

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2006

**Mulvihill Premium *Split Share Fund***

MCM Split Share Corporation



## 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 six months ended July 31, 2006 of MCM Split Share Corporation, which operates as Mulvihill Premium Split Share Fund (the “Fund”). The July 31, 2006 semi-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](http://www.mulvihill.com). You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

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.

## Mulvihill Premium Split Share Fund

### Management Report on Fund Performance

#### Summary of Investment Portfolio

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at [www.mulvihill.com](http://www.mulvihill.com).

#### Asset Mix

July 31, 2006

	% of Net Assets*
Financials	27%
Cash and Short-Term Investments	27%
Materials	15%
Energy	8%
Information Technology	6%
Consumer Discretionary	5%
Utilities	4%
Consumer Staples	3%
Industrials	3%
Health Care	2%
	100%

\* Net Assets exclude the Preferred share liability.

#### Top 25 Holdings

July 31, 2006

	% of Net Assets*
Cash and Short-Term Investments	27%
Manulife Financial Corporation	5%
The Toronto-Dominion Bank	5%
Teck Cominco Ltd. Cl B	5%
Royal Bank of Canada	4%
Sun Life Financial Services of Canada Inc.	4%
TransCanada Corp.	4%
Imperial Oil Ltd.	3%
Merrill Lynch & Co., Inc.	3%
Hewlett-Packard Company	3%
PepsiCo Inc.	3%
Canadian Natural Resources Ltd.	3%
Texas Instruments Incorporated	3%
Cameco Corporation	3%
Rogers Communications Inc., Class B	3%
Goldcorp Inc.	3%
Canadian National Railway Company	3%
Glamis Gold Ltd.	2%
Thomson Corporation	2%
Alcan Inc.	2%
EnCana Corporation	2%
Citigroup Inc.	2%
Amgen Inc.	2%
The Bank of Nova Scotia	2%
Bank of America Corporation	2%
	100%

\* Net Assets exclude the Preferred share liability.

## **Mulvihill Premium Split Share Fund**

### **Management Report on Fund Performance**

#### **Results of Operations**

For the six months ended July 31, 2006, the net asset value of the Fund was \$23.21 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 July 31, 2006 at \$15.23 per share. The Fund's Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed on July 31, 2006 at \$7.86 per share.

Distributions totalling \$0.43 per share were made to the Preferred shareholders during the first six months of the fiscal period, maintaining a 5.5 percent yield based on the initial price of the shares. Distributions totalling \$0.60 per share were made to the Class A shareholders.

The U.S. dollar continued to underperform the Canadian dollar, which was lifted by strong commodity prices such as oil, gold, and copper. The Fund actively hedged its U.S. dollar exposure against fluctuations in the exchange rate for Canadian dollars.

The S&P/TSX 60 Index total return for six months ending July 31, 2006 was 0.1 percent. Returns for the first three months of this period were strong from the materials sector, which posted excellent results from strong price appreciation in commodities such as copper, zinc, nickel, and gold. Also contributing positively to the index return was the performance of the energy and industrial sectors. However, we did see a correction in the markets in May and June that essentially left the markets flat for this six-month period. In terms of foreign markets, the S&P 100 Index rose 1.7 percent in Canadian dollars. The six-month return for the Fund in Canadian dollars including distributions was 0.5 percent.

# Mulvihill Premium Split Share Fund

## Management Report 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. The information for the

	Six months ended July 2006
<b>DATA PER UNIT</b>	
<b>Net Asset Value, beginning of period<sup>(1)</sup></b>	<b>\$ 24.12</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	
Total revenue	0.23
Total expenses	(0.19)
Realized gains (losses) for the period	2.03
Unrealized gains (losses) for the period	(1.93)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>0.14</b>
<b>DISTRIBUTIONS</b>	
<b>Preferred Shares</b>	
From investment income	(0.16)
From taxable income	-
From capital gains	(0.27)
<b>Total Preferred Share Distributions</b>	<b>(0.43)</b>
<b>Class A Shares</b>	
From investment income	-
From taxable income	-
From capital gains	(0.60)
<b>Total Class A Share Distributions</b>	<b>(0.60)</b>
<b>Total Distributions<sup>(3)</sup></b>	<b>(1.03)</b>
<b>Net Asset Value, end of period<sup>(1)</sup></b>	<b>\$ 23.21</b>

