Mulvihill Structured Products

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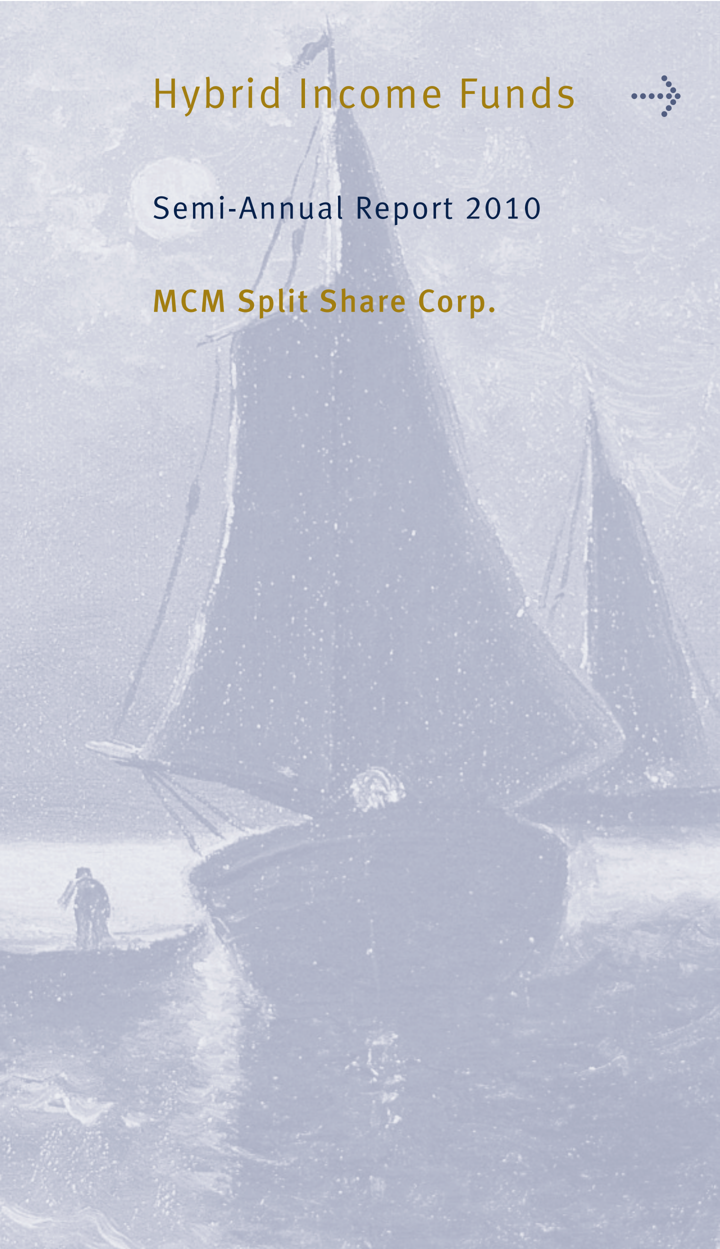
Hybrid Income Funds

Semi-Annual Report 2010

MCM Split Share Corp.



Message to Shareholders

We are pleased to present the semi-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 six-month period ended July 31, 2010, the Fund’s total return was negative 0.95 percent. Distributions amounting to $0.41 per Unit were paid during the six-month period, contributing to an overall decline in the net asset value from $14.24 per Unit as at January 31, 2010 to $13.69 per Unit as at July 31, 2010.

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

		Years ended January 31				
	July 31, 2010	2010	2009	2008	2007	2006
Total Fund Return	(0.95)%	(1.42)%	(20.22)%	(1.53)%	3.28%	10.76%
Priority Equity Share Distribution Paid (annual target of $0.8250 per share)	$ 0.412500	$ 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)	$ 13.69	$ 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 semi-annual report.

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

Management Report on Fund Performance

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

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com. You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

Management Report on Fund Performance

Summary of Investment Portfolio

The composition of the investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.mulvihill.com.

