Mulvihill Structured Products

Mulvihill

Hybrid Income Funds

Annual Report 2010

MCM Split Share Corp.

Message to Shareholders

We are pleased to present the annual financial results of MCM Split Share Corp. (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.

The Fund adopted a strategy (the "Priority Equity Portfolio Protection Plan") to protect holders of the Priority Equity Shares by assisting the Fund with the payment of the original issue price of $15.00 per share on termination date. With the steep market sell off in November 2008 we had to raise our cash levels to ensure compliance with the above feature. The Fund is now in cash and cash equivalents with no equity exposure. During the fiscal year ended January 31, 2010, the annual total rate of return of the Fund was negative 1.42 percent. Distributions amounting to $0.83 per share to Priority Equity shareholders and $0.01 per share to Class A shareholders were paid during the year, contributing to the overall decline in the net asset value from $15.29 per Unit as at January 31, 2009 to $14.24 per Unit as at January 31, 2010.

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

	2010	2009	2008	2007	2006
Annual Total Fund Return	(1.42)%	(20.22)%	(1.53)%	3.28%	10.76%
Priority Equity Share Distribution Paid (annual target of $0.8250 per share)	$ 0.825000	$ 0.825000	$ 0.848004	$ 0.862270	$ 0.861321
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
Ending Net Asset Value per Unit (initial issue price was $30.00 per Unit)	$ 14.24	$ 15.29	$ 20.48	$ 22.81	$ 24.12

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.

MCM Split Share Corp. [MUH.A/MUH.PR.A]

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Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended January 31, 2010 of MCM Split Share Corp. (the “Fund”). The annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com.

Investment Objectives and Strategies

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

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

Risk

The Fund adopted a strategy (the “Priority Equity Portfolio Protection Plan”) to protect holders of the Priority Equity Shares by assisting the Fund with the payment of the original issue price of $15.00 per share on termination date. Under the Priority Equity Portfolio Protection Plan, the amount of the Fund’s net assets, if any, to be allocated to Permitted Repayment Securities (the “Required Amount”) will be determined such that (i) the net asset value (“NAV”) of the Fund, less the value of the Permitted Repayment Securities held by the Fund is at least 110 percent of (ii) the Priority Equity Share Repayment Amount, less the amount anticipated to be received by the Fund in respect of its Permitted Repayment Securities on the termination date. With the steep market sell off in November 2008 we had to raise our cash levels to ensure compliance with the above feature. In early April 2009, the Fund sold the balance of its equity exposure and is currently in cash and cash equivalents.

Investors should be aware that the primary risks associated with the Fund relate to the lack of exposure to the equity markets. Since the net asset value is below the original issue price of the Priority Equity Share, the Class A Shares have no value assigned to them. The Priority Equity Shares have residual risk now, since the net asset value is below $15.00 per share. Priority Equity Shareholders will be expected to cover expenses of the Fund in future years. As a result, the expected redemption value of the Priority Equity Shares to be received in December of 2013 is below $15.00 per Priority Equity 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.

Asset Mix and Portfolio Holdings

January 31, 2010

	% OF NET ASSET VALUE
Cash and Short-Term Investments	106 %
Other Assets (Liabilities)	(6)%
	100 %