(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 the liability for the Redeemable Preferred shares and unamortized premium on the issue of 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

Six months ended  
July 2006

### RATIOS/SUPPLEMENTAL DATA

Net Assets, excluding liability for Redeemable Preferred shares and unamortized premium on issue of Preferred shares (\$millions)	\$ 105.10
Net Assets (\$millions)	\$ 37.17
Number of units outstanding	4,526,116
Management expense ratio <sup>(1)</sup>	1.61% <sup>(4)</sup>
Portfolio turnover rate <sup>(2)</sup>	70.85%
Trading expense ratio <sup>(3)</sup>	0.15%
Closing market price - Preferred	\$ 15.23
Closing market price - Class A	\$ 7.86

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes and capital taxes but excluding income taxes and Class A share distributions, charged to the Fund to average net assets, excluding the liability for the Redeemable Preferred shares and unamortized premium on the issue of Preferred shares.

(2) 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.

## Mulvihill Premium Split Share Fund

### Management Report on Fund Performance

years ended January 31 is derived from the Fund's audited annual financial statements.

Information for the period ended July 31, 2006 is derived from the Fund's unaudited semi-annual financial statements.

		Years ended January 31				
		2006	2005	2004	2003	2002
\$	23.76	\$ 25.47	\$ 23.48	\$ 27.59	\$ 29.57	
	0.40	0.38	0.46	0.68	0.91	
	(0.37)	(0.40)	(0.38)	(0.41)	(0.47)	
	1.35	1.44	1.97	(4.42)	2.44	
	0.97	(1.09)	1.87	2.09	(2.50)	
	<b>2.35</b>	<b>0.33</b>	<b>3.92</b>	<b>(2.06)</b>	<b>0.38</b>	
	(0.29)	-	-	-	-	
	-	(0.71)	(0.83)	(0.41)	(0.28)	
	(0.57)	(0.13)	-	(0.44)	(0.58)	
	<b>(0.86)</b>	<b>(0.84)</b>	<b>(0.83)</b>	<b>(0.85)</b>	<b>(0.86)</b>	
	-	-	-	(0.30)	-	
	-	(0.83)	(1.20)	-	-	
	(1.20)	(0.37)	-	(0.90)	(1.50)	
	<b>(1.20)</b>	<b>(1.20)</b>	<b>(1.20)</b>	<b>(1.20)</b>	<b>(1.50)</b>	
	<b>(2.06)</b>	<b>(2.04)</b>	<b>(2.03)</b>	<b>(2.05)</b>	<b>(2.36)</b>	
\$	24.12	\$ 23.76	\$ 25.47	\$ 23.48	\$ 27.59	

share distributions, and is calculated based on the weighted average number of units outstanding during the period. 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 period.

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

		Years ended January 31				
		2006	2005	2004	2003	2002
\$	109.18	\$ 120.58	\$ 83.80	\$ 77.26	\$ 90.87	
\$	41.22	\$ 44.37	\$ 34.45	\$ 27.90	\$ 41.47	
	4,527,116	5,075,565	3,290,565	3,290,565	3,293,415	
	1.55%	1.62%	1.56%	1.65%	1.69%	
	235.18%	197.79%	175.26%	97.00%	42.80%	
	0.28%	0.25%	0.39%	0.24%	0.14%	
\$	15.45	\$ 15.87	\$ 15.99	\$ 15.70	\$ 15.30	
\$	8.06	\$ 9.08	\$ 11.19	\$ 8.50	\$ 13.75	

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.

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

(4) Annualized.

