Mulvihill

Mulvihill Structured Products

Hybrid Income Funds

Annual Report 2009

Mulvihill Premium *Split Share Fund*

MCM Split Share Corp.

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Message to Shareholders

We are pleased to present the annual financial results of MCM Split Share Corp., which operates as Mulvihill Premium Split Share Fund (the "Fund").

The following is intended to provide you with the financial highlights of the Fund and we hope you will read the more detailed information contained within the report.

The Fund was launched in 1998. On December 12, 2007, a proposal was approved by shareholders resulting in a change of the investment objectives of the Fund. The Fund's investment objectives are to:

(1) Provide Priority Equity shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price;

(2) Provide Class A shareholders with quarterly dividends in an amount initially targeted to be 10 percent per annum of the net asset value of the Class A Shares from time to time; and

(3) Return, at a minimum, the original issue prices of the shares to shareholders upon windup on February 1, 2013.

To accomplish these objectives the Fund will invest its net assets in a diversified portfolio of common shares selected from the S&P/TSX Composite Index and up to 40 percent selected from the S&P 100 Index. Accordingly, the distributions paid out by the Fund are funded from the dividend income earned on the portfolio, realized capital gains from the sale of securities and option premiums from the sale of covered call options. During the fiscal year ended January 31, 2009, the Fund's annual rate of return was negative 20.22 percent. Distributions amounting to $1.210250 per unit were paid during the year, contributing to the overall decline in the net asset value from $20.48 per Unit as at January 31, 2008 to $15.29 per Unit as at January 31, 2009.

The longer-term financial highlights of the Fund for the years ended January 31 are as follows:

	2009	2008	2007	2006	2005
Annual Total Fund Return	(20.22)%	(1.53)%	3.28%	10.76%	1.40%
Priority Equity Share Distribution Paid (annual target of $0.8250 per share)	$ 0.825000	$ 0.848004	$ 0.862270	$ 0.861321	$ 0.835481
Class A Share Distribution Paid (annual target of 10 percent of net asset value)	$ 0.385250	$ 1.200000	$ 1.200000	$ 1.200000	$ 1.200000
Ending Net Asset Value per Unit (original issue price was $30.00 per Unit)	$ 15.29	$ 20.48	$ 22.81	$ 24.12	$ 23.76

We thank all shareholders for their continued support and encourage shareholders to review the more detailed information contained within the annual report.

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Mulvihill Premium *Split Share Fund* [MUH.A/MUH.PR.A]

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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, 2009 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

Prior to December 12, 2007, the Fund’s investment objectives were to: (i) provide Preferred shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price; (ii) provide Class A shareholders with all excess realized income of the Fund at each fiscal year end; and (iii) return, at a minimum, the original issue prices of the shares to shareholders at the termination of the Fund.

On December 12, 2007, a proposal was approved by shareholders resulting in a change of the investment objectives of the Fund. The Fund’s investment objectives are to: (i) provide Priority Equity shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price; (ii) provide Class A shareholders with quarterly dividends in an amount initially targeted to be 10 percent per annum of the net asset value of the Class A Shares from time to time; and (iii) return, at a minimum, the original issue prices of the shares to shareholders upon windup on February 1, 2013.

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 40 percent of the cost amount of its assets in common shares issued by corporations selected from the S&P 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

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 the Fund actively hedged its U.S. dollar exposure.

The Fund adopted a strategy (the “Priority Equity Portfolio Protection Plan”) to protect holders of the Priority Equity Shares by assisting the Fund with the payment of the original issue price of $15.00 per share on termination date. Under the Priority Equity Portfolio Protection Plan, the amount of the Fund’s net assets, if any, to be allocated to Permitted Repayment Securities (the “Required Amount”) will be determined such that (i) the net asset value (“NAV”) of the Fund, less the value of the Permitted Repayment Securities held by the Fund is at least 110 percent of (ii) the Priority Equity Share Repayment Amount, less the amount anticipated to be received by the Fund in respect of its Permitted Repayment Securities on the termination date. With the steep market sell off in November we had to raise our cash levels to ensure compliance with the above feature. The Fund is predominantly in cash and cash equivalents with minimal equity exposure.

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, 2009

	% OF NET ASSET VALUE
Cash and Short-Term Investments	96.7 %
Materials	2.0 %
Energy	1.5 %
Industrials	0.5 %
Other Assets (Liabilities)	(0.7)%
	100.0 %

Portfolio Holdings

January 31, 2009

	% OF NET ASSET VALUE
Cash and Short-Term Investments	96.7%
Goldcorp Inc.	1.2%
EnCana Corporation	0.8%
Kinross Gold Corporation	0.8%
Imperial Oil Ltd.	0.7%
SNC-Lavalin Group Inc.	0.5%
	100.7%

Distribution History

INCEPTION DATE: FEBRUARY 1998	CLASS A REGULAR DISTRIBUTION	CLASS A SPECIAL DISTRIBUTION	TOTAL CLASS A DISTRIBUTION	REGULAR PRIORITY EQUITY 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	1.2000	0.0000	**1.2000**	**0.857422**
Total for 2008	0.6735	0.0000	**0.6735**	**0.825000**
Total for 2009	0.0118	0.0000	**0.0118**	**0.206250**
Total Distributions to Date	**$12.2990**	**$ 2.4500**	**$14.7490**	**$ 9.292487**

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, 2009

Results of Operations

For the year ended January 31, 2009 the net asset value of the Fund for pricing purposes based on closing prices was $15.29 per Unit compared to $20.48 per Unit at January 31, 2008. The Fund's Priority Equity shares listed on the Toronto Stock Exchange as MUH.PR.A closed on January 31, 2009 at $13.66 per share. The Fund's Class A shares listed on the Toronto Stock Exchange as MUH.A closed on January 31, 2009 at $0.85 per share.