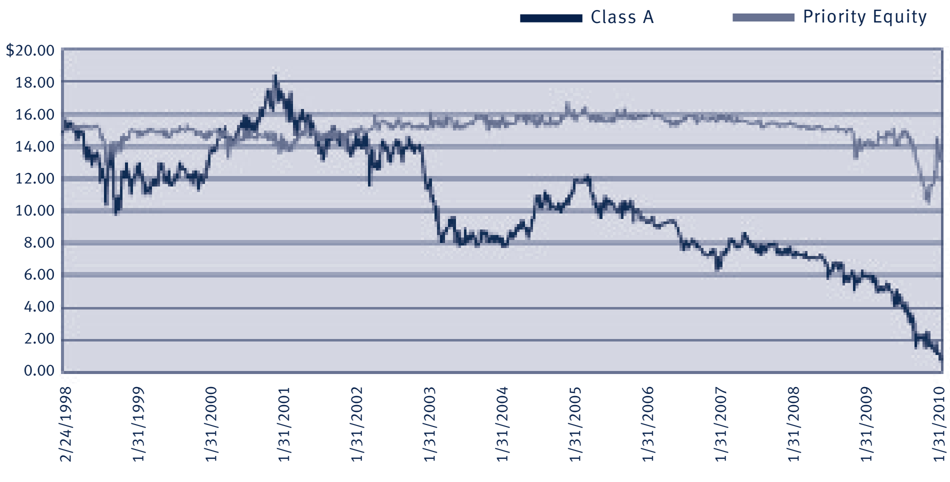
Distribution History

INCEPTION DATE: FEBRUARY 1998	CLASS A REGULAR DISTRIBUTION	CLASS A SPECIAL DISTRIBUTION	TOTAL CLASS A DISTRIBUTION	REGULAR PRIORITY EQUITY DISTRIBUTION
Total for 1998	$ 0.8137	$ 0.0000	**$ 0.8137**	**$ 0.586000**
Total for 1999	1.2000	0.1000	**1.3000**	**0.860391**
Total for 2000	1.2000	1.7500	**2.9500**	**0.858075**
Total for 2001	1.2000	0.5000	**1.7000**	**0.862526**
Total for 2002	1.2000	0.1000	**1.3000**	**0.862169**
Total for 2003	1.2000	0.0000	**1.2000**	**0.825000**
Total for 2004	1.2000	0.0000	**1.2000**	**0.835481**
Total for 2005	1.2000	0.0000	**1.2000**	**0.852761**
Total for 2006	1.2000	0.0000	**1.2000**	**0.861412**
Total for 2007	1.2000	0.0000	**1.2000**	**0.857422**
Total for 2008	0.6735	0.0000	**0.6735**	**0.825000**
Total for 2009	0.0193	0.0000	**0.0193**	**0.825000**
Total for 2010	0.0000	0.0000	**0.0000**	**0.206250**
Total Distributions to Date	**$12.3065**	**$ 2.4500**	**$14.7565**	**$10.117487**

Distributions are shown above on a calendar year basis to reflect amounts subject to tax in the year in which they are paid. For complete distribution history and income tax information, please see our website at www.mulvihill.com

Trading History

February 24, 1998 to January 31, 2010



Results of Operations

For the year ended January 31, 2010 the net asset value of the Fund for pricing purposes based on closing prices was $14.24 per Unit 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 January 31, 2010 at $13.60 per share. The Fund's Class A shares listed on the Toronto Stock Exchange as MUH.A closed on January 31, 2010 at $0.30 per share.

Distributions totalling $0.83 per share were made to the Priority Equity shareholders during the year. Distributions totalling $0.01 per share were made to the Class A shareholders during the year.

The U.S. dollar depreciated against most major world currencies in 2009 but saw surprising strength bouncing back in December. The Fund actively hedged its minimal U.S. dollar exposure in the beginning of the year but ended the year with no U.S. dollar exposure.

For the year ended January 31, 2010 the S&P/TSX Composite Index total return for the year was 31.73 percent while the S&P 100 Index had a return of 33.14 percent in U.S. dollar terms and 14.97 percent in Canadian dollar terms. The return on the Bloomberg/EFFAS Bond Indices Canada 1-3 Year was 1.62 percent during the same period. The annual compound return for the Fund in Canadian dollars, including reinvestment of distributions, was negative 1.42 percent. The underperformance of the Fund was mainly due to the Fund holding cash and cash equivalents. 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 5 years. This information is derived from the Fund's audited annual financial statements.

For January 31, 2010, January 31, 2009 and January 31, 2008, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 2 and 3 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended January 31

	2010	2009	2008	2007	2006
THE FUND'S NET ASSETS PER UNIT					
Net Assets, beginning of year, (based on bid prices)[1]	**$ 15.28**	**$ 20.46**	**$ 22.80[4]**	**$ 24.12**	**$ 23.76**
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.18**	0.59	0.42	0.52	0.40
Total expenses	**(0.31)**	(0.42)	(0.64)	(0.36)	(0.37)
Realized gains (losses) for the period	**(0.13)**	(4.60)	0.58	1.87	1.35
Unrealized gains (losses) for the period	**0.04**	0.55	(0.34)	(1.27)	0.97
Total Increase (Decrease) from Operations[2]	**(0.22)**	**(3.88)**	**0.02**	**0.76**	**2.35**
DISTRIBUTIONS					
Priority Equity Share					
From net investment income	**(0.83)**	(0.83)	(0.61)	(0.29)	(0.29)
From capital gains	**–**	–	(0.24)	(0.57)	(0.57)
Total Priority Equity Share Distributions	**(0.83)**	**(0.83)**	**(0.85)**	**(0.86)**	**(0.86)**
Class A Share					
From net investment income	**(0.01)**	(0.01)	(0.30)	–	–
From capital gains	**–**	(0.37)	(0.90)	(1.20)	(1.20)
Total Class A Share Distributions	**(0.01)**	**(0.38)**	**(1.20)**	**(1.20)**	**(1.20)**
Total Annual Distributions[3]	**(0.84)**	**(1.21)**	**(2.05)**	**(2.06)**	**(2.06)**
Net Assets, as at January 31, (based on bid prices)[1]	**$ 14.24**	**$ 15.28**	**$ 20.46**	**$ 22.81**	**$ 24.12**

