

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2009

**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:

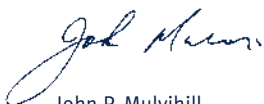
- (1) Provide Priority Equity shareholders with quarterly cash dividends to yield 5.50 percent per annum based on the original issue price;
- (2) Provide Class A shareholders with quarterly dividends in an amount initially targeted to be 10 percent per annum of the net asset value of the Class A Shares 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.

During the six-month period ended July 31, 2009, the total return of the Fund was negative 0.70 percent. Distributions amounting to \$0.42 per Unit were paid during the six-month period, contributing to an overall decline in the net asset value from \$15.29 per Unit as at January 31, 2009 to \$14.76 per Unit as at July 31, 2009.

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

	July 31, 2009	Years ended January 31				
		2009	2008	2007	2006	2005
Total Fund Return	(0.70)%	(20.22)%	(1.53)%	3.28%	10.76%	1.40%
Priority Equity Share Distribution Paid (annual target of \$0.8250 per share)	\$ 0.412500	\$ 0.825000	\$ 0.848004	\$ 0.862270	\$ 0.861321	\$ 0.835481
Class A Share Distribution Paid (annual target of 10 percent of the net asset value)	\$ 0.007500	\$ 0.385250	\$ 1.200000	\$ 1.200000	\$ 1.200000	\$ 1.200000
Ending Net Asset Value per Unit (initial issue price was \$30.00 per unit)	\$ 14.76	\$ 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 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, 2009 of MCM Split Share Corp., which operates as Mulvihill Premium Split Share Fund (the “Fund”). The July 31, 2009 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](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.

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

#### Asset Mix and Portfolio Holdings

July 31, 2009

	% of Net Asset Value*
Cash and Short-Term Investments	101 %
Other Assets (Liabilities)	(1) %
	100 %

\* 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, 2009, the net asset value of the Fund for pricing purposes based on closing prices was \$14.76 per Unit (see Note 3 to the financial statements) compared to \$15.29 per Unit at January 31, 2009.

The Fund's Priority Equity shares, listed on the Toronto Stock Exchange as MUH.PR.A, closed on July 31, 2009 at \$14.25 per share. The Fund's Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed on July 31, 2009 at \$0.16 per share.

Distributions totalling \$0.4125 per share were made to the Priority Equity 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 \$0.0075 per share were made to the Class A shareholders.

The U.S. dollar was generally weak against the Canadian dollar and the Fund actively hedged its U.S. dollar exposure during this period. Currently the Fund has no exposure to the U.S. dollar as all cash and cash equivalents are in Canadian dollars.

The S&P/TSX 60 Index total return for the six months ended July 31, 2009 was 27.16 percent. The best performing sector was the Financials sector while the weakest sector was Telecommunications. In terms of foreign markets the S&P 100 Index had a total return of 4.38 percent in Canadian dollar terms.

Over this six-month period the total return of the Fund in Canadian dollars, including reinvestment of distributions, was negative 0.70 percent. Since April 2009, the Fund has been invested entirely in cash and cash equivalents due to the "Priority Equity Portfolio Protection Plan", resulting in underperformance of the Fund.

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.

Information for the period ended July 31, 2009 is derived from the

Six months ended  
July 2009

#### NET ASSETS PER UNIT

<b>Net Assets, beginning of period (based on bid prices)<sup>(1)</sup></b>	<b>\$ 15.28</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>	
Total revenue	0.15
Total expenses	(0.17)
Realized gains (losses) for the period	(0.13)
Unrealized gains (losses) for the period	0.04
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>(0.11)</b>
<b>DISTRIBUTIONS</b>	
<b>Priority Equity Share</b>	
From net investment income	(0.41)
From capital gains	-
<b>Total Priority Equity Share Distributions</b>	<b>(0.41)</b>
<b>Class A Share</b>	
From net investment income	(0.01)
From capital gains	-
<b>Total Class A Share Distributions</b>	<b>(0.01)</b>
<b>Total Distributions<sup>(3)</sup></b>	<b>(0.42)</b>
<b>Net Assets, end of period (based on bid prices)<sup>(1)</sup></b>	<b>\$ 14.76</b>

(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 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 annual financial statements for further discussion.

