



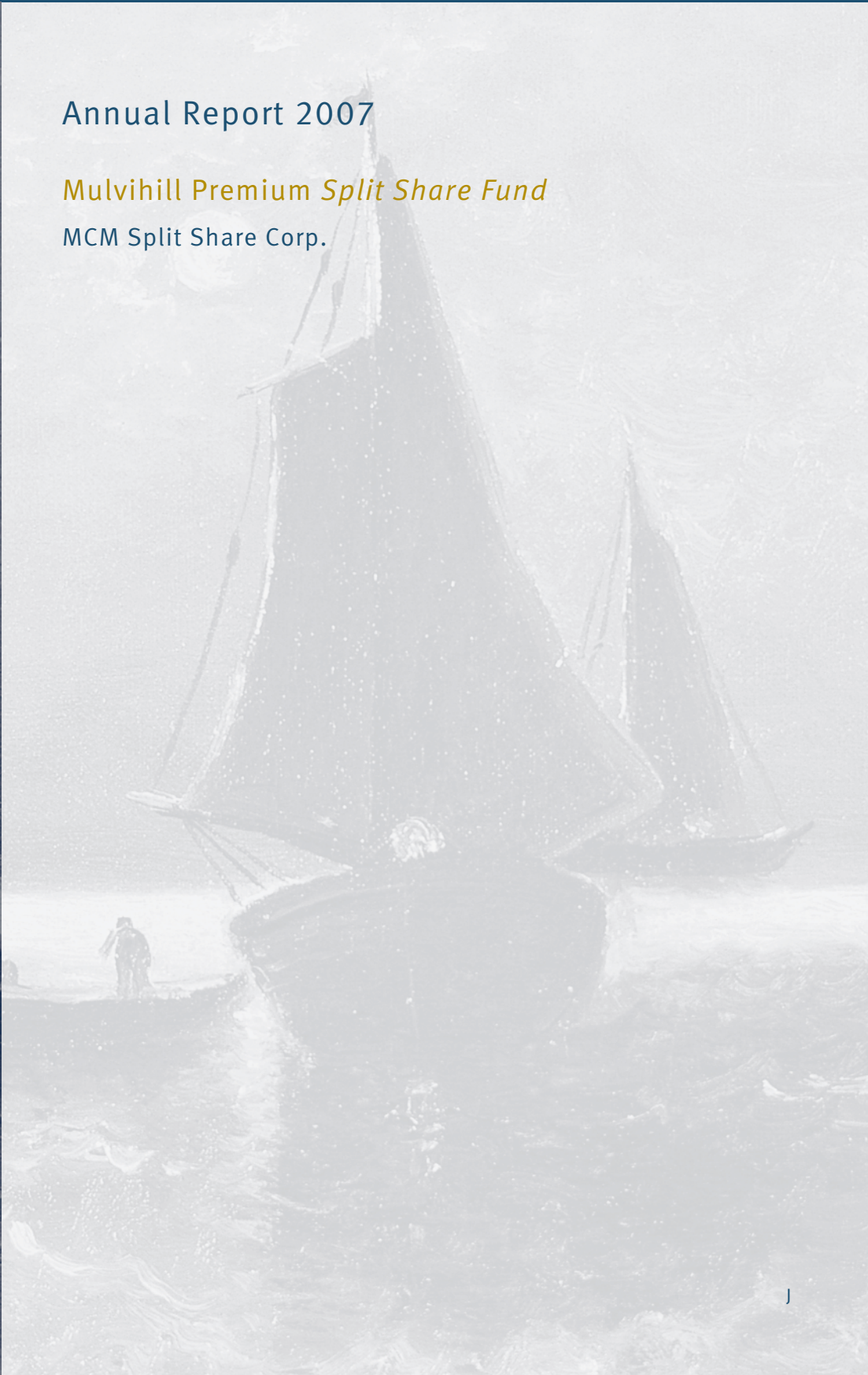
Hybrid Income Funds



Annual Report 2007

Mulvihill Premium Split Share Fund

MCM Split Share Corp.



Dear Shareholder,

I would like to take this opportunity to communicate with you in conjunction with the mailing of the 2007 financial results for Mulvihill Premium Split Share Fund, to reiterate our investment objectives and the strategies we employ to achieve them.

This Fund is an income oriented investment vehicle whose investment objectives are to:

- (i) provide ongoing distributions to shareholders and,
- (ii) provide for the return of the original investment on the termination date of the Fund.

To achieve these investment objectives the Fund has acquired and actively manages a portfolio of equity securities and money market instruments to create income which is then used to Fund the ongoing scheduled distributions.

These distributions are generated through a variety of methods which may include:

- (i) dividends received from portfolio holdings
- (ii) capital gains realized from stocks
- (iii) premiums received from the writing of covered call options against the portfolio
- (iv) returning capital in certain instances

You will see from the Fund's investment objectives and the strategies employed, that the Fund is not managed in order to meet or exceed the returns of a broad equity market index. The Fund writes call options to generate additional funds to help pay regular distributions and the Fund does maintain cash positions and purchases put options in an effort to provide greater net asset value stability.

These investment strategies result in a different rate of return and risk profile than a Fund that is a fully invested equity portfolio. During periods of strongly rising markets, the Fund's approach will tend to under-perform a comparable fully invested portfolio of the same stocks as the Fund is not fully invested and the writing of covered call options generally limits portfolio performance to the option premiums received. In periods of declining markets, however, the Fund's defensive cash balances and put options help to protect net asset value, and covered option writing premium income generally provides regular cash returns exceeding those of a conventional portfolio.

I would like to take this opportunity to thank shareholders for their continued support of this Fund.



John P. Mulvihill
President & CEO
Mulvihill Capital Management Inc.

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Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended January 31, 2007 of MCM Split Share Corp. which operates as Mulvihill Premium Split Share Fund (the "Fund"). The annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com.

Investment Objectives and Strategies

The Fund's investment objectives are (i) to provide Preferred shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price; (ii) to provide Class A shareholders with all excess realized income of the Fund at each fiscal year end; and (iii) to return, at a minimum, the original issue prices of the shares to shareholders upon windup on February 1, 2008. The Fund has a dividend policy on the Class A shares of \$0.30 per quarter or 8 percent per annum based on the shares' issue price.

The Fund achieves its investment objectives by investing its net assets in a diversified portfolio consisting principally of common shares issued by some or all of a group selected from the S&P/TSX Composite Index. In order to meet its investment objectives, the Fund may, from time to time invest up to 20 percent of the cost amount of its assets in common shares issued by corporations selected from the Standard & Poor's 100 Index. To generate additional returns above the dividend income earned on the portfolio, the Fund may from time to time, write covered call options in respect of all or part of the common shares in the Portfolio.