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding Redeemable Priority Equity shares of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted February 1, 2007 relating to Financial Instruments.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), realized and unrealized gains (losses), less expenses, excluding Priority Equity share distributions, and is calculated based on the weighted average number of units outstanding during the year. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the year.
(3) Distributions are based on the number of shares outstanding on the record date for each distribution and were paid in cash.
(4) Net Assets per unit has been adjusted for the Transition Adjustment.

RATIOS/SUPPLEMENTAL DATA

	2010	2009	2008	2007	2006
Net Asset Value, excluding the liability for Redeemable Priority Equity shares and unamortized premium on issue of Priority Equity shares ($ millions)[1]	**$ 20.33**	$ 28.11	$ 43.19	$ 102.32	$ 109.18
Net Asset Value ($ millions)[1]	**$ –**	$ 0.53	$ 11.55	$ 35.02	$ 41.22
Number of units outstanding[1]	**1,427,588**	1,839,191	2,109,366	4,484,619	4,527,116
Management expense ratio[2]	**2.09%**	1.92%	2.74%	1.54%	1.55%
Portfolio turnover rate[3]	**0.00%**	150.49%	99.57%	189.41%	253.18%
Trading expense ratio[4]	**0.01%**	0.30%	0.14%	0.23%	0.28%
Net Asset Value per Unit[5]	**$ 14.24**	$ 15.29	$ 20.48	$ 22.81	$ 24.12
Closing market price - Priority Equity	**$ 13.60**	$ 13.66	$ 13.36	$ 15.35	$ 15.45
Closing market price - Class A	**$ 0.30**	$ 0.85	$ 5.45	$ 7.28	$ 8.06

(1) This information is provided as at January 31. One Unit consists of one Class A share and one Priority Equity share.
(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes and capital taxes but excluding transaction fees, income taxes and Priority Equity share distributions, charged to the Fund to the average net asset value, excluding the liability for the Redeemable Priority Equity shares. Management ratio expense for 2008 includes special resolution expense. The management ratio expense for 2008 excluding the special resolution expense is 1.62%.
(3) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
(5) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Fees

Mulvihill Capital Management Inc. ("MCM") is entitled to fees under the Investment Management Agreement and the Management Agreement calculated monthly as 1/12 of 1.15 percent of the net asset value of the Fund at each month end, excluding the Redeemable Priority Equity share liability. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and the execution of all portfolio and other transactions.

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

Recent Developments

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 pickup 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 positive trend growth for 2010. There is also a strong possibility that The Bank of Canada may raise rates towards the end of 2010 if the recovery gains traction and inflation starts to creep.

The Fund is currently in cash and cash equivalents and there have been no recent developments in the Fund at the portfolio level.

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 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 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 January 31, 2010, 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,

