purposes, the Trust is not a conventional mutual fund and has been exempted from certain requirements of NI 81-102.

Taxation of the Trust

Currently, a trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents unless all or substantially all of its property is property other than taxable Canadian property as defined in the Tax Act. On September 16, 2004, the Minister of Finance (Canada) released Tax Proposals which propose that a trust would lose its status as a mutual fund trust if the aggregate fair market value of all units issued by the trust held by one or more non-resident persons or partnerships that are not Canadian partnerships, or any combination thereof, is more than 50% of the aggregate fair market value of all units issued by the trust where, at that time or any previous time, more than 10% (based on fair market value) of the trust's property is taxable Canadian property or certain other types of property (the ''September 16th Tax Proposals''). If these circumstances applied to the Trust, the Trust would thereafter cease to be a mutual fund trust and the income tax considerations as described under ''Canadian Federal Income Tax Considerations'' would in some respects be materially different. The September 16th Tax Proposals do not currently provide any means of rectifying a loss of mutual fund trust status. On

December 6, 2004, the Department of Finance tabled a Notice of Ways and Means Motion which did not include these proposed changes pending further consultation with interested parties.

In determining its income for tax purposes, the Trust will treat gains and losses realized on the disposition of securities in the Financial Portfolio, option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains and capital losses in accordance with CRA's published administrative practice. CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

If, contrary to CRA's published administrative practice and the advice of counsel or as a result of a change of law, some or all of the transactions undertaken by the Trust in respect of covered options and securities in the Financial Portfolio were treated on income rather than capital account, after-tax returns to holders of Capital Units could be reduced and the Trust may be subject to non-refundable income tax from such transactions.

On October 31, 2003, Tax Proposals were released by the Department of Finance for public comment which propose that the Tax Act be amended to require, for taxation years commencing after 2004, that there be a ''reasonable expectation of cumulative profit'' from a business or property in order for a taxpayer to deduct any loss incurred by the taxpayer from the business or property, and would provide that profit, for this purpose, does not include capital gains. The October 31, 2003 Tax Proposals could potentially have an adverse effect on the deductibility by the Trust of certain otherwise deductible expenses, including interest on the Preferred Securities. On February 23, 2005, the Department of Finance announced it has developed an alternative proposal to the October 31 Tax Proposals which it intends to release for comment. There can be no assurance that such alternative proposal will not adversely affect the Trust.

LEGAL OPINIONS

The matters referred to under ''Eligibility for Investment'' and ''Canadian Federal Income Tax Considerations'' and certain other legal matters relating to the securities offered hereby will be passed upon by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents.

CUSTODIAN

The Trustee is the custodian of the Trust, with the power to appoint sub-custodians.

PROMOTER

MCM has taken the initiative in substantially re-organizing the Trust and accordingly may be considered to be a ''promoter'' of the Trust within the meaning of the securities legislation of certain provinces of Canada. MCM will receive fees from the Trust and will be entitled to reimbursement of expenses incurred in relation to the Trust as described under ''Fees and Expenses''.

AUDITORS

The auditors of the Trust are Deloitte & Touche LLP, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1.

REGISTRAR AND TRANSFER AGENT

Pursuant to the Registrar and Transfer Agency Agreement, Computershare Investor Services Inc., at its principal offices in Toronto is the registrar and transfer agent for the Capital Units and Preferred Securities.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides a purchaser with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the prospectus of Top 10 Split Trust (formerly First Premium U.S. Income Trust) (the ''Trust'') dated January 27, 2006 relating to the sale and issue of Capital Units and Preferred Securities of the Trust. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned prospectus of our report to the Trustee of the Trust on the following financial statements:

- Statements of Net Assets as at December 31, 2004 and 2003;
- Statement of Investments as at December 31, 2004; and
- Statements of Financial Operations, Changes in Net Assets and Loss on Sale of Investments for each of the years in the three-year period ended December 31, 2004.

Our report is dated February 25, 2005 (except Notes 1, 2, 3, 4, 5, 6 and 10 which are as at January 27, 2006).

Toronto, Ontario
January 27, 2006

(Signed) DELOITTE & TOUCHE LLP
Chartered Accountants

AUDITORS' REPORT

To the Trustee of
Top 10 Split Trust
(formerly First Premium U.S. Income Trust) (the ''Trust'')

We have audited the accompanying Statements of Net Assets of the Trust as at December 31, 2004 and 2003, the Statement of Investments as at December 31, 2004 and the Statements of Financial Operations, Changes in Net Assets and Loss on Sale of Investments for each of the years in the three-year period ended December 31, 2004. These financial statements are the responsibility of the management of the Trust. Our responsibility is to express an opinion on those financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, and the loss on sale of investments for the years indicated above, in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
February 25, 2005 (except Notes 1, 2, 3, 4, 5, 6 and 10
which are as at January 27, 2006)

