Prospectus

Initial Public Offering January 27, 2004

World Financial Split Corp.

$750,000,000 (Maximum)

30,000,000 Preferred Shares and 30,000,000 Class A Shares
$10.00 per Preferred Share and $15.00 per Class A Share

This prospectus qualifies the issuance of preferred shares (the ''Preferred Shares'') and class A shares (the ''Class A Shares'') of World Financial Split Corp. (the ''Company''). The Preferred Shares and the Class A Shares are offered separately but will be issued only on the basis that an equal number of each class of shares will be issued and outstanding.

The Company's investment objectives are:

(i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of $0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum;

(ii) to provide holders of Class A Shares with regular quarterly cash distributions targeted to be 8.0% per annum; and

(iii) to return the original issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on June 30, 2011.

The Preferred Shares have been provisionally rated Pfd-2 by Dominion Bond Rating Service Limited (''DBRS'').

The net proceeds of the offering will be invested by the Company in a portfolio (the ''Portfolio'') which will include common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada, the United States and the Rest of the World (the ''Portfolio Universe''). In addition, the issuers of the securities in the Company's Portfolio, other than those of Canadian issuers, must have a minimum credit rating of ''A'' from Standard & Poor's Rating Services (''Standard & Poor's'') or a comparable rating from an equivalent rating agency. The Portfolio Universe will be reset on an annual basis on December 31st and would currently include securities of the following companies:

Canada:	**United States:**	**Rest of the World:**
Bank of Montreal	American Express Company	Allianz AG
The Bank of Nova Scotia	American International Group, Inc.	Banco Bilbao Vizcaya, S.A.
Canadian Imperial Bank of Commerce	Bank of America Corporation	Banco Santander CEN
Great-West Lifeco Inc.	Bank One Corporation	Barclays Bank plc
Investors Group Inc.	Citigroup Inc.	Credit Suisse Group
Manulife Financial Corporation	Fannie Mae	Deutsche Bank AG
National Bank of Canada	JP Morgan Chase & Co.	HSBC Holdings plc
Royal Bank of Canada	Morgan Stanley	ING Groep N.V.
Sun Life Financial Inc.	Wachovia Corporation	Lloyds TSB Bank plc
The Toronto-Dominion Bank	Wells Fargo & Company	UBS AG

In addition, up to 20% of the Net Asset Value of the Company may be invested in common equity securities of financial services companies that are not in the Portfolio Universe as long as such companies have a market capitalization at the time of investment of at least US$10.0 billion and for non-Canadian issuers, a minimum credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency.

It is expected that cash distributions over the life of the Company will primarily be derived from dividends received on the securities in the Company's Portfolio, net realized capital gains from the Portfolio, including premiums from writing covered call options on the securities held in the Portfolio and from writing cash covered put options on securities in which the Company is permitted to invest and, in certain circumstances, by returning capital. Mulvihill Capital Management Inc. (''MCM'') will be responsible for managing all of the activities of the Company including the composition of the Portfolio. The securities which are subject to call options and put options and the terms of such options will vary, from time to time, based on MCM's assessment of market conditions.

The Preferred Shares and Class A Shares will be redeemed by the Company on June 30, 2011. The redemption price payable by the Company for each Preferred Share outstanding on June 30, 2011 will be equal to the lesser of (i) $10.00; and (ii) the Net Asset Value of the Company (as defined herein) on that date divided by the number of Preferred Shares then outstanding. The redemption price payable by the Company for each Class A Share outstanding on June 30, 2011 will be equal to the greater of (i) the NAV per Unit on that date minus $10.00; and (ii) nil. ''NAV per Unit'' for this purpose means the Net Asset Value of the Company divided by one half of the aggregate number of Preferred Shares and Class A Shares then outstanding. Holders of Preferred Shares and Class A Shares will also be entitled to surrender their shares for retraction on a regular basis prior to June 30, 2011. See ''Details of the Offering''.

The Toronto Stock Exchange has conditionally approved the listing of the Preferred Shares and the Class A Shares, subject to fulfillment by the Company of the requirements of such stock exchange by April 21, 2004, including distribution to a minimum number of shareholders.

There is currently no market through which the Preferred Shares or Class A Shares may be sold and purchasers may not be able to resell securities purchased under this prospectus. The Agents may over-allot or effect transactions as described under ''Plan of Distribution''.

In the opinion of counsel, if the Company qualifies as a mutual fund corporation under the *Income Tax Act* (Canada) (the ''Tax Act'') or if the Preferred Shares or the Class A Shares are listed on a prescribed stock exchange, such shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, deferred profit sharing plans or registered retirement income funds. Registered education savings plans should consult their own advisors as to eligibility. The Preferred Shares and Class A Shares will constitute foreign property under the Tax Act. See ''Eligibility for Investment''.

See ''Risk Factors'' for a discussion of certain factors that should be considered by prospective investors in Preferred Shares and Class A Shares. There is no assurance that the Company will be able to achieve its distribution or capital preservation objectives.

Prices: $10.00 per Preferred Share and $15.00 per Class A Share
Minimum Purchase: 100 Preferred Shares or 100 Class A Shares

	Price to the Public (1)	Agents' Fees	Net Proceeds to the Company (2)
Per Preferred Share	$10.00	$0.30	$9.70
Total Minimum Offering (3)(4)	$100,000,000	$3,000,000	$97,000,000
Total Maximum Offering (4)	$300,000,000	$9,000,000	$291,000,000
Per Class A Share	$15.00	$0.7875	$14.2125
Total Minimum Offering (3)(4)	$150,000,000	$7,875,000	$142,125,000
Total Maximum Offering (4)	$450,000,000	$23,625,000	$426,375,000

Notes:

(1) The offering prices were established by negotiation between the Company and the Agents.

(2) Before deducting the expenses of issue (estimated at $750,000) which, together with the Agents' fees, will be paid out of the proceeds of the offering.

(3) There will be no closing unless a minimum of 10,000,000 Preferred Shares and 10,000,000 Class A Shares are sold. If subscriptions for a minimum of 10,000,000 Preferred Shares and 10,000,000 Class A Shares have not been received within 90 days following the date of issuance of a receipt for this prospectus, the Offering may not continue without the consent of the Canadian securities regulators and those who have subscribed for shares on or before such date.

(4) The Company has granted the Agents an option (the ''Over-Allotment Option''), exercisable until 30 days after the closing of the offering, to offer up to 4,500,000 additional Preferred Shares and 4,500,000 additional Class A Shares on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option, and the Preferred Shares and the Class A Shares issuable on the exercise thereof. If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be $862,500,000, the Agents' fees will be $37,518,750 and the net proceeds to the Company will be $824,981,250.

RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Capital Corporation, Desjardins Securities Inc., First Associates Investments Inc., HSBC Securities (Canada) Inc. and Raymond James Ltd. (collectively, the ''Agents'') conditionally offer the Preferred Shares and Class A Shares, subject to prior sale, on a best efforts basis, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters by Osler, Hoskin & Harcourt LLP, on behalf of the Company, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents. See ''Plan of Distribution''.

Subscriptions will be received for the Preferred Shares and the Class A Shares offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of the offering is expected to occur on or about February 17, 2004, but no later than April 26, 2004. Registrations and transfers of Preferred Shares and Class A Shares will be effected only through the book entry only system administered by The Canadian Depository for Securities Limited (''CDS''). Beneficial owners of Preferred Shares and Class A Shares will not have the right to receive physical certificates evidencing their ownership.

TABLE OF CONTENTS

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus.

The Company

World Financial Split Corp. (the ''Company'') is a mutual fund corporation established under the laws of the Province of Ontario on December 5, 2003. The manager of the Company is Mulvihill Fund Services Inc. (''Mulvihill'') and the Company's investment manager is Mulvihill Capital Management Inc. (''MCM'').

The Offering

Offering: The offering consists of preferred shares (the ''Preferred Shares'') and class A shares (the ''Class A Shares'') of the Company. The Preferred Shares and the Class A Shares are offered separately but will be issued only on the basis that an equal number of shares of each class will be issued and outstanding.

Amounts:
Maximum: $300,000,000 (30,000,000 Preferred Shares)
Minimum: $100,000,000 (10,000,000 Preferred Shares)
Maximum: $450,000,000 (30,000,000 Class A Shares)
Minimum: $150,000,000 (10,000,000 Class A Shares)

Prices:
$10.00 per Preferred Share
$15.00 per Class A Share

Minimum Purchases: 100 Preferred Shares ($1,000) or 100 Class A Shares ($1,500)

Investment Objectives: The Company's investment objectives are:

(i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of $0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum;

(ii) to provide holders of Class A Shares with regular quarterly cash distributions targeted to be 8.0 % per annum; and

(iii) to return the original issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on June 30, 2011 (the ''Termination Date'').

See ''Investments of the Company — Investment Objectives''.

Investment Strategy: The net proceeds of the offering will be invested by the Company in a portfolio (the ''Portfolio'') which will include Common Shares (as defined herein) selected from the ten largest financial services companies, by market capitalization, from each of Canada (at the operating company level), the United States and the Rest of the World (the ''Portfolio Universe''). In addition, the issuers of the securities in the Company's Portfolio, other than those of Canadian issuers, must have a minimum local currency issuer credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency. The Company may from time to time also hold a portion of its assets in cash or cash equivalents. The table below sets out, as at January 23, 2004, the following information for issuers whose securities have been selected by MCM as being illustrative of the securities in which the Company will invest (the ''Representative Universe''): dividend yield; market capitalization of the securities; the seven year compound average annual growth rate (''CAGR'') of the total return on the securities for the period from

January 24, 1997 to January 23, 2004 (unless otherwise noted); and the Standard & Poor's credit rating.

	Dividend Yield (1)	Market Capitalization (2)	7 Year CAGR	S&P Credit Rating
		(US$ Millions)		
Canada:				
Bank of Montreal	2.4%	22,173	17.8%	AA–
The Bank of Nova Scotia	2.9%	26,065	19.6%	A+
Canadian Imperial Bank of Commerce	3.0%	18,866	16.0%	A+
Great-West Lifeco Inc.	2.5%	15,626	26.7%	A+
Investors Group Inc.	3.2%	6,380	16.8%	A
Manulife Financial Corporation[3]	1.8%	16,027	25.8%	A+
National Bank of Canada	3.0%	5,841	21.2%	A
Royal Bank of Canada	2.9%	31,507	17.4%	AA–
Sun Life Financial Inc.[4]	2.0%	15,887	28.7%	Not rated[5]
The Toronto-Dominion Bank	2.9%	22,282	16.7%	A+
United States:				
American Express Company	0.8%	64,263	14.7%	A+
American International Group, Inc.	0.4%	179,531	14.1%	AAA
Bank of America Corporation	3.9%	117,122	9.9%	A+
Bank One Corporation	3.5%	57,702	6.8%	A
Citigroup Inc.	3.2%	259,495	19.6%	AA–
Fannie Mae	2.3%	75,800	12.9%	AA–
JP Morgan Chase & Co.	3.4%	80,887	7.6%	A+
Morgan Stanley	1.7%	64,312	19.7%	A+
Wachovia Corporation	3.5%	60,680	5.7%	A
Wells Fargo & Company	3.2%	96,521	16.7%	AA–
Rest of the World:[6][7]				
Allianz AG	1.2%	51,226	–0.4%	AA–
Banco Bilbao Vizcaya, S.A.	3.3%	44,773	15.2%	AA–
Banco Santander CEN	3.3%	57,459	16.8%	A+
Barclays Bank plc	2.5%	61,717	14.3%	AA
Credit Suisse Group	0.2%	46,341	8.9%	A
Deutsche Bank AG	1.9%	47,002	9.2%	AA–
HSBC Holdings plc	3.0%	172,899	15.2%	A+
ING Groep N.V.	4.1%	55,338	8.2%	A+
Lloyds TSB Bank plc	4.1%	48,394	7.1%	AA
UBS AG	2.0%	78,891	17.4%	AA+

Notes:

(1) Dividend yield before taking into account applicable foreign withholding tax.

(2) U.S./Cdn. exchange rate as of January 23, 2004: U.S. $1: Cdn. $1.3165.

(3) Prices are from its initial public offering on September 24, 1999.