Risk

The underlying portfolio invests its net assets in a diversified portfolio of common shares selected from the S&P/TSX Composite Index. In addition, the Fund can invest up to 20 percent of the cost amount of its assets in the S&P 100 Index.

Investors should be aware that the primary risks associated with the Fund relate to the financial performance of the securities within the investable universe, general market and economic conditions as well as the level of option volatility realized in undertaking the writing of covered call options. Another risk factor is the impact of foreign exchange fluctuations on the value of the Fund's non-Canadian holdings. To minimize the impact of foreign exchange fluctuations a portion of the Fund's U.S. dollar exposure continues to be hedged against fluctuations in the exchange rate for Canadian dollars.

In order to generate income the Fund writes covered call options in respect of all or part of the securities held in the portfolio. During the course of the year, volatility reached multi-year lows which can result in the Fund having to write options on a greater portion of the portfolio in order to generate distributable income. Increased option writing can result in limiting the capital appreciation earned on securities in the portfolio.

Due to this low volatility as well as a more positive view on the equity markets the Fund maintained a higher exposure to equities over most of the year. However, during the second and third quarter we temporarily lowered our invested position and raised cash in order to position the fund more defensively. To offset the risk of added equity exposure the Fund may purchase protective put options to partially mitigate the potential impact of a severe market decline and take advantage of the low cost of this protection.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.mulvihill.com.

Asset Mix

January 31, 2007

	% OF NET ASSETS*		% OF NET ASSETS*		% OF NET ASSETS*
Financials	33%	Industrials	6%	Health Care	3%
Energy	17%	Information Technology	5%	Telecommunication Services	2%
Materials	13%	Consumer Discretionary	3%	Other Assets (Liabilities)	2%
Cash and Short-Term Investments	13%	Consumer Staples	3%		

*The Net Assets exclude the Preferred share liability.

Top 25 Holdings

January 31, 2007

	% OF NET ASSETS*		% OF NET ASSETS*		% OF NET ASSETS*
Cash and Short-Term Investments	13%	Canadian National Railway Company	3%	Manulife Financial Corporation	3%
The Toronto-Dominion Bank	5%	Imperial Oil Ltd.	3%	Colgate-Palmolive Co.	3%
Royal Bank of Canada	5%	Microsoft Corp.	3%	Lehman Brothers Holdings Inc.	3%
EnCana Corporation	5%	Thomson Corporation	3%	Pfizer Inc.	3%
Canadian Imperial Bank of Commerce	4%	Kinross Gold Corporation	3%	Citigroup Inc.	2%
Teck Cominco Ltd. Cl B	4%	Goldcorp Inc.	3%	Rogers Communications Inc., Class B	2%
Suncor Energy, Inc.	4%	Bank of America Corporation	3%	Oracle Corp.	2%
The Bank of Nova Scotia	4%	Barrick Gold Corp.	3%		
Sun Life Financial Inc.	3%	General Electric Company	3%		

*The Net Assets exclude the Preferred share liability.

Distribution History

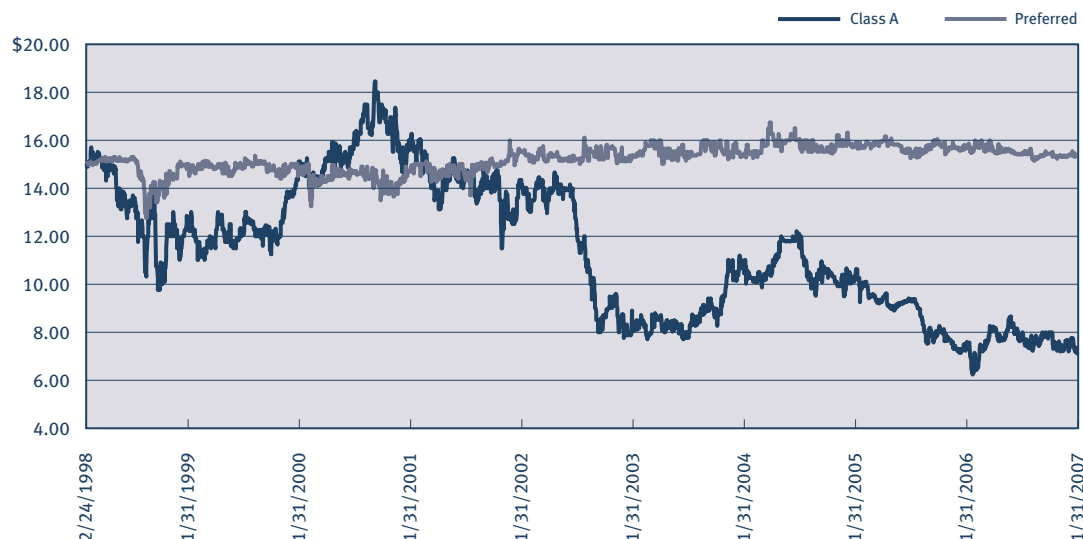
INCEPTION DATE: FEBRUARY 1998

	CLASS A REGULAR DISTRIBUTION	CLASS A SPECIAL DISTRIBUTION	TOTAL CLASS A DISTRIBUTION	REGULAR PREFERRED DISTRIBUTION
Total for 1998	\$ 0.8137	\$ 0.0000	\$ 0.8137	\$ 0.586000
Total for 1999	1.2000	0.1000	1.3000	0.860391
Total for 2000	1.2000	1.7500	2.9500	0.858075
Total for 2001	1.2000	0.5000	1.7000	0.862526
Total for 2002	1.2000	0.1000	1.3000	0.862169
Total for 2003	1.2000	0.0000	1.2000	0.825000
Total for 2004	1.2000	0.0000	1.2000	0.835481
Total for 2005	1.2000	0.0000	1.2000	0.852761
Total for 2006	1.2000	0.0000	1.2000	0.861412
Total for 2007	0.3000	0.0000	0.3000	0.215668
Total Distributions to Date	\$10.7137	\$2.4500	\$13.1637	\$7.619483

Distributions are shown above on a calendar year basis to reflect amounts subject to tax in the year in which they are paid. For complete distribution history and income tax information, please see our website at www.mulvihill.com.

