



## Hybrid Income Funds



Annual Report 2009

Mulvihill Pro-AMS RSP Split Share Corp.



## Message to Shareholders

We are pleased to present the annual financial results of Mulvihill Pro-AMS RSP Split Share Corp.

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 2002 with the objectives to:

- (1) provide Class A shareholders with fixed cumulative preferential monthly cash distributions in the amount of \$0.05417 (6.5 percent per annum), and pay Class A shareholders \$10.00 for each share held upon termination on December 31, 2013; and
- (2) provide Class B shareholders with the balance of the value of the Fund's managed portfolio after paying holders of Class A shares \$10.00 per Class A share plus any distributions in arrears, and to return the original issue price of \$20.00 to Class B shareholders on the termination date of December 31, 2013.

To provide the Fund with the means to return the original issue price of the Class A Shares on termination, the Fund entered into "Class A Share Forward Agreements" with the Royal Bank of Canada ("RBC"), whereby the Fund contributed, every six months (commencing on September 30, 2002) an amount targeted to be a minimum of \$0.43 per Class A Share, to an account used to acquire Canadian equity securities.

In October 2008, the Managed Portfolio funded additional amounts for the Class A Share Forward Agreements to a future value of \$10.00 per Class A Share. The Managed Portfolio was reduced significantly in size with this funding. The Class A Shares have residual risk now, since the decrease in the size of the Managed Portfolio may mean that the Class A Shareholders will be expected to cover expenses of the Fund in future years. As a result, the expected redemption value of the Class A Shares to be received in December of 2013 is less than \$10.00 per Class A Share.

The Fund also entered into a "Class B Share Forward Agreement" with RBC. Pursuant to the agreement, RBC will pay the Fund an amount equal to \$20.00 for each Class B Share outstanding on the termination date in exchange for the Fund agreeing to deliver to RBC, equity securities which the Fund acquired with approximately 50 percent of the initial proceeds of the Class B Shares.

During the fiscal year ended 2009, the annual total return of the Fund was negative 4.39 percent. The net asset value decreased from \$27.88 per Unit as at December 31, 2008 to \$26.65 per Unit as at December 31, 2009.

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

	2009	2008	2007	2006	2005
<b>Annual Total Fund Return</b>	(4.39)%	15.73%	1.84%	4.82%	1.62%
<b>Class A Distribution Paid</b> (annual target of \$0.65004 per share)	\$ –	\$ 0.48753	\$ 0.65004	\$ 0.65004	\$ 0.65004
<b>Class B Distribution Paid</b>	\$ –	\$ –	\$ –	\$ –	\$ –
<b>Ending Net Asset Value per Unit</b> (initial issue price was \$30.00 per Unit)	\$ 26.65	\$ 27.88	\$ 24.56	\$ 24.77	\$ 24.27

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



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

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## Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended December 31, 2009 of Mulvihill Pro-AMS RSP Split Share Corp. ("Fund"). The annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly 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).

## Investment Objectives and Strategies

The Fund's original investment objectives with respect to the Class A Shares are to provide shareholders with fixed cumulative preferential monthly cash distributions in the amount of \$0.05417 per Class A Share (6.5 percent per annum), and to pay such holders \$10.00 for each Class A Share held upon termination of the Fund on December 31, 2013. Distributions to Class A shareholders were suspended in October 2008.

To provide the Fund with the means to return the original issue price of the Class A Shares on termination, the Fund entered into "Class A Share Forward Agreements" with the Royal Bank of Canada ("RBC"), whereby the Fund contributes, every six months (commencing on September 30, 2002) an amount targeted to be a minimum of \$0.43 per Class A Share, to an account used to acquire Canadian equity securities.

The Fund's original investment objectives with respect to the Class B shares are to provide shareholders with monthly distributions and to return the original issue price of \$20.00 per share to Class B shareholders on the termination date of December 31, 2013 and to provide holders of Class B shares with the balance of the value of the Fund's managed portfolio after paying holders of Class A shares \$10.00 per Class A share plus any distributions in arrears. To provide greater certainty to the principal repayment objective, the Fund suspended payment of monthly distributions to Class B shares in 2005.

To provide the Fund with the means to return the original issue price of the Class B Shares on termination, the Fund has entered into a "Class B Share Forward Agreement" with RBC. Pursuant to the agreement, RBC will pay the Fund an amount equal to \$20.00 for each Class B Share outstanding on the termination date in exchange for the Fund delivering to RBC, equity securities which the Fund has acquired with approximately 50 percent of the proceeds of the Class B Shares.

## Risk

The Fund is comprised of two fixed portfolios, which contain forward agreements, as well as a managed portfolio, which holds a majority of cash and cash equivalents. Investors should be aware that the primary risks associated with the Fund are interest rate risk, and to a negligible extent exposure to equity markets, and the impact of foreign exchange fluctuations on the value of the Fund's non-Canadian cash holdings during the year.

The forward agreements in the fixed portfolios fluctuate in value with changes in interest rates. As the Fund approaches maturity, the fixed portfolios become an increasing proportion of the Fund. The fixed portfolios make up a majority of the Fund's total net asset value. This has the effect of increasing the Fund's sensitivity of the portfolio to interest rate changes.

In October 2008, the Managed Portfolio funded additional amounts for the Class A Share Forward Agreements to a future value of \$10.00 per Class A Share. The Managed Portfolio was reduced significantly in size with this funding. The Class A Shares have residual risk now, since the decrease in the size of the Managed Portfolio may mean that the Class A Shareholders will be expected to cover expenses of the Fund in future years. As a result, the expected redemption value of the Class A Shares to be received in December of 2013 is less than \$10.00 per Class A Share.

## Summary of Investment Portfolio

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

### Asset Mix

December 31, 2009

	<b>% OF NET ASSET VALUE*</b>
Fixed Portfolio - Class B	70.6 %
Fixed Portfolio - Class A	35.4 %
Cash and Short-Term Investments	1.1 %
Energy	0.1 %
Other Assets (Liabilities)	(7.2)%
	100.0%

\* The Net Asset Value excludes the Redeemable Class A share liability.

Securities in the fixed portfolios have been pledged to the Royal Bank of Canada ("RBC") as security for the obligation of the Fund under the Forward Agreements. As a result, the fixed portfolios effectively have no equity exposure.

### Portfolio Holdings

December 31, 2009

	<b>% OF NET ASSET VALUE*</b>
<b>Managed Portfolio</b>	
Cash and Short-Term Investments	1.1 %
Cenovus Energy Inc.	0.1 %
<b>Fixed Portfolio - Class A</b>	
Securities Pledged as Collateral for Forward Agreements	41.2 %
Forward Agreements	(5.8)%
<b>Fixed Portfolio - Class B</b>	
Securities Pledged as Collateral for Forward Agreement	85.5 %
Forward Agreement	(14.9)%
	107.2 %

\* The Net Asset Value excludes the Redeemable Class A share liability.