Asset Mix and Portfolio Holdings

July 31, 2010

	% of Net Asset Value*
Cash and Short-Term Investments	102 %
Other Assets (Liabilities)	(2) %
	100 %

* The Net Asset Value excludes the Redeemable Priority Equity share liability.

Management Report on Fund Performance

Results of Operations

For the six-month period ended July 31, 2010, the net asset value of the Fund for pricing purposes based on closing prices was $13.69 per Unit (see Note 2 to the financial statements) compared to $14.24 per Unit at January 31, 2010.

The Fund's Priority Equity shares, listed on the Toronto Stock Exchange as MUH.PR.A, closed on July 31, 2010 at $13.44 per share. The Fund's Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed on July 31, 2010 at $0.15 per share.

Distributions totalling $0.41 per share were made to the Priority Equity shareholders during the first six months of the fiscal period, maintaining at least a 5.5 percent yield based on the initial issue price of the shares. Due to the Fund's adoption of the "Priority Equity Portfolio Protection Plan", the Fund is currently not paying any dividends to Class A shareholders.

Currently the Fund has no exposure to the U.S. dollar as all cash and cash equivalents are in Canadian dollars.

The S&P/TSX Composite Index total return for the six months ended July 31, 2010 was 4.9 percent. The best performing sector was the Health Care sector while the weakest sector was Information Technology. In terms of foreign markets, the S&P 100 Index had a total return of negative 2.4 percent in Canadian dollar terms.

Over this six-month period, the total return of the Fund in Canadian dollars, including reinvestment of distributions, was negative 1.0 percent. Since April 2009, the Fund has been invested entirely in cash and cash equivalents due to the "Priority Equity Portfolio Protection Plan", resulting in underperformance of the Fund.

For more detailed information on the investment returns, please see the Annual Total Return bar chart on page 8.

Management Report on Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

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

Information for the period ended July 31, 2010 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended July 31, 2010
NET ASSETS PER UNIT	
Net Assets, beginning of period (based on bid prices)(1)	**$ 14.24**
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.02
Total expenses	(0.16)
Realized gain (loss) for the period	–
Unrealized gain (loss) for the period	–
Total Increase (Decrease) from Operations(2)	**(0.14)**
DISTRIBUTIONS	
Priority Equity Share	
From net investment income	(0.41)
From capital gains	–
Total Priority Equity Share Distributions	**(0.41)**
Class A Share	
From net investment income	–
From capital gains	–
Total Class A Share Distributions	**–**
Total Distributions(3)	**(0.41)**
Net Assets, end of period (based on bid prices)(1)	**$ 13.69**

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding the liability for the Redeemable Priority Equity shares and unamortized premium on the issue of Priority Equity shares of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted February 1, 2007 relating to Financial Instruments.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized

	Six months ended July 31, 2010
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding Redeemable Priority Equity share liability and unamortized premium on issue of Priority Equity shares ($millions)	$ 17.58
Net Asset Value ($millions)	$ –
Number of units outstanding	1,283,689
Management expense ratio(1)	2.26%(4)
Portfolio turnover rate(2)	0.00%
Trading expense ratio(3)	0.00%(4)
Net Asset Value per Unit(5)	$ 13.69
Closing market price - Priority Equity	$ 13.44
Closing market price - Class A	$ 0.15

(1) Management expense ratio ("MER") is the ratio of all fees and expenses, including goods and service taxes, harmonized sales 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. The MER for 2008 includes special resolution expense. The MER for 2008 excluding the special resolution expense is 1.62%. The MER, including Priority Equity share distributions, is 8.05%, 7.52%, 6.22%, 6.51%, 4.99% and 4.90% for July 31, 2010, January 31, 2010, 2009, 2008, 2007 and 2006 respectively.
(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments,

Management Report on Fund Performance

For July 31, 2010, 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. All other calculations for the purposes of this Management Report on Fund Performance are made using Net Asset Value.