(Signed) Deloitte & Touche LLP
Chartered Accountants

STATEMENTS OF NET ASSETS

	June 30, 2005	December 31 2004	December 31 2003
	(unaudited)	(audited)	(audited)
ASSETS			
Investments at market value (cost — June 2005 — $73,702,807; 2004 — $99,423,177; 2003 — $146,733,763)	$ 65,667,251	$ 87,698,184	$132,494,737
Short-term investments (cost — June 2005 — $27,424,337; 2004 — $25,593,533; 2003 — $13,618,808)	26,910,048	25,201,613	13,509,426
Cash	85,059	84,723	38,689
Dividends receivable	43,616	80,367	134,948
Interest receivable	64,707	29,064	14,000
Due from brokers	7,427,417	3,115,351	120,746
TOTAL ASSETS	100,198,098	116,209,302	146,312,546
LIABILITIES			
Redemptions payable	427,995	17,075,571	9,032,818
Due to brokers	12,531,528	33,100	2,760,126
Accrued liabilities	170,681	197,234	244,540
TOTAL LIABILITIES	13,130,204	17,305,905	12,037,484
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	$ 87,067,894	$ 98,903,397	$134,275,062
Number of Units Outstanding (Note 4)	7,745,454	8,014,935	9,408,604
Net Asset Value per Unit	$ 11.2412	$ 12.3399	$ 14.2715

For Subsequent Events, see Notes 1, 2, 3, 4, 5, 6 and 10.

On behalf of the Manager,
Mulvihill Fund Services Inc.

(Signed) John P. Mulvihill
Director

(Signed) Sheila S. Szela
Director

See accompanying notes to financial statements

STATEMENTS OF FINANCIAL OPERATIONS

	Six Months Ended June 30		Years Ended December 31		
	2005	2004	2004	2003	2002
	(unaudited)			(audited)	
REVENUE					
Dividends	$ 684,352	$ 723,738	$ 1,759,521	$ 1,937,215	$ 2,943,378
Interest, net of foreign exchange	382,737	1,024,619	(2,910,640)	(1,524,187)	379,700
Withholding taxes	(98,531)	(101,868)	(250,987)	(251,904)	(320,282)
TOTAL REVENUE	968,558	1,646,489	(1,402,106)	161,124	3,002,796
EXPENSES (Note 5)					
Management fees	819,077	1,169,961	2,228,445	2,559,230	3,351,637
Custodian and other expenses	122,368	111,327	168,999	178,869	217,730
Goods and services tax	65,139	89,429	166,894	190,490	248,934
TOTAL EXPENSES	1,006,584	1,370,717	2,564,338	2,928,589	3,818,301
Net Investment Income (Loss)	(38,026)	275,772	(3,966,444)	(2,767,465)	(815,505)
Loss on sale of investments	(6,006,808)	(2,973,272)	(1,388,442)	(8,674,284)	(26,206,032)
Change in unrealized appreciation/ depreciation of investments	(3,570,775)	(4,796,130)	2,232,777	24,085,999	(17,033,585)
Net Gain (Loss) on Investments	(2,436,033)	1,822,858	844,335	15,411,715	(43,239,617)
TOTAL RESULTS OF FINANCIAL OPERATIONS	$(2,474,059)	$ 2,098,630	$(3,122,109)	$12,644,250	$(44,055,122)
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT	$ (0.3087)	$ 0.2231	$ (0.3321)	$ 1.2195	$ (3.7277)
(based on weighted average number of Units outstanding during the period June 2005 — 8,015,509; June 2004 — 9,407,879; 2004 — 9,400,569; 2003 — 10,368,040; 2002 — 11,818,305)					

See accompanying notes to financial statements

STATEMENTS OF CHANGES IN NET ASSETS

	Six Months Ended June 30		Years Ended December 31		
	2005	2004	2004	2003	2002
	(unaudited)			(audited)	
NET ASSETS, BEGINNING OF PERIOD	$ 98,903,397	$134,275,062	$134,275,062	$155,883,110	$234,069,011
Total Results of Financial Operations	(2,474,059)	2,098,630	(3,122,109)	12,644,250	(44,055,122)
Unit Transactions					
Amount paid for Units redeemed	(3,050,495)	(80,323)	(17,204,831)	(19,932,104)	(15,348,751)
Proceeds from reinvestment of distributions	—	—	—	—	133,208
Distributions to Unitholders (Note 6)					
Non-taxable distributions	(6,310,949)	(7,524,683)	(15,044,725)	(14,320,194)	(18,915,236)
Changes in Net Assets during the Period	(11,835,503)	(5,506,376)	(35,371,665)	(21,608,048)	(78,185,901)
NET ASSETS, END OF PERIOD	$ 87,067,894	$128,768,686	$ 98,903,397	$134,275,062	$155,883,110