## Distribution History

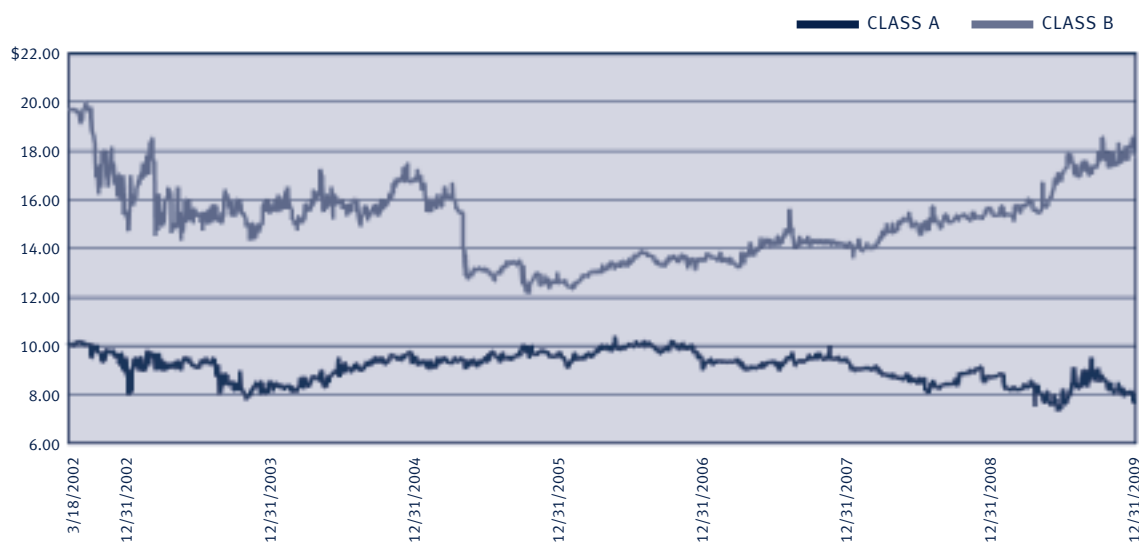
INCEPTION DATE: MARCH 2002

	CLASS A DISTRIBUTION	CLASS B DISTRIBUTION	TOTAL DISTRIBUTION
Total for 2002	\$ 0.51024	\$ 1.33558	\$ 1.84582
Total for 2003	0.65004	1.70004	2.35008
Total for 2004	0.65004	1.29169	1.94173
Total for 2005	0.65004	0.00000 <sup>(1)</sup>	0.65004
Total for 2006	0.65004	0.00000	0.65004
Total for 2007	0.65004	0.00000	0.65004
Total for 2008	0.48753 <sup>(2)</sup>	0.00000	0.48753
Total for 2009	0.00000	0.00000	0.00000
<b>Total Distributions to Date</b>	<b>\$ 4.24797</b>	<b>\$ 4.32731</b>	<b>\$ 8.57528</b>

<sup>(1)</sup> Distributions to Class B shares were suspended effective January 2005.<sup>(2)</sup> Distributions to Class A shares were suspended effective October 2008.For complete distribution history and income tax information, please see our website at [www.mulvihill.com](http://www.mulvihill.com).

## Trading History

March 18, 2002 to December 31, 2009



## Results of Operations

For the year ended December 31, 2009, the net asset value of the Fund for pricing purposes based on closing prices was \$26.65 per Unit (see Note 5 to the financial statements) compared to \$27.88 per Unit at December 31, 2008. The Fund's Class A shares, listed on the Toronto Stock Exchange as SPL.A, closed on December 31, 2009 at \$7.70 per share, while Class B shares, listed as SPL.B, closed at \$17.83 per share. Each Unit consists of one Class A share and one Class B share.

Monthly distributions were made to Class A shareholders until September 2008 after which distributions were suspended in order to provide greater certainty to the principal protection feature. In accordance with the terms of the original prospectus and rating covenants to protect the net asset value of the Class A shares, distributions on Class B shares were suspended effective January 2005.

The U.S. dollar depreciated against most major world currencies in 2009 but saw surprising strength bouncing back in December. The Fund continues to actively hedge its U.S. dollar exposure and ended the year 100 percent hedged.

The one year compound return for the Fund, was negative 4.39 percent. This return is reflective of a Fund that is more sensitive to interest rate changes with minimal equity exposure since the fixed portfolios now comprise almost all of the Fund assets. For comparison purposes the Bloomberg/EFFAS Bond Indices Canada 3-5 Year was 0.04 percent. For more detailed information on investment returns, please see the Annual Total Return bar graph and the Annual Compound Returns table on page 7 of this report.

## Financial Highlights

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

For December 31, 2009, December 31, 2008 and December 31, 2007, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 3 and 5 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended December 31

	2009	2008	2007	2006	2005
<b>THE FUND'S NET ASSETS PER UNIT</b>					
<b>Net Assets, beginning of year (based on bid prices)<sup>(1)</sup></b>	<b>\$ 27.89</b>	<b>\$ 24.56</b>	<b>\$ 24.76<sup>(4)</sup></b>	<b>\$ 24.27</b>	<b>\$ 23.45</b>
<b>INCREASE (DECREASE) FROM OPERATIONS</b>					
Total revenue	–	0.12	0.14	0.11	0.07
Total expenses	<b>(0.62)</b>	(0.50)	(0.48)	(0.30)	(0.52)
Realized gains (losses) for the period	<b>4.97</b>	4.13	2.24	2.20	3.66
Unrealized gains (losses) for the period	<b>(5.88)</b>	–	(1.51)	(0.97)	(1.84)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>(1.53)</b>	<b>3.75</b>	<b>0.39</b>	<b>1.04</b>	<b>1.37</b>
<b>DISTRIBUTIONS</b>					
<b>Class A Share</b>					
From net investment income	–	–	–	–	(0.05)
From capital gains	–	–	–	–	(0.44)
Non-taxable distributions	–	(0.49)	(0.65)	(0.65)	(0.16)
Accrued Class A share distributions <sup>(3)</sup>	<b>0.17</b>	(0.16)	–	–	–
<b>Total Class A Share Distributions</b>	<b>0.17</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.65)</b>
<b>Total Annual Distributions<sup>(3)</sup></b>	<b>0.17</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.65)</b>	<b>(0.65)</b>
<b>Net Assets, as at December 31 (based on bid prices)<sup>(1)</sup></b>	<b>\$ 26.66</b>	<b>\$ 27.89</b>	<b>\$ 24.56</b>	<b>\$ 24.77</b>	<b>\$ 24.27</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 Redeemable Class A 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 January 1, 2007 relating to Financial Instruments.

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

(3) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution and all but the accrued Class A share distributions were paid in cash. A portion of the accrued distributions was reversed in 2009 as the Class A Shares have residual risk now, since the decrease in the size of the Managed Portfolio may mean that the Class A Shareholders will be expected to cover expenses of the Fund in future years.

(4) Net Assets per unit has been adjusted for the Transition Adjustment.

## RATIOS/SUPPLEMENTAL DATA

<b>Net Asset Value, excluding liability for</b>					
Redeemable Class A Shares (\$millions) <sup>(1)</sup>	<b>\$ 14.81</b>	\$ 19.41	\$ 27.96	\$ 33.37	\$ 41.87
<b>Net Asset Value (\$millions)<sup>(1)</sup></b>	<b>\$ 10.00</b>	<b>\$ 12.93</b>	<b>\$ 16.57</b>	<b>\$ 19.89</b>	<b>\$ 24.62</b>
<b>Number of units outstanding<sup>(1)</sup></b>	<b>555,605</b>	696,035	1,138,315	1,347,235	1,725,223
<b>Management expense ratio<sup>(2)</sup></b>	<b>2.29%</b>	1.93%	1.97%	1.23%	2.17%
<b>Portfolio turnover rate<sup>(3)</sup></b>	<b>1.22%</b>	91.43%	25.65%	72.07%	114.28%
<b>Trading expense ratio<sup>(4)</sup></b>	<b>0.01%</b>	0.03%	0.02%	0.07%	0.09%
<b>Net Asset Value per Unit<sup>(5)</sup></b>	<b>\$ 26.65</b>	<b>\$ 27.88</b>	<b>\$ 24.56</b>	<b>\$ 24.77</b>	<b>\$ 24.27</b>
<b>Closing market price - Class A</b>	<b>\$ 7.70</b>	<b>\$ 8.26</b>	<b>\$ 8.51</b>	<b>\$ 9.30</b>	<b>\$ 9.86</b>
<b>Closing market price - Class B</b>	<b>\$ 17.83</b>	<b>\$ 16.96</b>	<b>\$ 15.00</b>	<b>\$ 14.08</b>	<b>\$ 13.49</b>

(1) This information is provided as at December 31. One Unit consists of one Class A share and one Class B share.

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

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

(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.