## Mulvihill Premium Split Share Fund

### Management Report on Fund Performance

#### Management Fees

Mulvihill Capital Management (“MCM”) is entitled to fees under the Investment 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 liability shares. Services received under the Investment Management Agreement include the making of all investment decisions and the 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, including the Redeemable Preferred shares. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

#### Recent Developments

Rising corporate profits and cash flows are expected to be supportive of Canadian equities in 2006. With continued above-trend GDP growth, moderate inflation and good liquidity, we expect positive returns from the markets. Recent economic reports from Europe and Japan have been encouraging, and with China and India showing no signs of a slowdown, we expect the commodity sectors to outperform, although perhaps not to the same extent as in 2005. With corporate cash flow strong around the world, this should fuel increased capital expenditures, share buybacks, and increased merger and acquisition activity in 2006. Risks to the market include rising interest rates, increased labour costs and high input prices potentially squeezing margins. Also, the flattening of the yield curve and increasing potential of yield curve inversion suggest the potential for an economic slowdown later in 2006 or 2007.

The Fund continues to be positioned with favourable exposure to the energy and materials sectors as we see such companies as EnCana Corporation, Imperial Oil Ltd., Suncor Energy Inc., and Teck Cominco Ltd. generating solid growth in earnings and cash flow going forward. Also within the materials sector, we are overweight in gold with exposure to such names as Glamis Gold Ltd. and Goldcorp Inc. Other sectors we have exposure to include industrials and financial services with such names as Canadian National Railway Company, Manulife Financial Corporation, The Toronto-Dominion Bank in Canada and Merrill Lynch & Co., Inc. in the U.S. In the technology sector, we are overweight within the U.S. market as the fundamentals appear stronger when compared to their Canadian counterparts. The names we have exposure to include Hewlett-Packard Company and Texas Instruments Incorporated.



# Mulvihill Premium Split Share Fund

## Management Report on Fund Performance

### Past Performance

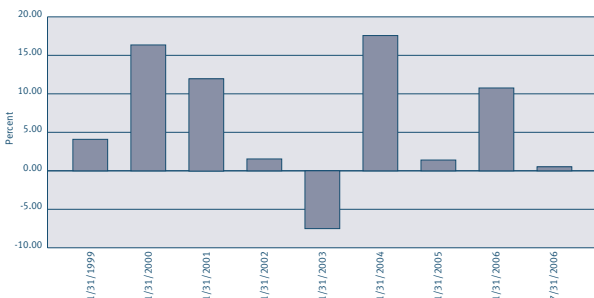
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

- 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 for each of the past eight years as well as for the six month period ended July 31, 2006 has varied from period to period. 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, or July 31, 2006 for the six months then ended.

### Annual Total Return



### 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.

## Mulvihill Premium Split Share Fund

### Management's Responsibility for Financial Reporting

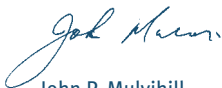
The accompanying financial statements of MCM Split Share Corp. (operating as Mulvihill Premium Split Share Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager") and have been approved by the Board 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 semi-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 for the year ended January 31, 2006.

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, the Fund's independent auditors, has full and unrestricted access to the Audit Committee and the Board.

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by Canadian Institute of Chartered Accountants.



John P. Mulvihill  
Director  
Mulvihill Fund Services Inc.



Sheila S. Szela  
Director  
Mulvihill Fund Services Inc.

September 2006

# Mulvihill Premium Split Share Fund

## Financial Statements

### Interim Statements of Financial Position

	July 31, 2006 (Unaudited)	January 31, 2006 (Audited)
<b>ASSETS</b>		
Investments at market value (cost - \$79,614,302; January 31, 2006 - \$94,045,566)	<b>\$ 77,029,264</b>	\$ 100,205,384
Short-term investments (cost - \$28,174,938; January 31, 2006 - \$14,910,270)	<b>28,173,965</b>	14,910,756
Cash	<b>18,288</b>	9,576
Interest and dividends receivable	<b>120,104</b>	191,715
Due from brokers - derivatives	<b>67,021</b>	-
Due from brokers - investments	-	4,205,734
<b>TOTAL ASSETS</b>	<b>\$ 105,408,642</b>	<b>\$ 119,523,165</b>
<b>LIABILITIES</b>		
Due to brokers - derivatives	<b>\$ 180,449</b>	\$ -
Due to brokers - investments	-	2,670,918
Accrued liabilities	<b>130,362</b>	146,430
Redemptions payable	-	7,525,995
	<b>310,811</b>	<b>10,343,343</b>
Redeemable preferred shares	<b>67,891,740</b>	67,906,740
Unamortized premium on issue of preferred shares	<b>37,039</b>	49,385
	<b>68,239,590</b>	<b>78,299,468</b>
<b>EQUITY</b>		
Class A and Class B shares	<b>55,128,161</b>	55,136,743
Deficit	<b>(17,959,109)</b>	(13,913,046)
	<b>37,169,052</b>	<b>41,223,697</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 105,408,642</b>	<b>\$ 119,523,165</b>
<b>Number of Units Outstanding</b>	<b>4,526,116</b>	<b>4,527,116</b>
<b>Net Asset Value per Unit</b>		
Class A share	<b>\$ 8.2055</b>	\$ 9.1169
Preferred share	<b>15.0000</b>	15.0000
	<b>\$ 23.2055</b>	<b>\$ 24.1169</b>