STATEMENTS OF LOSS ON SALE OF INVESTMENTS

	Six Months Ended June 30		Years Ended December 31		
	2005	2004	2004	2003	2002
	(unaudited)			(audited)	
Proceeds from Sale of Investments	$ 67,640,824	$ 75,340,373	$ 97,160,994	$ 85,523,404	$ 66,907,818
Cost of Investments Sold					
Cost of investments, beginning of period	99,423,177	146,733,763	146,733,763	163,742,796	192,691,975
Cost of investments, purchased	47,927,262	17,234,974	51,238,850	77,188,655	64,164,671
	147,350,439	163,968,737	197,972,613	240,931,451	256,856,646
Cost of Investments, End of Period	(73,702,807)	(85,655,092)	(99,423,177)	(146,733,763)	(163,742,796)
	73,647,632	78,313,645	98,549,436	94,197,688	93,113,850
LOSS ON SALE OF INVESTMENTS	$ (6,006,808)	$ (2,973,272)	$ (1,388,442)	$ (8,674,284)	$ (26,206,032)

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS
June 30, 2005
(Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS			
Treasury Bills			
Government of Canada — September 22, 2005	250,000	$ 248,588	$ 248,588
Discounted Commercial Paper			
Business Development Corporation, USD — September 20, 2005	2,500,000	3,073,358	3,035,942
Canadian Wheat Board, USD — August 10, 2005	1,050,000	1,302,167	1,276,266
Canadian Wheat Board, USD — August 23, 2005	2,170,000	2,720,007	2,636,287
Export Development Corporation, USD — August 30, 2005	6,550,000	8,192,938	7,955,313
Export Development Corporation, USD — September 8, 2005	2,525,000	3,095,622	3,071,514
Export Development Corporation, USD — September 9, 2005	3,100,000	3,823,971	3,765,707
Export Development Corporation, USD — September 12, 2005	2,325,000	2,856,817	2,825,675
Export Development Corporation, USD — September 19, 2005	1,250,000	1,527,793	1,518,736
Total Discount Commercial Paper		26,592,673	26,085,440
Promissory Note			
Province of British Columbia, USD — August 8, 2005	475,000	583,076	576,020
		27,424,337	26,910,048
Accrued Interest			64,707
TOTAL SHORT-TERM INVESTMENTS		**$27,424,337**	**$26,974,755**
INVESTMENTS			
United States Common Shares			
Consumer Discretionary			
Clear Channel Communications, Inc.	51,000	$ 3,044,146	$ 1,932,036
The Home Depot, Inc.	45,000	2,274,051	2,144,012
Viacom Inc., Class B	86,100	4,334,594	3,376,677
Wal-Mart Stores Inc.	51,000	3,722,158	3,010,803
Total Consumer Discretionary		**13,374,949**	**10,463,528**
Consumer Staples			
PepsiCo Inc.	40,000	2,888,790	2,642,138
Procter & Gamble Co.	58,800	4,046,287	3,798,961
Total Consumer Staples		**6,935,077**	**6,441,099**
Energy			
Exxon Mobil Corporation	57,500	4,084,243	4,047,381
Schlumberger Limited	22,000	2,077,088	2,046,248
Total Energy		**6,161,331**	**6,093,629**
Financials			
Citigroup Inc.	40,500	2,740,006	2,293,211
Merrill Lynch & Co.	48,000	3,518,161	3,234,059
Morgan Stanley	50,000	3,401,021	3,213,262
Wells Fargo & Company	31,000	2,347,022	2,338,118
Total Financials		**12,006,210**	**11,078,650**

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS — (Continued)
June 30, 2005
(Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)			
Health Care			
Amgen Inc.	37,500	2,922,645	2,776,927
Johnson & Johnson	33,000	2,741,736	2,627,196
Medtronic Inc.	60,000	4,162,227	3,805,943
Pfizer Inc.	78,000	2,808,859	2,634,838
Total Health Care		**12,635,467**	**11,844,904**
Information Technology			
Cisco Systems Inc.	105,000	2,518,887	2,457,622
Hewlett-Packard Company	83,000	2,451,806	2,389,989
Honeywell International Inc.	56,000	2,762,033	2,512,407
Intel Corporation	100,000	3,222,155	3,191,828
Microsoft Corporation	106,000	5,993,805	3,224,947
Oracle Corporation	145,000	2,253,110	2,344,267
Total Information Technology		**19,201,796**	**16,121,060**
Telecommunication Services			
SBC Communications Inc.	65,000	1,969,520	1,890,785
Verizon Communications Inc.	41,000	1,997,094	1,734,990
Total Telecommunications Services		**3,966,614**	**3,625,775**
Total United States Common Shares		**$74,281,444**	**$65,668,645**
Forward Exchange Contracts			
Sold USD $4,364,000, Bought CAD $5,441,329 @ 0.802010 — July 6, 2005			$ 97,023
Sold USD $2,900,000, Bought CAD $3,595,695 @ 0.806520 — July 13, 2005			44,820
Sold USD $3,756,000, Bought CAD $4,745,120 @ 0.791550 — July 20, 2005			146,856
Sold USD $5,857,000, Bought CAD $7,367,666 @ 0.794960 — July 27, 2005			198,405
Sold USD $2,880,000, Bought CAD $3,585,881 @ 0.803150 — August 10, 2005			61,867
Sold USD $4,360,000, Bought CAD $5,429,233 @ 0.803060 — August 17, 2005			95,247
Sold USD $5,097,000, Bought CAD $6,287,159 @ 0.810700 — September 1, 2005			54,050
Sold USD $6,741,000, Bought CAD $8,236,703 @ 0.818410 — September 14, 2005			(4,028)
Total Forward Exchange Contracts			**$ 694,240**