(5) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

## Management Fees

Mulvihill Capital Management Inc. (“MCM”) is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.10 percent of the net asset value of the Fund at each month end, excluding the Redeemable Class A share liability. The Investment Manager voluntarily agreed to defer payment of a portion of its investment management fees. These deferrals (which are recorded as payables in the net asset value of the Fund) in the investment management fees represent decreases in direct proportion to the decline in targeted distribution rates, to a minimum annual management fee rate of 0.40 percent of the Fund’s net asset value. Commencing July 2005 investment management fees were reduced from a monthly rate of 1/12 of 1.10 percent to a monthly rate of 1/12 of 0.40 percent of the Fund’s net asset value, plus applicable taxes, as required by the prospectus when the Fund has not paid distributions to Class B Shareholders for six or more consecutive months. Investment management fees for the year were paid at an annual rate of 0.40 percent of the Fund’s net asset value. The Investment Manager may choose at any time to require payment of all or any portion of the investment management fees voluntarily deferred.

Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund’s portfolio and the execution of all portfolio and other transactions.

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

## Recent Developments

Canada’s economy showed signs of picking up pace in the final quarter of 2009. We saw strong retail sales, a pickup in employment and a strong rally in the housing market. The increase in domestic demand may be offset partially by the strength of the Canadian dollar against the U.S. dollar due to the pickup in commodity prices. Overall, in Canada, we should see an upward trend in economic growth for 2010. There is also a strong possibility that the Bank of Canada may raise interest rates towards the end of 2010 if the recovery gains traction and inflation starts to creep up.

## Future Accounting Policy Changes

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 changeover plan was prepared to address the requirements and includes disclosures of the qualitative impact of the changeover to IFRS in the 2009 annual financial statements, the disclosure of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives.

The key elements of the changeover plan deal with the requirements for financial reporting, net asset value per share calculations, systems and processes, and training. The plan also sets out the timeline for implementation of the changes and the required technical training or other support required for a smooth transition.

As at December 31, 2009, some anticipated changes to financial reporting include:

- Compliance with the full body of IFRS without industry specific exemptions. Unlike Canadian Generally Accepted Accounting Principles where investment fund accounting was based upon guidance in Accounting Guideline 18 – Investment Companies (“AcG 18”);
- Changes to the presentation of shareholder equity to consider puttable instruments;
- Presentation of comparative information; and,
- Additional financial statement note disclosures on the recognition and classification of financial instruments.

Due to anticipated changes in IFRS prior to the transition to IFRS, the Manager cannot conclusively determine the full impact of the transition to IFRS on the Fund’s financial results at this time. Based on the Manager’s current understanding and analysis of IFRS as compared to the current accounting policies under Canadian GAAP, the Manager does not anticipate that the transition to IFRS will have a material impact on the Fund’s net assets per share, nor systems and processes, and it is expected that it will mainly result in additional note disclosure in the financial statements.

Implementation of the changeover plan is progressing as scheduled. The Manager will continue to monitor ongoing changes to IFRS and adjust the changeover plan accordingly.



## Past Performance

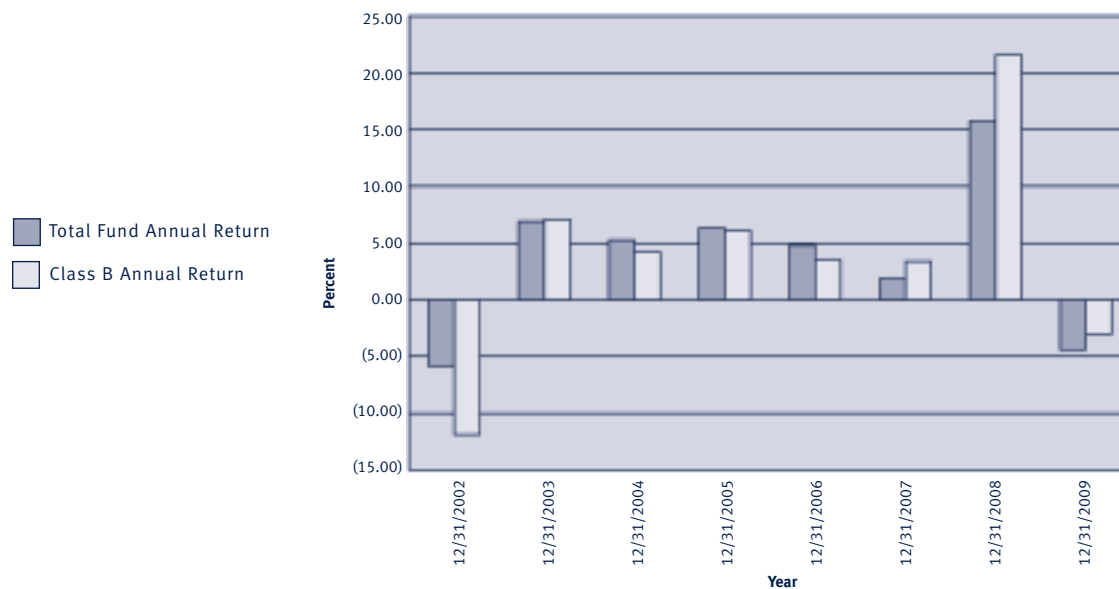
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

- (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 annual return in each of the past eight years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2002 would have increased or decreased by the end of that fiscal year.

## Annual Total Return



## Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended December 31, 2009 as compared to the performance of the S&P/TSX Composite Index, S&P 500 Index, Scotia Capital Universal Bond Index and Bloomberg/EFFAS Bond Indices Canada 3-5 Year.

(In Canadian Dollars)	One Year	Three Years	Five Years	Since Inception*
Mulvihill Pro-AMS RSP Split Share Corp.	<b>(4.39)%</b>	4.06 %	4.66 %	3.64 %
Mulvihill Pro-AMS RSP Split Share Corp. – Class A	<b>(7.08)%</b>	(0.74)%	2.18 %	3.64 %
Mulvihill Pro-AMS RSP Split Share Corp. – Class B	<b>(3.03)%</b>	6.81 %	5.99 %	3.49 %

In order to meet regulatory requirements, the performance of three broader based market indices have been included below.

S&P/TSX Composite Index**	<b>35.05 %</b>	(0.21)%	7.66 %	7.45 %
S&P 500 Index***	<b>8.23 %</b>	(8.91)%	(2.32)%	(3.76)%
Scotia Capital Universal Bond Index****	<b>5.41 %</b>	5.16 %	5.20 %	6.15 %
Bloomberg/EFFAS Bond Indices Canada 3-5 Year *****	<b>0.04 %</b>	n/a	n/a	n/a

\* From date of inception on March 18, 2002.

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

\*\*\* The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure the performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

\*\*\*\* The Scotia Capital Universal Bond Index is designed to measure the performance of the Canadian fixed income market.

\*\*\*\*\* The Bloomberg/EFFAS Bond Indices Canada 3-5 Year is designed to measure the performance of the 3 to 5 year term Government of Canada bond market.

During 2009, the Fund's sensitivity to changes in mid to long-term interest rates and the shape of the yield curve was reduced as the term to maturity of the fixed portfolios was shortened in keeping with the December 31, 2013 termination date of the Fund. As a result, the shorter-term Bloomberg/EFFAS Bond Indices Canada 3-5 Year was added to the performance benchmarks of the Fund.

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

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

### Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 26, 2002.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 26, 2002, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

### Forward-Looking Statements

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

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

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

## Management's Responsibility for Financial Reporting

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

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements.

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

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



John P. Mulvihill  
Director  
Mulvihill Fund Services Inc.  
February 12, 2010



Sheila S. Szela  
Director  
Mulvihill Fund Services Inc.