## Mulvihill Premium Split Share Fund

### Financial Statements

#### Interim Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2006	2005
<b>REVENUE</b>		
Dividends, net of foreign exchange	\$ 797,969	\$ 929,335
Interest, net of foreign exchange	251,874	221,539
Withholding taxes	(18,749)	(32,938)
	<b>1,031,094</b>	<b>1,117,936</b>
Net realized gains (losses) on investments	4,818,688	(1,474,388)
Net realized gains on derivatives	4,371,941	4,664,622
Net realized losses on short-term investments	(5,758)	-
<b>Total Net Realized Gains</b>	<b>9,184,871</b>	<b>3,190,234</b>
<b>TOTAL REVENUE</b>	<b>10,215,965</b>	<b>4,308,170</b>
<b>EXPENSES</b>		
Management fees	669,129	744,621
Administrative and other expenses	55,711	66,365
Custodian fees	23,923	29,635
Audit fees	16,804	10,600
Director fees	10,363	9,134
Legal fees	6,172	6,692
Shareholder reporting costs	21,673	16,247
Capital tax	9,188	-
Goods and services tax	53,262	61,371
<b>TOTAL EXPENSES</b>	<b>866,225</b>	<b>944,665</b>
<b>Net Realized Income before Distributions</b>	<b>9,349,740</b>	<b>3,363,505</b>
Preferred share distributions	(1,946,166)	(2,188,109)
<b>Net Realized Income</b>	<b>7,403,574</b>	<b>1,175,396</b>
Change in unrealized appreciation/depreciation of investments	(8,744,856)	(361,309)
Change in unrealized appreciation/depreciation of short-term investments	(1,457)	(13,670)
<b>Total Change in Unrealized Appreciation/Depreciation</b>	<b>(8,746,313)</b>	<b>(374,979)</b>
<b>Amortization of Premium on Issue of Preferred Shares</b>	<b>12,346</b>	<b>12,346</b>
<b>NET INCOME (LOSS)</b>	<b>\$ (1,330,393)</b>	<b>\$ 812,763</b>
<b>NET INCOME (LOSS) PER CLASS A SHARE</b> (based on the weighted average number of Class A shares outstanding during the period of 4,526,320; 2005 - 5,075,565)		
	<b>\$ (0.2939)</b>	<b>\$ 0.1601</b>
<b>DEFICIT</b>		
Balance, beginning of period	\$ (13,913,046)	\$ (15,468,688)
Net income (loss)	(1,330,393)	812,763
Distributions on Class A shares	(2,715,670)	(3,045,339)
<b>BALANCE, END OF PERIOD</b>	<b>\$ (17,959,109)</b>	<b>\$ (17,701,264)</b>

# Mulvihill Premium Split Share Fund

## Financial Statements

### Interim Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2006	2005
NET ASSETS, BEGINNING OF PERIOD	\$ 41,223,697	\$ 44,368,498
Net Realized Income before Distributions	9,349,740	3,363,505
<b>Class A Share Capital Transactions</b>		
Amount paid for units redeemed	(8,582)	–
<b>Amortization of Premium on Issue of Preferred Shares</b>	12,346	12,346
<b>Distributions</b>		
Preferred shares	(1,946,166)	(2,188,109)
Class A shares	(2,715,670)	(3,045,339)
	(4,661,836)	(5,233,448)
<b>Change in Unrealized Appreciation/ Depreciation of Investments</b>	(8,746,313)	(374,979)
<b>Changes in Net Assets during the Period</b>	(4,054,645)	(2,232,576)
NET ASSETS, END OF PERIOD	\$ 37,169,052	\$ 42,135,922

The statement of changes in net assets excludes cash flows pertaining to redemptions of Preferred shares. During the period, amounts paid for the redemption of 1,000 Preferred shares totalled \$15,000 (2005 - nil).