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS — (Continued)
June 30, 2005
(Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)			
OPTIONS			
Purchased Put Options (100 shares per contract)			
The Standard & Poor's 100 Index — July 2005 @ $550	12,094	$ 121,033	$ 37,681
The Standard & Poor's 100 Index — August 2005 @ $524	6,070	62,294	1,885
The Standard & Poor's 100 Index — September 2005 @ $529	5,903	58,091	6,952
The Standard & Poor's 100 Index — September 2005 @ $540	38,000	240,473	111,972
Total Purchased Put Options		**481,891**	**158,490**
Written Cash Covered Put Options (100 shares per contract)			
American Express Company — August 2005 @ $53	(400)	(42,432)	(29,292)
Bank of America Corporation — July 2005 @ $46	(500)	(27,036)	(55,175)
General Electric Company — July 2005 @ $36	(820)	(73,017)	(171,961)
The Allstate Corporation — August 2005 @ $60	(280)	(23,459)	(20,337)
Total Written Cash Covered Put Options		**(165,944)**	**(276,765)**
Written Covered Call Options (100 shares per contract)			
Amgen Inc. — July 2005 @ $62	(260)	(26,804)	(3,019)
Cisco Systems Inc. — August 2005 @ $20	(1,050)	(66,964)	(31,252)
Citigroup Inc. — July 2005 @ $48	(160)	(14,668)	(28)
Citigroup Inc. — August 2005 @ $48	(144)	(7,846)	(903)
Clear Channel Communications, Inc. — July 2005 @ $31	(510)	(25,648)	(11,542)
Exxon Mobil Corporation — August 2005 @ $58	(470)	(79,441)	(66,016)
Hewlett-Packard Company — July 2005 @ $24	(830)	(47,335)	(32,826)
Honeywell International Inc. — August 2005 @ $39	(560)	(60,043)	(18,906)
Intel Corporation — August 2005 @ $27	(1,000)	(67,666)	(53,339)
Johnson & Johnson — July 2005 @ $67	(200)	(15,049)	(1,528)
Medtronic Inc. — August 2005 @ $53	(600)	(76,913)	(24,562)
Merrill Lynch & Co. — July 2005 @ $56	(360)	(33,252)	(16,995)
Morgan Stanley — July 2005 @ $52	(250)	(32,057)	(38,918)
Oracle Corporation — August 2005 @ $13	(1,450)	(53,518)	(120,808)
PepsiCo Inc. — August 2005 @ $56	(400)	(33,962)	(6,782)
Pfizer Inc. — July 2005 @ $29	(700)	(37,975)	(4,450)
Procter & Gamble Co. — July 2005 @ $55	(588)	(38,954)	(2,964)
Schlumberger Limited — August 2005 @ $78	(220)	(60,628)	(34,566)
The Home Depot, Inc. — July 2005 @ $38	(450)	(66,078)	(75,548)
Verizon Communications Inc. — July 2005 @ $35	(410)	(12,907)	(2,302)
Wal-Mart Stores, Inc. — July 2005 @ $49	(350)	(19,410)	(13,477)
Wells Fargo & Company — August 2005 @ $62	(310)	(17,466)	(16,628)
Total Written Covered Call Options		**(894,584)**	**(577,359)**
TOTAL OPTIONS		**$ (578,637)**	**$ (695,634)**
TOTAL INVESTMENTS		**$73,702,807**	**$65,667,251**

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS
December 31, 2004
(Audited)