## To the Shareholders of Mulvihill Pro-AMS RSP Split Share Corp.

We have audited the statement of investments of Mulvihill Pro-AMS RSP Split Share Corp. (the "Fund") as at December 31, 2009, the statements of financial position as at December 31, 2009 and 2008, and the statements of operations and retained earnings/(deficit), of changes in net assets, and of cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and 2008, and the results of its operations, the changes in its net assets, and its cash flows for the years then ended, in accordance with Canadian generally accepted accounting principles.

*Deloitte & Touche LLP*

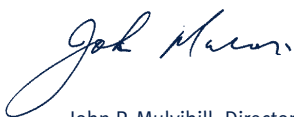
Chartered Accountants  
Licensed Public Accountants  
Toronto, Ontario  
February 12, 2010

## Statements of Financial Position

December 31, 2009 and 2008

	2009	2008
<b>ASSETS</b>		
Investments - Class A Share Fixed portfolio at fair value (cost - \$4,837,877; 2008 - \$8,903,146) (Note 6)	\$ 5,246,966	\$ 9,203,348
Investments - Class B Share Fixed portfolio at fair value (cost - \$11,972,283; 2008 - \$16,161,433) (Note 6)	10,455,244	18,489,553
Investments - Managed portfolio at fair value (cost - \$20,566; 2008 - \$357,529)	16,268	301,001
Short-term investments - Managed portfolio at fair value (cost - nil; 2008 - \$326,461)	–	324,330
Cash	169,547	16,226
Dividends receivable	156	602
Interest receivable	–	942
<b>TOTAL ASSETS</b>	<b>\$ 15,888,181</b>	<b>\$ 28,336,002</b>
<b>LIABILITIES</b>		
Redemptions payable	\$ 675,421	\$ 8,337,831
Accrued management fees (Note 8)	341,989	347,167
Accrued forward agreement fees	34,033	50,601
Accrued liabilities	26,086	27,029
Accrued Class A share distributions (Note 7)	–	161,784
Redeemable Class A shares (Notes 4 and 7)	4,810,646	6,485,515
	<b>5,888,175</b>	<b>15,409,927</b>
<b>EQUITY</b>		
Class B and Class J shares (Note 7)	10,223,601	12,807,632
Retained earnings/(deficit)	(223,595)	118,443
	<b>10,000,006</b>	<b>12,926,075</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 15,888,181</b>	<b>\$ 28,336,002</b>
<b>Number of Units Outstanding (Note 7)</b>	<b>555,605</b>	<b>696,035</b>
<b>Net Assets per Unit (Note 5)</b>		
Class A Share	\$ 8.6584	\$ 9.3178
Class B Share	17.9984	18.5710
	<b>\$ 26.6568</b>	<b>\$ 27.8888</b>

On Behalf of the Board of Directors,



John P. Mulvihill, Director



Robert W. Korthals, Director



## Statements of Operations and Retained Earnings/(Deficit)

Years ended December 31, 2009 and 2008

	2009	2008
REVENUE		
Dividends	\$ 4,622	\$ 38,462
Interest, net of foreign exchange	(3,532)	95,801
Withholding taxes	(349)	(2,962)
	741	131,301
Net realized loss on investments	(88,190)	(256,297)
Net realized gain on derivatives	3,206,541	4,750,760
<b>Total Net Realized Gain</b>	<b>3,118,351</b>	<b>4,494,463</b>
<b>TOTAL REVENUE</b>	<b>3,119,092</b>	<b>4,625,764</b>
EXPENSES (Note 8)		
Management fees	84,258	138,464
Forward agreements fees (Note 6)	119,162	192,674
Administrative and other expenses	71,912	68,839
Transaction fees (Note 10)	1,176	8,574
Custodian fees	21,507	33,421
Audit fees	29,435	29,927
Director fees	19,631	17,317
Independent review committee fees	6,514	4,267
Legal fees	9,169	5,481
Shareholder reporting costs	15,239	28,192
Goods and services tax	11,768	15,219
<b>TOTAL EXPENSES</b>	<b>389,771</b>	<b>542,375</b>
<b>Net Realized Income before Distributions</b>	<b>2,729,321</b>	<b>4,083,389</b>
Class A distributions (Note 7)	112,593	(704,637)
<b>Net Realized Income</b>	<b>2,841,914</b>	<b>3,378,752</b>
Net change in unrealized appreciation/depreciation of investments	(3,684,042)	26
Net change in unrealized appreciation/depreciation of short-term investments	238	(4,750)
<b>Total Net Change in Unrealized Appreciation/Depreciation of Investments</b>	<b>(3,683,804)</b>	<b>(4,724)</b>
<b>Net Income (Loss) before Reduction in Value of Class A Shares</b>	<b>(841,890)</b>	<b>3,374,028</b>
<b>Reduction in Value of Class A Shares (Note 4)</b>	<b>366,370</b>	<b>474,835</b>
<b>Net Allocations on Retractions of Class A Shares (Note 7)</b>	<b>70,265</b>	<b>376,705</b>
<b>NET INCOME (LOSS) FOR THE YEAR</b>	<b>\$ (405,255)</b>	<b>\$ 4,225,568</b>
NET INCOME (LOSS) PER CLASS B SHARE (based on the weighted average number of Class B shares outstanding during the year of 626,852; 2008 - 1,087,195)	<b>\$ (0.6465)</b>	<b>\$ 3.8867</b>
RETAINED EARNINGS/(DEFICIT)		
Balance, beginning of year	\$ 118,443	\$ (4,376,882)
Net allocations on retractions of Class B shares (Note 7)	63,217	269,757
Net income (loss) for the year	(405,255)	4,225,568
<b>BALANCE, END OF YEAR</b>	<b>\$ (223,595)</b>	<b>\$ 118,443</b>

## Statements of Changes in Net Assets

Years ended December 31, 2009 and 2008

	2009	2008
NET ASSETS, CLASS B AND CLASS J SHARES BEGINNING OF YEAR	\$ 12,926,075	\$ 16,569,076
Net Realized Income before Distributions	2,729,321	4,083,389
Reduction in Value of Class A Shares (Note 4)	366,370	474,835
Net Allocations on Retractions of Class A Shares (Note 7)	70,265	376,705
Class B Share Transactions		
Amount paid for Class B shares redeemed	(2,520,814)	(7,868,569)
Distributions		
Class A Share		
Accrued Class A share distributions (Note 7)	112,593	(161,784)
Non-taxable distributions	–	(542,853)
	112,593	(704,637)
Net Change in Unrealized Appreciation/Depreciation of Investments	(3,683,804)	(4,724)
Changes in Net Assets during the Year	(2,926,069)	(3,643,001)
NET ASSETS, CLASS B AND CLASS J SHARES END OF YEAR	\$ 10,000,006	\$ 12,926,075

## Statements of Cash Flows

Years ended December 31, 2009 and 2008

	2009	2008
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	\$ 340,556	\$ 1,545,503
Cash Flows Provided by (Used In) Operating Activities		
Net Realized Income before Distributions	2,729,321	4,083,389
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Purchase of investment securities	(205,141)	(22,797,106)
Proceeds from disposition of investment securities	8,796,523	22,241,412
(Increase)/decrease in dividends receivable, interest receivable and due from brokers - derivatives	1,388	3,128,095
Increase/(decrease) in accrued management fees, accrued forward agreement fees and accrued liabilities	(22,689)	(66,802)
Net change in unrealized depreciation of cash and short-term investments	238	(4,750)
	8,570,319	2,500,849
Cash Flows Provided by (Used in) Financing Activities		
Distributions to Class A shares	(49,191)	(542,853)
Class A share redemptions	(3,815,532)	(2,642,370)
Class B share redemptions	(7,605,926)	(4,603,962)
	(11,470,649)	(7,789,185)
Net Increase/(Decrease) in Cash and Short-Term Investments During the Year	(171,009)	(1,204,947)
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	\$ 169,547	\$ 340,556
Cash and Short-Term Investments comprise of:		
Cash	\$ 169,547	\$ 16,226
Short-Term Investments	–	324,330
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	\$ 169,547	\$ 340,556