### Interim Statements of Changes in Investments

For the six months ended July 31 (Unaudited)

	2006	2005
INVESTMENTS AT MARKET VALUE, BEGINNING OF PERIOD	\$ 100,205,384	\$ 84,806,895
Unrealized appreciation of investments, beginning of period	(6,159,818)	(1,243,223)
Investments at Cost, Beginning of Period	94,045,566	83,563,672
Cost of Investments Purchased during the Period	64,509,079	136,869,820
<b>Cost of Investments Sold during the Period</b>		
Proceeds from sales	88,130,972	124,641,840
Net realized gains on sales	9,190,629	3,190,234
	78,940,343	121,451,606
Investments at Cost, End of Period	79,614,302	98,981,886
Unrealized appreciation (depreciation) of investments, end of period	(2,585,038)	881,914
INVESTMENTS AT MARKET VALUE, END OF PERIOD	\$ 77,029,264	\$ 99,863,800

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statement of Investments

July 31, 2006 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
<b>SHORT-TERM INVESTMENTS</b>			
<b>Treasury Bills</b>			
Business Development Corporation, USD - August 22, 2006	110,000	\$ 125,242	\$ 123,806
Canadian Wheat Board, USD - August 23, 2006	550,000	619,712	618,479
Canadian Wheat Board, USD - October 10, 2006	575,000	638,477	641,140
Export Development Corporation, USD - August 9, 2006	220,000	243,464	246,844
Government of Canada - September 7, 2006	3,920,000	3,883,078	3,883,078
Government of Canada - October 5, 2006	20,080,000	19,901,016	19,901,016
<b>Total Treasury Bills</b>		<b>25,410,989</b>	<b>25,414,363</b>
<b>Canadian Bonds</b>			
Canada Mortgage & Housing Corp. - December 1, 2006	2,750,000	2,763,949	2,759,602
		<b>28,174,938</b>	<b>28,173,965</b>
<b>Accrued Interest</b>			<b>81,424</b>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>\$28,174,938</b>	<b>\$28,255,389</b>
<b>INVESTMENTS</b>			
<b>Canadian Common Shares</b>			
<b>Consumer Discretionary</b>			
Rogers Communications Inc., Class B	64,000	\$ 2,942,720	\$ 3,094,400
Thomson Corporation	58,000	2,523,870	2,596,660
<b>Total Consumer Discretionary</b>		<b>5,466,590</b>	<b>5,691,060</b>
<b>Energy</b>			
Canadian Natural Resources Ltd.	53,000	3,006,793	3,185,300
EnCana Corporation	38,000	2,234,153	2,319,520
Imperial Oil Ltd.	81,000	3,353,441	3,312,900
<b>Total Energy</b>		<b>8,594,387</b>	<b>8,817,720</b>
<b>Financials</b>			
Manulife Financial Corporation	154,000	5,529,210	5,496,260
Royal Bank of Canada	100,000	4,738,408	4,603,000
Sun Life Financial Services of Canada Inc.	100,000	4,588,642	4,319,000
The Bank of Nova Scotia	40,000	1,920,800	1,822,000
The Toronto-Dominion Bank	89,600	5,773,388	5,174,400
<b>Total Financials</b>		<b>22,550,448</b>	<b>21,414,660</b>
<b>Industrials</b>			
Canadian National Railway Company	63,000	3,421,865	2,869,650
<b>Materials</b>			
Alcan Inc.	46,000	2,663,167	2,374,060
Cameco Corporation	69,000	3,208,618	3,111,210
Glamis Gold Ltd.	65,000	2,837,250	2,698,800
Goldcorp Inc.	92,000	2,642,993	3,045,200
Teck Cominco Ltd. Cl B	67,000	4,653,168	5,018,300
<b>Total Materials</b>		<b>16,005,196</b>	<b>16,247,570</b>