Trading History

February 24, 1998 to January 31, 2007



Results of Operations

For the year ended January 31, 2007 the net asset value of the Fund was \$22.81 per unit compared to \$24.12 per unit at January 31, 2006. The Fund’s Preferred shares listed on the Toronto Stock Exchange as MUH.PR.A closed on January 31, 2007 at \$15.35 per share. The Fund’s Class A shares listed on the Toronto Stock Exchange as MUH.A closed on January 31, 2007 at \$7.28 per share.

Distributions totalling \$0.86227 per share were made to the Preferred shareholders during the year, maintaining a 5.5 percent yield based on the initial price of the shares.

Distributions totalling \$1.20 per share were made to the Class A shareholders during the year, equaling the 8.0 percent yield based on the initial issue price of the shares.

Volatility was low during the period, but remained sufficient to maintain option-writing programs. However, due to this lower level of volatility as well as a more positive view on the equity markets, the Fund maintained a higher exposure to equities over most of the year. To offset the risk of added equity exposure the Fund purchased protective put options to partially mitigate the potential impact of a severe market decline and take advantage of the low cost of this protection.

The Fund actively hedged its U.S. dollar exposure during the year and finished the year with its U.S. exposure partially hedged against fluctuations in the exchange rate for Canadian dollars.

The S&P/TSX Composite Index total return for the year ending January 31, 2007 was 11.8 percent. The majority of this return was due to the materials sector, which posted excellent results due to strong commodity prices such as zinc and nickel. Also contributing positively to the index return was the performance of the information technology and telecommunication sectors. In terms of foreign markets the S&P 100 Index rose 21.2 percent in Canadian dollars. The one-year total return for the Fund in Canadian dollars including distributions was 3.3 percent.

During the year, 44,047 units were redeemed by the Fund. The Fund facilitated these redemptions by selling equities from the portfolio, resulting in no material impact on Fund performance.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

Years ended January 31

	2007	2006	2005	2004	2003
THE FUND'S NET ASSET VALUE PER UNIT					
Net Asset Value, beginning of year⁽¹⁾	\$ 24.12	\$ 23.76	\$ 25.47	\$ 23.48	\$ 27.59
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	0.52	0.40	0.38	0.46	0.68
Total expenses	(0.36)	(0.37)	(0.40)	(0.38)	(0.41)
Realized gains (losses) for the period	1.87	1.35	1.44	1.97	(4.42)
Unrealized gains (losses) for the period	(1.27)	0.97	(1.09)	1.87	2.09
Total Increase (Decrease) from Operations⁽²⁾	0.76	2.35	0.33	3.92	(2.06)
DISTRIBUTIONS					
Preferred Share					
From taxable income	(0.29)	(0.29)	(0.71)	(0.83)	(0.41)
From capital gains	(0.57)	(0.57)	(0.13)	–	(0.44)
Total Preferred Share Distributions	(0.86)	(0.86)	(0.84)	(0.83)	(0.85)
Class A Share					
From investment income	–	–	–	–	(0.30)
From taxable income	–	–	(0.83)	(1.20)	–
From capital gains	(1.20)	(1.20)	(0.37)	–	(0.90)
Total Class A Share Distributions	(1.20)	(1.20)	(1.20)	(1.20)	(1.20)
Total Annual Distributions⁽³⁾	(2.06)	(2.06)	(2.04)	(2.03)	(2.05)
Net Asset Value, as at January 31⁽⁴⁾	\$ 22.81	\$ 24.12	\$ 23.76	\$ 25.47	\$ 23.48

(1) Net asset value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding Preferred shares of the Fund on that date divided by the number of units then outstanding.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), less expenses, excluding Preferred share distributions, and is calculated based on the weighted average number of units outstanding during the year. The schedule is not intended to total to the ending net asset value as calculations are based on the weighted average number of units outstanding during the year.

(3) Distributions are based on the number of shares outstanding on the record date for each distribution and were paid in cash.

RATIOS/SUPPLEMENTAL DATA

Net Assets, excluding liability for Redeemable Preferred shares and unamortized premium on issue of

Preferred shares (\$ millions) ⁽¹⁾	\$ 102.32	\$ 109.18	\$ 120.58	\$ 83.80	\$ 77.26
Net Assets (\$ millions) ⁽¹⁾	\$ 35.02	\$ 41.22	\$ 44.37	\$ 34.45	\$ 27.90
Number of units outstanding ⁽¹⁾	4,484,619	4,527,116	5,075,565	3,290,565	3,290,565
Management expense ratio ⁽²⁾	1.54%	1.55%	1.62%	1.56%	1.65%
Portfolio turnover rate ⁽³⁾	189.41%	253.18%	197.79%	175.26%	97.00%
Trading expense ratio ⁽⁴⁾	0.23%	0.28%	0.25%	0.39%	0.24%
Closing market price – Preferred	\$ 15.35	\$ 15.45	\$ 15.87	\$ 15.99	\$ 15.70
Closing market price – Class A	\$ 7.28	\$ 8.06	\$ 9.08	\$ 11.19	\$ 8.50

(1) This information is provided as at January 31. One Unit is one Preferred and one Class A share.

(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes and capital taxes but excluding income taxes and Preferred share distributions, charged to the Fund to average net assets, excluding the liability for the Redeemable Preferred shares.

(3) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

(4) Trading expense ratio represents total commissions expressed as an annualized percentage of daily average net assets during the period.

Management Fees

Mulvihill Capital Management (“MCM”) is entitled to fees under the Investment Management Agreement and the Management Agreement calculated monthly as 1/12 of 1.15 percent of the net assets of the Fund at each month end, excluding the Redeemable Preferred shares. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund’s portfolio and the execution of all portfolio and other transactions.

Mulvihill Fund Services is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net assets of the Fund at each month end, excluding the Redeemable Preferred shares. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

The Canadian market continued its strong appreciation due to the strength in base metal prices. With the robust economic growth from both China and India we saw continued strong demand for such commodities as zinc and nickel. Gold was another commodity whose price moved up due to excellent supply/demand characteristics. Energy prices were weaker than expected due to slower demand combined with a rising inventory of both oil and natural gas.

Rising cash flows and positive corporate profits should be supportive of Canadian equities in 2007. The GDP results in North America are slowing but they still remain positive and with inflation contained and good liquidity we remain constructive on the market. Recent economic reports from Europe and Japan have been encouraging, and with China and India showing no signs of a slowdown the commodity sectors should outperform, although perhaps not to the same extent as in 2006. With corporate cash flow strong around the world, this should fuel increased capital expenditures, share buybacks and increased merger and acquisition activity in 2007. Risks to the market include rising interest rates, increased labor costs and high input prices potentially squeezing margins. Also, the continued inversion of the yield curve could suggest the potential for an economic slowdown later in 2007.