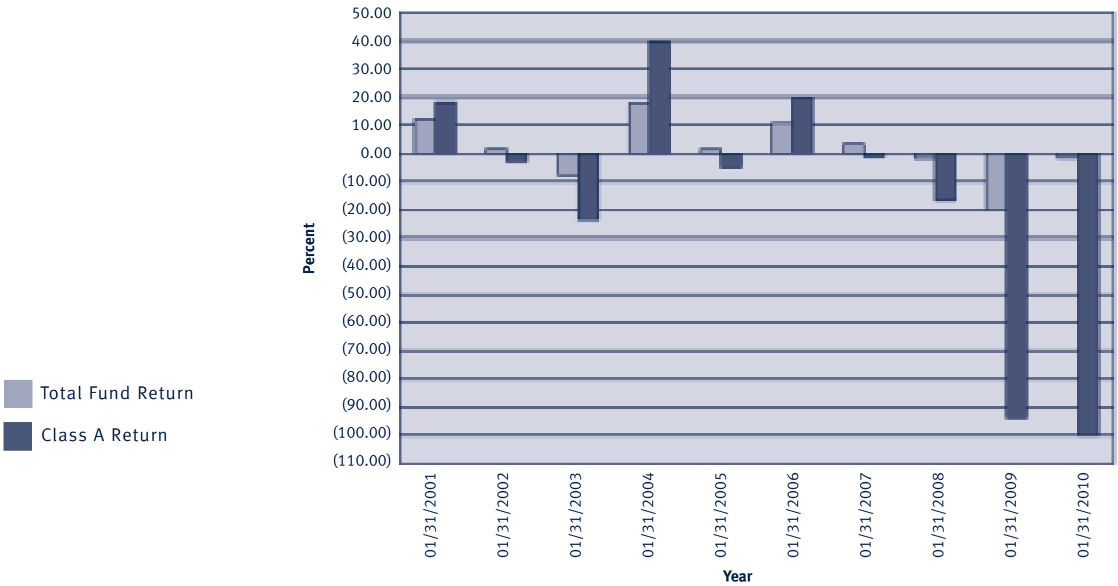
(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(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 return in each of the past ten years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on February 1 in each year or the date of inception in 1998 would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended January 31, 2010 as compared to the performance of the S&P/TSX Composite Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Ten Years
MCM Split Share Corp.	**(1.42)%**	(8.17)%	(2.39)%	1.06 %
MCM Split Share Corp. – Class A	**(100.00)%**	(82.69)%	(63.87)%	(38.97)%
MCM Split Share Corp. – Priority Equity	**0.41 %**	3.90 %	4.69 %	5.23 %
In order to meet regulatory requirements, the performance of a broader based market index has been included below.				
S&P/TSX Composite Index*	**31.73 %**	(2.39)%	6.57 %	4.94 %

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

During the year, the Fund moved its holdings to cash and cash equivalents in accordance with the Priority Equity Portfolio Protection Plan, therefore the return of the Fund for year ended January 31, 2010 differed significantly from that of the benchmark.

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

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

Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 12, 1998.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 12, 1998, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

Forward-Looking Statements

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

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

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

Management's Responsibility for Financial Reporting

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

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 of the annual financial statements.

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

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

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

To the Shareholders of MCM Split Share Corp.

We have audited the statement of investments of MCM Split Share Corp. (the "Fund") as at January 31, 2010, the statements of financial position as at January 31, 2010 and 2009, and the statements of operations and deficit, of changes in net assets and of cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at January 31, 2010 and 2009, and the results of its operations, the changes in its net assets, and its cash flows for years then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

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

Statements of Financial Position

January 31, 2010 and 2009

	2010	2009
ASSETS		
Investments at fair value (cost - nil; 2009 - $1,325,261)	$ –	$ 1,213,526
Short-term investments at fair value (cost - $21,584,500; 2009 - $27,071,381)	21,584,500	27,111,395
Cash	28,922	78,170
Interest and dividends receivable	13,125	348,935
TOTAL ASSETS	$ 21,626,547	$ 28,752,026
LIABILITIES		
Redemptions payable	$ 1,245,762	$ 581,696
Accrued liabilities	27,625	28,986
Accrued management fees	22,931	30,499
Redeemable Priority Equity shares (Note 5)	20,330,229	27,587,865
	21,626,547	28,229,046
EQUITY		
Class A and Class B shares (Note 5)	15,928,410	21,048,856
Deficit	(15,928,410)	(20,525,876)
	–	522,980
TOTAL LIABILITIES AND EQUITY	$ 21,626,547	$ 28,752,026
Number of Units Outstanding (Note 5)	1,427,588	1,839,191
Net Assets per Unit (Note 4)		
Class A share	$ –	$ 0.2844
Priority Equity share (Notes 2 and 3)	14.2410	15.0000
	$ 14.2410	$ 15.2844

On Behalf of the Board of Directors,

John P. Mulvihill, Director

Robert W. Korthals, Director

The notes are an integral part of the Financial Statements.