Years ended January 31				
2010	2009	2008	2007	2006
$ 15.28	$ 20.46	$ 22.80(4)	$ 24.12	$ 23.76
0.18	0.59	0.42	0.52	0.40
(0.31)	(0.42)	(0.64)	(0.36)	(0.37)
(0.13)	(4.60)	0.58	1.87	1.35
0.04	0.55	(0.34)	(1.27)	0.97
(0.22)	**(3.88)**	**0.02**	**0.76**	**2.35**
(0.83)	(0.83)	(0.61)	(0.29)	(0.29)
–	–	(0.24)	(0.57)	(0.57)
(0.83)	**(0.83)**	**(0.85)**	**(0.86)**	**(0.86)**
(0.01)	(0.01)	(0.30)	–	–
–	(0.37)	(0.90)	(1.20)	(1.20)
(0.01)	**(0.38)**	**(1.20)**	**(1.20)**	**(1.20)**
(0.84)	**(1.21)**	**(2.05)**	**(2.06)**	**(2.06)**
$ 14.24	**$ 15.28**	**$ 20.46**	**$ 22.81**	**$ 24.12**

and unrealized gain (loss), net of withholding taxes and foreign exchange gain (loss), less expenses excluding Priority Equity share distributions, and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

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

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

Years ended January 31				
2010	2009	2008	2007	2006
$ 20.33	$ 28.11	$ 43.19	$ 102.32	$ 109.18
$ –	$ 0.53	$ 11.55	$ 35.02	$ 41.22
1,427,588	1,839,191	2,109,366	4,484,619	4,527,116
2.09%	1.92%	2.74%	1.54%	1.55%
0.00%	150.49%	99.57%	189.41%	235.18%
0.01%	0.30%	0.14%	0.23%	0.28%
$ 14.24	$ 15.29	$ 20.48	$ 22.81	$ 24.12
$ 13.60	$ 13.66	$ 13.36	$ 15.35	$ 15.45
$ 0.30	$ 0.85	$ 5.45	$ 7.28	$ 8.06

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.

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

(4) Annualized.

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

Management Fees

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

Mulvihill Fund Services Inc. (“Mulvihill’) 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.

Effective September 1, 2010, Mulvihill and MCM amalgamated. The continuing company is named Mulvihill Capital Management Inc. Management fees previously paid to Mulvihill and MCM will be paid to Mulvihill Capital Management Inc. from and after the effective date of the amalgamation.

Recent Developments

The Fund adopted a strategy (the "Priority Equity Portfolio Protection Plan") to protect holders of the Priority Equity Shares by assisting the Fund with the payment of the original issue price of $15.00 per share on the termination date. The Priority Equity Portfolio Protection Plan provides that if the net asset value of the Fund declines below a specific level, the Fund will liquidate a portion of its portfolio and use the net proceeds to acquire (i) qualifying debt securities or (ii) certain securities and enter into a forward agreement (collectively, the ‘‘Permitted Repayment Securities’’) in order to cover the Priority Equity Share Repayment Amount in the event of further declines in the net asset value of the Fund. To qualify as Permitted Repayment Securities, debt securities must have a remaining term to maturity of less than one year and be issued or guaranteed by the government of Canada or a province or the government of the United States, or be other cash equivalents with a rating of at least R-1 (mid) by DBRS or the equivalent rating from another rating organization.

Under the Priority Equity Portfolio Protection Plan, the amount of the Fund's net assets, if any, to be allocated to Permitted Repayment Securities (the "Required Amount") will be determined such that (i) the net asset value (“NAV”) of the Fund, less the value of the Permitted Repayment Securities held by the Fund, is at least 110 percent of (ii) the Priority Equity Share Repayment Amount, less the amount anticipated to be received by the Fund in respect of its Permitted Repayment Securities on the Termination Date.