## Statement of Investments

December 31, 2009

	Number of Shares		Average Cost	Fair Value	% of Portfolio
INVESTMENTS - MANAGED PORTFOLIO					
<b>Canadian Common Shares</b>					
<b>Energy</b>					
Cenovus Energy Inc.	600	\$	20,566	\$ 15,882	0.1 %
<b>Total Canadian Common Shares</b>		\$	20,566	\$ 15,882	0.1 %
<b>Forward Exchange Contracts</b>					
Sold USD \$15,000, Bought CAD \$16,097 @ 0.93188 - January 20, 2010				\$ 372	
Sold USD \$15,000, Bought CAD \$15,428 @ 0.97229 - February 3, 2010				(297)	
Sold USD \$13,000, Bought CAD \$13,940 @ 0.93257 - February 17, 2010				311	
Sold USD \$15,000, Bought CAD \$15,743 @ 0.95279 - March 3, 2010				18	
Sold USD \$15,000, Bought CAD \$15,707 @ 0.95498 - March 17, 2010				(18)	
<b>Total Forward Exchange Contracts</b>				\$ 386	0.1 %
<b>TOTAL INVESTMENTS - MANAGED PORTFOLIO</b>		\$	20,566	\$ 16,268	0.2 %
INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO					
<b>Canadian Common Shares</b>					
<b>Consumer Discretionary</b>					
Gildan Activewear Inc.	110	\$	4,301	\$ 2,812	
Rona Inc.	3,990		70,766	61,566	
<b>Total Consumer Discretionary</b>			75,067	64,378	0.4 %
<b>Financials</b>					
Firstservice Corp.	66,103		1,025,918	1,328,670	8.5 %
<b>Health Care</b>					
MDS Inc.	128,079		1,025,913	1,024,632	6.5 %
<b>Industrials</b>					
Westjet Airlines Ltd.	146,617		1,457,300	1,809,254	11.5 %
<b>Information Technology</b>					
Research In Motion Limited	7,927		227,768	562,500	3.6 %
<b>Materials</b>					
Canfor Corporation	155,441		1,025,911	1,259,072	8.0 %
<b>Total Canadian Common Shares</b>		\$	4,837,877	\$ 6,048,506	38.5 %
<b>Class A Share Forward Agreements (Note 6)</b>				(801,540)	(5.1)%
<b>TOTAL INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO</b>		\$	4,837,877	\$ 5,246,966	33.4 %

**Statement of Investments**

December 31, 2009

	Number of Shares	Average Cost	Fair Value	% of Portfolio
INVESTMENTS - CLASS B FIXED PORTFOLIO				
<b>Canadian Common Shares</b>				
<b>Consumer Discretionary</b>				
Gildan Activewear Inc.	10,933	\$ 427,480	\$ 279,557	
Rona Inc.	49,152	871,753	758,415	
<b>Total Consumer Discretionary</b>		<b>1,299,233</b>	<b>1,037,972</b>	<b>6.5 %</b>
<b>Consumer Staples</b>				
Viterra Inc.	3,194	33,090	31,493	0.2 %
<b>Energy</b>				
Birchcliff Energy Ltd.	181,348	2,254,156	1,704,671	10.8 %
<b>Financials</b>				
Firstservice Corp.	91,670	1,422,718	1,842,567	11.7 %
<b>Health Care</b>				
MDS Inc.	177,619	1,422,728	1,420,952	9.0 %
<b>Industrials</b>				
Westjet Airlines Ltd.	81,438	809,453	1,004,945	6.4 %
<b>Materials</b>				
Canfor Corporation	215,564	1,422,722	1,746,069	
Eldorado Gold Corporation	201,475	1,654,110	2,995,933	
FNX Mining Co. Inc.	68,153	1,654,073	784,441	
<b>Total Materials</b>		<b>4,730,905</b>	<b>5,526,443</b>	<b>35.2 %</b>
<b>Total Canadian Common Shares</b>		<b>\$ 11,972,283</b>	<b>\$ 12,569,043</b>	<b>79.8 %</b>
<b>Class B Share Forward Agreement (Note 6)</b>			<b>(2,113,799)</b>	<b>(13.4)%</b>
<b>TOTAL INVESTMENTS - CLASS B FIXED PORTFOLIO</b>		<b>\$ 11,972,283</b>	<b>\$ 10,455,244</b>	<b>66.4 %</b>
<b>TOTAL INVESTMENTS</b>		<b>\$ 16,830,726</b>	<b>\$ 15,718,478</b>	<b>100.0 %</b>
Redeemable Class A Shares			(4,810,646)	
Other Assets Less Liabilities			(907,826)	
<b>NET ASSETS</b>			<b>\$ 10,000,006</b>	
TOTAL MANAGED PORTFOLIO		\$ 20,566	\$ 16,268	
TOTAL CLASS A FIXED PORTFOLIO		4,837,877	5,246,966	
TOTAL CLASS B FIXED PORTFOLIO		11,972,283	10,455,244	
<b>TOTAL INVESTMENT PORTFOLIO</b>		<b>\$ 16,830,726</b>	<b>\$ 15,718,478</b>	

## 1. Corporate Information

Mulvihill Pro-AMS RSP Split Share Corp. (the “Fund”) is a mutual fund corporation incorporated under the laws of the Province of Ontario on January 8, 2002. The Fund began operations on March 18, 2002. All shares outstanding on December 31, 2013 (the “Termination Date”) will be redeemed by the Fund on that date unless otherwise determined by a majority vote of each class of shareholders.

The manager of the Fund is Mulvihill Fund Services Inc. (the “Manager”) and the Fund’s investment manager is Mulvihill Capital Management Inc. (the “Investment Manager”). RBC Dexia Investor Services Trust is the custodian of the assets of the Fund.

## 2. Investment Objectives of the Fund

The Fund’s investment objectives with respect to the Class A shares are: (i) to provide holders of Class A shares with fixed cumulative preferential monthly cash distributions in the amount of \$0.05417 per Class A share representing a yield on the issue price of the Class A shares of 6.5 percent per annum; and (ii) to pay such holders \$10.00 for each Class A share held on redemption of the Class A shares on the Termination Date in priority out of the Managed Portfolio. In October 2008, the Fund suspended payment of distributions on Class A shares.

To enhance the Fund’s ability to return the original issue price of the Class A shares on termination, the Fund has entered into forward purchase and sale agreements (each a “Class A Share Forward Agreement”) for cash amounts on termination which will be negotiated at the time such forward agreements are entered into.

The Fund’s investment objectives with respect to the Class B shares are: (i) to pay such holders \$20.00 for each Class B share held on the redemption of the Class B shares on the Termination Date; and (ii) on the Termination Date, to provide holders of Class B shares with the balance of the value of the Fund’s Managed Portfolio after paying holders of the Class A shares \$10.00 per Class A share. Based on the terms of the original prospectus and rating covenants and due to declines in the Managed portfolio, distributions on Class B shares have been suspended commencing with the January 2005 distribution.

To provide the Fund with the means to return the original issue price of the Class B shares on termination, the Fund has entered into a forward purchase and sale agreement (the “Class B Share Forward Agreement”) pursuant to which the counterparty has agreed to pay to the Fund an amount equal to \$20.00 in respect of each Class B share outstanding on the Termination Date in exchange for the Fund delivering to the counterparty the equity securities in the Fund’s Class B Fixed Portfolio.

The balance of the net proceeds of the initial share offering, after entering into the Class B Share Forward Agreement, (i) has been invested in a diversified portfolio consisting principally of Canadian and U.S. equity securities that are listed on a major North American stock exchange or market whose issuers have a market capitalization in excess of U.S. \$5.0 billion if listed solely in the United States or a market capitalization in excess of Canadian \$1.0 billion if listed in Canada and (ii) has been used to enter into Class A Share Forward Agreements (collectively, the “Managed Portfolio”). The Managed Portfolio was reduced significantly in size during 2008 with the funding of the Class A Share Fixed Portfolio. At December 31, 2009, the value of the Managed Portfolio was minimal. To the extent that the net asset value of the Managed Portfolio exceeds \$10.00 per Class A share

outstanding on the Termination Date, this excess amount will be available for distribution to holders of Class B shares provided the Fund has paid all distributions on the Class A shares.