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

Six months ended  
July 2009

#### RATIOS/SUPPLEMENTAL DATA

Net Asset Value, excluding liability for Redeemable Priority Equity shares and unamortized premium on issue of Priority Equity shares (\$millions)	<b>\$ 24.79</b>
Net Asset Value (\$millions)	<b>\$ -</b>
Number of units outstanding	<b>1,679,391</b>
Management expense ratio <sup>(1)</sup>	<b>2.22%<sup>(4)</sup></b>
Portfolio turnover rate <sup>(2)</sup>	<b>0.00%</b>
Trading expense ratio <sup>(3)</sup>	<b>0.01%<sup>(4)</sup></b>
Net Asset Value per Unit <sup>(5)</sup>	<b>\$ 14.76</b>
Closing market price - Priority Equity	<b>\$ 14.25</b>
Closing market price - Class A	<b>\$ 0.16</b>

(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

Fund's unaudited semi-annual financial statements.

For July 31, 2009, 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. All other calculations for the purposes of this MRFP are made using Net Asset Value.

		Years ended January 31				
2009	2008	2007	2006	2005		
\$ 20.46	\$ 22.80 <sup>(4)</sup>	\$ 24.12	\$ 23.76	\$ 25.47		
0.59	0.42	0.52	0.40	0.38		
(0.42)	(0.64)	(0.36)	(0.37)	(0.40)		
(4.60)	0.58	1.87	1.35	1.44		
0.55	(0.34)	(1.27)	0.97	(1.09)		
<b>(3.88)</b>	<b>0.02</b>	<b>0.76</b>	<b>2.35</b>	<b>0.33</b>		
(0.83)	(0.61)	(0.29)	(0.29)	(0.71)		
-	(0.24)	(0.57)	(0.57)	(0.13)		
<b>(0.83)</b>	<b>(0.85)</b>	<b>(0.86)</b>	<b>(0.86)</b>	<b>(0.84)</b>		
(0.01)	(0.30)	-	-	(0.83)		
(0.37)	(0.90)	(1.20)	(1.20)	(0.37)		
<b>(0.38)</b>	<b>(1.20)</b>	<b>(1.20)</b>	<b>(1.20)</b>	<b>(1.20)</b>		
<b>(1.21)</b>	<b>(2.05)</b>	<b>(2.06)</b>	<b>(2.06)</b>	<b>(2.04)</b>		
\$ 15.28	\$ 20.46	\$ 22.81	\$ 24.12	\$ 23.76		

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 (see Note 2 to the annual financial statements).

		Years ended January 31				
2009	2008	2007	2006	2005		
\$ 28.11	\$ 43.19	\$ 102.32	\$ 109.18	\$ 120.58		
\$ 0.53	\$ 11.55	\$ 35.02	\$ 41.22	\$ 44.37		
1,839,191	2,109,366	4,484,619	4,527,116	5,075,565		
1.92%	2.74%	1.54%	1.55%	1.62%		
150.49%	99.57%	189.41%	235.18%	197.79%		
0.30%	0.14%	0.23%	0.28%	0.25%		
\$ 15.29	\$ 20.48	\$ 22.81	\$ 24.12	\$ 23.76		
\$ 13.66	\$ 13.36	\$ 15.35	\$ 15.45	\$ 15.87		
\$ 0.85	\$ 5.45	\$ 7.28	\$ 8.06	\$ 9.08		

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 share liability. 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 share liability. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

#### **Recent Developments**

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 the termination date. The Priority Equity Portfolio Protection Plan provides that if the net asset value of the Fund declines below a specific level, the Fund will liquidate a portion of its portfolio and use the net proceeds to acquire (i) qualifying debt securities or (ii) certain securities and enter into a forward agreement (collectively, the “Permitted Repayment Securities”) in order to cover the Priority Equity Share Repayment Amount in the event of further declines in the net asset value of the Fund. To qualify as Permitted Repayment Securities, debt securities must have a remaining term to maturity of less than one year and be issued or guaranteed by the government of Canada or a province or the government of the United States, or be other cash equivalents with a rating of at least R-1 (mid) by DBRS or the equivalent rating from another rating organization.

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.



## Mulvihill Premium Split Share Fund

### Management Report on Fund Performance

Due to the above strategy to protect the Priority Equity shares the Fund is entirely in cash and cash equivalents. The Priority Equity shares have residual risk now, since they will be expected to cover expenses of the Fund in future years.