Distributions totalling $0.825 per share were made to the Priority Equity shareholders during the year, maintaining a 5.5 percent yield based on the initial price of the shares.

Distributions totalling $0.38525 per share were made to the Class A shareholders during the year.

The market experienced record volatility levels through the second half of the year. Due to this high volatility coupled with the Priority Equity Portfolio Protection Plan, the Fund reduced its investment position towards the latter half of the year, resulting in large cash balances held at year end. Realized gains earned from options amounted to approximately $2.1M.

The U.S. dollar was very strong against most major world currencies barring the Japanese Yen and increased 22.62 percent against the Canadian dollar. The strength in the U.S. dollar was due to a flight to safety and the commodity currencies were hit hard due to lower commodity prices. 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.

For the year ended January 31, 2009 the S&P/TSX Composite Index total return for the year was negative 31.77 percent. Financials were the worst performing sector with a negative 40.62 percent return while Consumer Staples sector was the best performing sector returning negative 2.69 percent. The MSCI EAFE Index had a total return of negative 43.48 percent in U.S. dollar terms while it declined negative 30.44 percent in Canadian dollar terms and it underperformed the S&P 100 Index, which returned negative 37.44 percent in U.S. dollar terms and negative 23.00 percent in Canadian dollar terms. The annual compound return for the Fund in Canadian dollars, including reinvestment of distributions, was negative 20.22 percent. For more detailed information on investment returns, please see the Annual Total Return bar graph and the Annual Compound Returns table on page 7 of this report.

During the year, 270,175 units were redeemed by the Fund. The Fund facilitated these redemptions by selling equities from the portfolio.

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 5 years. This information is derived from the Fund's audited annual financial statements.

For January 31, 2009 and January 31, 2008, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 2 and 3 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended January 31

	2009	2008	2007	2006	2005
THE FUND'S NET ASSETS PER UNIT					
Net Assets, beginning of year, (based on bid prices)(1)	$ **20.46**	$ 22.80(4)	$ 24.12	$ 23.76	$ 25.47
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.59**	0.42	0.52	0.40	0.38
Total expenses	**(0.42)**	(0.64)	(0.36)	(0.37)	(0.40)
Realized gains (losses) for the period	**(4.60)**	0.58	1.87	1.35	1.44
Unrealized gains (losses) for the period	**0.55**	(0.34)	(1.27)	0.97	(1.09)
Total Increase (Decrease) from Operations(2)	**(3.88)**	**0.02**	**0.76**	**2.35**	**0.33**
DISTRIBUTIONS					
Priority Equity Share					
From net investment income	**(0.83)**	(0.61)	(0.29)	(0.29)	(0.71)
From capital gains	**–**	(0.24)	(0.57)	(0.57)	(0.13)
Total Priority Equity Share Distributions	**(0.83)**	**(0.85)**	**(0.86)**	**(0.86)**	**(0.84)**
Class A Share					
From net investment income	**(0.01)**	(0.30)	–	–	(0.83)
From capital gains	**(0.37)**	(0.90)	(1.20)	(1.20)	(0.37)
Total Class A Share Distributions	**(0.38)**	**(1.20)**	**(1.20)**	**(1.20)**	**(1.20)**
Total Annual Distributions(3)	**(1.21)**	**(2.05)**	**(2.06)**	**(2.06)**	**(2.04)**
Net Assets, as at January 31, (based on bid prices)(1)	$ **15.28**	$ **20.46**	$ **22.81**	$ **24.12**	$ **23.76**

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding Redeemable Priority Equity shares of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted February 1, 2007 relating to Financial Instruments. Refer to Note 2 to the financial statements for further discussion.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), realized and unrealized gains (losses), less expenses, excluding Priority Equity 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 assets 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.
(4) Net Assets per unit has been adjusted for the Transition Adjustment (see Note 2 to the Financial Statements).

RATIOS/SUPPLEMENTAL DATA	2009	2008	2007	2006	2005
Net Asset Value, excluding the liability for Redeemable Priority Equity shares and unamortized premium on issue of Priority Equity shares ($ millions)(1)	$ **28.11**	$ 43.19	$ 102.32	$ 109.18	$ 120.58
Net Asset Value ($ millions)(1)	$ **0.53**	$ 11.55	$ 35.02	$ 41.22	$ 44.37
Number of units outstanding(1)	**1,839,191**	2,109,366	4,484,619	4,527,116	5,075,565
Management expense ratio(2)	**1.92%**	2.74%	1.54%	1.55%	1.62%
Portfolio turnover rate(3)	**150.49%**	99.57%	189.41%	253.18%	197.79%
Trading expense ratio(4)	**0.30%**	0.14%	0.23%	0.28%	0.25%
Net Asset Value per Unit(5)	$ **15.29**	$ 20.48	$ 22.81	$ 24.12	$ 23.76
Closing market price - Priority Equity	$ **13.66**	$ 13.36	$ 15.35	$ 15.45	$ 15.87
Closing market price - Class A	$ **0.85**	$ 5.45	$ 7.28	$ 8.06	$ 9.08

(1) This information is provided as at January 31. One Unit consists of one Class A share and one Priority Equity share.
(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes and capital taxes but excluding transaction fees, income taxes and Priority Equity share distributions, charged to the Fund to the average net asset value, excluding the liability for the Redeemable Priority Equity shares. Management ratio expense for 2008 includes special resolution expense. The management ratio expense for 2008 excluding the special resolution expense is 1.62%.
(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 a percentage of the daily average net asset value during the period.
(5) 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 and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Fees

Mulvihill Capital Management Inc. ("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 asset value of the Fund at each month end, excluding the Redeemable Priority Equity share liability. 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 Inc. is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end, excluding the Redeemable Priority Equity share liability. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

In the year ended January 31, 2009 we saw unprecedented declines in every major stock market. The spreads in credit markets ballooned to levels not seen in recent history while the flight to safety further exacerbated credit spreads and led to a bull market in treasuries and all government bonds. The bankruptcy of Lehman Brothers Holdings Inc. led to a freeze in credit markets and the Federal Reserve and other central banks have lowered rates aggressively as well as using unconventional means to try and stimulate lending and counteract the deleveraging we were experiencing. Commodity markets suffered price collapses due to the very weak global growth outlook as well as the forced selling of speculative positions.