(4) Prices are from its initial public offering on March 23, 2000.

(5) The subsidiary operating company, Sun Life Assurance Company Inc., is rated AA+.

(6) Price data for the 7 year CAGR are based on the local security prices converted into US dollars.

(7) All pricing is from January 24, 1997 with the exception of the following: UBS AG (ADR) July 6, 1998; Allianz AG (ADR) November 3, 2000; Deutsche Bank AG (ADR) September 8, 1999; and Lloyds TSB Bank plc (ADR) April 17, 2000.

In addition, up to 20% of the Net Asset Value of the Company may be invested in common equity securities of financial services companies that are not in the Portfolio Universe as long as such companies have a market capitalization at the time of investment of at least US$10.0 billion and for non-Canadian issuers, a minimum local currency issuer credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency.

Quarterly Distributions:

It is expected that quarterly cash distributions on the Preferred Shares and on the Class A Shares over the life of the Company will primarily be derived from dividends received on the securities in the Company's Portfolio, net realized capital gains from the Company's Portfolio, including premiums from writing covered call options on securities held in the Portfolio and from writing cash covered put options on securities in which the Company is permitted to invest and, in certain circumstances, by returning capital.

Covered Call Option Writing:

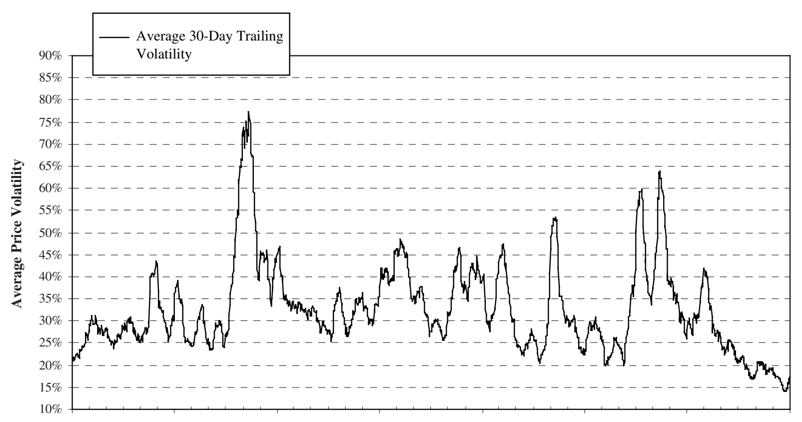
Volatility History:

The historical average, high, low and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in each geographic sector and in the Representative Universe for the seven years ended January 23, 2004 is as follows:

7 Year Volatility

	Average	Low	High	Current
Canada	27.37%	11.06%	58.24%	14.51%
United States	34.65%	13.19%	72.62%	18.21%
Rest of the World	35.91%	16.00%	106.88%	19.38%
Representative Universe	32.64%	14.03%	77.46%	17.37%

Average 30-Day Price Volatility of Representative Universe



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Portfolio.

Illustrative Distributions for Class A Shares
(Annualized %, Net of Expenses and Distributions on the Preferred Shares)

% Out-of The-Money	Average 30-Day Price Volatility of the Individual Stocks in the Portfolio 15%	20%	25%	30%	35%	40%	45%	50%
2%	14.1%	24.2%	34.5%	45.1%	55.8%	66.5%	77.3%	88.1%
0%	29.2%	40.1%	50.9%	61.8%	72.6%	83.5%	94.3%	105.1%

The information set forth above is for illustrative purposes only and should not be construed as a forecast or projection. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and no assurance can be given that the returns shown in this sensitivity analysis would ever be available or realized.

Based on the assumptions referred to under ''Covered Option Writing — Sensitivity Analysis'', the net proceeds of the offering available for the purchase of the Company's Portfolio would be $238.4 million. In order to achieve the Company's targeted annual distributions for the Class A Shares (which assumes that the Preferred Share distribution has been made) and assuming the original issue price of Preferred Shares and Class A Shares are returned to holders on the Termination Date, the Company will be required to generate an average annual return on the Portfolio of 9.44%.

The composition of the Portfolio, the securities which may be subject to call options and put options and the terms of such options will vary from time to time, based on MCM's assessment of the market conditions. See ''Investments of the Company''.

Eligibility for Investment: In the opinion of counsel, if the Company qualifies as a mutual fund corporation under the Tax Act or if the Preferred Shares or the Class A Shares are listed on a prescribed stock exchange, such shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans. Registered education savings plans should consult their own advisors as to eligibility. The Preferred Shares and Class A Shares will constitute foreign property under the Tax Act.

Investment Manager: MCM has been retained to act as investment manager of the Company. MCM is an employee-owned investment counsellor which manages, in addition to the Mulvihill family of funds, investments for numerous pension and endowment funds and for individuals having a significant net worth. MCM's total assets under management exceed $3 billion. See ''Management of the Company — The Investment Manager''.

MCM has taken the initiative in founding and organizing the Company and is a promoter of the Company within the meaning of applicable Canadian securities legislation.

Manager: Mulvihill is the Manager of the Company and is responsible for providing or arranging for the provision of administrative services required by the Company. See ''Management of the Company — The Manager''.

Custodian: The Royal Trust Company acts as custodian of the assets of the Company and is responsible for certain aspects of the day-to-day administration of the Company. See ''Custodian''.

Preferred Shares

Rating:	The Preferred Shares have been provisionally rated Pfd-2 by DBRS.
Distributions:	Holders of Preferred Shares will be entitled to receive fixed cumulative preferential quarterly cash distributions of $0.13125 per share to yield 5.25% per annum on the last day of each quarter. Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital. See ''Details of the Offering — Certain Provisions of the Preferred Shares''. The initial distribution on the Preferred Shares will be payable on June 30, 2004 and based on an anticipated closing date of February 17, 2004 is expected to be $0.1931 per Preferred Share.
Redemption:	The Preferred Shares will be redeemed by the Company on June 30, 2011. The redemption price payable by the Company for a Preferred Share on that date will be equal to the lesser of: (i) $10.00; and (ii) the NAV of the Company on that date divided by the number of Preferred Shares then outstanding.
Retraction Privileges:	**Regular Retraction:** Preferred Shares may be surrendered at any time for retraction by the Company but will be retracted only on a monthly Valuation Date (as defined below). Preferred Shares surrendered for retraction by a holder of Preferred Shares at least five (5) business days prior to the last day of the month (a ''Valuation Date'') will be retracted on such Valuation Date and such shareholder will receive payment on or before the eighth business day following such Valuation Date. Shareholders whose Preferred Shares are retracted on a Valuation Date will be entitled to receive a retraction price per share equal to 96% of the lesser of (i) the NAV per Unit determined as of the relevant Valuation Date less the cost to the Company of the purchase of a Class A Share in the market for cancellation; and (ii) $10.00. The cost of the purchase of a Class A Share will include the purchase price of the Class A Share, commission and such other costs, if any, related to the liquidation of any portion of the Portfolio required to fund such purchase. See ''Details of the Offering — Certain Provisions of the Preferred Shares — Retraction Privileges.'' **Annual Concurrent Retraction:** A holder of a Preferred Share may concurrently retract one Preferred Share and one Class A Share on the June Valuation Date of each year, commencing on the June 2005 Valuation Date, at a retraction price equal to the NAV per Unit on that date. To be retracted in this manner, the Preferred Shares and Class A Shares must be surrendered for retraction at least five (5) business days prior to the June Valuation Date. Payment of the proceeds of retraction will be made on or before the eighth business day following the June Valuation Date.

Class A Shares

Distributions:	The policy of the Board of Directors of the Company will be to pay quarterly non-cumulative distributions to the holders of Class A Shares in an amount targeted to be at least 8.0% per annum. Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital. See ''Details of the Offering — Certain Provisions of the Class A Shares'' and ''Covered Option Writing — Sensitivity Analysis — Illustrative Distributions for Class A Shares.'' There can be no assurance that the Company will be able to pay distributions to the holders of Class A Shares.

	No distributions will be paid on the Class A Shares if (i) the distributions payable on the Preferred Shares are in arrears; or (ii) after the payment of the distribution by the Company, the NAV per Unit would be less than $15.00. In addition, the Company will not pay special distributions, meaning distributions in excess of the targeted 8% distributions, on the Class A Shares if after payment of the distribution the NAV per Unit would be less than $23.50 unless the Company would need to make such distributions so as to fully recover refundable taxes.
Redemption:	The Class A Shares will be redeemed by the Company on June 30, 2011. The redemption price payable by the Company for a Class A Share on that date will be equal to the greater of (i) the NAV per Unit on that date minus $10.00, and (ii) nil.
Retraction Privileges:	**Regular Retraction:** Class A Shares may be surrendered at any time for retraction by the Company but will be retracted only on a monthly Valuation Date. Class A Shares surrendered for retraction by a holder of Class A Shares at least five (5) business days prior to a Valuation Date will be retracted on such Valuation Date and such shareholder will receive payment on or before the eighth business day following such Valuation Date. Shareholders whose Class A Shares are retracted on a Valuation Date will be entitled to receive a retraction price per share equal to 96% of the difference between (i) the NAV per Unit determined as of the relevant Valuation Date, and (ii) the cost to the Company of the purchase of a Preferred Share in the market for cancellation. The cost of the purchase of a Preferred Share will include the purchase price of the Preferred Share, commission and such other costs, if any, related to the liquidation of any portion of the Company's Portfolio required to fund such purchase. If the NAV per Unit is less than $10.00 the retraction price of a Class A Share will be nil. See ''Details of the Offering — Certain Provisions of the Class A Shares — Retraction Privileges''.
	Annual Concurrent Retraction: A holder of Class A Shares may concurrently retract one Preferred Share and one Class A Share on the June Valuation Date of each year, commencing on the June 2005 Valuation Date, at a retraction price equal to the NAV per Unit on that date. To be retracted in this manner, the Class A Shares and the Preferred Shares must be surrendered at least five (5) business days prior to the June Valuation Date. Payment of the proceeds will be made on or before the eighth business day following the June Valuation Date.

Risk Factors

An investment in Preferred Shares and Class A Shares are subject to certain risk factors, including:

(i) the financial performance of the Portfolio and market and economic conditions affecting the global financial services industry;

(ii) all of the securities held in the Portfolio will be securities of companies in the financial services industry and as a result, the Company's holdings will not be diversified;

(iii) the amount of dividends and other distributions received by the Company on Portfolio securities is beyond the Company's control;

(iv) there can be no assurance that the Company will be able to achieve its quarterly distribution targets;

(v) the NAV of the Company will be sensitive to interest rate fluctuations;

(vi) the Preferred Shares and Class A Shares may trade in the market at a premium or a discount to their NAV and there can be no guarantee that Preferred Shares or Class A Shares will trade at prices that reflect their NAV;

(vii) the NAV of the Company will vary according to, among other things, the value of the Portfolio securities acquired by the Company and the distributions paid and interest earned thereon;

(viii) reliance on the Investment Manager;

(ix) liquidity and counterparty risks associated with the writing of covered call options and cash covered put options and other risks associated with the Company's use of derivative instruments;

(x) foreign currency exposure;

(xi) counterparty risks associated with securities lending;

(xii) the Company's lack of operating history and the current absence of a public trading market for the Preferred Shares and the Class A Shares; and

(xiii) the fact that the Company is relying on the Canada Customs and Revenue Agency's published administrative position regarding the tax treatment of option transactions and has not requested or received an advance income tax ruling relating to the application of this administrative position to the Company.

See ''Risk Factors''.