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statement of Investments (continued)

July 31, 2006 (Unaudited)

	Number of Shares	Average Cost	Market Value
<b>INVESTMENTS (continued)</b>			
<b>Canadian Common Shares (continued)</b>			
<b>Utilities</b>			
TransCanada Corp.	110,000	4,089,558	3,822,500
<b>Total Canadian Common Shares</b>		<b>\$60,128,044</b>	<b>\$58,863,160</b>
<b>United States Common Shares</b>			
<b>Consumer Staples</b>			
PepsiCo Inc.	45,000	\$ 3,160,052	\$ 3,223,586
<b>Financials</b>			
Bank of America Corporation	30,000	1,628,219	1,747,253
Citigroup Inc.	39,000	2,269,376	2,129,493
Merrill Lynch & Co., Inc.	40,000	3,374,394	3,292,192
<b>Total Financials</b>		<b>7,271,989</b>	<b>7,168,938</b>
<b>Health Care</b>			
Amgen Inc.	27,000	2,630,223	2,128,238
<b>Information Technology</b>			
Hewlett-Packard Company	90,000	3,031,700	3,245,965
Texas Instruments Incorporated	93,000	3,366,233	3,130,273
<b>Total Information Technology</b>		<b>6,397,933</b>	<b>6,376,238</b>
<b>Total United States Common Shares</b>		<b>\$19,460,197</b>	<b>\$18,897,000</b>
<b>Forward Exchange Contracts</b>			
Sold USD \$1,723,000, Bought CAD \$1,932,026 @ 0.89181 - August 9, 2006			\$ (14,823)
Sold USD \$1,722,000, Bought CAD \$1,929,931 @ 0.89226 - August 9, 2006			(15,788)
Sold USD \$2,472,000, Bought CAD \$2,748,499 @ 0.89940 - August 16, 2006			(44,027)
Sold USD \$2,473,000, Bought CAD \$2,750,100 @ 0.89924 - August 16, 2006			(43,556)
Bought USD \$1,183,000, Sold CAD \$1,345,664 @ 0.87912 - August 16, 2006			(9,273)
Sold USD \$563,000, Bought CAD \$627,235 @ 0.89759 - August 23, 2006			(8,621)
Sold USD \$562,000, Bought CAD \$626,526 @ 0.89701 - August 23, 2006			(8,201)
Sold USD \$3,175,000, Bought CAD \$3,505,498 @ 0.90572 - September 6, 2006			(78,751)
Bought USD \$1,067,000, Sold CAD \$1,210,739 @ 0.88128 - September 6, 2006			(6,205)
Sold USD \$1,725,000, Bought CAD \$1,933,163 @ 0.89232 - September 20, 2006			(13,284)
Sold USD \$362,000, Bought CAD \$400,354 @ 0.90420 - October 4, 2006			(7,929)
Sold USD \$690,000, Bought CAD \$783,423 @ 0.88075 - October 11, 2006			5,379
<b>Total Forward Exchange Contracts</b>			<b>\$ (245,079)</b>

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statement of Investments (continued)

July 31, 2006 (Unaudited)