U.S. equities performed much better in 2006 than the previous year and with the Federal Reserve approaching the end of its tightening phase, an easier monetary policy should be positive for U.S. equity markets going forward. Reasonable valuations as well as strong corporate cash flow should also be supportive. Market risks include a continued slowing in house price inflation, which may crimp consumer spending.

The Fund is positioned with robust exposure to the materials sector as we see such companies as Kinross Gold Corporation, Goldcorp Inc. and Teck Cominco Ltd. generating solid growth in earnings and cash flow. Within energy we are underweight with exposure mainly to integrated names such as Imperial Oil Ltd. and Suncor Energy, Inc. as well as pipeline companies such as Enbridge Inc. One sector we continue to have an overweight exposure is the financial services with such names as The Toronto-Dominion Bank, Royal Bank of Canada, Manulife Financial Corporation and Bank of America Corporation. With regards to the technology sector we are overweight with exposure to names such as Microsoft Corp. and Oracle Corp. as their fundamentals appear stronger when compared to their Canadian counterparts.

Past Performance

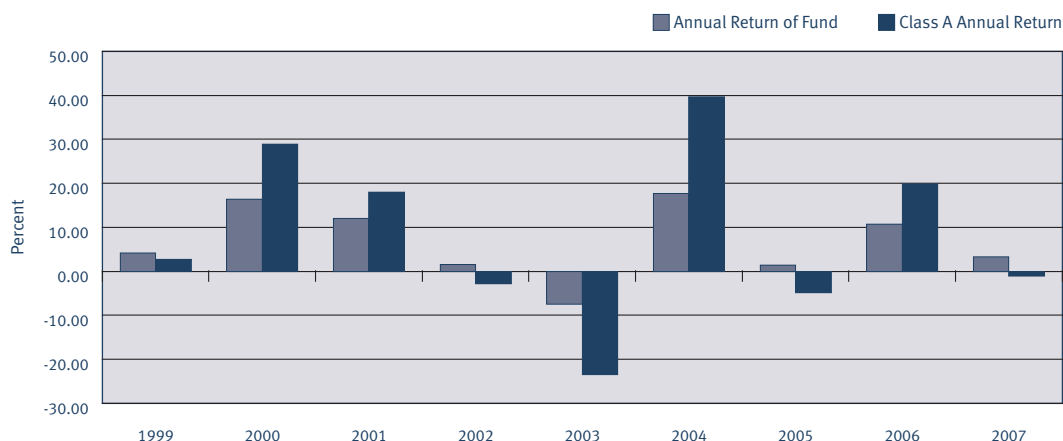
The chart below sets out the Fund’s year-by-year past performance. It is important to note that:

- (a) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,
- (b) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (c) the past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates how the Fund’s total return in each of the past nine years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on February 1 in each year or the date of inception in 1998 would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund’s historical annual compound total return for the periods ended January 31 as compared to the performance of the S&P/TSX Composite Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Since Inception*
Mulvihill Premium Split Share Fund	3.28%	5.07%	4.77%	6.34%
Mulvihill Premium Split Share Fund – Class A	(1.06)%	4.11%	3.81%	6.93%
Mulvihill Premium Split Share Fund – Preferred	5.87%	5.81%	5.77%	5.76%
S&P/TSX Composite Index**	11.83%	17.55%	13.44%	9.10%

* From date of inception on February 12, 1998.

** The S&P/TSX Composite Index is a capitalization-weighted index designed to measure the market activity of stocks listed on the TSX.

The equity performance benchmark shown here provides an approximate indication of how the Fund’s returns compare to a public market index for similar securities. It is important to note that the Fund is not managed in order to match or exceed this index; rather, its objectives are to pay out quarterly dividends and return the original invested amount at the termination date. As a result, the Fund has, from time to time, maintained cash balances in an effort to provide greater net asset value stability and employs a covered option writing strategy to generate the distributions.

These investment strategies result in a rate of return for the Fund that differs from that of a conventional, fully-invested portfolio. During periods of strongly rising markets, the Fund’s approach will tend to underperform a comparable fully-invested portfolio of the same stocks as the Fund is not fully invested and writing covered call options generally limits portfolio performance to the option premium received. In periods of declining markets, however, the Fund’s defensive cash balances help to protect net asset value, and covered option writing income provides returns exceeding those of a conventional portfolio.

Related Party Transactions

Mulvihill Capital Management Inc. (“MCM”) manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 12, 1998.

Mulvihill Fund Services Inc. (“Mulvihill”) is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 12, 1998, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

Management's Responsibility for Financial Reporting

The accompanying financial statements of MCM Split Share Corp. (operating as Mulvihill Premium Split Share Fund) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager"), and have been approved by the Board of Directors (the "Board").

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 of the financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Audit Committee meets periodically with management and external auditors to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the external auditors' report. Deloitte & Touche LLP has full and unrestricted access to the Audit Committee and the Board.



John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 22, 2007



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Shareholders of Mulvihill Premium Split Share Fund

We have audited the accompanying statement of investments of MCM Split Share Corp. (operating as Mulvihill Premium Split Share Fund) (the "Fund") as at January 31, 2007, and the statements of financial position as at January 31, 2007 and 2006, and the statements of operations and deficit, of changes in net assets and of changes in investments for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these 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 Fund and its investments as at dates indicated above, and the results of its operations, the changes in its net assets, and the changes in investments for years indicated above in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Toronto, Ontario
February 22, 2007

Statements of Financial Position

January 31, 2007 and 2006

	2007	2006
ASSETS		
Investments at market value (cost - \$85,545,228; 2006 - \$94,045,566)	\$ 85,968,189	\$ 100,205,384
Short-term investments (cost - \$13,572,798; 2006 - \$14,910,270)	13,555,718	14,910,756
Cash	6,147	9,576
Interest and dividends receivable	162,764	191,715
Due from brokers - investments	11,291,766	4,205,734
Due from brokers - derivatives	219,694	-
TOTAL ASSETS	\$ 111,204,278	\$ 119,523,165
LIABILITIES		
Redemptions payable	\$ 867,212	\$ 7,525,995
Accrued liabilities	127,914	146,430
Due to brokers - investments	7,892,601	2,670,918
Due to brokers - derivatives	350	-
	8,888,077	10,343,343
Redeemable Preferred shares (Note 3)	67,269,285	67,906,740
Unamortized premium on issue of preferred shares	24,693	49,385
	76,182,055	78,299,468
EQUITY		
Class A and Class B shares (Note 3)	53,958,649	54,487,322
Deficit	(18,936,426)	(13,263,625)
	35,022,223	41,223,697
TOTAL LIABILITIES AND EQUITY	\$ 111,204,278	\$ 119,523,165
Number of Units Outstanding (Note 3)	4,484,619	4,527,116
Net Asset Value per Unit		
Class A share	\$ 7.8149	\$ 9.1169
Preferred share (Note 2)	15.0000	15.0000
	\$ 22.8149	\$ 24.1169