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada — April 7, 2005		4,565,000	$ 4,532,499	$ 4,532,499
Government of Canada — February 24, 2005		3,985,000	3,956,431	3,956,431
Total Treasury Bills	33.7%		**8,488,930**	**8,488,930**
Discount Commercial Paper				
Canadian Wheat Board, USD — April 18, 2005		1,950,000	2,375,757	2,317,599
Export Development Corporation, USD — January 21, 2005		5,300,000	6,461,647	6,341,016
Province of British Columbia, USD — April 12, 2005		6,775,000	8,267,199	8,054,068
Total Discount Commercial Paper	66.2%		**17,104,603**	**16,712,683**
	99.9%		25,593,533	25,201,613
Accrued Interest	0.1%			29,064
TOTAL SHORT-TERM INVESTMENTS	100.0%		**$ 25,593,533**	**$ 25,230,677**
INVESTMENTS				
United States Common Shares				
Consumer Discretionary				
Clear Channel Communications, Inc.		51,000	$ 3,044,146	$ 2,046,428
The Home Depot, Inc.		45,000	2,274,051	2,304,402
Viacom Inc., Class B		86,100	4,334,594	3,754,019
Wal-Mart Stores, Inc.		51,000	4,027,478	3,227,601
Total Consumer Discretionary	12.9%		**13,680,269**	**11,332,450**
Consumer Staples				
PepsiCo Inc.		57,000	4,046,169	3,564,976
Proctor & Gamble Co.		58,800	4,046,287	3,880,453
Total Consumer Staples	8.5%		**8,092,456**	**7,445,429**
Energy				
Exxon Mobil Corporation		71,000	4,511,763	4,360,619
Schlumberger Limited		37,000	3,983,018	2,967,997
Total Energy	8.4%		**8,494,781**	**7,328,616**
Financials				
American Express Company		56,000	3,703,028	3,782,224
American International Group Inc.		41,000	3,939,034	3,225,983
Citigroup Inc.		74,000	5,006,431	4,271,788
Merrill Lynch & Co.		48,000	3,518,161	3,437,445
Morgan Stanley		55,000	3,781,256	3,658,671
The Allstate Corporation		61,000	3,781,556	3,780,068
Total Financials	25.3%		**23,729,466**	**22,156,179**
Health Care				
Medtronic Inc.	4.1%	60,000	**4,162,227**	**3,570,727**

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS
December 31, 2004 (Audited)
(Continued)

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)				
Industrials				
General Electric Company		88,500	5,930,416	3,870,324
Tyco International Ltd.		17,500	727,327	749,383
United Technologies Corporation		10,000	1,150,298	1,238,288
Total Industrials	6.7%		**7,808,041**	**5,857,995**
Information Technology				
Cisco Systems Inc.		126,500	4,082,227	2,925,224
Honeywell International Inc.		86,000	4,241,694	3,648,678
IBM Corporation		27,300	3,899,041	3,224,502
Intel Corporation		124,900	3,462,302	3,500,289
Microsoft Corporation		106,000	5,993,805	3,392,274
Oracle Corporation		176,000	2,611,451	2,893,197
Texas Instruments Incorporated		67,700	1,831,080	1,997,045
Total Information Technology	24.6%		**26,121,600**	**21,581,209**
Materials				
Alcoa Inc.		13,000	540,195	489,396
E. I. Du Pont de Nemours and Company		56,000	3,057,630	3,291,079
Total Materials	4.3%		**3,597,825**	**3,780,475**
Telecommunications Services				
SBC Communications Inc.		65,000	1,969,520	2,006,961
Verizon Communications Inc.		52,500	2,557,254	2,548,196
Total Telecommunication Services	5.2%		**4,526,774**	**4,555,157**
Total United States Common Shares	**100.0**%		**$100,213,439**	**$ 87,608,237**

See accompanying notes to financial statements

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)				
Forward Exchange Contracts				
Sold USD $4,885,000, Bought CAD $6,195,622 @ 0.788460 — January 5, 2005				$ 342,448
Sold USD $1,657,000, Bought CAD $2,023,619 @ 0.818830 — January 12, 2005				38,118
Sold USD $3,949,000, Bought CAD $4,934,276 @ 0.800320 — January 19, 2005				202,158
Sold USD $7,200,000, Bought CAD $8,737,864 @ 0.824000 — January 26, 2005				109,633
Sold USD $4,095,000, Bought CAD $4,898,560 @ 0.835960 — February 2, 2005				(8,923)
Sold USD $3,914,000, Bought CAD $4,704,214 @ 0.832020 — February 9, 2005				13,587
Sold USD $10,001,000, Bought CAD $11,822,631 @ 0.845920 — February 16, 2005				(162,940)
Sold USD $7,953,000, Bought CAD $9,466,730 @ 0.840100 — February 23, 2005				(64,670)
Sold USD $6,557,000, Bought CAD $7,791,112 @ 0.841600 — March 2, 2005				(67,323)
Sold USD $3,056,000, Bought CAD $3,758,779 @ 0.813030 — March 9, 2005				96,223
Sold USD $4,933,000, Bought CAD $6,065,040 @ 0.813350 — March 9, 2005				152,936
Sold USD $523,000, Bought CAD $646,245 @ 0.809290 — March 16, 2005				19,448
Total Forward Exchange Contracts	**0.7%**			**$ 670,695**