Canadian Federal Income Tax Considerations

Taxation of the Company:	At the date of the closing of the offering, provided that the Preferred Shares or the Class A Shares are listed on a prescribed stock exchange in Canada, the Company will qualify, and intends to continue to qualify, as a mutual fund corporation under the Tax Act. As a result of the Company's investment and distribution policy and the deductibility of expenses incurred by the Company, the Company does not expect to be subject to any material non-refundable Canadian income tax liability.
Taxation of Shareholders Resident in Canada:	**Dividends:** Dividends other than capital gains dividends (''Ordinary Dividends'') received by individuals on the Preferred Shares and the Class A Shares will be subject to the normal gross-up and dividend tax credit rules for dividends received from taxable Canadian corporations. Ordinary Dividends received by corporations (other than specified financial institutions) on the Preferred Shares or the Class A Shares will generally be deductible in computing taxable income. Ordinary Dividends received by corporations (other than private corporations and certain other corporations) on the Preferred Shares (but not the Class A Shares) will be subject to a 10% tax under Part IV.1 of the Tax Act to the extent that such dividends are deductible in computing taxable income. Ordinary dividends received by private corporations (and certain other corporations) will be subject to a refundable tax under Part IV of the Tax Act. The amount of any capital gains dividend received by a shareholder from the Company will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the shareholder in which the capital gains dividend is received. **Dispositions:** A disposition, whether by way of redemption, retraction or otherwise, of a Preferred Share or a Class A Share held as capital property will result in a capital gain or capital loss to the holder thereof. For a detailed explanation of the Canadian federal income tax considerations, see ''Canadian Federal Income Tax Considerations''.

Summary Of Fees And Expenses Payable By The Company

The following table contains a summary of the fees and expenses payable by the Company. For further particulars see ''Fees and Expenses''.

Type of Charge	Description
Fees payable to the Agents for selling Preferred Shares and Class A Shares	$0.30 per Preferred Share $0.7875 per Class A Share
Expenses of issue	The Company will pay the expenses incurred in connection with the offering of Preferred Shares and Class A Shares by the Company, estimated to be $750,000.
Fee payable to MCM for acting as investment manager of the Company	Annual fee of 1.00% of the Company's NAV calculated and payable monthly, plus applicable taxes.
Fee payable to Mulvihill for acting as manager of the Company	Annual fee of 0.10% of the Company's NAV calculated and payable monthly, plus applicable taxes, plus the amount of the service fee payable to dealers.
Operating expenses of the Company	The Company will pay all ordinary expenses incurred in connection with its operation and administration, estimated to be $300,000 per annum. The Company will also be responsible for commissions and other costs of portfolio transactions and any extraordinary expenses which it may incur from time to time.
Service Fee	A service fee (the ''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% annually of the value of the Class A Shares held by clients of the dealer. For these purposes, the value of a Class A Share will be the NAV per Unit less $10.00.

GLOSSARY

ADR . . . . American Depository Receipts issued by a depository that evidence a beneficial interest in securities of an issuer that are held on deposit by the depository.

Black-Scholes Model . . . . a widely used option pricing model developed by Fischer Black and Myron Scholes in 1973. The model can be used to calculate the theoretical value of an option based on the current price of the underlying security, the strike price and term of the option, prevailing interest rates and the volatility of the price of the underlying security.

business day . . . . any day on which the Toronto and New York stock exchanges are open for business.

call option . . . . the right, but not the obligation, of the option holder to buy a security from the seller of the option at a specified price at any time during a specified time period or at expiry.

cash covered put option . . . . a put option entered into in circumstances where the seller of the put option holds cash equivalents or other acceptable cash cover (as defined in NI 81-102) sufficient to acquire the securities underlying the option at the strike price throughout the term of the option.

cash equivalents . . . . means, and for the purposes of ''cash cover'' and ''cash covered put option'', ''cash'' as used therein means:

(a) cash on deposit at the Company's custodian; or

(b) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by:

(i) any of the Federal or Provincial Governments of Canada; or

(ii) the Government of the United States; or

(iii) a Canadian financial institution;

provided that, in the case of (ii) and (iii), such evidence of indebtedness has a rating of at least R-1 (mid) by Dominion Bond Rating Service Limited or the equivalent rating from another approved rating organization; or

(c) other cash cover as defined in NI 81-102.

Common Shares . . . . includes common shares, instalment receipts for common shares, ADRs and other securities that are convertible into, exchangeable for or carry the right to purchase common shares of an issuer.

covered call option . . . . a call option entered into in circumstances where the seller of the call option holds the underlying security through the term of the option.

in-the-money . . . . in relation to a call option, means a call option with a strike price less than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price greater than the current market price of the underlying security.

Portfolio . . . . The net proceeds of the offering will be invested by the Company in a portfolio of financial services companies. See ''Investments of the Company — Investment Strategy''.

NAV per Unit . . . . the NAV of the Company divided by the number of Units then outstanding.

Net Asset Value or NAV	the specified net asset value which, on any date, will be equal to the difference between the aggregate value of the assets of the Company and the aggregate value of the liabilities of the Company on that date. See ''Details of the Offering — Net Asset Value and NAV per Unit''.
NI 81-102	National Instrument 81-102 of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.
option premium	the purchase price of an option.
out-of-the-money	in relation to a call option, means a call option with a strike price greater than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price less than the current market price of the underlying security.
probability	a numerical measure, generally expressed as a percentage, of the likelihood that an event will occur.
put option	the right, but not the obligation, of the option holder to sell a security to the seller of the option at a specified price at any time during a specified time period or at expiry.
Share	a Preferred Share or a Class A Share.
Standard & Poor's	means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.
strike price	in relation to a call option, means the price specified in the option that must be paid by the option holder to acquire the underlying security or, in relation to a put option, the price at which the option holder may sell the underlying security.
Tax Act	means the *Income Tax Act* (Canada).
Unit	a notional unit consisting of one Preferred Share and one Class A Share. The number of Units outstanding at any time will be equal to the sum of the number of Preferred Shares and Class A Shares then outstanding divided by two.
volatility	in respect of the price of a security, is a numerical measure of the tendency of the price to vary over time.
$	means Canadian dollars unless otherwise indicated.

THE COMPANY

World Financial Split Corp. (the ''Company'') is a mutual fund corporation incorporated under the laws of the Province of Ontario on December 5, 2003. The Articles of the Company will be amended prior to closing to create the preferred shares (the ''Preferred Shares'') and the class A shares (the ''Class A Shares''). See ''Description of Share Capital''. The manager of the Company is Mulvihill Fund Services Inc. (''Mulvihill'') and the investment manager is Mulvihill Capital Management Inc. (''MCM''). Mulvihill is a wholly-owned subsidiary of MCM.

The principal office of the Company, of Mulvihill and of MCM is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario, M5H 3T9.

Status of the Company

While the Company is technically considered to be a mutual fund corporation under the securities legislation of certain provinces of Canada, the Company is not a conventional mutual fund and has obtained exemptions from certain requirements of NI 81-102.

The Company differs from conventional mutual funds in a number of respects, most notably as follows: (i) while the Preferred Shares and Class A Shares of the Company may be surrendered at any time for redemption, the redemption price is payable monthly whereas the securities of most conventional mutual funds are redeemable daily; (ii) the Preferred Shares and Class A Shares of the Company are to have a stock exchange listing whereas the securities of most conventional mutual funds do not; and (iii) unlike most conventional mutual funds, the Preferred Shares and Class A Shares will not be offered on a continuous basis.

INVESTMENTS OF THE COMPANY

Investment Objectives

The Company's investment objectives are:

(i) to provide holders of Preferred Shares with fixed cumulative preferential quarterly cash distributions in the amount of $0.13125 per Preferred Share representing a yield on the issue price of the Preferred Shares of 5.25% per annum;

(ii) to provide holders of Class A Shares with regular quarterly cash distributions targeted to be 8.0% per annum; and

(iii) to return the original issue price to holders of both Preferred Shares and Class A Shares at the time of redemption of such shares on June 30, 2011 (the ''Termination Date'').

Investment Strategy

The net proceeds of the offering will be invested by the Company in a portfolio (the ''Portfolio'') which will include Common Shares selected from the ten largest financial services companies by market capitalization from each of Canada (at the operating company level), the United States and the Rest of the World (the ''Portfolio Universe''). In addition, the issuers of the securities in the Company's Portfolio, other than those of Canadian issuers, must have a minimum local currency issuer credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency. The Company may from time to time also hold a portion of its assets in cash or cash equivalents. The Portfolio Universe will be reset on an annual basis on December 31st and would currently include securities of the following companies:

Canada:	United States:	Rest of the World:
Bank of Montreal	American Express Company	Allianz AG
The Bank of Nova Scotia	American International Group, Inc.	Banco Bilbao Vizcaya, S.A.
Canadian Imperial Bank of Commerce	Bank of America Corporation	Banco Santander CEN
Great-West Lifeco Inc.	Bank One Corporation	Barclays Bank plc
Investors Group Inc.	Citigroup Inc.	Credit Suisse Group
Manulife Financial Corporation	Fannie Mae	Deutsche Bank AG
National Bank of Canada	JP Morgan Chase & Co.	HSBC Holdings plc
Royal Bank of Canada	Morgan Stanley	ING Groep N.V.
Sun Life Financial Inc.	Wachovia Corporation	Lloyds TSB Bank plc
The Toronto-Dominion Bank	Wells Fargo & Company	UBS AG

In addition, up to 20% of the Net Asset Value of the Company may be invested in Common Shares of financial services companies that are not in the Portfolio Universe as long as such companies have a market capitalization at the time of investment of at least US$10.0 billion and for non-Canadian issuers, a minimum local currency issuer credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency.

It is expected that quarterly cash distributions over the life of the Company will primarily be derived from dividends received (net of applicable foreign withholding taxes) on the securities in the Company's Portfolio, net realized capital gains from the Portfolio, including premiums from writing covered call options from time to time on the securities held in the Portfolio and from writing cash covered put options on securities in which the Company is permitted to invest, and, in certain circumstances, by returning capital.

The Company may, from time to time, hold a portion of its assets in cash equivalents. The Company may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. See ''Covered Option Writing — Utilization of Cash Equivalents'' and ''Investments of the Company — Investment Criteria''.

The Portfolio will be actively managed by MCM and the composition of the Portfolio, the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based upon MCM's assessment of market conditions.

Representative Universe

The table below sets out, as at January 23, 2004, the following information for issuers whose securities have been selected by MCM as being illustrative of the securities in which the Company will invest (the ''Representative Universe''): dividend yield; market capitalization of the securities; the seven year compound average annual growth rate (''CAGR'') of the total return on the securities for the period from January 24, 1997 to January 23, 2004 (unless otherwise noted); the average 30-day volatilities in the price of the securities during such period; and the Standard & Poor's credit rating.

Company	Dividend Yield (1)	Market Capitalization (2) (US$Millions)	7 Year CAGR	30-Day Volatility	S&P Credit Rating
Canada					
Bank of Montreal	2.4%	22,173	17.8%	13.1%	AA–
The Bank of Nova Scotia	2.9%	26,065	19.6%	9.1%	A+
Canadian Imperial Bank of Commerce	3.0%	18,866	16.0%	11.1%	A+
Great-West Lifeco Inc.	2.5%	15,626	26.7%	13.2%	A+
Investors Group Inc.	3.2%	6,380	16.8%	13.6%	A
Manulife Financial Corporation (3)	1.8%	16,027	25.8%	12.6%	A+
National Bank of Canada	3.0%	5,841	21.2%	19.8%	A
Royal Bank of Canada	2.9%	31,507	17.4%	6.7%	AA–
Sun Life Financial Inc. (4)	2.0%	15,887	28.7%	20.4%	Not rated (5)
The Toronto-Dominion Bank	2.9%	22,282	16.7%	25.4%	A+
Average	**2.66%**	**18,065.4**	**20.7%**	**14.5%**	

Company	Dividend Yield (1)	Market Capitalization (2) (US$Millions)	7 Year CAGR	30-Day Volatility	S&P Credit Rating
United States					
American Express Company	0.8%	64,263	14.7%	12.6%	A+
American International Group, Inc.	0.4%	179,531	14.1%	14.9%	AAA
Bank of America Corporation	3.9%	117,122	9.9%	13.3%	A+
Bank One Corporation	3.5%	57,702	6.8%	41.9%	A
Citigroup Inc.	3.2%	259,495	19.6%	12.2%	AA–
Fannie Mae	2.3%	75,800	12.9%	26.6%	AA–
JP Morgan Chase & Co.	3.4%	80,887	7.6%	15.3%	A+
Morgan Stanley	1.7%	64,312	19.7%	19.2%	A+
Wachovia Corporation	3.5%	60,680	5.7%	14.9%	A
Wells Fargo & Company	3.2%	96,521	16.7%	11.1%	AA–
Average	**2.58%**	**105,631**	**12.8%**	**18.2%**	
Rest of the World: (6)(7)					
Allianz AG	1.2%	51,226	–0.4%	22.4%	AA–
Banco Bilbao Vizcaya, S.A.	3.3%	44,773	15.2%	18.6%	AA–
Banco Santander CEN	3.3%	57,459	16.8%	18.0%	A+
Barclays Bank plc	2.5%	61,717	14.3%	20.3%	AA
Credit Suisse Group	0.2%	46,341	8.9%	17.8%	A
Deutsche Bank AG	1.9%	47,002	9.2%	23.0%	AA–
HSBC Holdings plc	3.0%	172,899	15.2%	17.7%	A+
ING Groep N.V.	4.1%	55,338	8.2%	19.8%	A+
Lloyds TSB Bank plc	4.1%	48,394	7.1%	23.4%	AA
UBS AG	2.0%	78,891	17.4%	12.9%	AA+
Average	**2.55%**	**66,404**	**11.19%**	**19.4%**	
Total Average	**2.60%**		**14.86%**	**17.37%**	

Notes:

(1) Dividend yield before taking into account applicable foreign withholding tax.