### Past Performance

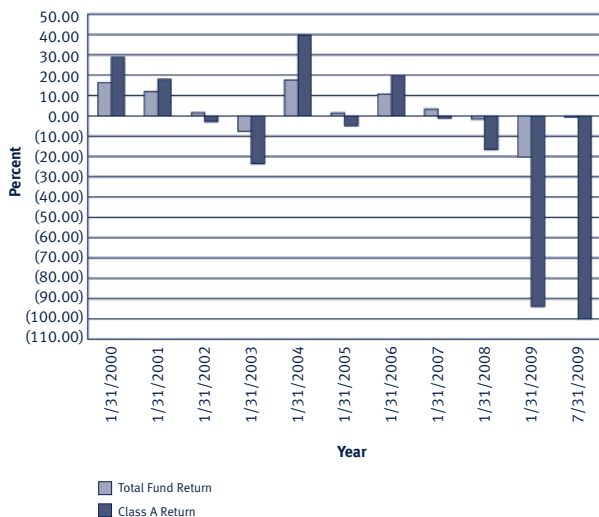
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

- 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, 2009 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on February 1 in each year would have increased or decreased by the end of that fiscal year, or July 31, 2009 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, Michael M. Koerner and Robert G. Bertram.

### 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, 2009.

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 2009

## Mulvihill Premium Split Share Fund

### Financial Statements

#### Statements of Financial Position

	July 31, 2009 (Unaudited)	January 31, 2009 (Audited)
<b>ASSETS</b>		
Investments at fair value (cost - nil; January 31, 2009 - \$1,325,261)	\$ -	\$ 1,213,526
Short-term investments at fair value (cost - \$25,085,664; January 31, 2009 - \$27,071,381)	25,085,664	27,111,395
Cash	45,406	78,170
Interest and dividends receivable	5,973	348,935
<b>TOTAL ASSETS</b>	<b>\$ 25,137,043</b>	<b>\$ 28,752,026</b>
<b>LIABILITIES</b>		
Redemptions payable	\$ 303,918	\$ 581,696
Accrued management fees	26,667	30,499
Accrued liabilities	19,373	28,986
Redeemable Priority Equity shares	24,787,085	27,587,865
	<b>25,137,043</b>	<b>28,229,046</b>
<b>EQUITY</b>		
Class A and Class B shares	19,060,904	21,048,856
Deficit	(19,060,904)	(20,525,876)
	-	522,980
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 25,137,043</b>	<b>\$ 28,752,026</b>
<b>Number of Units Outstanding</b>	<b>1,679,391</b>	<b>1,839,191</b>
<b>Net Assets per Unit</b>		
Class A share	\$ -	\$ 0.2844
Priority Equity share	14.7596	15.0000
	<b>\$ 14.7596</b>	<b>\$ 15.2844</b>

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2009	2008
<b>REVENUE</b>		
Dividends, net of foreign exchange	\$ 1,345	\$ 353,986
Interest, net of foreign exchange	268,014	233,272
Withholding taxes	–	(9,215)
	<b>269,359</b>	<b>578,043</b>
Net realized losses on investments	<b>(178,815)</b>	(1,197,900)
Net realized gains (losses) on derivatives	<b>(39,254)</b>	679,507
Net realized gains (losses) on short-term investments	<b>(9,985)</b>	660
<b>Total Net Realized Losses</b>	<b>(228,054)</b>	<b>(517,733)</b>
<b>TOTAL REVENUE</b>	<b>41,305</b>	<b>60,310</b>
<b>EXPENSES</b>		
Management fees	165,139	266,336
Service fees	309	26,324
Administrative and other expenses	44,256	46,573
Transaction fees	1,635	64,896
Custodian fees	8,704	18,889
Audit fees	13,977	–
Independent review committee fees	3,437	2,002
Director fees	10,130	10,048
Legal fees	2,756	8,093
Shareholder reporting costs	14,211	16,965
Capital tax and goods and services tax	34,637	19,337
<b>TOTAL EXPENSES</b>	<b>299,191</b>	<b>479,463</b>
<b>Net Realized Loss before Distributions</b>	<b>(257,886)</b>	<b>(419,153)</b>
Priority Equity share distributions	<b>(718,076)</b>	(852,417)
<b>Net Realized Loss</b>	<b>(975,962)</b>	<b>(1,271,570)</b>
Net change in unrealized depreciation of investments	111,735	613,014
Net change in unrealized appreciation of short-term investments	<b>(40,646)</b>	3,385
<b>Total Net Change in Unrealized Appreciation/Depreciation</b>	<b>71,089</b>	<b>616,399</b>
<b>Reduction in Value of Priority Equity Shares (Note 2)</b>	<b>403,780</b>	–
<b>Net Allocations on Retractions of Priority Equity Shares</b>	<b>119,004</b>	–
<b>NET LOSS FOR THE PERIOD</b>	<b>\$ (382,089)</b>	<b>\$ (655,171)</b>
<b>NET LOSS PER CLASS A SHARE</b> (based on the weighted average number of Class A shares outstanding during the period of 1,773,753; 2008 - 2,087,300)		
	<b>\$ (0.2154)</b>	<b>\$ (0.3139)</b>
<b>DEFICIT</b>		
Balance, beginning of period	\$ (20,525,876)	\$ (12,890,534)
Net allocations on retractions	1,860,423	709,303
Net loss for the period	(382,089)	(655,171)
Distributions on Class A shares	(13,362)	(580,966)
<b>BALANCE, END OF PERIOD</b>	<b>\$ (19,060,904)</b>	<b>\$ (13,417,368)</b>