To generate additional returns, the Fund may, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

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

From time to time, the Fund may hold a portion of its assets in cash equivalents.

## 3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Primary estimates include valuation of investments. While management believes that the estimates used in preparing its financial statements are reasonable and prudent, actual results could differ from these estimates.

### New Accounting Standards

The Fund has adopted, effective January 1, 2009, Canadian Institute of Chartered Accountants (“CICA”) amendments to Handbook Section 3862, “Financial Instruments - Disclosures”. The revised disclosure requirements are intended to improve disclosures about fair value and liquidity risk. See additional note disclosures in Note 12.

The Fund has adopted, effective January 1, 2009, EIC-173, “Credit Risk and the Fair Value of Financial Assets and Financial Liabilities” (“EIC-173”). EIC-173 clarifies how the Fund’s own credit risk and counterparty credit risk should be taken into account in determining the fair value of financial assets and financial liabilities, including derivatives. Management has completed its analysis and determined that the new guidance did not have material impact on the valuation of the Fund’s financial assets and financial liabilities, or its net assets.

The significant accounting policies of the Fund are as follows:

### Valuation of Investments

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

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



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

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

The value of a Forward Agreement shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract were to be closed out. The fair value is determined using a valuation technique based on a discounted cash flow approach adjusted for contract specific terms. Changes in the underlying factors such as the discount interest rate will impact the fair value of the Forward Agreement. The valuation of the Forward Agreement may be postponed for up to five business days if trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such time.

### Transaction Fees

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

### Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation/depreciation of investments are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

- (i) Expiration of written options whereby realized gains are equivalent to the premium received;
- (ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and
- (iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in net realized gains (losses) on derivatives.

Realized gains and losses relating to purchased put options may arise from:

- (i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid;
- (ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid; and
- (iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference

resulting from revaluation is included in the change in unrealized appreciation/depreciation of investments. Premiums received on written put options that are exercised are included in the cost of the security purchased.

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

### Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

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

### Redeemable Class A Shares

Each Redeemable Class A share is valued for financial statement purposes at the lesser of: (i) \$10.00; and (ii) the net asset value of the Managed Portfolio divided by the number of Class A shares outstanding.

### 4. Reduction in Value of Class A Shares

In the fourth quarter of 2008, the Fund experienced market declines in its equity portfolios. In October 2008, the Fund suspended distributions on the Class A Shares. The Managed Portfolio funded additional amounts for the Class A Share Forward Agreements to a future value of \$10.00 per Class A Share. The Managed Portfolio was reduced significantly in size with this funding. The Class A Shares have residual risk, since the decrease in the size of the Managed Portfolio means that the Class A Shareholders will be expected to cover expenses of the Fund in future years. As a result, the expected redemption value of the Class A Shares to be received in December of 2013 is below \$10.00 per Class A Share.

Each Class A share is valued for financial statement purposes at the lesser of: (i) the original redemption value of \$10.00; and (ii) the net assets of the Managed Portfolio, divided by the number of Class A shares outstanding. As a result, the redemption value of the Class A shares was reduced by \$366,370 (2008 - \$474,835). This reduction is reflected in both the carrying value in the Statement of Financial Position and the Statement of Operations and Retained Earnings/(Deficit).

### 5. Net Asset Value

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 December 31 is as follows:

	2009	2008
Net Asset Value (for pricing purposes)	\$26.65	\$27.88

## 6. Forward Agreements

The Fund contributed, every six months, commencing on September 30, 2002, an amount targeted to be a minimum of \$0.43 per Class A share outstanding, representing 1/23rd of the issue price of a Class A share, to an account (the "Class A Share Fixed Portfolio") used to acquire Canadian equity securities. The Fund at each such time enters into Class A Share Forward Agreements with Royal Bank of Canada ("RBC") and pursuant to the terms thereof agrees to deliver the equity securities so acquired for a cash amount on termination negotiated at the time such forward agreement is entered into. The Fund will not enter into additional Class A Share Forward Agreements at such time as the forward value under the Class A Share Forward Agreements on the Termination Date equals the Class A share issue price (\$10.00) multiplied by the number of Class A shares outstanding.

The Fund has entered into the Class B Share Forward Agreement with RBC pursuant to which RBC will pay the Fund an amount equal to \$20.00 for each Class B share outstanding on the termination date in exchange for the Fund delivering to RBC the equity securities included in the Class B Share Fixed Portfolio.

In entering into the Forward Agreements, the Fund may be exposed to the credit risk associated with the counterparty (RBC) and as well as the risk that the counterparty (RBC) will not satisfy its obligations under the Forward Agreements on a timely basis or at all. Since, depending on the performance of the Fixed Portfolio, the mark-to-market value of the Forward Agreements may from time to time, represent a significant portion of the value of the assets of the Fund, the exposure of the Fund to the credit risk associated with the counterparty (RBC) may be, from time to time, significant. The credit risk is mitigated because the Forward Agreements may be settled at the option of the Fund during the year to fund the periodic redemptions of shareholders and securities in the Fixed Portfolios have been pledged to the Royal Bank of Canada ("RBC") as security for the obligation of the Fund under the Forward Agreements. As a result, the fixed portfolios effectively have no equity exposure.

The market price of the Class A shares and Class B shares may be affected by the level of interest rates prevailing from time to time. In addition, prior to the Termination Date, the Net Asset Value ("NAV") of the Fund may be sensitive to interest rate fluctuations because the value of the Forward Agreements will fluctuate based on interest rates. In addition, any decrease in the NAV of the Fund resulting from an increase in interest rates may also negatively affect the market price of the Class A shares or Class B shares. Holders of Class A shares or Class B shares who wish to redeem or sell their Class A shares or Class B shares prior to the Termination Date are exposed to the risk that NAV per unit or the market price of the Class A share or Class B share is negatively affected by interest rate fluctuations. The remaining term to maturity of the forward agreements are 4 years. The Class A Share Forward Agreements and the Class B Share Forward Agreement (together, the "Forward Agreements") are a direct obligation of RBC.

The Forward Agreements may be physically or cash settled at the option of the Fund. In order to permit the Fund to fund periodic redemptions of Class A shares and Class B shares, the Forward Agreements may be settled in whole or in part in respect of any

valuation date by the Fund tendering to RBC securities at a price equal to the current market value of the tendered securities and the value of the portion of the Forward Agreements attributable to such securities. Securities in the Class A Share Fixed Portfolio and the Class B Share Fixed Portfolio have been pledged to RBC as security for the obligations of the Fund under the Forward Agreements.

A yearly fee of 0.42 percent on the guaranteed value of the Forward Agreement and 0.24 percent on the market value of the Fixed Portfolio is payable by the Fund. Fees are accrued and payable every quarter.

## 7. Share Capital

The Fund is authorized to issue an unlimited number of Class A shares and Class B shares and 100 Class J shares. Together, one Class A share and one Class B share constitutes a Unit.

### Class A Shares

Holders of Class A shares are entitled to receive fixed cumulative preferential monthly cash distributions of \$0.05417 per share to yield 6.5 percent per annum on the issue price on the last day of each month.

The Fund suspended payment of the fixed cumulative preferential monthly cash distributions on Class A shares in October 2008. The accrued Class A share distributions consist of dividends in the amount of nil (2008 - \$161,784) in arrears. A portion of the accrued distributions was reversed in 2009 as the Class A shares have residual risk now, since the decrease in the size of the Managed Portfolio may mean that the Class A shareholders will be expected to cover expenses of the Fund in future years.