(2) U.S./Cdn. exchange rate as of January 23, 2004: U.S. $1: Cdn. $1.3165.

(3) Prices are from its initial public offering on September 24, 1999.

(4) Prices are from its initial public offering on March 23, 2000.

(5) The subsidiary operating company, Sun Life Assurance Company Inc., is rated AA+.

(6) Price data for the 7 year CAGR are based on the local security prices converted into US dollars.

(7) Price data for the 30-Day Volatility are based on ADRs priced in U.S. dollars. All pricing is from January 24, 1997 with the exception of the following: UBS AG (ADR) July 6, 1998; Allianz AG (ADR) November 3, 2000; Deutsche Bank AG (ADR) September 8, 1999; and Lloyds TSB Bank plc (ADR) April 17, 2000.

The information contained in the above section is historical and is not intended to be, nor should it be construed to be, an indication as to the future trading levels or volatility of the securities comprising the Representative Universe.

Additional Securities

Up to 20% of the Net Asset Value of the Company may be invested in Common Shares of financial services companies that are not in the Portfolio Universe as long as such companies have a market capitalization at the time of investment of at least US$10.0 billion and for non-Canadian issuers, a minimum local currency issuer credit rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency. The table below sets out, as at January 23, 2004, the following information for issuers whose securities have been selected by MCM as being illustrative of such securities: dividend yield; market capitalization of the securities; the seven year CAGR of the total return on the securities for the period from January 24, 1997 to January 23, 2004; and the Standard & Poor's credit rating.

Company	Dividend Yield (1)	Market Capitalization (US$Millions)	7 Year CAGR	S&P Credit Rating
United States:				
American Family Life Assurance Company of Columbus	0.9%	18,934	20.4%	A
Allstate Insurance Company	2.0%	31,583	7.1%	A+
Bank of New York Company, Inc.	2.3%	25,702	11.6%	A+
BB&T Corporation	3.5%	19,608	13.3%	A
The Charles Schwab Corporation	0.4%	18,016	15.4%	A–
Comerica Inc.	3.5%	10,098	9.9%	A
Countrywide Financial Corporation	0.7%	15,234	21.4%	A
Chubb Corporation	2.1%	13,169	5.9%	A
Fifth Third Bank	2.0%	32,641	16.5%	AA–
FleetBoston Financial Corporation	3.2%	47,063	11.2%	A
Franklin Resources Inc.	0.6%	14,672	12.6%	A
Freddie Mac	1.6%	43,855	13.6%	AA–
Goldman Sachs Group, Inc.	1.0%	48,763	7.2%	A+
Golden West Financial Corporation	0.4%	15,683	25.5%	A+
Hartford Financial Services, Inc.	1.8%	18,295	10.3%	A–
John Hancock Financial Services, Inc.	0.9%	11,789	25.7%	A
Keycorp Limited	4.0%	12,961	7.2%	A–
Lehman Brothers Holdings Inc.	0.6%	22,571	27.9%	A
Marsh McLennan Companies	2.6%	25,515	18.0%	AA–
Mellon Financial Corporation	1.9%	14,293	11.2%	A+
Merrill Lynch & Co., Inc.	1.1%	56,463	17.6%	A+
Metropolitan Life Insurance Company	0.7%	25,770	24.3%	A
National City Corporation	3.7%	20,912	10.5%	A
Northern Trust Corp.	1.5%	10,920	15.4%	AA–
PNC Financial Services Group	3.6%	15,703	9.2%	A–
Principal Financial Group	1.3%	11,556	26.8%	A
Progressive Corp.	0.1%	17,983	20.5%	A+
Prudential Financial, Inc.	1.1%	23,593	21.6%	A–
SouthTrust Corporation	2.9%	11,099	18.6%	A–
SLM Corp.	1.8%	16,971	21.9%	A
SunTrust Banks, Inc.	2.5%	20,603	8.4%	A+
State Street Corporation	1.1%	18,433	18.1%	AA–
Travellers Property Casualty Corp.	1.8%	17,916	8.9%	A–
US Bancorp.	3.4%	53,957	17.7%	A+
XL Capital, Ltd. (Class A Shares)	2.4%	10,913	13.1%	A
Rest of the World: (2)				
ABN AMRO Holding N.V.	3.9%	40,158	10.3%	Not rated (3)
Aegon N.V.	2.9%	23,703	2.5%	A+
Allied Irish Bank	2.5%	14,506	18.2%	A
Australia and New Zealand Banking Group Ltd.	5.3%	25,326	21.2%	AA–
AXA	1.6%	42,478	8.5%	A
Bank of Ireland	2.5%	14,502	21.6%	A+
Millea Holdings, Inc.	0.6%	25,184	39.8%	Not rated (4)
National Australia Bank	5.3%	34,529	17.0%	AA
Prudential plc	2.0%	18,303	4.5%	AA–
San Paolo IMI SpA	2.6%	24,976	13.7%	A+
Westpac Banking Corp.	4.4%	23,813	20.3%	AA–

(1) Dividend yield before taking into account applicable foreign withholding tax.

(2) Price data for the 7 year CAGR are based on the local security prices converted into US dollars.

(3) The operating company subsidiary, ABN AMRO Bank N.V., is rated AA–.

(4) The operating company subsidiaries, Nichido Fire & Marine Insurance Co. Ltd. and Tokio Marine & Fire Insurance Co. Ltd., are both rated AA–.

Investment Criteria

The Company is subject to certain investment criteria that, among other things, limit the equity securities and other securities that the Company may acquire for the Portfolio. The Company's investment criteria may not be changed without the approval of the holders of the Preferred Shares and Class A Shares by a two-thirds majority vote of such holders who attend and vote at a meeting called for such purpose. See ''Shareholder Matters — Acts Requiring Shareholder Approval''. The Company's investment criteria provide that the Company may:

(a) purchase securities of an issuer if:

  (i) such securities are North American exchange traded common equity securities including Common Shares of an issuer included in the Portfolio Universe or the purchase is permitted under clause (ii) below;

  (ii) for issuers other than Canadian issuers, such securities have a minimum rating of ''A'' from Standard & Poor's or a comparable rating from an equivalent rating agency; and

  (iii) after such purchase, no more than 20% of the Net Asset Value of the Company is invested in Common Shares of issuers other than those issuers included in the Portfolio Universe;

(b) purchase equity securities of issuers other than those in the Portfolio Universe and purchase debt securities only if such securities are cash equivalents;

(c) write a call option in respect of any security only if such security is actually held by the Company in the Portfolio at the time the option is written;

(d) dispose of any security included in the Company's Portfolio that is subject to a call option written by the Company only if such option has either terminated or expired;

(e) write put options in respect of any security only if (i) the Company is permitted to invest in such security, and (ii) so long as the options are exercisable, the Company continues to hold cash equivalents sufficient to acquire the security underlying the options at the aggregate strike price of such options;

(f) reduce the total amount of cash equivalents held by the Company, only if the total amount of cash equivalents held by the Company remains an amount not less than the aggregate strike price of all outstanding put options written by the Company;

(g) not invest in the securities of any non-resident corporation or trust or other non-resident entity if the Company would be required to mark its investment in such securities to market in accordance with proposed sections 94.2 or 94.3 of the Tax Act or to include any significant amounts in income pursuant to proposed section 94.1 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with foreign investment entities released on October 30, 2003 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto);

(h) not enter into any arrangement (including the acquisition of securities for the Portfolio and the writing of covered call options in respect thereof) where the result is a dividend rental arrangement for the purposes of the Tax Act; and

(i) purchase derivatives and enter into derivative or other transactions, including call options and put options, and short-sale arrangements, only as specifically permitted under NI 81-102 or as permitted by the Canadian Securities Administrators.

In addition, but subject to these investment criteria, the Company has adopted the standard investment restrictions and practices set forth in NI 81-102 (as it may be amended from time to time). A copy of such standard investment restrictions and practices will be provided by Mulvihill to any person on request.

Rating

The Preferred Shares have been provisionally rated Pfd-2 by Dominion Bond Rating Service Limited (''DBRS''). A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by DBRS.

Use of Other Derivative Instruments

In addition to writing covered call options and cash covered put options, to the extent permitted by Canadian securities regulators from time to time, the Company may also purchase call options and put options with the effect of closing out existing call options and put options written by the Company. The Company may also purchase put options in order to protect the Company from declines in the market prices of the individual securities in the Portfolio or in the value of the Portfolio as a whole. The Company may enter into trades to close out positions in such permitted derivatives.

The Company may also use derivatives permitted under NI 81-102 to hedge the Company's foreign currency exposure. Such permitted derivatives may include exchange traded options, futures contracts, options on futures, over-the-counter options and forward contracts. The Company expects that, initially, at least 90% of its U.S. currency risk will be hedged back to the Canadian dollar. The Manager will be reviewing the U.S. currency exposure and will adjust hedging levels from time to time as it considers appropriate. The Company will hedge its U.S. currency exposure in order to ensure that at no time will more than 50% of the Company's NAV be exposed to the U.S. dollar.

Securities Lending

In order to generate additional returns, the Company may lend Portfolio securities to securities borrowers acceptable to the Company pursuant to the terms of a securities lending agreement between the Company and any such borrower (a ''Securities Lending Agreement''). Under a Securities Lending Agreement: (i) the borrower will pay to the Company a negotiated securities lending fee and will make compensation payments to the Company equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as ''securities lending arrangements'' for the purposes of the Tax Act; and (iii) the Company will receive prescribed collateral security. The Company will lend portfolio securities in accordance with the provisions of NI 81-102. The Custodian will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

COVERED OPTION WRITING

General

The writing of call options by the Company will involve the selling of call options in respect of some or all of the equity securities held in the Portfolio. Such call options may be either exchange traded options or over-the-counter options. Because call options will be written only in respect of Common Shares that are in the Portfolio and because the investment criteria of the Company prohibit the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the Company will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Company at the strike price per security. By selling call options, the Company will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Company will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Company may repurchase a call option which is in-the-money by paying the market value of the call option. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire and the Company will retain the underlying security. In each case, the Company will retain the option premium. See ''Call Option Pricing''.

The amount of the option premium depends upon, among other factors, the volatility of the price of the underlying security; generally speaking, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See ''Call Option Pricing''.

If a call option is written on a security in the Portfolio, the amounts that the Company will be able to realize on the security during the term of the call option will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Company will forgo potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

the volatility of the price of the underlying security	The volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or ''trailing'' the date of calculation.
the difference between the strike and the market price of the underlying security at the time the option is written	The smaller the positive difference price (or the larger the negative difference), the greater the option premium.
the term of the option	The longer the term, the greater the call option premium.
the ''risk-free'' or benchmark interest rate in the market in which the option is issued	The higher the risk-free interest rate, the greater the call option premium.
the dividends expected to be paid on the underlying security during the relevant term	The greater the dividends, the lower the call option premium.