Statements of Operations and Deficit

Years ended January 31, 2010 and 2009

	2010	2009
REVENUE		
Interest, net of foreign exchange	$ 308,925	$ 701,248
Dividends, net of foreign exchange	1,345	515,596
Withholding taxes	–	(18,634)
	310,270	1,198,210
Net realized loss on investments	(178,815)	(9,375,974)
Net realized gain (loss) on derivatives	(39,254)	5,681
Net realized gain (loss) on short-term investments	(9,985)	660
Total Net Realized Loss	(228,054)	(9,369,633)
TOTAL REVENUE	82,216	(8,171,423)
EXPENSES (Note 6)		
Management fees	313,980	475,996
Service fees	92	30,358
Administrative and other expenses	56,802	62,426
Transaction fees (Note 9)	1,635	113,962
Custodian fees	22,786	40,227
Audit fees	29,435	30,457
Director fees	20,260	18,562
Independent review committee fees	6,514	4,267
Legal fees	8,335	13,998
Shareholder reporting costs	25,556	32,459
Capital tax and goods and services tax	44,920	27,881
TOTAL EXPENSES	530,315	850,593
Net Realized Loss before Distributions	(448,099)	(9,022,016)
Priority equity share distributions	(1,374,355)	(1,651,957)
Net Realized Loss	(1,822,454)	(10,673,973)
Net change in unrealized depreciation of investments	111,735	1,078,616
Net change in unrealized appreciation of short-term investments	(40,646)	37,157
Total Net Change in Unrealized Appreciation/Depreciation of Investments	71,089	1,115,773
Net Loss before Reduction in Value of Priority Equity Shares	(1,751,365)	(9,558,200)
Reduction in Value of Priority Equity Shares (Note 3)	1,083,591	–
Net Allocations on Retractions of Priority Equity Shares (Note 5)	349,081	–
NET LOSS FOR THE YEAR	$ (318,693)	$ (9,558,200)
NET LOSS PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the year of 1,702,418; 2009 - 2,036,164)	$ (0.1872)	$ (4.6942)
DEFICIT		
Balance, beginning of year	$ (20,525,876)	$ (12,890,534)
Net allocations on retractions of Class A share (Note 5)	4,929,521	2,710,315
Net loss for the year	(318,693)	(9,558,200)
Distributions on Class A shares	(13,362)	(787,457)
BALANCE, END OF YEAR	$ (15,928,410)	$ (20,525,876)

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets

Years ended January 31, 2010 and 2009

	2010	2009
NET ASSETS, BEGINNING OF YEAR	$ 522,980	$ 11,519,367
Net Realized Loss before Distributions	(448,099)	(9,022,016)
Reduction in Value of Priority Equity Shares (Note 3)	1,083,591	–
Net Allocations on Retractions of Priority Equity Shares (Note 5)	349,081	–
Class A Share Capital Transactions		
Amount paid for Class A shares redeemed	(190,925)	(650,730)
Distributions		
Priority Equity shares (Note 8)		
From net investment income	(1,374,355)	(1,651,957)
Class A shares		
From net investment income	(13,362)	(22,058)
From net realized gain on investments	–	(765,399)
	(1,387,717)	(2,439,414)
Net Change in Unrealized Appreciation/Depreciation of Investments	71,089	1,115,773
Changes in Net Assets during the Year	(522,980)	(10,996,387)
NET ASSETS, END OF YEAR	$ –	$ 522,980

Statements of Cash Flows

Years ended January 31, 2010 and 2009

	2010	2009
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF YEAR	$ 27,189,565	$ 22,577,657
Cash Flows Provided by (Used In) Operating Activities		
Net Realized Loss before Distributions	(448,099)	(9,022,016)
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Purchase of investment securities	–	(39,530,756)
Proceeds from disposition of investment securities	1,325,261	89,630,705
(Increase)/decrease in interest and dividends receivable and due from brokers - investments	335,810	13,376,529
Increase/(decrease) in accrued liabilities and accrued management fees	(8,929)	(380,489)
Net change in unrealized appreciation/depreciation of cash and short-term investments	(40,646)	37,157
	1,611,496	63,133,146
Cash Flows Provided by (Used In) Financing Activities		
Distributions to Class A shares	(13,362)	(787,457)
Distributions to Priority Equity shares	(1,374,355)	(1,651,957)
Class A share redemptions	(200,856)	(12,896,708)
Priority Equity share redemptions	(5,150,967)	(34,163,100)
	(6,739,540)	(49,499,222)
Net Increase/(Decrease) in Cash and Short-Term Investments During the Year	(5,576,143)	4,611,908
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 21,613,422	$ 27,189,565

Cash and Short-Term Investments comprise of:

	2010	2009
Cash	$ 28,922	$ 78,170
Short-Term Investments	21,584,500	27,111,395
CASH AND SHORT-TERM INVESTMENTS, END OF YEAR	$ 21,613,422	$ 27,189,565

The notes are an integral part of the Financial Statements.