The Class A shares will be redeemed by the Fund on December 31, 2013. The redemption price payable by the Fund for a Class A share on that date will be equal to the lesser of (i) \$10.00 plus any accrued and unpaid distributions (the "Class A Share Redemption Amount"); and (ii) the net asset value ("NAV") of the Managed Portfolio on that date divided by the number of Class A shares then outstanding.

Class A shares may be surrendered at any time for retraction by the Fund but will be retracted only on a monthly valuation date. Shareholders whose Class A shares are retracted will be entitled to receive a retraction price per share equal to 96 percent of the lesser of (i) the NAV per Unit determined as of the relevant valuation date less the cost to the Fund of the purchase of a Class B share in the market for cancellation; and (ii) \$10.00. The cost of the purchase of a Class B share will include the purchase price of the Class B share, commission and such other costs, if any, related to the liquidation of any portion of the Managed Portfolio required to fund such purchase. A holder of a Class A share may concurrently retract one Class A share and one Class B share on the December valuation date of each year at a retraction price equal to the NAV per Unit on that date. Net allocations on retractions represent gains on retractions of Class A shares where the price paid upon retraction is less than the carrying value of the retracted shares.

The Fund's Class A shares have been classified as liabilities in accordance with the accounting requirements of The Canadian Institute of Chartered Accountants. Accordingly, net income for the year is stated after Class A share distributions.

### Class B Shares

The policy of the Board of Directors of the Fund is to pay monthly non-cumulative distributions to the holders of Class B shares in an amount targeted to be at least 8.5 percent per annum on the issue price.

No distributions will be paid on the Class B shares if (i) the distributions payable on the Class A shares are in arrears; (ii) the cumulative minimum semi-annual contributions to the Class A Share Forward Account have not been made by the Fund; or (iii) after the payment of the distribution by the Fund, the NAV of the Managed Portfolio less the aggregate of the equity securities subject to the NAV of the Class A Share Forward Agreements and the NAV of the Class A Share Forward Agreements would be less than 120 percent of the difference between (A) an amount equal to \$10.00 times the number of Class A shares then outstanding, and (B) the forward price that would be payable to the Fund under the Class A Share Forward Agreements on the Termination Date.

In addition, no distributions will be paid on the Class B shares if the NAV of the Managed Portfolio minus the aggregate of the NAV of the equity securities subject to the Class A Share Forward Agreements and the NAV of the Class A Share Forward Agreements would be less than 20 percent of \$10.00 multiplied by the number of Class A shares then outstanding. Based on the terms of the original prospectus and rating covenants, distributions on Class B shares have been suspended commencing January 2005.

The Class B shares will be redeemed by the Fund on December 31, 2013. The redemption price payable by the Fund for a Class B share on that date will be equal to the greater of (i) the NAV per Unit on that date minus the Class A Share Redemption Amount; and (ii) the forward price that would be payable to the Fund under the Class B Share Forward Agreement divided by the number of Class B shares then outstanding.

Class B shares may be surrendered at any time for retraction by the Fund but will be retracted only on a monthly valuation date. Shareholders whose Class B shares are retracted will be entitled to receive a retraction price per share equal to 96 percent of the difference between (i) the NAV per Unit determined as of the relevant valuation date; and (ii) the cost to the Fund of the purchase of a Class A share in the market for cancellation. The cost of the purchase of a Class A share will include the purchase price of the Class A share, commission and such other costs, if any, related to the liquidation of any portion of the Fund's portfolio to fund such purchase. A holder of Class B shares may concurrently retract one Class B share and one Class A share on the December valuation date of each year at a retraction price equal to the NAV per Unit on that date. Net allocations on retractions represent gains on retractions of Class B shares where the price paid upon retraction is less than the carrying value of the retracted shares.

### Class J Shares

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

### Issued and Outstanding

	2009	2008
555,605 Class A shares (2008 - 696,035)	\$ 4,810,646	\$ 6,485,515
555,605 Class B shares (2008 - 696,035)	\$ 10,223,501	\$ 12,807,532
100 Class J shares (2008 - 100)	100	100
	\$ 10,223,601	\$ 12,807,632

During the year, 140,430 Units (2008 - 442,280 Units) were redeemed by the Fund.

### 8. Management Fees and Expenses

The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the custodian and Manager in the ordinary course of business relating to the Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Fees are payable to the Manager under the terms of a management agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10 percent and 1.10 percent, respectively, of the Fund's net asset value, excluding the Redeemable Class A share liability, calculated and payable monthly, plus applicable taxes. In the event that no distributions are made for six or more consecutive months, the monthly investment management fee will be reduced to 1/12 of 0.40 percent of the Fund's net asset value and the full amount of such fees will not be payable until such time as regular distributions resume.

The unpaid portion of such fees will be accrued and will not be paid until such time as the distribution shortfall has been paid to shareholders. No unpaid portion of such fees will be paid out of the proceeds of the Forward Agreements.

The Investment Manager voluntarily agreed to defer payment of a portion of its investment management fees owing to it by the Fund until June 2005. The voluntary deferral of a portion of the fee is in proportion to the reduction in the targeted distribution rates, subject to a minimum annual fee per the prospectus of 0.40 percent of the Fund's net asset value. The Investment Manager may choose at any time to require payment in full of the fees voluntarily deferred.

Commencing July 2005 investment management fees were reduced from a monthly rate of 1.10 percent to a monthly rate of 0.40 percent of the Fund's net asset value, plus applicable taxes, as required by the prospectus when the Fund has not paid distributions for six or more consecutive months. Investment management fees for the year were paid at an annual rate of 0.40 percent of the Fund's net asset value.

The Manager will pay a service fee (the "Service Fee") to each dealer whose clients hold Class B shares. The Service Fee is calculated and paid at the end of each calendar quarter and is equal to 0.30 percent annually of the value of the Class B shares held by clients of the dealer. For these purposes, the value of the Class B share will be

the NAV per Unit less \$10.00. If regular targeted distributions are not paid in full to shareholders of Class B shares in any month of a calendar quarter, the Service Fee for that calendar quarter will be reduced on a pro rata basis based upon the distribution shortfall.

## 9. Income Taxes

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

The Fund is also a “financial intermediary corporation” as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received.

No amount is payable on account of income taxes in 2009 or 2008.

Accumulated non-capital losses of approximately \$1.3M (2008 - \$2.5M) and capital losses of \$5.8M (2008 - \$5.9M) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire as follows:

Expiration Date	Amount
2014	\$ 1.3
<b>Total</b>	<b>\$ 1.3</b>

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

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

## 10. Transaction Fees

Total transaction fees paid for the year ended December 31, 2009 in connection with portfolio transactions were \$1,176 (2008 - \$8,574). Of this amount \$663 (2008 - \$2,222) was directed for payment of trading related goods and services.

## 11. Capital Disclosures

CICA Handbook Section 1535, “Capital Disclosures” requires the disclosure of (i) an entity’s objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Fund’s objectives, policies and processes are described in Note 2, information on the Fund’s shareholders’ equity is described in Note 7 and the Fund does not have any externally imposed capital requirements.

## 12. Financial Instruments and Risk Management

The Fund’s financial instruments consist of cash, investments, receivables, payables and certain derivative contracts. As a result of the amendments to CICA Handbook Section 3862, “Financial Instruments – Disclosures”, the Fund uses a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund’s investments. The hierarchy of inputs is summarized below:

- (1) Level 1 - for unadjusted quoted prices in active markets for identical assets or liabilities,
- (2) Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and
- (3) Level 3 - for inputs that are based on unobservable market data.