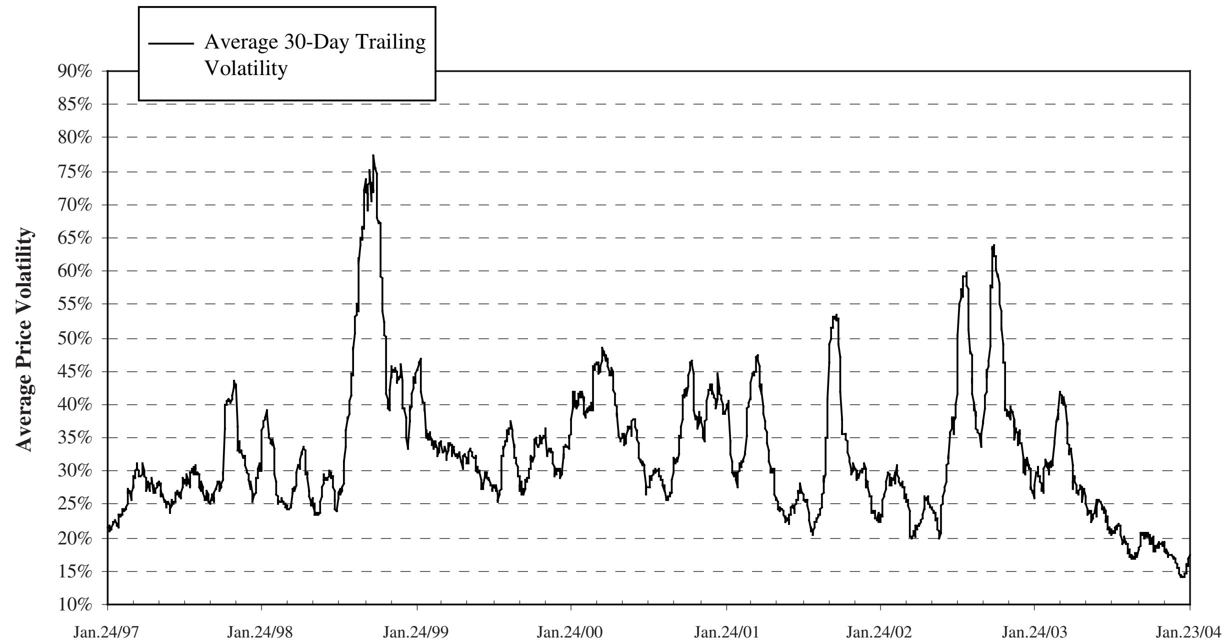
Volatility History

The historical average, high, low and current value of the trailing 30-day volatility (expressed in percentages on an annualized basis) for all of the securities in each geographic sector and in the Representative Universe for the seven years ended January 23, 2004 is as follows:

7 Year History

	Average	Low	High	Current
Canada	27.37%	11.06%	58.24%	14.51%
United States	34.65%	13.19%	72.62%	18.21%
Rest of the World	35.91%	16.00%	106.88%	19.38%
Representative Universe	32.64%	14.03%	77.46%	17.37%

Average 30-Day Price Volatility of Representative Universe



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Portfolio.

Sensitivity Analysis

Representative Universe Return

The table below illustrates the sensitivity of the annualized gross return of the Company on the Representative Universe from writing call options on the Portfolio securities (excluding any dividend increases and any amounts paid to close out in-the-money options) to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the range of volatility shown in the table approximates the range of the historical 30-day trailing average volatility of securities of the Representative Universe listed under the heading ''Representative Universe'' between January 24, 1997 and January 23, 2004;
2. all call options are exercisable at maturity and are written at the same percentage out-of-the-money;
3. all securities comprising the Representative Universe are subject to 30-day call options throughout the relevant period (for illustrative purposes only-this assumption is not necessarily indicative of the extent to which covered call options will be written by the Company);
4. the risk-free or benchmark interest rate equals 1.35%;
5. the average return from the dividends paid on the securities is 2.6%;
6. U.S. source and other foreign source dividends on the securities are subject to a 15% non-refundable withholding tax;
7. there are no changes in the value of the U.S. dollar relative to the Canadian dollar throughout the relevant period; and
8. there are no realized capital gains or losses on the securities in the Portfolio for the period during which the call options are outstanding.

ILLUSTRATIVE RETURNS ON REPRESENTATIVE UNIVERSE

% Out-Of-The-Money	AVERAGE 30-DAY PRICE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE REPRESENTATIVE UNIVERSE										
	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
3%	4.8%	9.5%	15.2%	21.4%	27.8%	34.3%	41.0%	47.7%	54.4%	61.2%	68.0%
2%	7.0%	12.7%	19.0%	25.6%	32.2%	38.9%	45.7%	52.5%	59.3%	66.1%	72.9%
1%	10.4%	16.9%	23.6%	30.4%	37.2%	44.0%	50.8%	57.6%	64.5%	71.3%	78.1%
0%	15.4%	22.2%	29.1%	35.9%	42.7%	49.5%	56.4%	63.2%	70.0%	76.8%	83.6%

This information is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis will ever be available or realized. The range of percentage out-of-the-money shown in the above table is based on the range expected to be utilized by MCM in writing call options.

Illustrative Distributions of the Class A Shares

The table below illustrates the sensitivity of the annualized gross return of the Company on the Representative Universe from writing call options on the Portfolio securities (excluding any dividend increases and any amounts paid to close out in-the-money options) to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the net proceeds of the offering are $238.4 million;
2. annual expenses (ordinary and extraordinary) for the Company are $300,000 plus the fees payable to MCM and Mulvihill, which total 1.10% of the NAV of the Company, plus applicable tax plus the service fee payable to dealers;
3. the Manager pays a service fee to dealers in the amount of 0.40% annually of the value of the Class A Shares held by clients of sales representatives of such dealers; and
4. the Company has paid the Preferred Share distributions.

ILLUSTRATIVE DISTRIBUTIONS FOR CLASS A SHARES
(Annualized %, Net of Expenses and Distributions on the Preferred Shares)

% Out-Of-The-Money	AVERAGE 30-DAY PRICE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE REPRESENTATIVE UNIVERSE										
	10%	15%	20%	25%	30%	35%	40%	45%	50%	55%	60%
3%	1.5%	9.0%	18.1%	27.9%	38.0%	48.5%	59.0%	69.6%	80.4%	91.1%	101.9%
2%	5.0%	14.1%	24.2%	34.5%	45.1%	55.8%	66.5%	77.3%	88.1%	98.9%	109.8%
1%	10.5%	20.8%	31.5%	42.2%	53.0%	63.8%	74.7%	85.5%	96.3%	107.2%	118.0%
0%	18.4%	29.2%	40.1%	50.9%	61.8%	72.6%	83.5%	94.3%	105.1%	116.0%	126.8%

This information is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis will ever be available or realized. The range of percentage out-of-the-money shown in the above table is based on the range expected to be utilized by MCM in writing call options.

Based on the assumptions referred to under ''Covered Option Writing — Sensitivity Analysis'', the net proceeds of the offering available for the purchase of the Company's Portfolio would be $238.4 million. In order to achieve the Company's targeted annual distributions for the Class A Shares (which assumes that the Preferred Share distribution has been made) and assuming the original issue price of the Preferred Shares and the Class A Shares are returned to holders on the Termination Date, the Company will be required to generate an average annual return on the Portfolio of 9.44%.

Utilization of Cash Equivalents

The Company may, from time to time, hold a portion of its assets in cash equivalents. The Company may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. Such cash covered put options will only be written in respect of securities in which the Company is permitted to invest. See ''Investments of the Company — Investment Criteria''.

The holder of a put option purchased from the Company will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Company at the strike price per security. By selling put options, the Company will receive option premiums, which are generally paid within one business day of the writing of the option. The Company, however, must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written. If at any time during the term of a put option or at expiry, the market price of the underlying securities is below the strike price, the holder of the option may exercise the option and the Company will be obligated to buy the securities from the holder at the strike price per security. In such case, the Company will be obligated to acquire a security at a strike price which may exceed the then current market value of such security. If, however, the option is out-of-the-money at the expiration of the put option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Company will retain the option premium.

MANAGEMENT OF THE COMPANY

Directors and Officers of the Company

The names, municipality of residence, office and principal occupation of each of the directors and officers of the Company are as follows:

Name and Municipality of Residence	Office	Principal Occupation
JOHN P. MULVIHILL Toronto, Ontario	President, Secretary and Director	Chairman and President, MCM
DAVID N. MIDDLETON Toronto, Ontario	Chief Financial Officer and Director	Chief Financial Officer, MCM
MICHAEL M. KOERNER (1) Toronto, Ontario	Director	Corporate Director
ROBERT W. KORTHALS (1) Toronto, Ontario	Director	Corporate Director
C. EDWARD MEDLAND (1) Toronto, Ontario	Director	President, Beauwood Investments Inc. (private investment company)

Note:

(1) Member of the Audit Committee. None of Mr. Koerner, Mr. Korthals and Mr. Medland are employees of either Mulvihill or MCM.

During the past five years, all of the directors and officers of the Company have held the principal occupations noted opposite their respective names, or other occupations with their current employer or predecessor company. The independent directors of the Company will be paid an annual fee of $5,000 and a fee for each board meeting attended of $300.

The Manager

Pursuant to a management agreement (the ''Management Agreement'') to be entered into upon the closing of the offering, Mulvihill is the manager of the Company and, as such, is responsible for providing or arranging for the provision of required administrative services to the Company including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Company; preparing financial statements, financial and accounting information as required by the Company; ensuring that the Company's shareholders are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Company complies with regulatory requirements and applicable stock exchange listing requirements; preparing the reports of the Company to shareholders and the Canadian securities regulatory authorities; providing the Custodian with information and reports necessary for it to fulfil its fiduciary responsibilities; determining the amount of distributions to be made by the Company; obtaining the services of dealers in exchange for payment by the Manager of the Service Fee; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Mulvihill is a wholly-owned subsidiary of MCM.

Mulvihill shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of holders of Preferred Shares and Class A Shares, and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

Mulvihill may resign as manager of the Company upon 60 days' notice to the shareholders and the Company. If Mulvihill resigns it may appoint its successor but, unless its successor is an affiliate of Mulvihill, its successor must be approved by shareholders. If Mulvihill is in material default of its obligations under the Management Agreement and such default has not been cured within 30 days after notice of same has been given to Mulvihill, the Company shall give notice thereof to shareholders and the shareholders may remove Mulvihill and appoint a successor manager of the Company.

Mulvihill is entitled to fees for its services under the Management Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by Mulvihill on behalf of the Company. In addition, Mulvihill and each of its directors, officers, employees and agents will be indemnified by the Company for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Mulvihill or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from Mulvihill's wilful misconduct, bad faith, negligence or breach of its obligations under the Management Agreement.

The management services of Mulvihill under the Management Agreement are not exclusive and nothing in the Management Agreement prevents Mulvihill from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Company) or from engaging in other activities.

Directors and Officers of the Manager

The name, municipality of residence and office of each of the directors and officers of Mulvihill are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, Secretary and Director
DAVID N. MIDDLETON Toronto, Ontario	Treasurer and Director
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President and Director

The Investment Manager

MCM will manage the investment portfolio of the Company in a manner consistent with the investment objectives, strategy and criteria of the Company pursuant to an investment management agreement (the ''Investment Management Agreement'') to be entered into between the Company and MCM to be dated as of the date of closing of the offering.

MCM was incorporated in 1984 by The Canada Trust Company under the name CT Investment Counsel Inc. (''CTIC'') to manage the institutional pension fund business of The Canada Trust Company. In 1985, The Canada Trust Company and The Canada Permanent Trust Company amalgamated resulting in all of the pension assets managed by The Canada Permanent Trust Company being transferred to CTIC management. In addition, the investment professionals of The Canada Permanent Trust Company joined the CTIC team.

In February 1995, John P. Mulvihill purchased 100% of CTIC from The Canada Trust Company and changed CTIC's name to Mulvihill Capital Management Inc. During 1995, MCM also established a wealth management division headed by John H. Simpson, who joined the firm from Fidelity Investments Canada Limited.