See accompanying notes to financial statements

STATEMENT OF INVESTMENTS
December 31, 2004 (Audited)
(Continued)

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)				
OPTIONS				
Written Covered Call Options (100 shares per contract)				
American Express Company — January 2005 @ $56		(420)	$ (31,941)	$ (11,866)
American International Group Inc. — January 2005 @ $67		(205)	(19,000)	(12,834)
Citigroup Inc. — January 2005 @ $47		(370)	(27,283)	(76,948)
Clear Channel Communications, Inc. — January 2005 @ $34		(255)	(23,777)	(2,405)
E. I. Du Pont de Nemours and Company — January 2005 @ $49		(560)	(40,208)	(39,027)
Exxon Mobil Corporation — January 2005 @ $50		(710)	(72,534)	(16,669)
General Electric Company — January 2005 @ $37		(443)	(26,175)	(18,338)
Honeywell International Inc. — January 2005 @ $37		(860)	(73,587)	(5,493)
Merrill Lynch & Co. — January 2005 @ $61		(240)	(34,584)	(6,461)
Microsoft Corporation — January 2005 @ $27		(530)	(18,416)	(10,622)
Medtronic Inc. — January 2005 @ $49		(600)	(58,036)	(91,469)
PepsiCo Inc. — January 2005 @ $53		(285)	(17,996)	(11,647)
SBC Communications Inc. — January 2005 @ $26		(325)	(9,603)	(4,577)
Schlumberger Limited — January 2005 @ $67		(370)	(63,992)	(13,792)
Texas Instruments Incorporated — January 2005 @ $24		(624)	(58,384)	(61,605)
The Allstate Corporation — January 2005 @ $51		(610)	(51,817)	(53,205)
The Home Depot, Inc. — January 2005 @ $43		(450)	(45,481)	(23,285)
Verizon Communications Inc. — January 2005 @ $41		(315)	(22,282)	(828)
Viacom Inc., Class B — January 2005 @ $37		(430)	(33,490)	(39,777))
Wal-Mart Stores, Inc. — January 2005 @ $53		(510)	(61,676)	(79,900)
Total Written Covered Call Options	(0.7)%		**(790,262)**	**(580,748)**
TOTAL OPTIONS	(0.7)%		$ (790,262)	$ (580,748)
TOTAL INVESTMENTS	100.0%		$ 99,423,177	$ 87,698,184

See accompanying notes to financial statements

NOTES TO FINANCIAL STATEMENTS

1. Establishment and Restructuring of the Trust

Top 10 Split Trust (formerly First Premium U.S. Income Trust) (the ''Trust'') was originally established as an investment trust under the laws of the Province of Ontario on January 22, 1997 under the name First Premium U.S. Income Trust. The Trust began operations on February 4, 1997.

The manager of the Trust is Mulvihill Fund Services Inc. (the ''Manager'') and the Trust's investment manager is Mulvihill Capital Management Inc. (the ''Investment Manager''). The Royal Trust Company (the ''Trustee'') is the trustee and acts as custodian of the assets of the Trust.

On November 21, 2005 unitholders voted in favour of a proposal (the ''Proposal'') to:

- amend the investment strategy and investment restrictions of the Trust. The Trust will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization (the ''Financial Portfolio'');
- extend the termination date of the Trust to March 31, 2011 from January 1, 2007;
- change the capital structure of the Trust to a ''split trust'' structure. Under this proposal, existing units were first consolidated such that after giving effect to the consolidation, net asset value (''NAV'') per unit was $25.00. Unitholders received for each unit held: (i) one Capital Unit with an initial NAV of $12.50 and (ii) one Preferred Security with a principal amount of $12.50;
- amend the investment objectives of the Trust. The Trust's investment objectives for the Capital Units are (i) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio and (ii) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum of the NAV of the Trust. The Trust's investment objectives for the Preferred Securities are (i) to pay holders of Preferred Securities fixed quarterly cash interest payments of at least 6.00% per annum on the $12.50 principal amount of a Preferred Security and (ii) to repay the principal amount of $12.50 per Preferred Security on termination of the Trust on March 31, 2011;
- move the redemption right available to unitholders at 100% of NAV from December 31, 2005 to November 30, 2005 in order to give unitholders an opportunity to exit earlier should they wish not to participate in the Trust going forward. As a result of this change, there will be no December 31, 2005 redemption right for securityholders;
- permit the Trust to issue additional Capital Units and Preferred Securities on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.40% of value of the Capital Units to investment dealers whose clients hold Capital Units if the Trust completes a public offering of additional Capital Units and Preferred Securities after the Special Resolution has been approved.