On Behalf of the Board of Directors,



John P. Mulvihill, Director



Robert W. Korthals, Director

Statements of Operations and Deficit

Years ended January 31, 2007 and 2006

	2007	2006
REVENUE		
Interest, net of foreign exchange	\$ 776,330	\$ 280,821
Dividends, net of foreign exchange	1,631,817	1,781,052
Withholding taxes	(47,642)	(47,097)
	2,360,505	2,014,776
Net realized gains (losses) on investments	5,839,322	(283,954)
Net realized gains on derivatives	2,631,046	7,094,641
Net realized losses on short-term investments	(9,774)	(7,662)
Total Net Realized Gains	8,460,594	6,803,025
TOTAL REVENUE	10,821,099	8,817,801
EXPENSES (Note 4)		
Management fees	1,327,663	1,485,730
Administrative and other expenses	70,355	113,627
Custodian fees	51,931	53,176
Audit fees	16,804	20,503
Director fees	20,427	18,360
Legal fees	6,254	6,844
Shareholder reporting costs	29,744	28,319
Capital tax	9,188	(1,350)
Goods and services tax	95,998	119,854
TOTAL EXPENSES	1,628,364	1,845,063
Net Realized Income before Distributions	9,192,735	6,972,738
Preferred share distributions	(3,901,264)	(4,314,645)
Net Realized Income	5,291,471	2,658,093
Change in unrealized appreciation of investments	(5,736,857)	4,916,595
Change in unrealized appreciation/depreciation of short-term investments	(17,561)	(32,704)
Total Change in Unrealized Appreciation/Depreciation	(5,754,418)	4,883,891
Amortization of Premium on Issue of Preferred Shares	24,692	24,692
	(5,729,726)	4,908,583
NET INCOME (LOSS) FOR THE YEAR	\$ (438,255)	\$ 7,566,676
NET INCOME (LOSS) PER CLASS A SHARE		
(based on the weighted average number of Class A shares outstanding during the year of 4,524,795; 2006 - 5,024,063)	\$ (0.0969)	\$ 1.5061
DEFICIT		
Balance, beginning of year	\$ (13,263,625)	\$ (16,941,668)
Net allocations on retractions	194,753	2,122,401
Net income (loss) for the year	(438,255)	7,566,676
Distributions on Class A shares	(5,429,299)	(6,011,034)
BALANCE, END OF YEAR	\$ (18,936,426)	\$ (13,263,625)

Statements of Changes in Net Assets

Years ended January 31, 2007 and 2006

	2007	2006
NET ASSETS - CLASS A AND B SHARES, BEGINNING OF YEAR	\$ 41,223,697	\$ 44,368,498
Net Realized Income before Distributions	9,192,735	6,972,738
Class A Share Capital Transactions		
Amount paid for units redeemed	(333,920)	(4,700,443)
Amortization of Premium on Issue of Preferred Shares	24,692	24,692
Distributions		
Preferred shares (Note 6)		
From taxable income	(1,341,169)	(1,460,361)
From net realized gain on investments	(2,560,095)	(2,854,284)
Class A shares		
From net realized gain on investments	(5,429,299)	(6,011,034)
	(9,330,563)	(10,325,679)
Change in Net Unrealized Appreciation/Depreciation of Investments	(5,754,418)	4,883,891
Changes in Net Assets during the Year	(6,201,474)	(3,144,801)
NET ASSETS - CLASS A AND B SHARES, END OF YEAR	\$ 35,022,223	\$ 41,223,697

The statement of changes in net assets excludes cash flows pertaining to proceeds and redemptions of Preferred shares. During the year, amounts paid for the redemption of 42,497 Preferred shares (2006 - 548,449) totalled \$637,455 (2006 - \$8,226,735).

Statements of Changes in Investments

Years ended January 31, 2007 and 2006

	2007	2006
INVESTMENTS AT MARKET VALUE, BEGINNING OF YEAR	\$ 100,205,384	\$ 84,806,895
Unrealized appreciation of investments, beginning of year	(6,159,818)	(1,243,223)
Investments at Cost, Beginning of Year	94,045,566	83,563,672
Cost of Investments Purchased during the Year	167,986,147	251,182,751
Cost of Investments Sold during the Year		
Proceeds from sales	184,956,853	247,511,544
Net realized gains on sales	8,470,368	6,810,687
	176,486,485	240,700,857
Investments at Cost, End of Year	85,545,228	94,045,566
Unrealized Appreciation of Investments, End of Year	422,961	6,159,818
INVESTMENTS AT MARKET VALUE, END OF YEAR	\$ 85,968,189	\$ 100,205,384

Statement of Investments

January 31, 2007

	Number of Shares/ Par Value	Average Cost	Market Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 4.14% - April 19, 2007	100,000	\$ 99,045	\$ 99,045	0.7%
Discount Commercial Paper				
Business Development Corporation, USD, 5.23% - April 4, 2007	40,000	46,429	46,614	
Export Development Corporation, USD, 5.17% - April 19, 2007	50,000	57,981	58,259	
Export Development Corporation, USD, 5.17% - May 2, 2007	120,000	139,867	139,732	
Total Discount Commercial Paper		244,277	244,605	1.8%
Canadian Bonds				
Canada Mortgage & Housing Corp., 5.30% - December 3, 2007	13,090,000	13,229,476	13,212,068	96.7%
		13,572,798	13,555,718	99.2%
Accrued Interest				
			112,648	0.8%
TOTAL SHORT-TERM INVESTMENTS		\$ 13,572,798	\$13,668,366	100.0%

INVESTMENTS

Canadian Common Shares

Consumer Discretionary

Thomson Corporation	66,000	\$ 3,232,284	\$ 3,267,000	3.8%
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Energy

Enbridge Inc.	56,000	2,097,086	2,145,360	
EnCana Corporation	91,000	5,307,351	5,136,950	
Imperial Oil Ltd.	81,000	3,353,441	3,362,310	
Suncor Energy, Inc.	50,000	4,543,379	4,360,000	
TransCanada Corp.	54,000	2,103,300	2,107,620	