Heading into 2009, we have already seen the spillover effects of the deleveraging of the housing market on consumer spending. Moreover the tightening of credit markets has made it very difficult for business to procure financing, which in turn has led to a weak economy which has forced companies to layoff employees which has further put a dent in consumer spending. We have seen deflation in asset prices which has led to benign inflation in consumer and wholesale prices. Central banks around the world are actively implementing a reflationary policy to counter the deflationary contraction we are experiencing by expanding their balance sheet. On the fiscal front, governments around the world have indicated that they will try and pass huge stimulus packages to try and kick start the global economy.

Past Performance

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

(1) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,

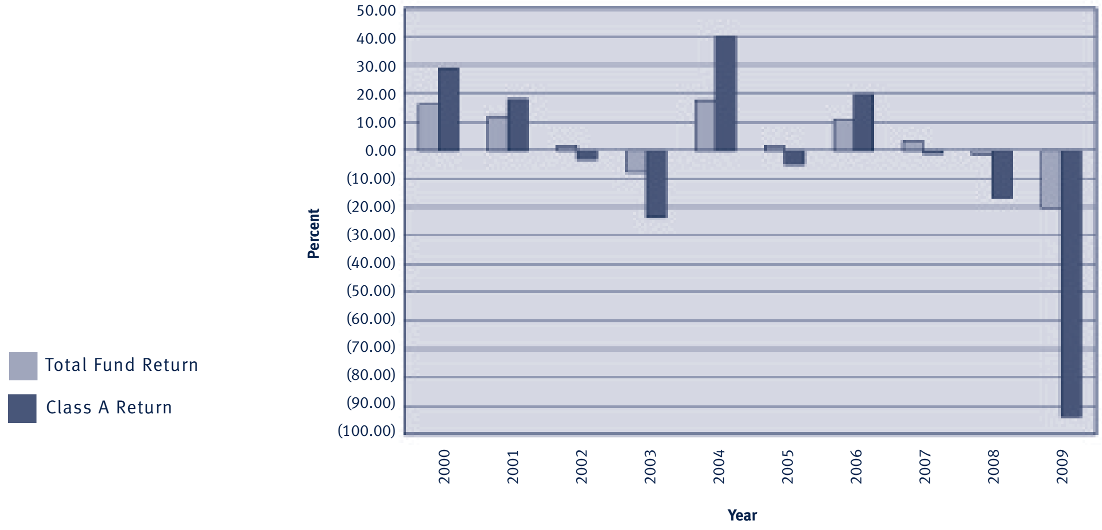
(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(3) 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 ten 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, 2009 as compared to the performance of the S&P/TSX Composite Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Ten Years
Mulvihill Premium Split Share Fund	**(20.22)%**	(6.73)%	(1.84)%	2.75 %
Mulvihill Premium Split Share Fund – Class A	**(93.83)%**	(62.94)%	(43.40)%	(21.26)%
Mulvihill Premium Split Share Fund – Priority Equity	**5.61 %**	5.75 %	5.96 %	5.78 %

In order to meet regulatory requirements, the performance of a broader based market index has been included below.

S&P/TSX Composite Index**	**(31.77) %**	(7.58)%	2.77 %	4.63 %

* 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 forwardlooking 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 annual 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 17, 2009

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Shareholders of Mulvihill Premium Split Share Corp.

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, 2009, the statements of financial position as at January 31, 2009 and 2008, and the statements of operations and deficit, of changes in net assets and of cash flows 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 the Fund's 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 as at January 31, 2009 and 2008, and the results of its operations, the changes in its net assets, and its cash flows for years then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
February 17, 2009

Statements of Financial Position

January 31, 2009 and 2008

	2009	2008
ASSETS		
Investments at fair value (cost - $1,325,261; 2008 - $51,425,210)	$ 1,213,526	$ 50,234,859
Short-term investments at fair value (cost - $27,071,381; 2008 - $22,568,421)	27,111,395	22,571,909
Cash	78,170	5,748
Interest and dividends receivable	348,935	161,167
Due from brokers - investments	–	13,564,297
TOTAL ASSETS	$ 28,752,026	$ 86,537,980
LIABILITIES		
Redemptions payable	$ 581,696	$ 42,938,149
Accrued liabilities	28,986	348,433
Accrued management fees	30,499	91,541
Redeemable Priority Equity shares (Note 4)	27,587,865	31,640,490
	28,229,046	75,018,613
EQUITY		
Class A and Class B shares (Note 4)	21,048,856	24,409,901
Deficit	(20,525,876)	(12,890,534)
	522,980	11,519,367
TOTAL LIABILITIES AND EQUITY	$ 28,752,026	$ 86,537,980
Number of Units Outstanding (Note 4)	1,839,191	2,109,366
Net Assets per Unit (Note 3)		
Class A share	$ 0.2844	$ 5.4611
Priority Equity share (Note 2)	15.0000	15.0000
	$ 15.2844	$ 20.4611

On Behalf of the Board of Directors,

John P. Mulvihill, Director

Robert W. Korthals, Director

The notes are an integral part of the Financial Statements.