Management Report on Fund Performance

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

The governments of Ontario have taken steps to harmonize their provincial sales taxes with the federal goods and services tax effective July 1, 2010. Implementation of the proposed changes increased the amount of taxes paid by the Fund on its expenses incurred after July 1, 2010, including but not limited to management fees, and therefore resulted in a slight increase in the management expense ratio.

Future Accounting Policy Changes

The Manager has developed a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants for changeover to International Financial Reporting Standards ("IFRS").

The changeover plan was prepared to address the requirements and includes disclosures of the qualitative and quantitative impact, if any, of the changeover to IFRS in the 2011 financial statements and the preparation of the 2012 financial statements in accordance with IFRS with comparatives. However, the Accounting Standards Board is proposing that Canadian investment companies have the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning February 1, 2011 or 2012, and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending July 31, 2011 or 2012.

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

As at July 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 ("Canadian GAAP") 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.

Management Report on Fund Performance

Due to anticipated changes in IFRS prior to the transition to IFRS, the Manager cannot conclusively determine the impact of the Fund's financial results at this time. Based on the Manager's current understanding and analysis of IFRS to the current accounting policies under Canadian GAAP, the Manager does not anticipate the transition to IFRS will have a material impact on the Fund's net assets per unit, 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 their changeover plan accordingly.

Past Performance

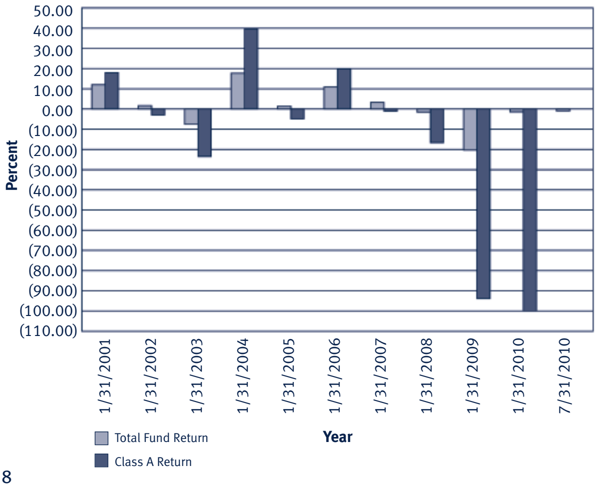
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

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 for each of the past ten years and for the six month period ended July 31, 2010 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on February 1 in each year would have increased or decreased by the end of that fiscal year, or July 31, 2010 for the six months then ended.

Annual Total Return



Related Party Transactions

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

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

Effective September 1, 2010, Mulvihill and MCM amalgamated. The continuing company is named Mulvihill Capital Management Inc. Fees previously paid to Mulvihill and MCM will be paid to Mulvihill Capital Management Inc. from and after the effective date of the amalgamation.

Independent Review Committee

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107"). NI 81-107 requires all publicly offered investment funds to establish an independent review committee ("IRC") to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions.

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

Forward-Looking Statements

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

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

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

Management's Responsibility for Financial Reporting

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

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 of the annual financial statements for the year ended January 31, 2010.

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

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

John P. Mulvihill	Sheila S. Szela
Director	Director
Mulvihill Capital Management Inc.	Mulvihill Capital Management Inc.