Total Energy		17,404,557	17,112,240	19.9%
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Financials

Canadian Imperial Bank of Commerce	45,000	4,336,731	4,539,600	
Manulife Financial Corporation	70,000	2,595,439	2,779,000	
Royal Bank of Canada	96,000	5,241,600	5,241,600	
Sun Life Financial Inc.	70,400	3,339,522	3,559,424	
The Bank of Nova Scotia	74,000	3,875,195	3,756,240	
The Toronto-Dominion Bank	79,000	5,090,376	5,520,520	

Total Financials		24,478,863	25,396,384	29.5%
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Industrials

Canadian National Railway Company	63,000	3,421,865	3,379,950	3.9%
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Statement of Investments (continued)

January 31, 2007

	Number of Shares	Average Cost	Market Value	% of Portfolio
INVESTMENTS (continued)				
Canadian Common Shares (continued)				
Materials				
Barrick Gold Corp.	85,000	2,889,244	2,959,700	
Goldcorp Inc.	95,000	3,324,002	3,090,350	
Kinross Gold Corporation	200,000	3,118,233	3,136,000	
Teck Cominco Ltd. Cl B	52,000	4,680,125	4,511,520	
Total Materials		14,011,604	13,697,570	15.9%
Telecommunication Services				
Rogers Communications Inc., Class B	65,000	1,829,230	2,366,000	2.8%
Total Canadian Common Shares		\$64,378,403	\$65,219,144	75.8%
United States Common Shares				
Consumer Staples				
Colgate-Palmolive Co.	34,000	\$ 2,503,430	\$ 2,741,126	3.2%
Financials				
Bank of America Corporation	48,000	2,850,576	2,979,142	
Citigroup Inc.	38,000	2,442,681	2,472,868	
Lehman Brothers Holdings Inc.	27,500	2,325,105	2,669,594	
Total Financials		7,618,362	8,121,604	9.4%
Health Care				
Pfizer Inc.	85,500	2,606,116	2,632,766	3.1%
Industrials				
General Electric Company	68,000	2,793,550	2,893,634	3.4%
Information Technology				
Microsoft Corp.	90,000	2,984,523	3,278,445	
Oracle Corp.	108,000	2,316,115	2,187,613	
Total Information Technology		5,300,638	5,466,058	6.4%
Total United States Common Shares		\$20,822,096	\$21,855,188	25.5%

Statement of Investments (continued)

January 31, 2007

Market Value % of Portfolio

INVESTMENTS (continued)

Forward Exchange Contracts

Sold USD \$620,000, Bought CAD \$705,805 @ 0.87843 - February 7, 2007			\$ (25,906)	
Buy USD \$615,000, Sold CAD \$726,796 @ 0.84618 - February 21, 2007			(1,260)	
Sold USD \$615,000, Bought CAD \$703,219 @ 0.87455 - February 21, 2007			(22,317)	
Buy USD \$2,430,000, Sold CAD \$2,870,847 @ 0.84644 - March 7, 2007			(5,247)	
Sold USD \$2,815,000, Bought CAD \$3,209,257 @ 0.87715 - March 7, 2007			(110,357)	
Buy USD \$2,090,000, Sold CAD \$2,468,698 @ 0.84660 - March 14, 2007			(4,570)	
Sold USD \$2,705,000, Bought CAD \$3,111,878 @ 0.86925 - March 14, 2007			(77,341)	
Sold USD \$1,323,000, Bought CAD \$1,552,380 @ 0.85224 - March 28, 2007			(6,769)	
Sold USD \$1,322,000, Bought CAD \$1,550,369 @ 0.85270 - April 11, 2007			(6,977)	
Total Forward Exchange Contracts			\$(260,744)	(0.3)%

	Number of Contracts	Average Cost	Market Value	% of Portfolio
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OPTIONS

Purchased Put Options

Standard & Poor's 100 Index - February 2007 @ \$603 (1 share per contract)	4,300	\$ 26,089	\$ -	
Standard & Poor's 100 Index - March 2007 @ \$618 (1 share per contract)	9,883	67,445	3,726	
Standard & Poor's 100 Index - April 2007 @ \$630 (1 share per contract)	8,050	62,387	23,654	
S&P/TSX 60 Index - February 2007 @ \$651 (100 shares per contract)	209	242,649	-	
S&P/TSX 60 Index - March 2007 @ \$685 (100 shares per contract)	253	311,823	25,839	
S&P/TSX 60 Index - March 2007 @ \$693 (100 shares per contract)	89	101,460	18,451	
S&P/TSX 60 Index - March 2007 @ \$697 (100 shares per contract)	153	167,320	38,991	
S&P/TSX 60 Index - April 2007 @ \$697 (100 shares per contract)	88	117,040	41,386	
Total Purchased Put Options		1,096,213	152,047	0.2%

Statement of Investments (continued)

January 31, 2007

	Number of Contracts	Proceeds	Market Value	% of Portfolio
INVESTMENTS (continued)				
OPTIONS (continued)				
Written Cash Covered Put Options (100 shares per contract)				
Manulife Financial Corporation - February 2007 @ \$41	(700)	(109,480)	(111,131)	
Shaw Communications Inc. - February 2007 @ \$43	(600)	(99,000)	(98,896)	
TransCanada Corp. - March 2007 @ \$38	(540)	(23,490)	(24,527)	
Total Written Cash Covered Put Options		(231,970)	(234,554)	(0.3)%
Written Covered Call Options (100 shares per contract)				
Bank of American Corporation - February 2007 @ \$54	(240)	(18,764)	-	
Canadian Imperial Bank of Commerce - February 2007 @ \$100	(225)	(32,400)	(40,500)	
Canadian National Railway Company - February 2007 @ \$53	(630)	(44,730)	(69,968)	
Citigroup Inc. - March 2007 @ \$55	(190)	(11,214)	(25,454)	
Colgate-Palmolive Co. - February 2007 @ \$67	(340)	(21,618)	(54,366)	
General Electric Company - February 2007 @ \$38	(680)	(44,898)	(6,802)	
Rogers Communications Inc., Class B - February 2007 @ \$36	(650)	(32,500)	(14,273)	
Suncor Energy, Inc. - February 2007 @ \$86	(250)	(77,750)	(79,669)	
Teck Cominco Ltd. Cl B - February 2007 @ \$82	(520)	(143,520)	(311,528)	
Thomson Corporation - February 2007 @ \$48	(660)	(34,980)	(96,063)	
The Toronto-Dominion Bank - February 2007 @ \$70	(395)	(17,450)	(22,714)	
TransCanada Corp. - March 2007 @ \$39	(540)	(39,690)	(41,555)	
Total Written Covered Call Options		(519,514)	(762,892)	(0.9)%
TOTAL OPTIONS		\$ 344,729	\$ (845,399)	(1.0)%
TOTAL INVESTMENTS		\$85,545,228	\$85,968,189	100.0%

1. Corporate Information

MCM Split Share Corp. (the "Fund") is a mutual fund corporation incorporated under the laws of the Province of Ontario on December 5, 1997. The Fund was inactive prior to the initial public offering of Preferred shares and Class A shares on February 12, 1998. All shares outstanding on February 1, 2008 will be redeemed by the Fund on that date, unless otherwise determined by a majority vote of each class of shareholders.

