

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2008

Mulvihill Premium *Split Share Fund*

MCM Split Share Corp.

Mulvihill Premium Split Share Fund

Message to Shareholders

We are pleased to present the semi-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 six-month period ended July 31, 2008, the Fund earned a total return of 0.36 percent. Distributions amounting to \$0.69 per Unit were paid during the six-month period, contributing to an overall decline in the net asset value from \$20.48 per Unit as at January 31, 2008 to \$19.86 per Unit as at July 31, 2008.

The longer-term financial highlights of the Fund are as follows:

	Years ended December 31					
	July 31, 2008	2007	2006	2005	2004	2003
Total Fund Return	0.36%	(1.53)%	3.28%	10.76%	1.40%	17.67%
Priority Equity Share Distribution Paid (annual target of \$0.8250 per share)	\$ 0.412500	\$ 0.848004	\$ 0.862270	\$ 0.861321	\$ 0.835481	\$ 0.825000
Class A Share Distribution Paid (annual target of 10 percent of net asset value)	\$ 0.281250	\$ 1.200000	\$ 1.200000	\$ 1.200000	\$ 1.200000	\$ 1.200000
Ending Net Asset Value per Unit (initial issue price was \$25.00 per unit)	\$ 19.86	\$ 20.48	\$ 22.81	\$ 24.12	\$ 23.76	\$ 25.47

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



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

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, 2008 of MCM Split Share Corp., which operates as Mulvihill Premium Split Share Fund (the “Fund”). The July 31, 2008 unaudited 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. You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

Mulvihill Premium Split Share Fund

Management Report on Fund Performance

Summary of Investment Portfolio

The composition of the 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.

Asset Mix

July 31, 2008

	% of Net Asset Value*
Cash and Short-Term Investments	21 %
Materials	20 %
Financials	18 %
Energy	13 %
Information Technology	12 %
Consumer Staples	8 %
Health Care	7 %
Industrials	3 %
Telecommunication Services	2 %
Other Assets (Liabilities)	(4)%
	100 %

* The Net Asset Value excludes the Priority Equity Share liability.

Portfolio Holdings

July 31, 2008

	% of Net Asset Value*
Cash and Short-Term Investments	21 %
Research In Motion Limited	6 %
Barrick Gold Corp.	5 %
Teck Cominco Ltd. Cl B	5 %
Kraft Foods Inc. - Class A	5 %
Suncor Energy, Inc.	5 %
Goldcorp Inc.	5 %
Johnson & Johnson	4 %
Kinross Gold Corporation	4 %
The Bank of Nova Scotia	4 %
Royal Bank of Canada	4 %
The Toronto-Dominion Bank	4 %
Imperial Oil Ltd.	4 %
Oracle Corp.	4 %
JPMorgan Chase & Co.	4 %
Shoppers Drug Mart Corporation	3 %
Microsoft Corp.	3 %
Manulife Financial Corporation	3 %
SNC-Lavalin Group Inc.	3 %
EnCana Corporation	2 %
Abbott Laboratories	2 %
Enbridge Inc.	2 %
Rogers Communications Inc., Class B	2 %
	104 %

* The Net Asset Value excludes the Priority Equity Share liability.

Management Report on Fund Performance

Results of Operations

For the six-month period ended July 31, 2008, the net asset value of the Fund for pricing purposes based on closing prices was \$19.86 per unit (see Note 3 to the financial statements) compared to \$20.48 per unit at January 31, 2008.

The Fund's Preferred shares, listed on the Toronto Stock Exchange as MUH.PR.A, closed on July 31, 2008 at \$14.50 per share. The Fund's Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed on July 31, 2008 at \$4.75 per share.

Distributions totalling \$0.4125 per share were made to the Preferred shareholders during the first six months of the fiscal period, maintaining at least a 5.5 percent yield based on the initial issue price of the shares. Distributions totalling \$0.28125 per share were made to the Class A shareholders.