In connection with the Special Resolution, Mulvihill Fund Services Inc., as manager, and Mulvihill Capital Management Inc., as investment manager, reduced their fees by approximately 37% from a total of 1.75% per annum of NAV to 1.10% of the Trust's total assets from and after the effective date of the Special Resolution and the Trust changed its name to Top 10 Split Trust to reflect better its new investment strategy.

2. Investment Objectives of the Trust

Until November 30, 2005 the Trust invested in a diversified portfolio consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard and Poor's 100 Index on the basis of market capitalization.

After November 30, 2005, the Trust universe was changed to invest in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization. The Trust is invested in cash and cash equivalents pending completion of the offering referred to in note 10.

To generate additional returns, the Trust may, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time the Trust may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The significant accounting policies of the Trust are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair market value at the end of the period, determined as follows:

Securities are valued at fair market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell).

If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

The value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract was to be closed out.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

(i) Expiration of written options whereby realized gains are equivalent to the premium received;

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of investments. Realized gains and losses relating to purchased put options may arise from:

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid;

(ii) Settlement of purchased put options whereby realized gains are equivalent to the difference between the exercise price of the option less the premium paid; and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments. Premiums received on written put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains (losses) on short-term investments are reflected as interest income (loss). Other foreign exchange gains (losses) are recorded as realized or unrealized gain (loss) on investments, as appropriate.

Generally Accepted Accounting Principles

The Canadian Institute of Chartered Accountants (''CICA'') issued Section 1100, ''Generally Accepted Accounting Principles (''GAAP'')'', which describes what constitutes GAAP and its sources. Since Section 1100 applies for fiscal years beginning on or after October 1, 2003, certain disclosures previously considered GAAP by virtue of general use in the investment funds industry, are no longer considered GAAP. This section primarily impacts the presentation of financial highlights and net income per unit. These disclosures have no impact on the valuation of the Trust or in the calculation of the net asset value per unit of the Trust.

4. Unitholders' Equity

The Trust is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Trust.

All units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Trust. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December 31 valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4 percent of such net asset value per unit and (ii) $1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Following are the unit transactions for the years ended December 2004 and 2003 and for the period ended June 30, 2005:

	June 2005	December 2004	December 2003
	(unaudited)		
Units outstanding, beginning of year or period	8,014,935	9,408,604	10,841,735
Units redeemed	(269,481)	(1,393,669)	(1,433,131)
Units outstanding, end of year or period	7,745,454	8,014,935	9,408,604

On November 30, 2005, 3,910,088 units were redeemed, and, as a result, 3,814,697 units remained outstanding and participated in the Proposal.

Under the terms of the normal course issuer bid, the Trust proposes to purchase, if considered advisable, up to a maximum of 792,671 units, 10 percent of its public float as determined in accordance with the rules of the Exchange. The normal course issuer bid will remain in effect until the earlier of April 27, 2006 or until the Trust has purchased the maximum number of units permitted under the bid. As at June 30, 2005, no units have been purchased by the Trust.

Unitholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without change, by writing to Mulvihill Investors Services at: Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario M5H 3T9.

Capital Units may be surrendered for retraction (either alone or together with a Preferred Security) at least five Business Days prior to the last Business Day in a month for payment on or before the fifth Business Day following such date commencing in January 2006. A holder retracting a Capital Unit alone for the last Business Day of the month (other than December) in a year will receive the amount by which 95% of the Combined Value exceeds the price paid by the Trust for one Preferred Security in the market and $0.50. A holder who surrenders a Capital Unit together with a Preferred Security for retraction will receive an amount equal to 95% of the Combined Value less $0.50. A holder retracting a Capital Unit alone for the last Business Day of December (commencing in December 2006) will receive an amount equal to the Combined Value minus the price paid by the Trust for one Preferred Security in the market. A holder who surrenders a Capital Unit together with a Preferred Security for retraction on the December retraction date will receive an amount equal to the Combined Value.

Combined Value is NAV per Capital Unit plus the principal amount of and all accrued and unpaid interest on a Preferred Security.

Net Asset Value

Net asset value per unit is the difference between the aggregate value of the assets of the Trust and the aggregate value of the liabilities of the Trust on that date divided by the number of units then outstanding. The following are the net asset values of a unit at December 31 for the most recent five-year period:

2004	2003	2002	2001	2000
$12.34	$14.27	$14.38	$19.67	$21.91

On December 31, 2004 units on the TSX closed at $11.71 (2003 — $13.70).