MCM is the portfolio manager of the following funds which have completed prospectus offerings of shares or units in the respective amounts indicated: First Premium Income Trust ($165 million), Premium Income Corporation ($330 million), First Premium U.S. Income Trust ($335 million), First Premium Oil and Gas Income Trust ($54.7 million), MCM Split Share Corp. ($142.5 million), Global Telecom Split Share Corp. ($170 million), Sixty Plus Income Trust ($100 million), Global Plus Income Trust ($121 million), Digital World Trust ($122.7 million), Pro-AMS U.S. Trust ($570.5 million), Pro-AMS Trust ($1.13 billion), Mulvihill Pro-AMS 100^PLUS (Cdn$) Trust ($178.1 million), Mulvihill Pro-AMS 100^PLUS (US$) Trust (U.S.$37.4 million) and Mulvihill Pro-AMS RSP Split Share Corp. ($105 million).

MCM is an employee-owned investment counsellor which, in addition to its management of the Mulvihill family of funds, manages investments for numerous pension and endowment funds and investment portfolios of individuals having a significant net worth. MCM's total assets under management exceed $3 billion.

Director and Officers of MCM

The name, municipality of residence and office of the director and each of the officers of MCM are as follows:

Name and Municipality of Residence	Office
JOHN P. MULVIHILL Toronto, Ontario	Chairman, President and Director
CHRIS P. BELLEFEUILLE Ancaster, Ontario	Vice-President
JOHN A. BOYD Toronto, Ontario	Vice-President
MARK CARPANI Toronto, Ontario	Vice-President, Fixed Income
ROBERT W. CRUICKSHANK Toronto, Ontario	Vice-President, Marketing
BRUCE E. GRAHAM Toronto, Ontario	Vice-President, Structured Products
ALAN C. LEACH Toronto, Ontario	Vice-President
DAVID N. MIDDLETON Toronto, Ontario	Vice-President, Finance
ROBERT K. ROSS Mississauga, Ontario	Vice-President
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President
SHEILA S. SZELA Toronto, Ontario	Vice-President, Finance, Structured Products

Except as indicated below, each of the foregoing has held his or her current office or has held a similar office in MCM during the five years preceding the date hereof.

Bruce Graham, prior to joining MCM, was Vice-President, Equities at Clarica Life Insurance Company and following its acquisition by Sun Life Financial, from July 2000 to May 2003. Prior to joining Clarica, Mr. Graham was Vice-President, Equities at New Brunswick Investment Management Corp. from August 1996 to June 2000. Prior to re-joining MCM, Mr. Carpani was Vice-President, Portfolio/Risk Manager from 1998 to 1999 and then Senior Vice-President, Chief Operating Officer of Reinsurance Group of America, Financial Products. Prior to joining MCM, Ms. Szela was at Deloitte & Touche LLP from January 1997 to May 2002. She was a Senior Manager, Assurance and Advisory Services at Deloitte & Touche LLP from September 2000 to May 2002, and a Manager, Assurance and Advisory Services prior to August 2000.

The team of individuals responsible for investment management at MCM all have significant experience in managing investment portfolios. The officers of MCM who will primarily be responsible for the management of the Company's portfolio are John P. Mulvihill and Bruce Graham. Also assisting in the management of the investment portfolios are: Jennifer Zabanah, Paul Meyer, Jack Way, David Middleton, John Germain and Jeff Dobson.

John P. Mulvihill, Chairman of MCM, is the senior portfolio manager of MCM and has over 30 years of investment management experience. Prior to purchasing CTIC from The Canada Trust Company in 1995, Mr. Mulvihill had been Chairman of CTIC since 1988. At CTIC he had primary responsibility for the asset allocation and portfolio management of CTIC's pension and mutual fund assets.

Bruce Graham, prior to joining MCM, was Vice-President, Equities at Clarica Life Insurance Company and following its acquisition by Sun Life Financial, from July 2000 to May 2003. Prior to joining Clarica, Mr. Graham was Vice-President, Equities at New Brunswick Investment Management Corp. from August 1996 to June 2000.

Jennifer Zabanah, prior to joining MCM in June 1997, had been employed from 1988 at The Canada Trust Company. For the last three years of her employment at The Canada Trust Company, she was a member of the Capital Markets Group and was a Risk Position Portfolio Manager at the time of her departure. In this capacity, she worked extensively with options and other derivative instruments.

Paul Meyer has been with MCM since September 1990 and is currently a Portfolio Manager and member of the Equity Team. Paul is a key member of the portfolio management group at MCM and has investment experience in the Canadian, U.S. and ADR markets.

Jack Way has been with MCM since August 1998 and brings an extensive background in asset management with over 23 years of experience as an investment manager of which the past eight years were spent working in the U.S. market.

David Middleton has been with MCM since March 1996 and is currently Chief Financial Officer and Vice-President, Finance. David is a chartered accountant and CFA with an extensive background in taxation and information technology.

John Germain has been with MCM and the Structured Products Team since March 1997. Prior to joining MCM, he had been employed at Merrill Lynch Canada Inc. since 1992. For the last two years of his employment at Merrill Lynch Canada Inc., he was a member of the Fixed Income Trading Group.

Jeff Dobson joined MCM in April 2001 after nearly 16 years at Scotia Capital. He brings extensive experience in portfolio management, especially in the use of equity options. His most recent position prior to joining MCM was managing a portfolio of volatility comprised of equity options, their underlying stocks, as well as, equity index derivatives.

Ownership of MCM

MCM is controlled by John P. Mulvihill.

Investment Management Agreement

The services to be provided by MCM pursuant to the Investment Management Agreement will include making all investment decisions for the Company and managing the writing of call options and put options by the Company, all in accordance with the investment objectives, strategy and criteria of the Company. Decisions as to the purchase and sale of securities and as to the execution of all portfolio and other transactions will be made by MCM. In the purchase and sale of securities for the Company and the writing of option contracts, MCM will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Investment Management Agreement, MCM is required to act at all times on a basis which is fair and reasonable to the Company, to act honestly and in good faith with a view to the best interests of the shareholders of the Company and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement provides that MCM shall not be liable in any way for any default, failure or defect in any of the securities of the Company, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. MCM will, however, incur liability in cases of wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement, unless terminated as described below, will continue in effect until the Termination Date. The Company may terminate the Investment Management Agreement only if MCM has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and such breach has not been cured within 30 days after notice thereof has been given to MCM by the Company.

Except as set out below, MCM may not terminate the Investment Management Agreement or assign the same except to an affiliate of MCM, without approval of the shareholders of the Company. MCM may terminate the Investment Management Agreement if the Company is in material breach or default of the provisions thereof and such breach or default has not been cured within 30 days of notice of same to the Company or if there is a material change in the fundamental investment objectives, strategy or criteria of the Company.

MCM is entitled to fees for its services under the Investment Management Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by MCM on behalf of the Company. In addition, MCM and each of its directors, officers, employees and agents will be indemnified by the Company for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against MCM or any of its officers, directors, employees or agents in the exercise of its duties as investment manager of the Company, except those resulting from MCM's wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement and provided the Company has reasonable grounds to believe the action or inaction that gave rise to such claim was in the best interests of the Company.

CONFLICTS OF INTEREST

MCM is engaged in a wide range of investment management, investment advisory and other business activities. The services of MCM under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents MCM or any of its affiliates from providing similar services to other investment funds or clients (whether or not their investment objectives, strategies and policies are similar to those of the Company) or from engaging in other activities. MCM's investment decisions for the Company will be made independently of those made on behalf of its other clients or for its own investments. On occasion, however, MCM may make the same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of MCM are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis. In this regard, MCM will endeavour to allocate investment opportunities to the Company on a pro rata basis.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Preferred Shares, Class A Shares and Class J Shares of which, before giving effect to the offering under this prospectus, there are issued and outstanding 100 Class J Shares. The attributes of the Preferred Shares and the Class A Shares are described under ''Details of the Offering''.

The holders of Class J Shares are not entitled to receive dividends. The holders of the Class J Shares will be entitled to one vote per share. The Class J Shares are redeemable and retractable at a price of $1.00 per share. The Class J Shares rank subsequent to both the Preferred Shares and the Class A Shares with respect to distributions on the dissolution, liquidation or winding-up of the Company.

A trust established for the benefit of the holders from time to time of the Preferred Shares and the Class A Shares owns all of the issued and outstanding Class J Shares. See ''Principal Shareholder''.

The Company does not currently intend to issue additional Preferred Shares or Class A Shares following completion of this offering except as disclosed herein.

DETAILS OF THE OFFERING

The following is a summary of certain provisions of the Preferred Shares and Class A Shares offered hereby.

Net Asset Value and NAV Per Unit

The Net Asset Value of the Company on a particular date will be equal to (i) the aggregate value of the assets of the Company, less (ii) the aggregate value of the liabilities of the Company, including any distributions declared and not paid that are payable to shareholders on or before such date, less (iii) the stated capital of the Class J Shares ($100). For greater certainty, the Preferred Shares will not be treated as liabilities for these purposes. The ''NAV per Unit'' on any day is obtained by dividing the NAV of the Company on such day by the number of Units outstanding on that day. A ''Unit'' is a notional unit comprising of one Preferred Share and one Class A Share.

The NAV per Unit will be calculated once each week. In the last week of the month, the NAV per Unit will be calculated on the last day of the month. Such information will be provided by Mulvihill to shareholders on request by calling toll-free 1-800-725-7172 or through the Internet at www.mulvihill.com.

In determining the NAV of the Company at any time:

(a) the value of Common Shares and other securities will be calculated using the last board lot sale price of such Common Shares or other securities on the principal stock exchange on which they are traded prior to the determination of the NAV of the Company or, if no such sale price is available at that time, the closing price quoted for the security provided that where bid and ask quotes are available, at the average of the bid and the asked price instead of at the quoted closing price;

(b) where a covered clearing corporation option, option on futures or an over-the-counter option is written, the option premium received by the Company will, so long as the option is outstanding, be reflected as a deferred credit which will be valued at an amount equal to the current market value of an option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV;

(c) the value of any cash on hand or on deposit, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Manager determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Manager determines to be the fair value thereof;

(d) the value of a forward contract or of a futures 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 or the futures contract, as the case may be, were to be closed out unless ''daily limits'' are in effect;

(e) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(f) notes, money market instruments and other debt securities shall be valued by taking the bid price at the calculation time;

(g) if a Valuation Date is not a business day, then the securities comprising the Company's portfolio and other Company property will be valued as if such Valuation Date were the preceding business day;

(h) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding such rules, the Manager shall make such valuation as it considers fair and reasonable; and

(i) the value of all assets of the Company quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Company in foreign currency and the value of all liabilities and contractual obligations payable by the Company in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the date as of which the NAV is computed.

Certain Provisions of the Preferred Shares

Distributions

Holders of Preferred Shares will be entitled to receive fixed, cumulative preferential quarterly cash distributions of $0.13125 per share to yield 5.25% per annum on the last day of each quarter. Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital or any combination thereof. The initial distribution on the Preferred Shares will be payable on June 30, 2004 and based on an anticipated closing date of February 17, 2004 is expected to be $0.1931 per Preferred Share.

Distributions will be payable to holders of Preferred Shares of record at 5:00 p.m. (Toronto time) on the 15th day of the last month of each quarter. All cash distributions will be paid by cheque and will be mailed to such holders at their addresses listed in the register of shareholders to be maintained by the Company's registrar and transfer agent or paid in such other manner as may be agreed to by the Company. As registrations of interests in the Preferred Shares will be made through the book-entry only system, the Company will, prior to March 31 of each year, provide The Canadian Depository for Securities Limited (''CDS'') with the information necessary to enable holders to complete an income tax return with respect to amounts paid or payable by the Company to such holders in the preceding calendar year. Each holder will in turn receive such information from its applicable CDS Participant (as defined below). See ''Details of the Offering — Book Entry Only System'' and ''Canadian Federal Income Tax Considerations''.

Redemptions

All Preferred Shares outstanding on the Termination Date will be redeemed by the Company on such date. The redemption price payable by the Company for a Preferred Share on that date will be equal to the lesser of: (i) $10.00 and (ii) the NAV of the Company on that date divided by the total number of Preferred Shares then outstanding.

Notice of redemption will be given to CDS Participants (as defined below) holding Preferred Shares on behalf of the beneficial owners thereof at least 30 days prior the Termination Date.