Statements of Operations and Deficit

Years ended January 31, 2009 and 2008

	2009	2008
REVENUE		
Interest, net of foreign exchange	$ 701,248	$ 231,571
Dividends, net of foreign exchange	515,596	1,631,885
Withholding taxes	(18,634)	(39,236)
	1,198,210	1,824,220
Net realized gains (losses) on investments	(9,375,974)	927,706
Net realized gains on derivatives	5,681	1,621,461
Net realized gains (losses) on short-term investments	660	(14,776)
Total Net Realized Gains (Losses)	(9,369,633)	2,534,391
TOTAL REVENUE	(8,171,423)	4,358,611
EXPENSES (Note 5)		
Management fees	475,996	1,215,419
Service fees	30,358	–
Administrative and other expenses	62,426	118,947
Transaction fees (Notes 8)	113,962	132,129
Custodian fees	40,227	37,983
Audit fees	30,457	30,258
Director fees	18,562	20,727
Independent review committee fees	4,267	1,668
Legal fees	13,998	6,123
Shareholder reporting costs	32,459	34,622
Capital tax and goods and services tax	27,881	113,566
TOTAL EXPENSES	850,593	1,711,442
Net Realized Income (Loss) before Special Resolution Expense and Distributions	(9,022,016)	2,647,169
Special resolution expense (Note 1)	–	(1,089,500)
Net Realized Income (Loss) before Distributions	(9,022,016)	1,557,669
Priority equity share distributions	(1,651,957)	(3,680,261)
Net Realized Loss	(10,673,973)	(2,122,592)
Net change in unrealized appreciation/depreciation of investments	1,078,616	(1,527,537)
Net change in unrealized appreciation/depreciation of short-term investments	37,157	24,935
Total Net Change in Unrealized Appreciaton/Depreciation	1,115,773	(1,502,602)
Amortization of Premium on Issue of Priority Equity Shares	–	24,693
	1,115,773	(1,477,909)
NET LOSS FOR THE YEAR	$ (9,558,200)	$ (3,600,501)
NET LOSS PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the year of 2,036,164; 2008 - 4,376,725)	$ (4.6942)	$ (0.8226)
DEFICIT		
Balance, beginning of year	$ (12,890,534)	$ (18,936,426)
Transition Adjustment (Note 2)	–	(85,775)
Net allocations on retractions	2,710,315	14,937,821
Net loss for the year	(9,558,200)	(3,600,501)
Distributions on Class A shares	(787,457)	(5,205,653)
BALANCE, END OF YEAR	$ (20,525,876)	$ (12,890,534)

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets

Years ended January 31, 2009 and 2008

	2009	2008
NET ASSETS, BEGINNING OF YEAR	$ 11,519,367	$ 35,022,223
Transition Adjustment (Note 2)	–	(85,775)
Net Realized Income (Loss) before Distributions	(9,022,016)	1,557,669
Class A Share Capital Transactions		
Amount paid for units redeemed	(650,730)	(14,610,927)
Amortization of Premium on Issue of Priority Equity Shares	–	24,693
Distributions		
Priority Equity shares (Note 7)		
From net investment income	(1,651,957)	(2,609,809)
From net realized gain on investments	–	(1,070,452)
Class A shares		
From net investment income	(22,058)	(1,246,446)
From net realized gain on investments	(765,399)	(3,959,207)
	(2,439,414)	(8,885,914)
Net Change in Unrealized Appreciation/Depreciation of Investments	1,115,773	(1,502,602)
Changes in Net Assets during the Year	(10,996,387)	(23,502,856)
NET ASSETS, END OF YEAR	$ 522,980	$ 11,519,367

Statements of Cash Flows

Years ended January 31, 2009 and 2008

	2009	2008
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	$ 22,577,657	$ 13,561,865
Cash Flows Provided by (Used In) Operating Activities		
Net Realized Income (Loss) before Distributions	(9,022,016)	1,557,669
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Purchase of investment securities	(39,530,756)	(81,476,338)
Proceeds from disposition of investment securities	89,630,705	115,596,356
(Increase)/decrease in interest and dividends receivable and due from brokers – investments	13,376,529	(2,051,240)
Increase/(decrease) in accrued liabilities and accrued management fees	(380,489)	(7,580,891)
Net change in unrealized appreciation/depreciation of cash and short-term investments	37,157	24,935
	54,111,130	26,070,491
Cash Flows Provided by (Used In) Financing Activities		
Distributions to Class A shares	(787,457)	(5,205,653)
Distributions to Preferred shares	(1,651,957)	(3,680,261)
Class A share redemptions	(12,896,708)	(2,584,330)
Preferred share redemptions	(34,163,100)	(5,584,455)
	(49,499,222)	(17,054,699)
Net Increase/(Decrease) in Cash and Short-Term Investments During the Year	4,611,908	9,015,792
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 27,189,565	$ 22,577,657
Cash and Short-Term Investments comprise of:		
Cash	$ 78,170	$ 5,748
Short-Term Investments	27,111,395	22,571,909
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 27,189,565	$ 22,577,657

The notes are an integral part of the Financial Statements.