The U.S. dollar was relatively flat against the Canadian dollar. The Fund continued to actively hedge 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, 2008 was 6.32 percent. The majority of this return was due to the Energy sector, which posted excellent results largely due to the strong price performance of Crude Oil and Natural gas. Also contributing positively to the index return was the performance of the Technology sector where Research In Motion Limited is a large weight and had a stellar 6 month performance. In terms of foreign markets, the S&P 100 Index fell 6.04 percent in Canadian dollars.

Over this six-month period the total return of the Fund in Canadian dollars including distributions was 0.36 percent. The reason for the underperformance of the Fund is its above market exposure to gold stocks within the Materials sector which sold off dramatically in the latter half of July and our decision to stay fully hedged against fluctuations in the U.S. dollar.

For more detailed information on the investment returns, please see the Annual Total Return bar graph on page 7.

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

	Six months ended July 2008
NET ASSETS PER UNIT	
Net Assets, beginning of period (based on bid prices)⁽¹⁾	\$ 20.46
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.28
Total expenses	(0.23)
Realized gains (losses) for the period	(0.25)
Unrealized gains (losses) for the period	0.30
Total Increase (Decrease) from Operations⁽²⁾	0.10
DISTRIBUTIONS	
Priority Equity Share	
From net investment income	(0.41)
From capital gains	-
Total Priority Equity Share Distributions	(0.41)
Class A Share	
From net investment income	-
From capital gains	(0.28)
Total Class A Share Distributions	(0.28)
Total Distributions⁽³⁾	(0.69)
Net Assets, end of period (based on bid prices)⁽¹⁾	\$ 19.85

(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 the liability for the Redeemable Priority Equity shares and unamortized premium on the issue of 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 new accounting standards set out by the Canadian Institute of Chartered Accountants relating to Financial Instruments. Refer to Note 4 to the annual financial statements for further discussion.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized

	Six months ended July 2008
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding liability for Redeemable Priority Equity shares and unamortized premium on issue of Priority Equity shares (\$millions)	\$ 39.91
Net Asset Value (\$millions)	\$ 9.77
Number of units outstanding	2,009,066
Management expense ratio ⁽¹⁾	1.93% ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	101.02%
Trading expense ratio ⁽³⁾	0.30% ⁽⁴⁾
Net Asset Value per Unit ⁽⁵⁾	\$ 19.86
Closing market price - Priority Equity	\$ 14.50
Closing market price - Class A	\$ 4.75

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes and capital taxes but excluding transaction fees and 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 and unamortized premium on the issue of Priority Equity shares. Management ratio expense for January 31, 2008 includes the special resolution expense. The management ratio expense for January 31, 2008 excluding the special resolution expense is 1.62%.

(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

Information for the period ended July 31, 2008 is derived from the Fund's unaudited semi-annual financial statements.

For July 31, 2008 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. All other calculations for the purposes of this MRFP are made using Net Asset Value.

	Years ended January 31				
	2008	2007	2006	2005	2004
\$	22.80 ⁽⁴⁾	\$ 24.12	\$ 23.76	\$ 25.47	\$ 23.48
	0.42 (0.64)	0.52 (0.36)	0.40 (0.37)	0.38 (0.40)	0.46 (0.38)
	0.58 (0.34)	1.87 (1.27)	1.35 (0.97)	1.44 (1.09)	1.97 (1.87)
	0.02	0.76	2.35	0.33	3.92
	(0.61) (0.24)	(0.29) (0.57)	(0.29) (0.57)	(0.71) (0.13)	(0.83) -
	(0.85)	(0.86)	(0.86)	(0.84)	(0.83)
	(0.30) (0.90)	- (1.20)	- (1.20)	(0.83) (0.37)	(1.20) -
	(1.20)	(1.20)	(1.20)	(1.20)	(1.20)
	(2.05)	(2.06)	(2.06)	(2.04)	(2.03)
\$	20.46	\$ 22.81	\$ 24.12	\$ 23.76	\$ 25.47

and unrealized gains (losses), net of withholding taxes and foreign exchange gains (losses), less expenses excluding Priority Equity 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 assets 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.
 (4) Net Assets per unit has been adjusted for the Transition Adjustment - New Accounting Standards (see Note 4 to the annual financial statements).