5. Management Fees, Expenses and Management Expense Ratios

The Trust is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trust agreement and to the Investment Manager under the terms of an investment management agreement. Until November 30, 2005 the fees were payable at annual rates of 0.10 percent and 1.65 percent, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes. After November 30, 2005, the fees are payable at annual rates of 0.10 percent and 1.00 percent respectively of the Trust's total assets, calculated and payable monthly, plus applicable taxes.

Management Expense Ratio

The management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets, The following are the management expense ratios for the years ended December 31 for the most recent five years:

2004	2003	2002	2001	2000
1.99%	1.98%	1.99%	1.99%	1.96

6. Distributions

Distributions per unit paid during the year were allocated as follows:

	June 2005	2004	2003
	(unaudited)		
Non-taxable distributions	$0.80	$1.60	$1.40

Until November 30, 2005 the Trust endeavoured to make quarterly cash distributions to unitholders of net income and net realized capital gains and options on the last day of March, June, September and December in each year. After November 30, 2005, the Trust will endeavour (i) to make quarterly distributions to holders of Capital Units in an amount targeted to be 7.5% per annum on the Trust's net asset value and (ii) to pay holders of Preferred Securities fixed quarterly cash interest payments at least equal to 6.00% per annum on the $12.50 principal amount of a Preferred Security. The Trust currently pays interest on the Preferred Securities at a rate equal to 6.00% per annum. Interest on the issued and outstanding Preferred Securities was paid to holders on December 31, 2005 and will be paid on the day before the date of closing of the offering referred to in note 10, which is currently anticipated to be February 15, 2006. Thereafter, interest on the Preferred Securities will be payable quarterly at a rate equal to 6.25% per annum.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

7. Income Taxes

The Trust is a ''mutual fund trust'' as defined in the *Income Tax Act* (Canada) (the ''Act''). The Trust is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Trust on any net realized capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Trust and taking into account expenses, the Trust does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2004 or 2003.

Accumulated non-capital losses of approximately $9.8 million (2003 — $5.9 million) and capital losses of approximately $45.7 million (2003 — $44.8 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2015 and capital losses can be carried forward indefinitely.

8. Commission Charges

Total commissions paid in 2004 in connection with portfolio transactions were $219,171 (2003 — $229,584).

9. Financial Instruments and Risk Management

The Trust's financial instruments consist of cash, investments, and certain derivative contracts (options and forward exchange contracts).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in currency, stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Trust manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other instruments are carried at cost, which approximates fair value.

10. Subsequent Event

The Trust has engaged RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Blackmont Capital Inc. and Raymond James Ltd. to offer the Capital Units and Preferred Securities offered pursuant to this prospectus dated January 27, 2006. Consequently, subsequent to the completion of this offering, the net assets of the Trust will be approximately $182,708,560 (assuming the maximum offering).

CERTIFICATE OF THE TRUST AND THE PROMOTER

Dated: January 27, 2006

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 63 of the *Securities Act* (Nova Scotia), by Section 74 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland and Labrador) and by Part II of the *Securities Act* (Prince Edward Island). This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

MULVIHILL FUND SERVICES INC.
(as Manager on behalf of Top 10 Split Trust)

(Signed) JOHN P. MULVIHILL
Chief Executive Officer and President

(Signed) SHEILA S. SZELA
Chief Financial Officer

On behalf of the Board of Directors of Mulvihill Fund Services Inc.

(Signed) JOHN P. MULVIHILL
Director

(Signed) SHEILA S. SZELA
Director

(Signed) JOHN H. SIMPSON
Director

MULVIHILL CAPITAL MANAGEMENT INC.
(as Promoter)

(Signed) JOHN P. MULVIHILL
Chief Executive Officer and President

CERTIFICATE OF THE AGENTS

Dated: January 27, 2006

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act, 1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 64 of the *Securities Act* (Nova Scotia), by Section 74 of the *Securities Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland and Labrador) and by Part II of the *Securities Act* (Prince Edward Island). To the best of our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

RBC Dominion Securities Inc.	CIBC World Markets Inc.
By: (Signed) Graham C. MacMillan	By: (Signed) Ronald W.A. Mitchell

Scotia Capital Inc.

By: (Signed) Brian D. McChesney

TD Securities Inc.

By: (Signed) J. David Beattie

BMO Nesbitt Burns Inc.

By: (Signed) David R. Thomas

National Bank Financial Inc.

By: (Signed) Michael D. Shuh

Desjardins Securities Inc.	HSBC Securities (Canada) Inc.
By: (Signed) Stephen Altmann	By: (Signed) Deborah J. Simkins

Canaccord Capital Corporation	Dundee Securities Corporation	Blackmont Capital Inc.	Raymond James Ltd.
By: (Signed) Ronald A. Rimer	By: (Signed) David P. Styles	By: (Signed) Charles A.V. Pennock	By: (Signed) Sara Minatel

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