Statement of Investments

January 31, 2009

	Number of Shares/ Par Value	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 0.92% - March 5, 2009	980,000	$ 978,039	**$ 978,039**	
Government of Canada, 1.20% - March 19, 2009	1,005,000	1,001,774	**1,001,774**	
Government of Canada, 0.70% - April 16, 2009	500,000	499,150	**499,150**	
Government of Canada, 0.80% - April 30, 2009	1,845,000	1,841,255	**1,841,255**	
Province of Ontario, 2.04% - February 27, 2009	1,250,000	1,243,400	**1,243,400**	
Total Treasury Bills		**5,563,618**	**5,563,618**	20.3%
Bankers' Acceptances				
National Bank of Canada, 3.25% - March 11, 2009	3,000,000	2,954,220	**2,954,220**	
The Bank of Nova Scotia, 3.20% - March 10, 2009	3,000,000	2,955,180	**2,955,180**	
Total Bankers' Acceptances		**5,909,400**	**5,909,400**	21.5%
Discount Commercial Paper				
Canadian Wheat Board, USD, 0.58% - February 27, 2009	1,775,000	2,180,002	**2,197,470**	
Export Development Corporation, USD, 0.57% - April 1, 2009	1,640,000	2,012,519	**2,029,918**	
Export Development Corporation, USD, 0.12% - June 15, 2009	250,000	300,857	**309,776**	
Total Discount Commercial Paper		**4,493,378**	**4,537,164**	16.5%
Bonds				
Export Development Corporation, 5.000% - February 9, 2009	11,095,000	**11,104,985**	**11,101,213**	40.4%
		$ 27,071,381	**$ 27,111,395**	**98.7%**
Accrued Interest			**348,935**	**1.3%**
TOTAL SHORT-TERM INVESTMENTS		**$ 27,071,381**	**$ 27,460,330**	**100.0%**
INVESTMENTS				
Canadian Common Shares				
Energy				
EnCana Corporation	4,000	$ 307,492	**$ 218,280**	
Imperial Oil Ltd.	5,000	250,350	**194,400**	
Total Energy		**557,842**	**412,680**	34.0%
Industrials				
SNC-Lavalin Group Inc.	4,200	**216,668**	**145,320**	12.0%
Materials				
Goldcorp Inc.	9,500	371,867	**343,805**	
Kinross Gold Corporation	10,000	179,543	**216,800**	
Total Materials		**551,410**	**560,605**	46.2%
Total Canadian Common Shares		**$ 1,325,920**	**$ 1,118,605**	**92.2%**

The notes are an integral part of the Financial Statements.

Statement of Investments

January 31, 2009

	Average Cost	Fair Value	% of Portfolio
INVESTMENTS (continued)			
Forward Exchange Contracts			
Sold USD $1,800,000, Bought CAD $2,261,534 @ 0.79592 - February 4, 2009		$ 29,695	
Bought USD $1,800,000, Sold CAD $2,215,630 @ 0.81241 - February 4, 2009		16,208	
Sold USD $700,000, Bought CAD $849,453 @ 0.82406 - February 18, 2009		(18,646)	
Bought USD $500,000, Sold CAD $615,900 @ 0.81182 - February 18, 2009		4,170	
Sold USD $1,600,000, Bought CAD $2,012,629 @ 0.79498 - March 4, 2009		28,109	
Sold USD $1,600,000, Bought CAD $2,011,996 @ 0.79523 - March 18, 2009		27,427	
Sold USD $300,000, Bought CAD $380,069 @ 0.78933 - April 1, 2009		7,958	
Total Forward Exchange Contracts		$ 94,921	7.8%
Adjustment for transaction fees	(659)		
TOTAL INVESTMENTS	$ 1,325,261	$ 1,213,526	100.0%

The notes are an integral part of the Financial Statements.

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, 2013 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.

Prior to December 12, 2007, the Fund's investment objectives were to:

(i) provide Preferred shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price;

(ii) provide Class A shareholders with all excess realized income of the Fund as each fiscal year end; and

(iii) return, at a minimum, the original issue prices of the shares to shareholders at the termination of the Fund.

On December 12, 2007, shareholders voted in favour of a proposal (the "Proposal") to:

(a) in respect of both classes of shares:

(i) extend the ultimate redemption date of the Class A Shares and the Preferred Shares for an additional term of five years;

(ii) provide holders of Class A Shares and Preferred Shares with a special retraction right (the ''Special Retraction Right'') to enable such holders to redeem their shares on January 31, 2008 on the same terms that would have applied had the Fund redeemed all Class A Shares and Preferred Shares in accordance with the existing terms of the shares; and

(iii) change the Fund's investment restrictions to permit the Fund to invest up to a maximum of 40 percent of its net assets in common shares issued by companies selected from the S&P 100 Index and to eliminate the rating agency requirements originally adopted with respect to portfolio investments because the Priority Equity Shares will not be rated;

(b) in respect of the Class A Shares:

(i) acknowledge that the Fund proposes to pay dividends on the Class A Shares in an amount initially targeted to be approximately 10 percent of the net asset value of a Class A Share;

(ii) authorize the Fund to pay a service fee on the Class A Shares of 0.40 percent per annum of the value of the Class A Shares;

(iii) in connection with the Special Retraction Right, in order to maintain the same number of Class A Shares and Priority Equity Shares outstanding, authorize the Fund to consolidate the Class A Shares; and

(iv) allocate all costs of the Reorganization, consisting primarily of soliciting dealer and financial advisory fees, to the holders of the Class A shares that remain outstanding after the Reorganization;

(c) in respect of the Preferred Shares:

(i) change the name of the Preferred Shares to ''Priority Equity Shares'';

(ii) adopt a portfolio protection plan for holders of Priority Equity Shares;

(iii) set the dividend rate on the Priority Equity Shares at 5.50 percent per annum on the $15.00 original issue price and eliminate the capital gains gross-up portion of the dividend entitlement;

(iv) in connection with the Special Retraction Right, in order to maintain the same number of Class A Shares and Priority Equity Shares outstanding, provide the Fund with the ability to redeem such shares on a pro rata basis; and

(d) make other changes consequential to the foregoing,

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 Index. The Fund may invest up to 40 percent of the cost amount of its assets in common shares issued by some or all of a group of corporations selected from the S&P 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).