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund’s investments and derivatives carried at fair values:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Canadian Common Shares	\$ 18,633,431	\$ -	\$ -	\$ 18,633,431
Forward Exchange Contracts	-	386	-	\$ 386
Forward Agreements	-	(2,915,339)	-	\$ (2,915,339)
<b>Total Investments</b>	<b>\$ 18,633,431</b>	<b>\$ (2,914,953)</b>	<b>\$ -</b>	<b>\$ 15,718,478</b>

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

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

### Interest Rate Risk

The Fund is comprised of two fixed portfolios, which each contain a forward agreement and securities pledged as collateral under the forward agreement, as well as a managed portfolio which holds cash and cash equivalents. The values of the forward agreements are determined by the current level of interest rates and are inversely related to them. Duration is the change in the value of the forward agreements that will result from a 100 basis points change in interest rates and is stated in years. The Fund’s duration is approximately 4.0 years.

The forward agreements also have more sensitivity to interest rates than a comparable bond. For example, increases in long-term interest rates will generally have the effect of decreasing the Fund’s total net assets. As the majority of the Fund’s total net assets are comprised of the forward agreements, the primary risk associated with the Fund is interest rate risk.

Approximately 106 percent (2008 - 143 percent) of the Fund’s net assets, excluding the Redeemable Class A share liability, held at December 31, 2009 were invested in the Fund’s fixed portfolios. If interest rates increased or decreased by 100 basis points as at December 31, 2009, the net assets, excluding the Redeemable Class A share liability, of the Fund would have decreased or increased by \$0.6M (2008 - \$1.4M) respectively or 4.2 percent (2008 - 7.1 percent) percent of the net assets, excluding the Redeemable Class A share liability, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.



As the Fund approaches the termination date of December 31, 2013, the Fund's sensitivity to longer-term interest rates will decline, whereas its sensitivity to short-term interest rates will increase.

### Liquidity Risk

The market price of the Class A Shares and Class B Shares may be affected by the level of interest rates prevailing from time to time. In addition, any decrease in the NAV of the Fund resulting from an increase in interest rates may also negatively affect the market price of the Class A Shares or Class B Shares. To mitigate this risk, excess cash and short-term investments are invested at short-term market interest rates.

The fixed portfolios contain forward agreements and securities pledged as collateral under the forward agreements. The forward agreements are not actively managed and therefore have minimal liquidity risk if shares are held to maturity of the Fund. Liquidity risk for the forward agreements arise only upon early redemption or early termination of the Fund possibly impacting the price at which the forward agreements or a portion of the agreements are liquidated. The Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due. Liabilities are payable within one year except the Redeemable Class A share liability which matures on December 31, 2013 (see Note 7).

### Other Price Risk

The Fund's equity, debt securities and trading derivatives held in the managed portfolio are susceptible to market price risk arising from uncertainties about future prices of the instruments. Net Assets per Unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund. The Fund's market risk is managed by taking a long-term perspective. The equity exposure of the managed portfolio of the Fund is minimal as it represents approximately 0.1 percent (2008 - 1.6 percent) of the Fund's net assets, excluding the Redeemable Class A share liability, held at December 31, 2009.

Approximately 106 percent (2008 - 144 percent) of the Fund's net assets, excluding the Redeemable Class A share liability, held at December 31, 2009 were invested in the Fund's fixed portfolios that include publicly traded equities. These equity securities have been pledged to the Royal Bank of Canada as security for the obligation of the Fund under the Forward Agreements. As a result, the fixed portfolios have no equity exposure.

### Currency Risk

During the year, the portfolio included 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 is 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 1 percent (2008 - 1 percent) of the Fund's net assets, excluding the Redeemable Class A share liability, held at December 31, 2009 were held in cash denominated in U.S. currency. This risk is mitigated by the Fund through the use of forward contracts. At December 31, 2009, the Fund had minimal currency risk as a result of its investment in foreign currency contracts. If the Canadian dollar

weakened or strengthened by 1 percent in relation to the U.S. currency, the net assets, excluding the Redeemable Class A share liability, of the Fund would have decreased or increased, by approximately nil respectively (2008 - \$1.6k) or 0.0 percent (2008 - 0.0 percent) of the net assets, excluding the Redeemable Class A share liability, with all other factors remaining constant.

### Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

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

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

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

The following are credit ratings for the counterparties to derivative instruments that the Fund dealt with during the prior year, based on Standard & Poor's credit rating as of December 31, 2008:

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

The following are credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of December 31, 2008:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Discount Commercial Papers	AAA	74%
Government of Canada Treasury Bills	AAA	26%
<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.

## 13. Future Accounting Policy Changes

The Fund is required to adopt International Financial Reporting Standards ("IFRS") for the years beginning on January 1, 2011. The IFRS compliant financial statements will be on a comparative basis.



## Statement of Corporate Governance Practices

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

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

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

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

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

## 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.

## Mulvihill Capital Management Inc.

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

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
For the period January 1, 2009 to December 31, 2009			
UNIT TRUSTS			
Core Canadian Dividend Trust	CDD.UN	\$ 7.39	\$ 4.80
First Premium Income Trust	FPI.UN	\$ 12.22	\$ 10.06
Gold Participation and Income Fund	GPF.UN/GPF.WT	\$ 12.25/\$ 0.50	\$ 10.12/\$ 0.21
Premier Canadian Income Fund	GIP.UN	\$ 6.71	\$ 4.06
Top 10 Canadian Financial Trust	TCT.UN	\$ 10.87	\$ 7.27
SPLIT SHARES			
MCM Split Share Corp.	MUH.A/MUH.PR.A	\$ 1.79/\$14.95	\$ 0.07/\$12.00
Premium Income Corporation	PIC.A/PIC.PR.A	\$ 5.48/\$15.20	\$ 1.42/\$10.87
S Split Corp.	SBN/SBN.PR.A	\$ 8.85/\$10.66	\$ 3.03/\$ 7.77
Top 10 Split Trust	TXT.UN/TXT.PR.A	\$ 4.17/\$13.10	\$ 0.89/\$ 8.61
World Financial Split Corp.	WFS/WFS.PR.A	\$ 3.98/\$ 9.95	\$ 1.29/\$ 6.58
PRINCIPAL PROTECTED FUNDS			
Government Strip Bond Trust	GSB.UN	\$ 24.95	\$ 22.90
Mulvihill Pro-AMS RSP Split Share Corp.	SPL.A/SPL.B	\$ 9.60/\$18.55	\$ 7.60/\$17.00
Pro-AMS U.S. Trust	PAM.UN	\$ 24.62	\$ 23.10

## Board of Directors

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

**Sheila S. Szela**<sup>3</sup>  
Vice President, Finance & CFO,  
Mulvihill Capital Management Inc.

**Michael M. Koerner**<sup>1,4</sup>  
Corporate Director

**Robert W. Korthals**<sup>1,4</sup>  
Corporate Director

**Robert G. Bertram**<sup>2,4</sup>  
Corporate Director

<sup>1</sup> Audit Committee Member

<sup>2</sup> Audit Committee Member effective December 3, 2009

<sup>3</sup> Audit Committee Member until December 3, 2009

<sup>4</sup> Independent Review Committee Member

## Information

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**Auditors:**  
Deloitte & Touche LLP  
Brookfield Place  
181 Bay Street, Suite 1400  
Toronto, Ontario M5J 2V1

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

**Shares Listed:**  
Toronto Stock Exchange  
trading under  
SPL.A/SPL.B

**Custodian:**  
RBC Dexia Investor Services Trust  
RBC Centre  
155 Wellington Street West, 2nd Floor  
Toronto, Ontario M5V 3L3

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

## Hybrid Income Funds Managed by Mulvihill Structured Products

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### UNIT TRUSTS

Core Canadian Dividend Trust  
First Premium Income Trust  
Gold Participation and Income Fund  
Premier Canadian Income Fund  
Top 10 Canadian Financial Trust

### SPLIT SHARES

MCM Split Share Corp.  
Premium Income Corporation  
S Split Corp.  
Top 10 Split Trust  
World Financial Split Corp.

### PRINCIPAL PROTECTED FUNDS

Government Strip Bond Trust  
Mulvihill Pro-AMS RSP Split Share Corp.  
Pro-AMS U.S. Trust

## Head Office:

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