Retraction Privileges

Preferred Shares may be surrendered at any time for retraction to Computershare Investor Services Inc., the Company's registrar and transfer agent, but will be retracted only on the monthly Valuation Date (as defined below). Preferred Shares surrendered for retraction by a shareholder at least five business days prior to the last day of a month (a ''Valuation Date'') will be retracted on such Valuation Date and the shareholder will receive payment on or before the eighth business day following such Valuation Date (the ''Retraction Payment Date''). If a shareholder makes such surrender after 5:00 p.m. (Toronto time) on the fifth business day immediately preceding a Valuation Date, the shares will be retracted on the Valuation Date in the following month and the shareholder will receive payment for the retracted shares on the Retraction Payment Date in respect of such Valuation Date.

Except as noted below, holders of Preferred Shares whose shares are surrendered for retraction will be entitled to receive a retraction price per share (''Preferred Share Retraction Price'') equal to 96% of the lesser of (i) the NAV per Unit determined as of such Valuation Date less the cost to the Company of the purchase of a Class A Share in the market for cancellation; and (ii) $10.00. For this purpose, the cost of the purchase of a Class A Share will include the purchase price of the Class A Share, and commission and such other costs, if any, related to the liquidation of any portion of the Portfolio to fund the purchase of the Class A Share. Any declared and unpaid distributions payable on or before a Valuation Date in respect of Preferred Shares tendered for retraction on such Valuation Date will also be paid on the Retraction Payment Date.

Holders of Preferred Shares also have an annual retraction right under which they may concurrently retract one Preferred Share and one Class A Share on the June Valuation Date, commencing on the June 2005 Valuation Date. The price paid by the Company for such a concurrent retraction will be equal to the NAV per Unit.

As disclosed below under ''Details of the Offering — Certain Provisions of the Preferred Shares — Resale of Preferred Shares Tendered for Retraction'', where the holder of Preferred Shares tendered for retraction has not withheld his consent thereto in the manner provided in the retraction notice delivered to CDS through a participant in the CDS book-based system (a ''CDS Participant''), the Company may, but is not obligated to, require the Recirculation Agent (as defined below) to use commercially reasonable efforts to find purchasers for any Preferred Shares tendered for retraction prior to the relevant Retraction Payment Date pursuant to the Recirculation Agreement (as defined below). In such event, the amount to be paid to the holder of the Preferred Shares on the Retraction Payment Date will be an amount equal to the proceeds of the sale of the Preferred Shares less any applicable commission. Such amount will not be less than the Preferred Share Retraction Price described above. Holders of Preferred Shares are free to withhold their consent to such treatment and to require the Company to retract their Preferred Shares in accordance with their terms.

Subject to the Company's right to require the Recirculation Agent to use commercially reasonable efforts to find purchasers for any Preferred Shares tendered for retraction prior to the relevant Retraction Payment Date, any and all Preferred Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Payment Date, unless not retracted thereon, in which event such Preferred Shares will remain outstanding.

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described under ''Details of the Offering — Book Entry Only System''. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Preferred Shares which are not retracted by the Company on the relevant Retraction Payment Date.

If any Preferred Shares are tendered for retraction and are not resold in the manner described below under ''Resale of Preferred Shares Tendered for Retraction'', the Company has directed the Recirculation Agent to purchase for cancellation on behalf of the Company that number of Class A Shares which equals the number of Preferred Shares so retracted. Any Class A Shares so purchased for cancellation will be purchased in the market.

Resale of Preferred Shares Tendered for Retraction

The Company will enter into an agreement (the ''Recirculation Agreement'') with RBC Dominion Securities Inc. (the ''Recirculation Agent'') to be dated as of the closing of the offering whereby the Recirculation Agent will use commercially reasonable efforts to find purchasers for any Preferred Shares tendered for retraction prior to the relevant Retraction Payment Date, provided that the holder of the Preferred Shares so tendered has not withheld consent thereto. The Company is not obligated to require the Recirculation Agent to seek such purchasers but may elect to do so. In the event that a purchaser for such Preferred Shares is found in this manner, the amount to be paid to the holder of the Preferred Shares on the relevant Retraction Payment Date will be an amount equal to the proceeds of the sale of the Preferred Shares less any applicable commission. Such amount will not be less than the applicable Preferred Share Retraction Price described above.

Priority

The Preferred Shares rank in priority to the Class A Shares and the Class J Shares with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Company.

Certain Provisions of the Class A Shares

Distributions

The policy of the Board of Directors of the Company will be to pay quarterly non-cumulative distributions to the holders of Class A Shares in an amount targeted to be at least 8.0% per annum. Such distributions may consist of ordinary dividends, capital gains dividends or non-taxable returns of capital or any combination thereof. See ''Covered Option Writing — Sensitivity Analysis — Class A Shares.'' There can be no assurance that the Company will be able to pay distributions to the holders of Class A Shares.

No distributions will be paid on the Class A Shares if (i) the distributions payable on the Preferred Shares are in arrears; or (ii) after the payment of the distribution by the Company, the NAV per Unit would be less than $15.00. In addition, the Company will not pay special distributions, meaning distributions in excess of the targeted 8.0% quarterly distribution, on the Class A Shares if after payment of the distribution the NAV per Unit would be less than $23.50 unless the Company would need to make such distribution so as to fully recover refundable taxes.

In the event that the Company realizes capital gains, the Company may, at its option make a special year end capital gains distribution in certain circumstances, including where the Company has net realized capital gains, in Class A Shares and/or cash. Any capital gains distribution payable in Class A Shares may be made only after the first anniversary of the closing date and will increase the aggregate adjusted cost base to holders of Class A Shares of such shares. Immediately following payment of such a distribution in Class A Shares, the number of Class A Shares outstanding will be automatically consolidated such that the number of Class A Shares outstanding after such distribution will be equal to the number of Class A Shares outstanding immediately prior to such distribution.

Distributions will be payable to holders of Class A Shares of record at 5:00 p.m. (Toronto time) on the 15th day of the last month of each quarter. All cash distributions will be paid by cheque and will be mailed to such holders at their addresses listed in the register of shareholders to be maintained by the Company's registrar and transfer agent or paid in such other manner as may be agreed to by the Company. As registrations of interests in the Class A Shares will be made through the book-entry only system, the Company will, prior to March 31 of each year, provide CDS with the information necessary to enable holders to complete an income tax return with respect to amounts paid or payable by the Company to such holders in the calendar year. Each holder will in turn receive such information from its applicable CDS Participant (as defined below). See ''Details of the Offering — Book Entry Only System'' and ''Canadian Federal Income Tax Considerations''.

Redemptions

All Class A Shares outstanding on the Termination Date will be redeemed by the Company on such date. The redemption price payable by the Company for a Class A Share on that date will be equal to the greater of (i) the NAV per Unit on that date minus $10.00; and (ii) nil. See ''Risk Factors''.

Notice of redemption will be given to CDS Participants holding Class A Shares on behalf of the beneficial owners thereof at least 30 days prior to the Termination Date.

Retraction Privileges

Class A Shares may be surrendered at any time for retraction to Computershare Investor Services Inc., the Company's registrar and transfer agent, but will be retracted only on the monthly Valuation Date. Class A Shares surrendered for retraction by a shareholder at least five business days prior to the monthly Valuation Date will be retracted on such Valuation Date and the shareholder will receive payment on or before the Retraction Payment Date. If a shareholder makes such surrender after 5:00 p.m. (Toronto time) on the fifth business day immediately preceding a Valuation Date, the shares will be retracted on the Valuation Date in the following month and the shareholder will receive payment for the retracted shares on the Retraction Payment Date in respect of such Valuation Date.

Except as noted below, holders of Class A Shares whose shares are surrendered for retraction will be entitled to receive a retraction price per share (''Class A Share Retraction Price'') equal to 96% of the difference between (i) the NAV per Unit determined as of such Valuation Date, and (ii) the cost to the Company of the purchase of a Preferred Share in the market for cancellation. For this purpose, the cost of the purchase of a Preferred Share will include the purchase price of the Preferred Share, commission and such other costs, if any, related to the liquidation of any portion of the Portfolio to fund the purchase of the Preferred Share. If the NAV per Unit is less than $10.00 the retraction price of a Class A Share will be nil. Any declared and unpaid distributions payable on or before a Valuation Date in respect of Class A Shares tendered for retraction on such Valuation Date will also be paid on the Retraction Payment Date.

Holders of Class A Shares also have an annual retraction right under which they may concurrently retract one Preferred Share and one Class A Share on the June Valuation Date, commencing on the June 2005 Valuation Date. The price paid by the Company for such a concurrent retraction will be equal to the NAV per Unit.

As disclosed below under ''Resale of Class A Shares Tendered for Retraction'', where the holder of Class A Shares tendered for retraction has not withheld his consent thereto in the manner provided in the retraction notice delivered to CDS through a CDS Participant, the Company may, but is not obligated to, require the Recirculation Agent to use commercially reasonable efforts to find purchasers for any Class A Shares tendered for retraction prior to the relevant Retraction Payment Date pursuant to the Recirculation Agreement. In such event, the amount to be paid to the holder of the Class A Shares on the Retraction Payment Date will be an amount equal to the proceeds of the sale of the Class A Shares less any applicable commission. Such amount will not be less than the Class A Share Retraction Price described above. Holders of Class A Shares are free to withhold their consent to such treatment and to require the Company to retract their Class A Shares in accordance with their terms.

Subject to the Company's right to require the Recirculation Agent to use commercially reasonable efforts to find purchasers for any Class A Shares tendered for retraction prior to the relevant Retraction Payment Date, any and all Class A Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Payment Date, unless not retracted thereon, in which event such Class A Shares will remain outstanding.

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described below under ''Book Entry Only System''. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Class A Shares which are not retracted by the Company on the relevant Retraction Payment Date.

If any Class A Shares are tendered for retraction and are not resold in the manner described below under ''Details of the Offering — Certain Provisions of the Class A Shares — Resale of Class A Shares Tendered for Retraction'', the Company has directed the Recirculation Agent to purchase for cancellation on behalf of the Company that number of Preferred Shares which equals the number of Class A Shares so retracted. Any Preferred Shares so purchased for cancellation will be purchased in the market.

Resale of Class A Shares Tendered for Retraction

Pursuant to the terms of the Recirculation Agreement, the Recirculation Agent will use commercially reasonable efforts to find purchasers for any Class A Shares tendered for retraction prior to the relevant Retraction Payment Date, provided that the holder of the Class A Shares so tendered has not withheld consent thereto. The Company is not obligated to require the Recirculation Agent to seek such purchasers but may elect to do so. In the event that a purchaser for such Class A Shares is found in this manner, the amount to be paid to the holder of the Class A Shares on the relevant Retraction Payment Date will be an amount equal to the proceeds of the sale of the Class A Shares less any applicable commission. Such amount will not be less than the applicable Class A Share Retraction Price described above.

Priority

The Class A Shares rank subsequent to the Preferred Shares but in priority to the Class J Shares with respect to the payment of distributions and the repayment of capital out of the Portfolio on the dissolution, liquidation or winding up of the Company.

Book Entry Only System

Registration of interests in and transfers of the Preferred Shares and Class A Shares will be made only through the book-entry only system. On or about February 17, 2004, but no later than April 26, 2004, the Company will deliver to CDS certificates evidencing the aggregate number of Preferred Shares and Class A Shares subscribed for under this offering. Preferred Shares and Class A Shares must be purchased, transferred and surrendered for retraction or redemption through a participant in the CDS depositary service (a ''CDS Participant''). All rights of an owner of Preferred Shares or Class A Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Preferred Shares or Class A Shares. Upon purchase of any Preferred Shares or Class A Shares, the owner will receive only the customary confirmation. References in this prospectus to a holder of Preferred Shares or Class A Shares means, unless the context otherwise requires, the owner of the beneficial interest in such shares.

The ability of a beneficial owner of Preferred Shares or Class A Shares to pledge such shares or otherwise take action with respect to such owner's interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of such Preferred Shares or Class A Shares who desires to exercise redemption privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner's intention to redeem such shares, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to redeem Preferred Shares or Class A Shares should ensure that the CDS Participant is provided with notice (the ''Redemption Notice'') of his intention to exercise his redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Redemption Notice will be available from a CDS Participant or Computershare Investor Services Inc., the registrar and transfer agent of the Company. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to redeem Preferred Shares or Class A Shares, an owner shall be deemed to have irrevocably surrendered such shares for redemption and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or to the owner.