Foreign exchange forward contracts may be used to hedge the Fund's exposure to potential fluctuations in foreign exchange. The hedging strategy can include the hedging of all or a portion of the currency exposure of an existing investment or group of investments and will vary based upon the manager's assessment of market conditions. There can be no assurance that the use of foreign exchange forward contracts will be effective. Losses may arise due to changes in the value of the foreign currency or if the counterparty does not perform under the contract.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with generally Canadian accepted accounting principles ("Canadian GAAP"), 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 Fund has adopted, effective February 1, 2007, the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855 "Financial Instruments - Recognition and Measurement". The standard requires that the fair value of securities which are traded in active markets be measured based on bid price and transaction fees, such as brokerage commissions, incurred in the purchase or sale of securities by the Fund be charged to net income in the period incurred. The standard has been adopted retrospectively with no restatement of prior periods' comparative amounts.

As a result of the adoption of the standard, the Fund recorded a transition adjustment to the 2008 opening net assets in the amount of $85,775. This transition adjustment represents the adjustment to fair value of investments from the closing sale price to the closing bid price as of January 31, 2007.

The significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair value determined as follows:

Securities are valued at fair value, which is determined by the closing bid price on the recognized stock exchange on which the securities are listed or principally traded. If no bid prices are available, the securities are valued at the closing sale price.

Short-term investments are included in the statement of investments at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value at bid price.

Listed options are valued at fair values as reported on recognized exchanges. Over the counter options are valued using the Black-Scholes 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.

Transaction Fees

Transaction fees have been expensed as incurred and included in the transaction fees line in the Statement of Operations and Deficit. Transaction fees are costs that are directly attributable to portfolio transactions which include fees and commissions paid to brokers and dealers.

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.

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

Redeemable Priority Equity Shares

Each Redeemable Priority Equity 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 Priority Equity shares outstanding.

Premium on Priority Equity Shares

Premium on Priority Equity shares net of issue costs was amortized until January 31, 2008. The premium on Priority Equity 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.

New Accounting Standards

Commencing February 1, 2008, the Fund adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments - Disclosures" and Section 3863, "Financial Instruments - Presentation". The new standards replace Section 3861 "Financial Instruments - Disclosure and Presentation". The new disclosure standards increase the emphasis on the disclosure on the nature and extent of risks associated with financial instruments and how those risks are managed. The previous requirements related to presentation of financial instruments have been carried forward relatively unchanged. Adoption of the new standards does not impact the net asset value for pricing purposes, nor the calculation of net assets. These expanded disclosures are found in Note 9.

Effective February 1, 2008, the Fund also adopted CICA Handbook Section 1535, "Capital Disclosures" which specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The adoption of Section 1535 did not have a significant impact on the Fund's disclosures as: (i) the Fund's objectives, policies and processes for managing capital are described in Note 1; (ii) information on the Fund's shareholders' equity is described in Note 4 and Note 7; and (iii) the Fund does not have any externally imposed capital requirements.

3. Net Asset Value

The Canadian securities regulatory authorities have published amendments to NI 81-106 that remove the requirement that net asset value be calculated in accordance with Canadian GAAP effective September 8, 2008. As a result of the amendments, the Net Asset Value of the Fund will continue to be calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). The adoption of these new rules will result in a different Net Assets per Unit for financial reporting purposes and Net Asset Value per Unit due to the use of different valuation techniques. The Net Asset Value per Unit at January 31 is as follows:

	2009	2008
Net Asset Value (for pricing purposes)	**$15.29**	$20.48

4. Share Capital

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

All Priority Equity shares and Class A shares outstanding on February 1, 2013 will be redeemed by the Fund on that date, unless otherwise determined by a majority vote of each class of shareholders.

Priority Equity shares and Class A shares may be surrendered at any time for retraction at specified retraction amounts. Holders of Priority Equity shares and Class A shares may concurrently retract one Priority Equity 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 Priority Equity shares and Class A shares tendered for retraction. The Priority Equity 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.

Holders of Priority Equity shares and Class A shares were provided with a special retraction right to enable such holders to redeem their shares on January 31, 2008 on the same terms that would have applied had the Fund redeemed all Class A shares and Priority Equity shares in accordance with the previously existing terms of the shares. In connection with the special retraction right, in order to maintain the same number of Class A shares and Priority Equity shares outstanding. The Fund redeemed 219,779 Priority Equity shares on a pro-rata basis.

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. Priority Equity shares and Class A shares are entitled to vote on certain shareholder matters.

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

During the year, 270,175 Units (2008 - 2,375,253 Units) were redeemed.

Issued and Outstanding

	2009	2008
1,839,191 Priority Equity shares (2008 – 2,109,366)	**$ 27,587,865**	**$ 31,640,490**
1,839,191 Class A shares (2008 – 2,109,366)	**$ 21,047,856**	$ 24,408,901
1,000 Class B shares (2008 – 1,000)	**1,000**	1,000
	$ 21,048,856	**$ 24,409,901**

Under the terms of the normal course issuer bid that was renewed in November 2008, the Fund proposes to purchase, if considered advisable, up to a maximum of 196,678 Class A shares (2008 - 426,762) and up to a maximum of 196,678 Priority Equity shares (2008 - 426,762) 10 percent of its public float as determined in accordance with the rules of the Toronto Stock Exchange. The purchases would be made in the open market through facilities of the Toronto Stock Exchange. The normal course issuer bid will remain in effect until the earlier of November 12, 2009 or until the Fund has purchased the maximum number of shares permitted under the bid. As at January 31, 2009, nil shares (2008 - nil) 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.

5. 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 Priority Equity share liability.

The Fund will pay a service fee which will be paid to each dealer whose clients hold Class A shares. The service fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40 percent annually of the net asset value of the Class A shares held by clients of the dealer.