September 2010

Notice to Shareholders

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

Financial Statements

Statements of Financial Position

	July 31, 2010 (Unaudited)	January 31, 2010 (Audited)
ASSETS		
Short-term investments at fair value (cost - $17,784,034; January 31, 2010 - $21,584,500)	**$ 17,784,034**	$ 21,584,500
Cash	**185,711**	28,922
Interest and dividends receivable	**5,932**	13,125
TOTAL ASSETS	**$ 17,975,677**	**$ 21,626,547**
LIABILITIES		
Redemptions payable	**$ 355,797**	$ 1,245,762
Accrued liabilities	**21,026**	27,625
Accrued management fees	**19,064**	22,931
Redeemable Priority Equity shares	**17,579,790**	20,330,229
	17,975,677	**21,626,547**
EQUITY		
Class A and Class B shares	**14,138,270**	15,928,410
Deficit	**(14,138,270)**	(15,928,410)
	–	–
TOTAL LIABILITIES AND EQUITY	**$ 17,975,677**	**$ 21,626,547**
Number of Units Outstanding	**1,283,689**	**1,427,588**
Net Assets per Unit		
Class A share	**$ –**	$ –
Priority Equity share	**13.6947**	14.2410
	$ 13.6947	**$ 14.2410**

Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2010	2009
REVENUE		
Dividends, net of foreign exchange	$ –	$ 1,345
Interest, net of foreign exchange	32,738	268,014
	32,738	269,359
Net realized loss on investments	–	(178,815)
Net realized loss on derivatives	–	(39,254)
Net realized loss on short-term investments	–	(9,985)
Total Net Realized Loss	–	(228,054)
TOTAL REVENUE	32,738	41,305
EXPENSES		
Management fees	118,667	165,139
Service fees	–	309
Administrative and other expenses	34,389	44,256
Transaction fees	–	1,635
Custodian fees	9,994	8,704
Audit fees	14,596	13,977
Independent review committee fees	3,173	3,437
Director fees	11,390	10,130
Legal fees	4,207	2,756
Shareholder reporting costs	11,438	14,211
Capital tax and goods and services tax	7,981	34,637
Harmonized sales tax	2,464	–
TOTAL EXPENSES	218,299	299,191
Net Realized Loss before Distributions	(185,561)	(257,886)
Priority Equity share distributions	(558,396)	(718,076)
Net Realized Loss	(743,957)	(975,962)
Net change in unrealized depreciation of investments	–	111,735
Net change in unrealized appreciation of short-term investments	–	(40,646)
Total Net Change in Unrealized Appreciation/Depreciation	–	71,089
Reduction in Value of Priority Equity Shares	701,179	403,780
Net Allocations on Retractions of Priority Equity Shares	42,778	119,004
NET LOSS FOR THE PERIOD	$ –	$ (382,089)
NET LOSS PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the period of 1,373,332; 2009 - 1,773,753)	$ –	$ (0.2154)
DEFICIT		
Balance, beginning of period	$ (15,928,410)	$ (20,525,876)
Net allocations on retractions	1,790,140	1,860,423
Net loss for the period	–	(382,089)
Distributions on Class A shares	–	(13,362)
BALANCE, END OF PERIOD	$ (14,138,270)	$ (19,060,904)

Financial Statements

Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2010	2009
NET ASSETS - CLASS A AND CLASS B SHARES, BEGINNING OF PERIOD	$ –	$ 522,980
Net Realized Loss before Distributions	**(185,561)**	**(257,886)**
Reduction in Value of Priority Equity Shares	**701,179**	**403,780**
Net Allocations on Retractions of Priority Equity Shares	**42,778**	**119,004**
Class A Share Capital Transactions		
Amount paid for Class A shares redeemed	–	**(127,529)**
Distributions		
Priority Equity Shares		
From net investment income	**(558,396)**	(718,076)
Class A Shares		
From net investment income	–	(13,362)
	(558,396)	**(731,438)**
Net Change in Unrealized Appreciation/ Depreciation of Investments	–	**71,089**
Changes in Net Assets during the Period	–	**(522,980)**
NET ASSETS - CLASS A AND CLASS B SHARES, END OF PERIOD	$ –	$ –

Statements of Cash Flows

For the six months ended July 31 (Unaudited)