Statement of Investments

January 31, 2010

	Par Value	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Bankers' Acceptances				
Bank of Montreal, 0.25% - March 1, 2010	2,000,000	$ 1,999,560	$ **1,999,560**	
Canadian Imperial Bank of Commerce, 0.39% - February 5, 2010	2,000,000	1,995,480	**1,995,480**	
National Bank of Canada, 0.26% - March 1, 2010	2,000,000	1,999,540	**1,999,540**	
Royal Bank of Canada, 0.38% - February 17, 2010	2,000,000	1,995,660	**1,995,660**	
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**	
Total Bankers' Acceptances		**9,985,610**	**9,985,610**	**46.2%**
Discount Commercial Papers				
Honda Canada Inc. , 0.27% - February 1, 2010	2,000,000	1,999,940	**1,999,940**	
Imperial Oil Limited, 0.24% - February 23, 2010	1,100,000	1,099,802	**1,099,802**	
Nestlé Capital Canada Ltd., 0.19% - February 19, 2010	2,000,000	1,999,760	**1,999,760**	
PACCAR Financial Ltd., 0.24% - February 2, 2010	2,100,000	2,099,916	**2,099,916**	
Total Discount Commercial Papers		**7,199,418**	**7,199,418**	**33.3%**
Treasury Bills				
Government of Canada, 0.13% - March 4, 2010	4,400,000	**4,399,472**	**4,399,472**	**20.4%**
		21,584,500	**21,584,500**	**99.9%**
Accrued Interest			**13,125**	**0.1%**
TOTAL SHORT-TERM INVESTMENTS		**$ 21,584,500**	**$ 21,597,625**	**100.0%**

The notes are an integral part of the Financial Statements.

1. Corporate Information

MCM Split Share Corp. (the "Fund") is a mutual fund corporation incorporated under the laws of the Province of Ontario on December 5, 1997. The Fund was inactive prior to the initial public offering of Preferred shares and Class A shares on February 12, 1998. All shares outstanding on February 1, 2013 will be redeemed by the Fund on that date, unless otherwise determined by a majority vote of each class of shareholders.

The Fund's investment objectives are to invest in a diversified portfolio consisting principally of common shares issued by some or all of the group of corporations selected from S&P/TSX Composite Index. The Fund may invest up to 40 percent of the cost amount of its assets in common shares issued by some or all of a group of corporations selected from the S&P 100 Index.

To generate additional returns above the dividend income earned on the portfolio, the Fund may from time to time write covered call options in respect of all or part of the common shares in the portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. The Fund may also use put options to preserve the value of the portfolio where appropriate. From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or the government of the United States or short-term commercial paper with a rating of at least R-1(mid).

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

During the year, the Fund, in accordance with the Priority Equity Portfolio Protection Plan, moved its investments into cash and cash equivalents. At January 31, 2010, the Fund's holdings remain in cash and cash equivalents.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with generally Canadian accepted accounting principles ("Canadian GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates.

New Accounting Standards

The Fund has adopted, effective February 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 11.

The Fund has adopted, effective February 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. 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 contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract, as the case may be, was to be closed out.

Transaction Fees

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

Investment Transactions and Income

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

(i) Expiration of written options whereby realized gains are equivalent to the premium received;

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

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

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

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid;

(ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid; and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments. Premiums received on written put options that are exercised are included in the cost of the security purchased.

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

Redeemable Priority Equity Shares

Each Redeemable Priority Equity share is valued for financial statement purposes at the lesser of: (i) $15.00; and (ii) the net asset value of the Fund divided by the number of Priority Equity shares outstanding.

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date.

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

3. Reduction in Value of Priority Equity Shares

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 $1,083,591 (2009 - nil). This reduction is reflected in both the carrying value in the Statement of Financial Position and the Statement of Operations and Deficit.

4. 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 January 31 is as follows:

	2010	2009
Net Asset Value (for pricing purposes)	**$14.24**	$15.29

5. Share Capital

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

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

Priority Equity shares and Class A shares may be surrendered at any time for retraction at specified retraction amounts. Holders of Priority Equity shares and Class A shares may concurrently retract one Priority Equity share and one Class A share (together, a “Unit”) on a January 31 valuation date at their net asset values. Shares retracted at any other valuation date or not retracted concurrently at a January 31 valuation date will be retracted at a discount to net asset value. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Priority Equity shares and Class A shares tendered for retraction. The Priority Equity shares rank in priority to the Class A shares and the Class A shares rank in priority to the Class B shares with respect to the payment of dividends and repayment of capital on the dissolution, liquidation or winding up of the Fund. Net allocations on retractions represent gains on retractions where the price paid upon retraction is less than the carrying value of the retracted shares.