6. 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 2009 or 2008.

Accumulated non-capital losses of approximately $1.8 million (2008 - $1.2 million) and capital losses of approximately $13.7 million (2008 - $3.6 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire as follows:

Expiration Date	Amount
2010	$ 0.8
2015	0.4
2029	0.6
Total	**$ 1.8**

Issue costs of approximately $1.0 million (2008 – 1.7 million) remain undeducted for tax purposes at year end.

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.

7. Distributions

The dividend rate set on Priority Equity shares is 5.50 percent per annum per share on the $15.00 original issue price payable on the last day of April, July, October and January in each year. Until January 11, 2008, to the extent that a quarterly dividend is a capital gains dividend funded by net realized capital gains or option premiums, holders of Priority Equity shares received an additional capital gains dividend of $0.068 for each $1.00 of Priority Equity share dividend so funded. After this date the capital gains gross-up portion of the dividend entitlement was eliminated.

8. Transaction Fees

Total transaction fees paid for the year ended January 31, 2009 in connection with portfolio transactions were $113,962 (2008 - $132,129). Of this amount $52,477 (2008 - $82,648) was directed for payment of trading related goods and services.

9. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, receivables, payables, investments and certain derivative contracts. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests The most important risks include other price risk, liquidity risk, interest rate risk, currency risk and credit risk.

These risks and related risk management practices employed by the Fund are discussed below:

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to other price risk arises from its investments in equity securities. Net Asset Value per unit varies as the value of the securities in the Portfolio varies. The Fund has no control over the factors that affect the value of the securities in the Portfolio. The Fund's market risk is managed by following the objectives of the Fund.

Approximately 4 percent of the Fund's net assets, excluding the Redeemable Priority Equity share liability, held at January 31, 2009 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at January 31, 2009, the net assets, excluding the Redeemable Priority Equity share liability, of the Fund would have increased or decreased by $0.1M respectively or 0.4 percent of the net assets, excluding the Redeemable Priority Equity share liability, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Fund may 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 is subject to the full risk of its investment position in securities that are subject to outstanding call options and those securities underlying put options written by the Fund, should the market price of such securities decline. In addition, the Fund will not participate in any gain on the securities that are subject to outstanding call options above the strike price of such options. The Fund may also purchase put options. The Fund has full downside risk on invested positions which may be partially mitigated by the use of purchased put options. The risk to the Fund with respect to purchased put options is limited to the premiums paid to purchase the put options.

Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests a majority of its assets in investments that are traded in an active market and can be easily disposed of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

Cash is required to fund redemptions. Shareholders must surrender shares at least 5 business days prior to the last day of the month and receive payment on or before 8 business days following the month end valuation date. Therefore the Fund has a maximum of 13 business days to generate sufficient cash to fund redemptions mitigating any liquidity issues.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a financial instrument. The financial instruments which potentially expose the Fund to interest rate risk are the short term fixed income securities. The Fund has minimal sensitivity to changes in rates since securities are usually held to maturity and are short-term in nature.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Portfolio includes securities denominated in foreign currencies. The net asset value of the Fund and the value of the dividends and option premiums received by the Fund will be affected by fluctuations in the value of the foreign currencies relative to the Canadian dollar. The Fund uses foreign exchange contracts to actively hedge the majority of its foreign currency exposure.

Approximately 0.3 percent of the Fund's net assets, excluding the Redeemable Priority share liability, held at January 31, 2009 were held in securities denominated in U.S. currency. If the Canadian dollar weakened or strengthened by 1 percent in relation to the U.S. currency, the net assets, excluding the Redeemable Priority share liability, of the Fund would have increased or decreased, by approximately $1.0k respectively or zero percent of the net assets, excluding the Redeemable Priority share liability, with all other factors remaining constant.

Credit Risk

In entering into derivative financial instruments, the Fund 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. The Fund manages these risks through the use of various risk limits and trading strategies.

The credit risk is mitigated by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102.

The following are the credit ratings for the counterparties to derivative financial instruments that the Fund dealt with at year end, based on Standard & Poor's credit rating as of January 31, 2009:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Royal Bank of Canada	AA-	A-1+
The Toronto-Dominion Bank	AA-	A-1+

The following are credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of January 31, 2009:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bonds	A-1+	41%
Bankers' Acceptances	A-1	22%
Treasury Bills	A-1+	20%
Discount Commercial Paper	A-1+	17%
Total		**100%**

The carrying amount of these investments represents their maximum credit risk exposure, as they will be settled in the short term.

10. Future Accounting Policy Changes

The Manager is developing a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants ("CICA") for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include disclosures of the qualitative impact in the 2009 annual financial statements, the disclosures of the quantitative impact, if any, in the 2010 and 2011 financial statements and the preparation of the 2012 financial statements in accordance with IFRS with comparatives. The current impact based on the Fund's management's understanding of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosures in the financial statements of the Fund.

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 an Audit Committee. The Audit Committee consists of three members, two 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.

Independent Review Committee

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107"). NI 81-107 requires all publicly offered investment funds to establish an independent review committee ("IRC") to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions.

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, Michael M. Koerner, and effective January 1, 2009, Robert G. Bertram.