The Fund operates under the registered name Mulvihill Premium Split Share Fund.

The Fund invests in a diversified portfolio consisting principally of common shares issued by some or all of the group of corporations selected from S&P/TSX Composite. The Fund may invest up to 20 percent of the cost amount of its assets in common shares issued by some or all of a group of corporations selected from the Standard & Poor's 100 Index.

To generate additional returns above the dividend income earned on the portfolio, the Fund will from time to time write covered call options in respect of all or part of the common shares in the portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. The Fund may also use put options to preserve the value of the portfolio where appropriate. From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or the government of the United States or short-term commercial paper with a rating of at least R-1(mid).

2. 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 Fund are as follows:

Valuation of Investments

Investments and short-term bonds 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 average of the bid and the asked price.

Short-term investments excluding short-term bonds 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, as the case may be, 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 net realized gains (losses) on derivatives.

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) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at 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.

The following are credit ratings for the counterparties to derivative instruments the Fund deals with during the year, based on Standard & Poor's credit rating:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Bank of Montreal	AA-	A-1+
Canadian Imperial Bank of Commerce/CA	A+	A-1
Citigroup Inc.	AA-	A-1+
National Bank of Canada	A	A-1
Royal Bank of Canada	AA-	A-1+
The Toronto-Dominion Bank	A+	A-1
U.S. Dollar		
Citigroup Inc.	AA-	A-1+
Lehman Brothers Holdings Inc.	A+	A-1
The Toronto-Dominion Bank	A+	A-1
UBS AG	AA+	A-1+

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

Redeemable Preferred Shares

Each Redeemable Preferred share is valued for financial statement purposes at the lesser of: (i) \$15.00; and (ii) the net asset value of the Fund divided by the number of Preferred shares outstanding.

Premium on Preferred Shares

Premium on Preferred shares net of issue costs is amortized over the remaining life of the Fund. The premium on Preferred shares retracted will be recognized on the date they are retracted.

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.

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

Cash Flow Statements

Cash flow statements have not been prepared as all relevant information has been included in the Statements of Changes in Net Assets, Statements of Changes in Investments and elsewhere in these financial statements.

New Accounting Standards

The Canadian Institute of Chartered Accountants issued new accounting standards relating to Financial Instruments which will be effective for the Fund from February 1, 2007. These new standards will impact certain financial statement accounting and disclosure including

the valuation of securities at bid price and accounting for transaction costs.

However, as a result of regulatory relief received from the Canadian Securities Administrators, on implementation of the new standards, the above changes will not impact the net asset value per unit used to transact units of the Fund which will continue to be based upon securities valued at the last sale price.

3. Share Capital

The Fund is authorized to issue an unlimited number of Preferred and Class A shares and 1,000 Class B shares.

All Preferred shares and Class A shares outstanding on February 1, 2008 will be redeemed by the Fund on that date, unless otherwise determined by a majority vote of each class of shareholders.

Preferred shares and Class A shares may be surrendered at any time for retraction at specified retraction amounts. Holders of Preferred shares and Class A shares may concurrently retract one Preferred share and one Class A share (together, a "Unit") on a January 31 valuation date at their net asset values. Shares retracted at any other valuation date or not retracted concurrently at a January 31 valuation date will be retracted at a discount to net asset value. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Preferred shares and Class A shares tendered for retraction. The Preferred shares rank in priority to the Class A shares and the Class A shares rank in priority to the Class B shares with respect to the payment of dividends and repayment of capital on the dissolution, liquidation or winding up of the Fund.

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of \$1.00 per share.

Class B shares are entitled to one vote per share. Preferred shares and Class A shares are entitled to vote on certain shareholder matters.

The Fund's Preferred shares have been classified as liabilities in accordance with Canadian generally accepted accounting principles. Accordingly, net income for the year is stated after Preferred share distributions.

42,497 Units (2006 - 548,449 Units) were redeemed during the year.

Issued and Outstanding

	2007	2006
4,484,619 Preferred shares (2006 - 4,527,116)	\$67,269,285	\$67,906,740
4,484,619 Class A shares (2006 - 4,527,116)	\$53,957,649	\$54,486,322
1,000 Class B shares (2006 - 1,000)	1,000	1,000
	\$53,958,649	\$54,487,322

Under the terms of the normal course issuer bid, the Fund proposes to purchase, if considered advisable, up to a maximum of 446,472 Class A shares and up to a maximum of 446,472 Preferred shares representing approximately 10% 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 November 2, 2007 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2006, no Units have been purchased by the Fund. Shareholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Mulvihill Investors Services at: Mulvihill Premium Split Share Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

4. Management Fees and Expenses

The Fund 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 Fund's operations.

Fees are paid to Mulvihill Capital Management Inc. ("MCM") under the terms of an investment management agreement and to Mulvihill Fund Services Inc. ("Mulvihill") under the terms of a management agreement. The fees are comprised of monthly fees calculated at 1/12 of 1.15 percent and 1/12 of 0.10 percent, respectively, of the net assets of the Fund at each month end, excluding the redeemable Preferred shares liability.

5. Income Taxes

The Fund is a "mutual fund corporation" as defined in the Income Tax Act (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. The Fund is generally subject to a tax of 33 1/3 percent under Part IV of the Act on taxable dividends received in the year. This tax is fully refundable upon payment of sufficient dividends. The Fund is also subject to tax on the amount of its interest and foreign dividend income that is not offset by operating expenses and share issue expenses.

The Fund is also a "financial intermediary corporation" as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable preferred shares.

Under the dividend policy of the Fund, premiums received in respect of written options that are still outstanding at year end are not to be distributed in the year to the shareholders.