	Years ended January 31				
	2008	2007	2006	2005	2004
\$	43.19	\$ 102.32	\$ 109.18	\$ 120.58	\$ 83.80
\$	11.55	\$ 35.02	\$ 41.22	\$ 44.37	\$ 34.45
	2,109,366	4,484,619	4,527,116	5,075,565	3,290,565
	2.74%	1.54%	1.55%	1.62%	1.56%
	99.57%	189.41%	235.18%	197.79%	175.26%
	0.14%	0.23%	0.28%	0.25%	0.39%
\$	20.48	\$ 22.81	\$ 24.12	\$ 23.76	\$ 25.47
\$	13.36	\$ 15.35	\$ 15.45	\$ 15.87	\$ 15.99
\$	5.45	\$ 7.28	\$ 8.06	\$ 9.08	\$ 11.19

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 the daily average net asset value during the period.
 (4) Annualized.
 (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 of the Fund on that date and including the valuation of securities at closing prices divided by the number of units then outstanding.

Mulvihill Premium Split Share Fund

Management Report on Fund Performance

Management Fees

Mulvihill Capital Management Inc. (“MCM”) is entitled to fees under the Investment 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 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 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 shares. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

The Canadian market rose during the past six months and the rise was due in part to the Energy and Technology sectors. The Technology sector had the best performance rising 21.86 percent while the Energy sector had a return of 14.51 percent. Other sectors that had positive returns were Industrials and Materials.

Canadian Gross Domestic Product came in at negative 0.3 percent for the first quarter. Commodity prices have been fairly buoyant and oil prices at these elevated levels will slow global growth and is an overall negative for the Canadian economy with its high export weighting. Canada’s energy producing regions will get a direct windfall from higher profits but the blow to Canada’s energy using sectors will outweigh the benefits. The automotive, airline and tourism industry could be particularly hard hit.

Growth in the U.S. economy has clearly slowed as indicated by Gross Domestic Product growth which came in 0.9 percent for the first quarter while the preliminary reading for the second quarter came in better at 1.9 percent boosted in part by the stimulus package. A higher cost of capital, credit tightness and soaring energy prices and to a certain extent food prices could further aggravate this trend. The U.S. housing sector remains weak given the large excess supply of homes for sale and this development could place strains on broader U.S. economic activity and household borrowing and spending slows.

Going forward, the Bank of Canada and the Federal Reserve may stay vigilant as core inflation remains elevated, while at the same time being cognizant of the problems in the credit markets and a slowing

Mulvihill Premium Split Share Fund

Management Report on Fund Performance

economy. Market risks include the possibility of a recession, higher headline inflation, geopolitical uncertainty, and high oil prices. The U.S. elections in November could also pose some unknown policy risks on a go forward basis.

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 ten years as well as for the six month period ended July 31, 2008 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, 2008 for the six months then ended.

Annual Total Return



Mulvihill Premium Split Share Fund

Management Report on Fund Performance

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.

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, C. Edward Medland, and Michael M. Koerner.

Forward-Looking Statements

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

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

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

Management's Responsibility for Financial Reporting

The accompanying financial statements of MCM Split Share Corp. (operating as Mulvihill Premium Split Share Fund) (the "Fund") and all the information in this 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, 2008.

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 2008

Mulvihill Premium Split Share Fund

Financial Statements

Statements of Financial Position

	July 31, 2008 (Unaudited)	January 31, 2008 (Audited)
ASSETS		
Investments at fair value (cost - \$33,349,700; January 31, 2008 - \$51,425,210)	\$ 32,772,363	\$ 50,234,859
Short-term investments at fair value (cost - \$8,360,850; January 31, 2008 - \$22,568,421)	8,367,656	22,571,909
Cash	21,688	5,748
Interest and dividends receivable	39,165	161,167
Due from brokers - derivatives	30,525	-
Due from brokers - investments	-	13,564,297
TOTAL ASSETS	\$ 41,231,397	\$ 86,537,980
LIABILITIES		
Redemptions payable	\$ 410,777	\$ 42,938,149
Accrued liabilities	129,332	439,974
Due to brokers - investments	810,522	-
Redeemable Priority Equity shares	30,135,990	30,449,490
	31,486,621	75,018,613
EQUITY		
Class A and Class B shares	23,162,144	24,409,901
Deficit	(13,417,368)	(12,890,534)
	9,744,776	11,519,367
TOTAL LIABILITIES AND EQUITY	\$ 41,231,397	\$ 86,537,980
Number of Units Outstanding	2,009,066	2,109,366
Net Assets per Unit		
Class A share	\$ 4.8504	\$ 5.4611
Priority Equity share	15.0000	15.0000
	\$ 19.8504	\$ 20.4611