	2010	2009
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF PERIOD	$ 21,613,422	$ 27,189,565
Cash Flows Provided by (Used In) Operating Activities		
Net Realized Loss before Distributions	**(185,561)**	**(257,886)**
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Proceeds from disposition of investment securities	–	1,325,261
(Increase)/decrease in interest and dividends receivable	**7,193**	342,962
Increase/(decrease) in accrued liabilities and accrued management fees	**(10,466)**	(13,445)
Net change in unrealized appreciation/ depreciation of cash and short-term investments	–	(40,646)
	(3,273)	**1,614,132**
Cash Flows Provided by (Used In) Financing Activities		
Distributions to Priority equity shares	**(558,396)**	(718,076)
Distributions to Class A shares	–	(13,362)
Priority equity share redemptions	**(2,896,447)**	(2,548,453)
Class A share redemptions	–	(134,850)
	(3,454,843)	**(3,414,741)**
Net Increase/(Decrease) in Cash and Short-Term Investments During the Period	**(3,643,677)**	**(2,058,495)**
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	$ 17,969,745	$ 25,131,070
Cash and Short-Term Investments comprise of:		
Cash	$ 185,711	$ 45,406
Short-Term Investments	**17,784,034**	25,085,664
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	$ 17,969,745	$ 25,131,070

Statement of Investments

July 31, 2010 (Unaudited)

	Par Value	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Bankers' Acceptances				
Bank of Montreal, 0.69% - August 25, 2010	5,000,000	$ 4,996,050	$ **4,996,050**	
National Bank of Canada, 0.58% - August 25, 2010	4,000,000	3,996,760	**3,996,760**	
The Bank of Nova Scotia, 0.77% - September 7, 2010	8,000,000	7,991,760	**7,991,760**	
Total Bankers' Acceptances		**16,984,570**	**16,984,570**	**95.5%**
Treasury Bills				
Government of Canada, 0.35% - August 5, 2010	800,000	**799,464**	**799,464**	**4.5%**
		17,784,034	**17,784,034**	**100.0%**
Accrued Interest			**5,932**	**0.0%**
TOTAL SHORT-TERM INVESTMENTS		**$ 17,784,034**	**$ 17,789,966**	**100.0%**

Notes to Financial Statements

July 31, 2010

1. Basis of Presentation

The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended January 31, 2010.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended January 31, 2010.

2. 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 is as follows:

	July 31, 2010	Jan. 31, 2010
Net Asset Value (for pricing purposes)	**$ 13.69**	$ 14.24

3. Financial Instruments and Risk Management

The various types of risks associated with financial instruments and the related risk management practices employed by the Fund are described in Note 11 of the annual financial statements for the year ended January 31, 2010.

The following is a summary of the three-tier hierarchy of inputs used as of July 31, 2010 in valuing the Fund's investments and derivatives carried at fair value:

	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	$ –	$ 17,789,966	$ –	**$ 17,789,966**
Total Investments	**$ –**	**$ 17,789,966**	**$ –**	**$ 17,789,966**

Credit Risk

The following are the credit ratings for short-term investments held by the Fund based on DBRS's credit ratings as of July 31, 2010:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bankers' Acceptances	R-1 (mid)	96%
Government of Canada Treasury Bills	R-1 (high)	4%
Total		**100%**

The following are the credit ratings for short-term investments held by the Fund based on DBRS's credit ratings as of January 31, 2010:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bankers' Acceptances	R-1 (mid)	46%
Discount Commercial Papers	R-1 (mid)	33%
Government of Canada Treasury Bills	R-1 (high)	21%
Total		**100%**

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

4. Future Accounting Policy Changes

The Fund is currently required to adopt International Financial Reporting Standards ("IFRS") for the years beginning on February 1, 2011. The IFRS compliant financial statements will be on a comparative basis. However, the Accounting Standards Board is proposing that Canadian investment companies have the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning February 1, 2011 or 2012, and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending July 31, 2011 or 2012.

Hybrid Income Funds
Managed by Mulvihill Structured Products

UNIT SHARES

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

Notes

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