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

Class B shares are entitled to one vote per share. Priority Equity shares and Class A shares are entitled to vote on certain shareholder matters.

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

During the year, 411,603 Units (2009 - 270,175 Units) were redeemed.

Issued and Outstanding

	2010	2009
1,427,588 Priority Equity shares (2009 – 1,839,191)	$ 20,330,229	$ 27,587,865
1,427,588 Class A shares (2009 – 1,839,191)	$ 15,927,410	$ 21,047,856
1,000 Class B shares (2009 – 1,000)	1,000	1,000
	$ 15,928,410	$ 21,048,856

6. Management Fees and Expenses

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the trustee and manager in the ordinary course of business relating to the Fund's operations.

Fees are paid to Mulvihill Capital Management Inc. ("MCM") under the terms of an investment management agreement and to Mulvihill Fund Services Inc. ("Mulvihill") under the terms of a management agreement. The fees are comprised of monthly fees calculated at 1/12 of 1.15 percent and 1/12 of 0.10 percent, respectively, of the net assets of the Fund at each month end, excluding the Redeemable Priority Equity share liability.

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

7. Income Taxes

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

The Fund is also a "financial intermediary corporation" as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable preferred shares.

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

No amount is payable on account of income taxes in 2010 or 2009.

Accumulated non-capital losses of approximately $1.8M (2009 - $1.8M) and capital losses of approximately $14.2M (2009 - $13.7M) 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
2015	$ 0.4
2029	0.6
2030	0.8
Total	**$ 1.8**

Issue costs of approximately $0.4M (2009 – $1.0M) remain undeducted for tax purposes at year end.

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

8. Distributions

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

9. Transaction Fees

Total transaction fees paid for the year ended January 31, 2010 in connection with portfolio transactions were $1,635 (2009 - $113,962). Of this amount $401 (2009 - $52,477) was directed for payment of trading related goods and services.

10. 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 1, information on the Fund's shareholders' equity is described in Note 5 and Note 8 and the Fund does not have any externally imposed capital requirements.

11. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, receivables, payables, and investments. 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 January 31, 2010 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
Short-Term Investments	$ –	$ 21,597,625	$ –	$ 21,597,625
Total Investments	**$ –**	**$ 21,597,625**	**$ –**	**$ 21,597,625**

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 liquidity risk, interest rate risk and credit risk.

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

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 short-term investments that can be easily disposed of. In addition, 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 Priority Equity share liability which matures on February 1, 2013 (see Note 5).

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

Interest Rate Risk

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

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 January 31, 2010:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bankers' Acceptances	A-1	46%
Discount Commercial Papers	A-1	33%
Government of Canada Treasury Bills	AAA	21%
Total		**100%**

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

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bonds	A-1+	41%
Bankers' Acceptances	A-1	22%
Discount Commercial Papers	A-1+	17%
Government of Canada Treasury Bills	AAA	16%
Province of Ontario Treasury Bills	AA	4%
Total		**100%**

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

12. Future Accounting Policy Changes

The Fund is required to adopt International Financial Reporting Standards ("IFRS") for the year beginning on February 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 February 1, 2009 to January 31, 2010	
UNIT TRUSTS			
Core Canadian Dividend Trust	CDD.UN	$ 7.39	$ 4.80
First Premium Income Trust	FPI.UN	$ 12.13	$ 10.06
Gold Participation and Income Fund	GPF.UN/GPF.WT	$ 12.25/ $0.50	$ 10.12/ $0.16
Premier Canadian Income Fund	GIP.UN	$ 5.96	$ 4.06
Top 10 Canadian Financial Trust	TCT.UN	$ 10.87	$ 7.27
SPLIT SHARES			
MCM Split Share Corp.	MUH.A/MUH.PR.A	$ 1.24/$14.95	$ 0.07/$12.46
Premium Income Corporation	PIC.A/PIC.PR.A	$ 5.48/$15.25	$ 1.41/$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/$14.00	$ 0.89/$ 8.61
World Financial Split Corp.	WFS/WFS.PR.A	$ 3.98/$ 9.95	$ 1.51/$ 6.58
PRINCIPAL PROTECTED FUNDS			
Government Strip Bond Trust	GSB.UN	$ 24.95	$ 23.00
Mulvihill Pro-AMS RSP Split Share Corp.	SPL.A/SPL.B	$ 9.60/$18.55	$ 7.45/$17.00
Pro-AMS U.S. Trust	PAM.UN	$ 24.62	$ 23.35