Mulvihill Premium Split Share Fund

Financial Statements

Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2008	2007
REVENUE		
Dividends, net of foreign exchange	\$ 353,986	\$ 864,352
Interest, net of foreign exchange	233,272	(187,159)
Withholding taxes	(9,215)	(24,644)
	578,043	652,549
Net realized gains (losses) on investments	(1,197,900)	3,452,039
Net realized gains on derivatives	679,507	95,969
Net realized gains (losses) on short-term investments	660	(13,143)
Total Net Realized Gains (Losses)	(517,733)	3,534,865
TOTAL REVENUE	60,310	4,187,414
EXPENSES		
Management fees	266,336	622,300
Service fees	26,324	-
Administrative and other expenses	46,573	70,443
Transaction fees	64,896	55,681
Custodian fees	18,889	16,616
Audit fees	-	30,811
Independent review committee fees	2,002	-
Director fees	10,048	10,363
Legal fees	8,093	6,123
Shareholder reporting costs	16,965	19,895
Capital tax and goods and services tax	19,337	43,992
TOTAL EXPENSES	479,463	876,224
Net Realized Income (Loss) before Distributions	(419,153)	3,311,190
Priority Equity share distributions	(852,417)	(1,901,368)
Net Realized Income (Loss)	(1,271,570)	1,409,822
Net change in unrealized appreciation/depreciation of investments	613,014	(2,200,278)
Net change in unrealized appreciation/depreciation of short-term investments	3,385	1,915
Total Net Change in Unrealized Appreciation/Depreciation	616,399	(2,198,363)
Amortization of Premium on Issue of Priority Equity Shares	-	12,346
NET LOSS FOR THE PERIOD	\$ (655,171)	\$ (776,195)
NET LOSS PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the period of 2,087,300; 2007 - 4,459,029)		
	\$ (0.3139)	\$ (0.1741)
DEFICIT		
Balance, beginning of period	\$ (12,890,534)	\$ (18,936,426)
Transition Adjustment - New Accounting Standards	-	(85,775)
Net allocations on retractions	709,303	546,145
Net loss for the period	(655,171)	(776,195)
Distributions on Class A shares	(580,966)	(2,661,521)
BALANCE, END OF PERIOD	\$ (13,417,368)	\$ (21,913,772)

Mulvihill Premium Split Share Fund

Financial Statements

Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2008	2007
NET ASSETS - CLASS A AND CLASS B SHARES, BEGINNING OF PERIOD	\$ 11,519,367	\$ 35,022,223
Transition Adjustment - New Accounting Standards	-	(85,775)
Net Realized Income (Loss) before Distributions	(419,153)	3,311,190
Class A Share Capital Transactions Amount paid for Class A shares redeemed	(538,454)	(823,527)
Amortization of Premium on Issue of Priority Equity Shares	-	12,346
Distributions		
Priority Equity shares		
From net investment income	(852,417)	(830,915)
From net realized gain on investments	-	(1,070,453)
Class A shares		
From net realized gain on investments	(580,966)	(2,661,521)
	(1,433,383)	(4,562,889)
Net Change in Unrealized Appreciation/ Depreciation of Investments	616,399	(2,198,363)
Changes in Net Assets during the Period	(1,774,591)	(4,347,018)
NET ASSETS - CLASS A AND CLASS B SHARES, END OF PERIOD	\$ 9,744,776	\$ 30,675,205

The statement of changes in net assets excludes cash flows pertaining to redemptions of Priority Equity shares. During the period, amounts paid for the redemption of 100,300 Priority Equity shares (2007 - 110,100) totalled \$1,504,500 (2007 - \$1,651,500).