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2009	2008
NET ASSETS - CLASS A AND CLASS B SHARES, BEGINNING OF PERIOD	\$ 522,980	\$ 11,519,367
Net Realized Loss before Distributions	(257,886)	(419,153)
<b>Class A Share Capital Transactions</b>		
Amount paid for Class A shares redeemed	(127,529)	(538,454)
Reduction in Value of Priority Equity Shares (Note 2)	403,780	-
Net Allocations on Retractions of Priority Equity Shares	119,004	-
<b>Distributions</b>		
Priority Equity Shares		
From net investment income	(718,076)	(852,417)
Class A Shares		
From net investment income	(13,362)	-
From net realized gain on investments	-	(580,966)
	(731,438)	(1,433,383)
Net Change in Unrealized Appreciation/Depreciation of Investments	71,089	616,399
<b>Changes in Net Assets during the Period</b>	<b>(522,980)</b>	<b>(1,774,591)</b>
NET ASSETS - CLASS A AND CLASS B SHARES, END OF PERIOD	\$ -	\$ 9,744,776

### Statements of Cash Flows

For the six months ended July 31 (Unaudited)

	2009	2008
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF PERIOD	\$ 27,189,565	\$ 22,577,657
<b>Cash Flows Provided by (Used In) Operating Activities</b>		
Net Realized Loss before Distributions	(257,886)	(419,153)
<b>Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities</b>		
Purchase of investment securities	-	(35,055,932)
Proceeds from disposition of investment securities	1,325,261	53,131,442
(Increase)/decrease in interest and dividends receivable, due from brokers - derivatives and due from brokers - investments	342,962	13,655,774
Increase/(decrease) in accrued liabilities, accrued management fees and due to brokers - investments	(13,445)	499,880
Net change in unrealized appreciation/depreciation of cash and short-term investments	(40,646)	3,385
	1,614,132	32,234,549
<b>Cash Flows Provided by (Used In) Financing Activities</b>		
Distributions to Class A shares	(13,362)	(580,966)
Distributions to Priority equity shares	(718,076)	(852,417)
Class A share redemptions	(134,850)	(12,384,031)
Priority equity share redemptions	(2,548,453)	(32,186,295)
	(3,414,741)	(46,003,709)
<b>Net Increase/(Decrease) in Cash and Short-Term Investments During the Period</b>	<b>(2,058,495)</b>	<b>(14,188,313)</b>
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	\$ 25,131,070	\$ 8,389,344
<b>Cash and Short-Term Investments comprise of:</b>		
Cash	\$ 45,406	\$ 21,688
Short-Term Investments	25,085,664	8,367,656
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	\$ 25,131,070	\$ 8,389,344

# Mulvihill Premium Split Share Fund

## Financial Statements

### Statement of Investments

July 31, 2009 (Unaudited)