	Number of Contracts	Proceeds/ Average Cost	Market Value
INVESTMENTS (continued)			
OPTIONS			
<b>Purchased Put Options</b>			
Standard & Poor's 100 Index - August 2006 @ \$555 (1 share per contract)	2,300	\$ 15,938	\$ 2,329
Standard & Poor's 100 Index - August 2006 @ \$562 (1 share per contract)	3,300	17,010	529
Standard & Poor's 100 Index - October 2006 @ \$560 (1 share per contract)	2,600	22,898	14,180
Standard & Poor's 100 Index - October 2006 @ \$565 (1 share per contract)	3,000	31,867	20,364
S&P/TSX 60 Index - October 2006 @ \$628 (100 shares per contract)	62	125,984	48,611
S&P/TSX 60 Index - October 2006 @ \$634 (100 shares per contract)	160	270,400	137,375
S&P/TSX 60 Index - October 2006 @ \$648 (100 shares per contract)	135	223,749	176,059
<b>Total Purchased Put Options</b>		<b>707,846</b>	<b>399,447</b>
<b>Written Covered Call Options</b> (100 shares per contract)			
Amgen Inc. - August 2006 @ \$69	(135)	(21,389)	(28,764)
Bank of America Corporation - August 2006 @ \$52	(225)	(11,567)	(11,460)
Canadian National Railway Company - August 2006 @ \$48	(470)	(52,640)	(3,456)
EnCana Corporation - August 2006 @ \$56	(380)	(81,320)	(198,457)
Hewlett-Packard Company - August 2006 @ \$31	(900)	(140,600)	(119,858)
Manulife Financial Corporation - August 2006 @ \$36	(1,078)	(65,448)	(5,639)
Merrill Lynch & Co., Inc. - August 2006 @ \$71	(200)	(40,080)	(58,407)
PepsiCo Inc. - August 2006 @ \$64	(450)	(34,065)	(35,488)
Rogers Communications Inc., Class B - August 2006 @ \$47	(640)	(50,560)	(113,723)
Royal Bank of Canada - August 2006 @ \$45	(500)	(27,500)	(64,733)
Texas Instruments Incorporated - August 2006 @ \$30	(465)	(54,901)	(4,850)
The Bank of Nova Scotia - August 2006 @ \$46	(200)	(12,600)	(10,143)
The Toronto-Dominion Bank - August 2006 @ \$59	(448)	(34,545)	(21,084)
Thomson Corporation - August 2006 @ \$44	(580)	(26,680)	(93,015)
TransCanada Corp. - August 2006 @ \$33	(550)	(27,890)	(116,187)
<b>Total Written Covered Call Options</b>		<b>(681,785)</b>	<b>(885,264)</b>
<b>TOTAL OPTIONS</b>		<b>\$ 26,061</b>	<b>\$ (485,817)</b>
<b>TOTAL INVESTMENTS</b>		<b>\$79,614,302</b>	<b>\$77,029,264</b>



## Notes to Financial Statements

July 31, 2006

### 1. Basis of Presentation

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The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting standards (“GAAP”). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended January 31, 2006.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended January 31, 2006.

### 2. Comparative Figures

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

## **Mulvihill Premium *Split Share Fund***

### **Hybrid Income Funds**

#### **Managed by Mulvihill Structured Products**

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#### **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 Premium Canadian Fund*

*Mulvihill Premium Oil & Gas Fund*

*Mulvihill Premium 60 Plus Fund*

*Mulvihill Premium Canadian Bank Fund*

*Mulvihill Premium Global Plus Fund*

*Mulvihill Premium Split Share Fund*

*Mulvihill Premium Global Telecom Fund*

*Mulvihill World Financial Split Fund*

*Mulvihill Top 10 Canadian Financial Fund*

*Mulvihill Top 10 Split Fund*

### **Mutual Funds Managed by**

#### **Mulvihill Capital Management**

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*Mulvihill Canadian Money Market Fund*

*Mulvihill Canadian Bond Fund*

*Mulvihill Global Equity Fund*

*Premium Global Income Fund*

### **Head Office**

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Mulvihill Capital Management Inc.

121 King St. W., Suite 2600

Toronto, Ontario

M5H 3T9

Tel: 416 681-3966

1 800 725-7172

Fax: 416 681-3901

e-mail: [hybrid@mulvihill.com](mailto:hybrid@mulvihill.com)

Visit our website at [www.mulvihill.com](http://www.mulvihill.com) for additional information on all Mulvihill Hybrid Income Funds.





**Mulvihill**

[www.mulvihill.com](http://www.mulvihill.com)

**Mulvihill Structured Products**

Investor Relations

121 King St. W., Suite 2600

Toronto, Ontario

M5H 3T9

Tel: 416 681-3966

1 800 725-7172

Fax: 416 681-3901

e-mail: [hybrid@mulvihill.com](mailto:hybrid@mulvihill.com)

Mulvihill Capital Management Inc.

*Please contact your broker directly  
for address changes.*