Statements of Changes in Investments

For the six months ended July 31 (Unaudited)

	2008	2007
INVESTMENTS AT FAIR VALUE, BEGINNING OF PERIOD	\$ 50,234,859	\$ 85,968,189
Transition Adjustment - New Accounting Standards	-	(85,775)
Unrealized Appreciation/Depreciation of Investments, Beginning of Period	1,190,351	(337,186)
Investments at Cost, Beginning of Period	51,425,210	85,545,228
Cost of Investments Purchased during the Period	35,055,932	50,166,574
Cost of Investments Sold during the Period		
Proceeds from sales	52,613,049	49,390,292
Net realized gains (losses) on sales	(518,393)	3,548,008
	53,131,442	45,842,284
Investments at Cost, End of Period	33,349,700	89,869,518
Unrealized Depreciation of Investments, End of Period	(577,337)	(1,862,815)
INVESTMENTS AT FAIR VALUE, END OF PERIOD	\$ 32,772,363	\$ 88,006,703

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments

July 31, 2008 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 2.65% - September 18, 2008	3,720,000	\$ 3,693,025	\$ 3,693,025	
Government of Canada, 2.48% - October 16, 2008	4,230,000	4,199,934	4,199,934	
Total Treasury Bills		7,892,959	7,892,959	94.1%
Discount Commercial Paper				
Canadian Wheat Board, USD, 1.88% - October 22, 2008	415,000	416,944	423,635	
Export Development Corporation, USD, 1.83% - October 22, 2008	50,000	50,947	51,062	
Total Discount Commercial Paper		467,891	474,697	5.6%
		\$ 8,360,850	\$ 8,367,656	99.7%
Accrued Interest			22,665	0.3%
TOTAL SHORT-TERM INVESTMENTS		\$ 8,360,850	\$ 8,390,321	100.0%

INVESTMENTS

Canadian Common Shares

Consumer Staples

Shoppers Drug Mart Corporation	24,000	\$ 1,326,381	\$ 1,304,640	4.0%
--------------------------------	--------	--------------	--------------	------

Energy

Enbridge Inc.	17,500	655,339	786,275	
EnCana Corporation	14,000	1,106,778	1,034,600	
Imperial Oil Ltd.	30,000	1,502,100	1,509,300	
Suncor Energy, Inc.	35,400	1,691,235	1,970,010	
Total Energy		4,955,452	5,300,185	16.2%

Financials

Manulife Financial Corporation	28,250	1,116,167	1,065,590	
Royal Bank of Canada	33,000	1,763,773	1,559,250	
The Bank of Nova Scotia	36,300	1,797,044	1,814,274	
The Toronto-Dominion Bank	24,600	1,690,878	1,532,334	
Total Financials		6,367,862	5,971,448	18.2%

Industrials

SNC-Lavalin Group Inc.	18,900	1,052,617	1,048,005	3.2%
------------------------	--------	-----------	-----------	------

Information Technology

Research in Motion Limited	18,000	2,231,042	2,265,120	6.9%
----------------------------	--------	-----------	-----------	------

Materials

Barrick Gold Corp.	47,600	2,000,817	2,063,460	
Goldcorp Inc.	48,600	2,140,034	1,852,632	
Kinross Gold Corporation	97,600	1,767,105	1,814,384	
Tech Cominco Ltd. CI B	43,000	1,931,402	2,019,710	
Total Materials		7,839,358	7,750,186	23.6%