	Par Value	Average Cost	Fair Value	% of Portfolio
<b>SHORT-TERM INVESTMENTS</b>				
<b>Bankers' Acceptances</b>				
Canadian Imperial Bank of Commerce - 0.39%				
- February 5, 2010	10,000,000	\$ 9,977,400	\$ 9,977,400	
National Bank of Canada, 0.27%				
- August 27, 2009	3,000,000	2,997,990	2,997,990	
Royal Bank of Canada, 0.38%				
- February 17, 2010	3,000,000	2,993,490	2,993,490	
The Bank of Nova Scotia, 0.40%				
- February 4, 2010	1,000,000	997,820	997,820	
The Bank of Nova Scotia, 0.40%				
- March 1, 2010	1,000,000	997,550	997,550	
<b>Total Bankers' Acceptances</b>		<b>17,964,250</b>	<b>17,964,250</b>	<b>71.6%</b>
<b>Treasury Bills</b>				
Government of Canada, 0.21%				
- August 20, 2009	2,175,000	2,174,335	2,174,335	
Government of Canada, 0.23%				
- October 1, 2009	4,950,000	4,947,079	4,947,079	
<b>Total Treasury Bills</b>		<b>7,121,414</b>	<b>7,121,414</b>	<b>28.4%</b>
		<b>25,085,664</b>	<b>25,085,664</b>	<b>100.0%</b>
<b>Accrued Interest</b>			<b>5,973</b>	<b>0.0%</b>
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>\$ 25,085,664</b>	<b>\$ 25,091,637</b>	<b>100.0%</b>

# Mulvihill Premium Split Share Fund

## Notes to Financial Statements

July 31, 2009

### 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, 2009.

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, 2009.

### 2. Reduction in Value of Priority Equity Shares

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Each Priority Equity Share is valued for financial statement purposes at the lesser of: (i) the original redemption value of \$15.00; and (ii) the net assets of the Fund, divided by the number of Priority Equity Shares outstanding. The net assets is equal to the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding Priority Equity shares of the Fund on a particular date and including the valuation of securities at bid price less \$1,000. As a result, the value of the Redeemable Priority Equity Shares was reduced by \$403,780 (2008 - nil). This reduction is reflected in both the carrying value in the Statement of Financial Position and the Statement of Operations and Deficit.

### 3. Net Asset Value

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The Net Asset Value of the Fund is calculated using the fair value of investments using the close or last trade price (“Net Asset Value”). The Net Assets per unit for financial reporting purposes and Net Asset Value per unit for pricing purposes will not be the same due to the use of different valuation techniques. The Net Asset Value per unit at July 31 is as follows:

	July 31, 2009	Jan. 31, 2009
Net Asset Value (for pricing purposes)	<b>\$ 14.76</b>	\$ 15.29

### 4. Financial Instruments and Risk Management

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The Fund’s financial instruments consist of cash, receivables, payables and investments. As a result, the Fund is exposed to various types of risks that are associated with financial instruments. The most important risks include interest rate risk, credit risk and liquidity risk.



## Mulvihill Premium Split Share Fund

### Notes to Financial Statements

July 31, 2009

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

#### 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.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Fund limits its exposure to credit loss by placing its cash and short-term investments with high credit quality government and financial institutions.

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

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bankers' Acceptances Government of Canada Treasury Bills	A-1 AAA	72% 28%
<b>Total</b>		<b>100%</b>

The following is the credit rating 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 Bankers' Acceptances Discount Commercial Paper Government of Canada Treasury Bills Province of Ontario Treasury Bills	AAA A-1 AAA AAA AAA AA	41% 22% 17% 16% 4%
<b>Total</b>		<b>100%</b>

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

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

### **Notes to Financial Statements**

July 31, 2009

#### **Liquidity Risk**

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. The portfolio holdings of the Fund currently consist of cash and cash equivalents that can be easily disposed of.

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.

#### **5. Future Accounting Policy Changes**

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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 preliminary plan include disclosures of the qualitative impact in the 2010 annual financial statements, the disclosure of the quantitative impact, if any, in the 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 and analysis of IFRS on accounting policies and implementation decisions for 2010, will mainly be in the areas of additional note disclosures in the financial statements of the Fund and is expected to have no material impact on the net assets per unit of the Fund.

## 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 RSP Split Share Fund*

#### Mulvihill Premium

Mulvihill *Core Canadian Dividend Fund*

Mulvihill *Gold Participation and Income Fund*

Mulvihill *Premium Canadian 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

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