No amount is payable on account of income taxes in 2007 or 2006.

Accumulated non-capital losses of approximately \$1.2 million (2006 - \$1.2 million) and capital losses of approximately \$3.6 million (2006 - \$3.6 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses expire in 2015 and the capital losses can be carried forward indefinitely.

The Fund has offset the future tax liability for refundable taxes payable with the refund expected upon payment of capital gains or ordinary dividends. As a result, the future tax liability for refundable taxes payable is eliminated.

6. Distributions

Preferred shares are entitled to a cumulative preferential quarterly dividend of \$0.20625 per share payable on the last day of April, July, October and January in each year. To the extent that a quarterly dividend is a capital gains dividend funded by net realized capital gains or option premiums, holders of Preferred shares will receive an additional capital gains dividend of \$0.068 for each \$1.00 of Preferred share dividend so funded.

7. Commissions

Total commissions paid for the year ended January 31, 2007 in connection with portfolio transactions were \$244,981 (2006 - \$332,933). Of this amount \$78,391 (2006 - \$95,768) was directed for payment of trading related goods and services.

8. Financial Instruments and Risk Management

The Fund's financial statements 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 Fund manages these risks through the use of various risk limits and trading strategies.

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

9. Comparative Figures

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

Statement of Corporate Governance Practices

The Board of Directors of the Fund is responsible for the overall stewardship of the Fund's business and affairs. The Fund has investment objectives and investment strategies that are set out in the prospectus of the Fund. The Fund's manager, Mulvihill Fund Services Inc. (the "Manager"), administers many functions associated with the operations of the Fund pursuant to a management agreement entered into at the time the Fund issued its shares to the public. Under this agreement the Manager is responsible for day to day operations of the Fund including the payment of distributions on its shares and attending to the retraction or redemption of its shares in accordance with their terms.

The Board consists of five directors, three of whom are independent of the Fund. The Board believes that the number of directors is appropriate for the Fund and only directors independent of the Fund are compensated. Amounts paid as compensation are reviewed for adequacy to ensure that they realistically reflect the responsibilities and risk involved in being an effective director. Individual directors may engage an outside advisor at the expense of the Fund in appropriate circumstances subject to the approval of the Board.

To assist the Board in its monitoring of the Fund's financial reporting and disclosure, the Board has established, and hereby continues the existence of, a committee of the Board known as the Audit Committee. The Audit Committee consists of three members, all of whom are independent of the Fund. The responsibilities of the Audit Committee include, but are not limited to, review of the annual financial statements and the annual audit performed by the external auditor, and oversight of the Fund's compliance with tax and securities laws and regulations. The Audit Committee has direct communication channels with the external auditor to discuss and review specific issues as appropriate.

The Board is responsible for developing the Fund's approach to governance issues and, together with the Investment Manager, is evolving a best practices governance procedure.

The Fund maintains an Investor Relations line and web site to respond to inquiries from shareholders.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than \$2.8 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management → provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management → offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products → is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
		For the period February 1, 2006 to January 31, 2007	
MULVIHILL PLATINUM			
Mulvihill Government Strip Bond Fund	GSB.UN	\$ 21.44	\$ 19.20
Mulvihill Pro-AMS U.S. Fund	PAM.UN	\$ 22.44	\$ 20.44
Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund	PRC.UN	\$ 19.20	\$ 16.05
Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund	PRU.U	\$ 15.57	\$ 13.35
Mulvihill Pro-AMS RSP Split Share Fund	SPL.A/SPL.B	\$ 10.00/\$ 15.60	\$ 8.80/\$ 13.07
MULVIHILL PREMIUM			
Mulvihill Core Canadian Dividend Fund	CDD.UN	\$ 10.90	\$ 8.91
Mulvihill Premium Canadian Fund	FPI.UN	\$ 19.99	\$ 16.60
Mulvihill Premium 60 Plus Fund	SIX.UN	\$ 18.75	\$ 16.15
Mulvihill Premium Global Plus Fund	GIP.UN	\$ 12.00	\$ 10.48
Mulvihill Premium Canadian Fund Bank	PIC.A/PIC.PR.A	\$ 11.70/\$ 16.74	\$ 9.82/\$ 15.51
Mulvihill Premium Split Share Fund	MUH.A/MUH.PR.A	\$ 8.65/\$ 15.88	\$ 6.87/\$ 15.14
Mulvihill Premium Global Telecom Fund	GT.A/GT.PR.A	\$ 0.28/\$ 12.90	\$ 0.08/\$ 10.75
Mulvihill Top 10 Canadian Financial Fund	TCT.UN	\$ 16.50	\$ 14.28
Mulvihill Top 10 Split Fund	TCT.UN/TXT.PR.A	\$ 12.54/\$ 14.25	\$ 8.45/\$ 12.42
Mulvihill World Financial Split Fund	WFS/WFS.PR.A	\$ 12.48/\$ 11.15	\$ 10.40/\$ 10.41

Board of Directors

John P. Mulvihill

Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela

Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner*

Corporate Director

Robert W. Korthals*

Corporate Director

C. Edward Medland*

President, Beauwood Investments Inc.

*Audit Committee

Information

Auditors:

Deloitte & Touche LLP
BCE Place
181 Bay Street, Suite 1400
Toronto, Ontario M5J 2Y1

Transfer Agent:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange
trading under
MUH.A/MUH.PR.A

Custodian:

RBC Dexia Investor Services
Royal Trust Tower
77 King Street West, 11th Floor
Toronto, Ontario M5W 1P9

Visit our website at www.mulvihill.com for additional information on all Mulvihill Hybrid Income Funds.

Hybrid Income Funds

Managed by Mulvihill Structured Products

Mulvihill Platinum

Mulvihill *Government Strip Bond Fund*
Mulvihill *Pro-AMS U.S. Fund*
Mulvihill *Pro-AMS 100 Plus (Cdn \$) Fund*
Mulvihill *Pro-AMS 100 Plus (U.S. \$) Fund*
Mulvihill *Pro-AMS RSP Split Share Fund*

Mulvihill Premium

Mulvihill *Core Canadian Dividend Fund*
Mulvihill *Premium Canadian Fund*
Mulvihill *Premium 60 Plus Fund*
Mulvihill *Premium Global Plus Fund*
Mulvihill *Premium Canadian Bank Fund*
Mulvihill *Premium Split Share Fund*
Mulvihill *Premium Global Telecom Fund*
Mulvihill *Top 10 Canadian Financial Fund*
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