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, 2008 to January 31, 2009	
MULVIHILL PLATINUM			
Mulvihill *Government Strip Bond Fund*	GSB.UN	$ 23.55	$ 20.08
Mulvihill Pro-AMS *U.S. Fund*	PAM.UN	$ 24.55	$ 21.81
Mulvihill Pro-AMS *RSP Split Share Fund*	SPL.A/SPL.B	$ 9.11/$17.95	$ 7.15/$14.79
MULVIHILL PREMIUM			
Mulvihill *Core Canadian Dividend Fund*	CDD.UN	$ 9.94	$ 4.02
Mulvihill Premium *Canadian Fund*	FPI.UN	$ 17.99	$ 10.00
Mulvihill Premium *Global Plus Fund*	GIP.UN	$ 9.66	$ 5.41
Mulvihill Premium *Canadian Bank Fund*	PIC.A/PIC.PR.A	$ 8.15/$15.49	$ 1.87/$10.58
Mulvihill Premium *Split Share Fund*	MUH.A/MUH.PR.A	$ 6.30/$15.18	$ 0.69/$10.28
Mulvihill *S Split Fund*	SBN/SBN.PR.A	$ 11.48/$10.48	$ 3.51/$ 7.51
Mulvihill *Top 10 Canadian Financial Fund*	TCT.UN	$ 13.50	$ 8.01
Mulvihill *Top 10 Split Fund*	TXT.UN/TXT.PR.A	$ 8.04/$12.99	$ 1.31/$10.00
Mulvihill *World Financial Split Fund*	WFS/WFS.PR.A	$ 8.70/$10.75	$ 1.19/$ 6.66

Board of Directors

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela[1]
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner[1,2]
Corporate Director

Robert W. Korthals[1,2]
Corporate Director

Robert G. Bertram[2,3]
Corporate Director

[1] *Audit Committee*
[2] *Independent Review Committee*
[3] *Effective January 1, 2009*

Information

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trading under
MUH.A/MUH.PR.A

Custodian:
RBC Dexia Investor Services
Royal Trust Tower
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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 *RSP Split Share Fund*

Mulvihill Premium

Mulvihill *Core Canadian Dividend Fund*
Mulvihill Premium *Canadian Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill *S Split Fund*
Mulvihill *Top 10 Canadian Financial Fund*
Mulvihill *Top 10 Split Fund*
Mulvihill *World Financial Split Fund*

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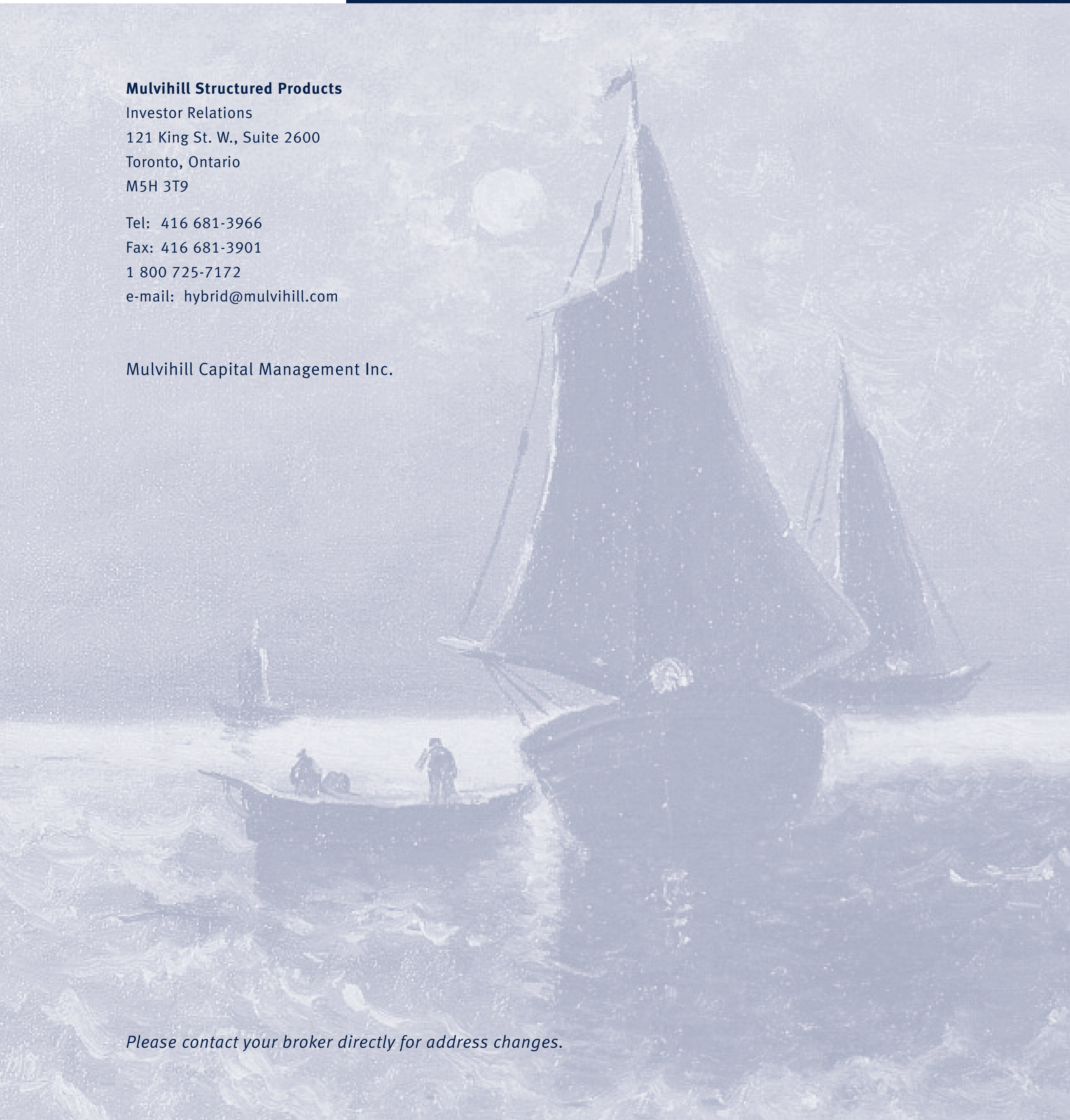

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