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2008 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Portfolio
INVESTMENTS (continued)				
Canadian Common Shares (continued)				
Telecommunication Services				
Rogers Communication Inc., Class B	19,800	723,888	684,882	2.1%
Total Canadian Common Shares		\$ 24,496,600	\$ 24,324,466	74.2%
United States Common Shares				
Consumer Staples				
Kraft Foods Inc. - Class A	61,000	\$ 1,874,855	\$ 1,984,350	6.1%
Information Technology				
Microsoft Corp.	43,000	1,305,084	1,134,654	
Oracle Corp.	68,000	1,458,295	1,502,138	
Total Information Technology		2,763,379	2,636,792	8.0%
Financials				
JPMorgan Chase & Co.	36,000	1,741,758	1,500,046	4.6%
Health Care				
Abbott Laboratories	14,100	811,787	814,110	
Johnson & Johnson	26,000	1,746,680	1,824,632	
Total Health Care		2,558,467	2,638,742	8.0%
Total United States Common Shares		\$ 8,938,459	\$ 8,759,930	26.7%
Forward Exchange Contracts				
Sold USD \$1,940,000, Bought CAD \$1,946,990 @ 0.99641 - August 6, 2008			\$ (42,734)	
Sold USD \$1,740,002, Bought CAD \$1,764,189 @ 0.98629 - September 3, 2008			(21,106)	
Sold USD \$340,000, Bought CAD \$347,215 @ 0.97922 - September 17, 2008			(1,693)	
Sold USD \$940,000, Bought CAD \$956,402 @ 0.98285 - October 1, 2008			(8,373)	
Sold USD \$873,000, Bought CAD \$883,567 @ 0.98804 - October 15, 2008			(12,552)	
Sold USD \$845,000, Bought CAD \$847,109 @ 0.99751 - October 29, 2008			(20,376)	
Sold USD \$845,000, Bought CAD \$847,296 @ 0.99729 - November 12, 2008			(20,251)	
Sold USD \$365,000, Bought CAD \$367,940 @ 0.99201 - November 26, 2008			(6,823)	
Total Forward Exchange Contracts			\$ (133,908)	(0.4)%

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2008 (Unaudited)

	Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Portfolio
INVESTMENTS (continued)				
OPTIONS				
Purchased Put Options				
Manulife Financial Corporation - October 2008 @ \$37 (100 shares per contract)	56	\$ 9,016	\$ 10,787	
Royal Bank of Canada - September 2008 @ \$47 (100 shares per contract)	16	3,168	4,305	
Royal Bank of Canada - October 2008 @ \$43 (100 shares per contract)	50	14,500	10,650	
S&P/TSX 60 - September 2008 @ \$832 (10 shares per contract)	151	40,961	61,669	
The Bank of Nova Scotia - October 2008 @ \$47 (100 shares per contract)	40	9,680	8,641	
The Bank of Nova Scotia - September 2008 @ \$49 (100 shares per contract)	18	3,393	3,943	
The Standard & Poor's 100 Index - September 2008 @ \$570 (100 shares per contract)	6	12,092	8,527	
The Toronto - Dominion Bank - October 2008 @ \$59 (100 shares per contract)	37	12,728	13,145	
Total Purchased Put Options		105,538	121,667	0.4%
Written Covered Call Options (100 shares per contract)				
Enbridge Inc. - August 2008 @ \$42	(87)	(6,873)	(22,186)	
JPMorgan Chase & Co. - August 2008 @ \$39	(180)	(45,963)	(77,501)	
JPMorgan Chase & Co. - August 2008 @ \$40	(180)	(35,652)	(48,231)	
Manulife Financial Corporation - August 2008 @ \$36	(140)	(14,700)	(27,618)	
Royal Bank of Canada - September 2008 @ \$48	(165)	(30,525)	(39,338)	
The Bank of Nova Scotia - August 2008 @ \$47	(113)	(12,599)	(32,173)	
The Bank of Nova Scotia - August 2008 @ \$48	(113)	(19,210)	(29,139)	
SNC-Lavalin Group Inc. - August 2008 @ \$54	(80)	(11,520)	(23,606)	
Total Written Covered Call Options		(177,042)	(299,792)	(0.9)%
TOTAL OPTIONS		\$ (71,504)	\$ (178,125)	(0.5)%
Adjustment for transaction fees		(13,855)		
TOTAL INVESTMENTS		\$ 33,349,700	\$ 32,772,363	100.0%

Mulvihill Premium Split Share Fund

Notes to Financial Statements

July 31, 2008

1. Basis of Presentation

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, 2008.