Board of Directors

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

Sheila S. Szela[3]
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner[1,4]
Corporate Director

Robert W. Korthals[1,4]
Corporate Director

Robert G. Bertram[2,4]
Corporate Director

[1] Audit Committee Member
[2] Audit Committee Member effective December 3, 2009
[3] Audit Committee Member until December 3, 2009
[4] Independent Review Committee Member

Information

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trading under
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Custodian:
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Toronto, Ontario M5V 3L3

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

Hybrid Income Funds Managed by Mulvihill Structured Products

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

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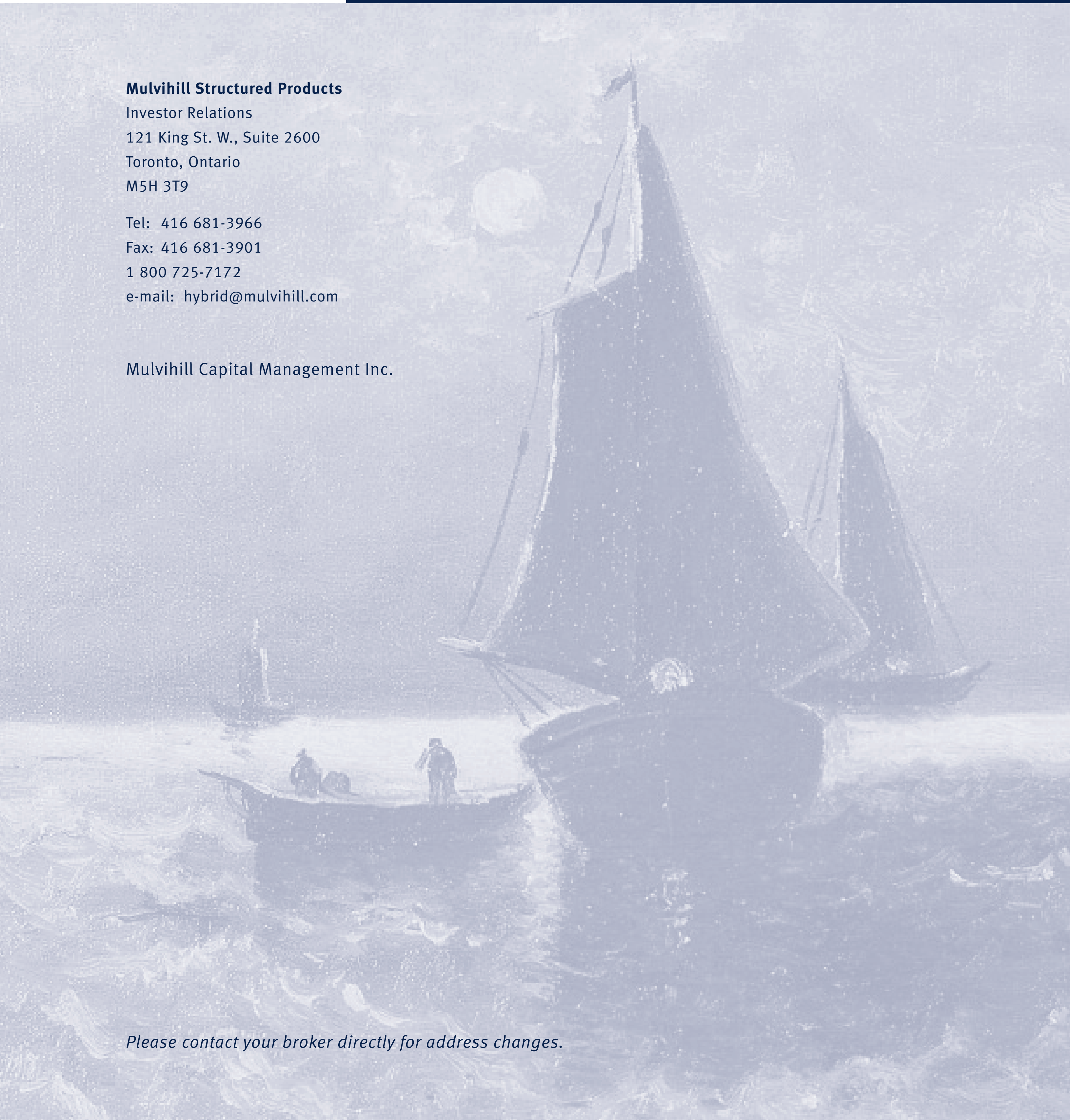

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