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, 2008, with the exception of Note 2 below.

2. Summary of Significant Accounting Policies

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.

3. Net Asset Value and Net Assets

For financial statement reporting purposes, the Fund applies Canadian generally accepted accounting principles requiring the Fund to value its securities using bid price. However, pursuant to a temporary exemption provided by the Canadian securities regulatory authorities, the Fund can calculate net asset value using last sale price.

The difference between the net asset value for pricing purposes and the net assets reflected in the financial statements is as follows:

	2008	2007
Net Asset Value (for pricing purposes)	\$ 19.86	\$ 22.03
Difference	(0.01)	(0.01)
Net Assets (for financial statement purposes)	\$ 19.85	\$ 22.02

4. Financial Instruments and Risk Management

The Fund’s financial instruments consist of cash, 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.

Mulvihill Premium Split Share Fund

Notes to Financial Statements

July 31, 2008

The most important risks include other price risk, liquidity risk, interest rate risk, currency risk, short-term investments credit rating 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. Net Asset Value ("NAV") 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 taking a long-term perspective and utilizing an option writing program.

Approximately 83 percent of the Fund's net assets held at July 31, 2008 were publicly traded securities. If equity prices on the exchange increased or decreased by 10 percent as at July 31, 2008, the net assets of the Fund would have increased or decreased by \$3.3M respectively or 8.3 percent of the net assets, 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.

All securities present a risk of loss of capital. The Manager moderates this risk by taking a long-term perspective and utilizing an option writing program. The maximum risk resulting from financial instruments is determined by the market value of financial instruments.

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 majority of its assets in investments that are traded in an active market and can be easily disposed of.

Mulvihill Premium Split Share Fund

Notes to Financial Statements

July 31, 2008

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. Effective durations, a commonly used measure of interest rate risk, incorporates a security's yield, coupon, final maturity, call features and other embedded options into one number expressed in years that indicates how price-sensitive a security or portfolio of securities is to changes in interest rates. The effective duration of a security or portfolio of securities indicates the approximate percentage change in fair value expected for a one percent change in interest rates. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates. The Fund has minimal sensitivity to change in rates since they are usually held to maturity and 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 and options 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 25 percent of the Fund's net assets held at July 31, 2008 were held in securities denominated in U.S. currency. If the Canadian dollar strengthened or weakened by 1 percent in relation to the U.S. currency, the net assets of the Fund would have increased or decreased, by approximately \$0.1M respectively or 0.2 percent of the net assets with all other factors remaining constant.

Short-Term Investments Credit Rating

The following are credit ratings for short-term investments held by the Fund as at July 31, 2008:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Treasury Bills	AAA	94.3%
Discount Commercial Paper	AAA	5.7%
Total		100.0%

Mulvihill Premium Split Share Fund

Notes to Financial Statements

July 31, 2008

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

Credit Risk

In purchasing call or put options, 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 set out in National Instrument 81-102.

The following are credit ratings for the counterparties to derivative instruments the Fund deals with during the period, based on Standard & Poor's credit rating as of July 31, 2008:

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

5. Future Accounting Policy Changes

At July 31, 2008 the Manager has developed 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 2008 annual financial statements, the disclosures of the quantitative impact, if any, in the 2009 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The impact of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional notes disclosures in the financial statements of the Fund.

Mulvihill Premium *Split Share Fund*

Hybrid Income Funds

Managed by Mulvihill Structured Products

Mulvihill Platinum

Mulvihill Government Strip Bond Fund

Mulvihill Pro-AMS U.S. Fund

Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund

Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund

Mulvihill Pro-AMS RSP Split Share Fund

Mulvihill Premium

Mulvihill Core Canadian Dividend Fund

Mulvihill Premium Canadian Fund

Mulvihill Premium 60 Plus Fund

Mulvihill Premium Canadian Bank Fund

Mulvihill Premium Global Plus 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

Head Office

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

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



Mulvihill

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

Mulvihill Capital Management Inc.

*Please contact your broker directly
for address changes.*