The Company has the option to terminate registration of the Preferred Shares or Class A Shares through the book-entry only system in which case certificates for Preferred Shares or Class A Shares in fully registered form would be issued to beneficial owners of such shares or to their nominees.

Suspension of Redemptions or Retractions

The Company may suspend the retraction or redemption of Preferred Shares or Class A Shares or payment of redemption or retraction proceeds: (i) during any period when normal trading in securities owned by the Company is suspended on the Toronto or New York stock exchanges (provided more than 50% of the total assets of the Company, by dollar value, trade on one of such suspended markets) and if those securities are not traded on any other exchange that represents a reasonably practical alternative for the Company to execute trades in such securities; or (ii) for any period not exceeding 120 days during which Mulvihill determines that conditions exist which render impractical the sale of assets of the Company or which impair the ability of the Company to determine the value of its assets, only with the prior approval of the securities regulatory authorities. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All holders of Preferred Shares and Class A Shares making such requests shall be advised by Mulvihill of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such shareholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by Mulvihill shall be conclusive.

Purchase for Cancellation

Subject to applicable law, the Company may at any time or times purchase Preferred Shares and Class A Shares for cancellation at prices per Unit not exceeding the NAV per Unit on the Valuation Date immediately prior to such purchase.

SHAREHOLDER MATTERS

Meetings of Shareholders

Except as required by law or set out below, holders of Preferred Shares and Class A Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

Acts Requiring Shareholder Approval

The following matters require the approval of the holders of Preferred Shares and Class A Shares by a two-thirds majority vote (other than items (c), (f), (g) and (h) which require approval by a simple majority vote) at a meeting called and held for such purpose:

(a) a change in the fundamental investment objectives and strategy of the Company as described under ''Investments of the Company — Investment Objectives'' and ''Investments of the Company — Investment Strategy'';

(b) a change in the investment criteria of the Company as described under ''Investments of the Company — Investment Criteria'';

(c) any change in the basis of calculating fees or other expenses that are charged to the Company which could result in an increase in charges to the Company;

(d) a change of the manager of the Company, other than a change resulting in an affiliate of such person assuming such position or, except as described herein, a change in the investment manager or manager of the Company, other than a change resulting in an affiliate of such person assuming such position;

(e) a decrease in the frequency of calculating the NAV per Unit or of retraction privileges;

(f) a change of the auditors of the Company;

(g) a reorganization with, or transfer of assets to, another mutual fund corporation, if

  (i) the Company ceases to continue after the reorganization or transfer of assets; and

  (ii) the transaction results in shareholders becoming securityholders in the other mutual fund corporation; and

(h) a reorganization with, or acquisition of assets of, another mutual fund corporation, if

  (i) the Company continues after the reorganization or acquisition of assets;

  (ii) the transaction results in the securityholders of the other mutual fund corporation becoming shareholders of the Company; and

  (iii) the transaction would be a significant change to the Company;

(i) a termination of the Investment Management Agreement (except as described under ''Investment Management Agreement'');

(j) a change of the Termination Date to a later date;

(k) a change of the Termination Date to an earlier date; and

(l) an amendment, modification or variation in the provisions or rights attaching to the Preferred Shares, Class A Shares or Class J Shares.

Each Preferred Share and each Class A Share will have one vote at such a meeting. Ten per cent of the outstanding Preferred Shares and Class A Shares, respectively, represented in person or by proxy at the meeting will constitute a quorum. If no quorum is present, the holders of Preferred Shares and Class A Shares then present will constitute a quorum at an adjourned meeting.

Reporting to Shareholders

The Company will deliver to shareholders annual and semi-annual financial statements of the Company.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Company and Davies Ward Phillips & Vineberg LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, for purposes of the Tax Act, are resident in Canada, hold their Preferred Shares and their Class A Shares as capital property, and deal at arm's length with and are not affiliated with the Company. This summary is based upon the facts set out in this prospectus, the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative practices and assessing policies of the CCRA and relies as to certain factual matters on certificates of officers of the Company and RBC Dominion Securities Inc. This summary is based on the assumption that the Class A Shares and the Preferred Shares will at all times be listed on a prescribed stock exchange in Canada (which currently includes the Toronto Stock Exchange). This summary is based on the assumption that the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada. This summary is based upon the assumption that the investment objectives and permitted investments will at all relevant times be as set out under the heading ''Investments of the Company'' and that the Company will at all times comply with such investment objectives and hold only permitted investments. This summary also takes into account all specific proposals to amend the Tax Act announced prior to the date hereof by the Minister of Finance (the ''Proposed Amendments''). No assurances can be given that the Proposed Amendments will become law as proposed or at all.

This summary is not exhaustive of all possible Canadian federal income tax considerations and, in particular, does not describe income tax considerations relating to the deductibility of interest on money borrowed to acquire Preferred Shares and Class A Shares. This summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign or provincial income tax considerations, which might differ from the federal considerations. This summary does not apply to shareholders that are ''financial institutions'' as defined in section 142.2 of the Tax Act or ''specified financial institutions'' as defined in section 248 of the Tax Act.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Accordingly, prospective investors are advised to consult their own tax advisors with respect to their individual circumstances.

Tax Treatment of the Company

The Company currently qualifies and intends at all relevant times to qualify as a ''mutual fund corporation'' as defined in the Tax Act. As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. Also, as a mutual fund corporation, the Company is entitled to maintain a capital gains dividend account in respect of its realized net capital gains and from which it may elect to pay dividends (''capital gains dividends'') which are treated as capital gains in the hands of the shareholders of the Company (see ''Tax Treatment of Shareholders'').

In computing income for a taxation year, the Company will be required to include in income the value of all dividends received by the Company in the year. In computing taxable income, the Company will generally be permitted to deduct the value of all dividends received by it from taxable Canadian corporations. The Company will generally not be permitted a deduction in computing taxable income for dividends received by it from other corporations, including non-resident corporations.

The Company qualifies as a ''financial intermediary corporation'' (as defined in the Tax Act) and, thus, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company and is not generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company. As a mutual fund corporation (which is not an ''investment corporation'' as defined in the Tax Act), the Company is generally subject to a refundable tax of $33\frac{1}{3}\%$ under Part IV of the Tax Act on taxable dividends received by the Company during the year to the extent that such dividends were deductible in computing the Company's taxable income for the year. This tax is refundable upon payment by the Company of sufficient dividends other than capital gains dividends (''Ordinary Dividends'').

Premiums received on covered call options and cash covered put options written by the Company which are not exercised prior to the end of the year will constitute capital gains of the Company in the year received, unless such premiums are received by the Company as income from a business or the Company has engaged in a transaction or transactions considered to be an adventure in the nature of trade. The Company will purchase the Portfolio with the objective of earning dividends thereon over the life of the Company, will write covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the Portfolio and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities upon the exercise of put options. Thus, having regard to the foregoing and in accordance with the CCRA's published administrative practices, transactions undertaken by the Company in respect of shares comprising the Portfolio and options on such shares will be treated and reported by the Company as arising on capital account.

Premiums received by the Company on covered call (or cash covered put) options which are subsequently exercised will be added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Company of the securities disposed of (or acquired) by the Company upon the exercise of such call (or put) options. In addition, where the premium was in respect of an option granted in a previous year so that it constituted a capital gain of the Company in the previous year, such capital gain will be reversed.

The Company is required to compute all amounts, including interest, cost of property and proceeds of disposition, in Canadian dollars for purposes of the Tax Act. As a consequence, the amount of income, expenses and capital gains or capital losses may be affected by changes in the value of foreign currency relative to the Canadian dollar.

Dividend Distributions

The policy of the Company is to pay quarterly dividends and, in addition, to pay a special year-end dividend to holders of Class A Shares where the Company has net taxable capital gains upon which it would otherwise be subject to tax (other than taxable capital gains realized on the writing of options that are outstanding at year end) or where the Company needs to pay a dividend in order to recover refundable tax not otherwise recoverable upon payment of quarterly dividends. While the principal sources of income of the Company are expected to include taxable capital gains as well as dividends from taxable Canadian corporations, to the extent that the Company earns net income, after expenses, from other sources, including dividends from non-Canadian sources and interest income upon interim investment of its reserves, the Company will be subject to income tax on such income and no refund of such tax will be available.

Given the investment and dividend policy of the Company and taking into account expenses, the Company does not expect to be subject to any appreciable amount of non-refundable Canadian income tax.

Tax Treatment of Shareholders

Shareholders of the Company must include in income Ordinary Dividends paid to them by the Company. For individual shareholders, Ordinary Dividends will be subject to the usual gross-up and dividend tax credit rules applicable to taxable dividends paid by taxable Canadian corporations. For corporate shareholders, Ordinary Dividends will normally be deductible in computing the taxable income of the corporation.

Ordinary Dividends received by a corporation (other than a ''private corporation'' or a ''financial intermediary corporation'', as defined in the Tax Act) on Preferred Shares will generally be subject to a 10% tax under Part IV.1 of the Tax Act to the extent that such dividends are deductible in computing the corporation's taxable income.

A shareholder which is a private corporation or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a $33\frac{1}{3}$% refundable tax under Part IV of the Act on Ordinary Dividends received on the shares to the extent that such dividends are deductible in computing the corporation's taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a corporation, the rate of Part IV tax payable by the corporation is reduced to $23\frac{1}{3}$%.

The amount of any capital gains dividend received by a shareholder from the Company will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the shareholder in which the capital gains dividend is received.

The amount of any payment received by a holder from the Company as a return of capital on a Preferred Share or Class A Share will not be required to be included in computing income. Instead, such amount will reduce the adjusted cost base of the relevant share to the holder. To the extent that the adjusted cost base to the holder would otherwise be a negative amount, the holder will be considered to have realized a capital gain at that time.

Having regard to the dividend policy of the Company a person acquiring shares may become taxable on income or capital gains accrued or realized before such person acquired such shares.

Disposition of Shares

Upon the redemption, retraction or other disposition of a share, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base of the share and any reasonable costs of disposition. The adjusted cost base of each share will generally be the weighted average of the cost of the shares of that class acquired by a holder at a particular time and the aggregate adjusted cost base of any shares of that class held immediately before the particular time. One half of a capital gain (a taxable capital gain) is included in computing income and one half of a capital loss (an allowable capital loss) is deductible against taxable capital gains in accordance with the provisions of the Tax Act.

Individuals (other than certain trusts) who realize net capital gains may be subject to an alternative minimum tax under the Tax Act.

Shares will qualify as Canadian securities for purposes of making an election under the Tax Act to deem such shares held by the investor to be capital property and to deem any disposition of the shares held to be a disposition of a capital property for the purposes of the Tax Act. This election is not available to all taxpayers under all circumstances and therefore investors considering making such an election should consult their tax advisors.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP and Davies Ward Phillips & Vineberg LLP, provided that the Company qualifies as a mutual fund corporation under the Tax Act or if the Preferred Shares or Class A Shares are listed on a prescribed stock exchange, such shares will be qualified investments under the Tax Act for trusts governed by registered retirement savings plans, registered retirement income funds or deferred profit sharing plans. Registered education savings plans should consult their own tax advisors as to eligibility. The Preferred Shares and Class A Shares will constitute foreign property under the Tax Act.

USE OF PROCEEDS

The Company will use the proceeds from the sale of Preferred Shares and Class A Shares as follows:

	Maximum Offering	Minimum Offering
Gross proceeds to the Company	$750,000,000	$250,000,000
Agents' fees	$ (32,625,000)	$ (10,875,000)
Expenses of issue	$ (750,000)	$ (750,000)
Net proceeds to the Company	$716,625,000	$238,375,000

The Company will use the net proceeds of the offering (including any net proceeds from the exercise of the Over-Allotment Option (defined below)) to invest in securities in accordance with the investment objectives, strategy and criteria of the Portfolio as described herein (see ''Investments of the Company — Investment Criteria'') as soon as possible after closing and fund the ongoing fees and expenses of the Company as described herein (see ''Fees and Expenses'').

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of January 27, 2004 (the ''Agency Agreement'') between RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Capital Corporation, Desjardins Securities Inc., First Associates Investments Inc., HSBC Securities (Canada) Inc., and Raymond James Ltd. (collectively, the ''Agents'') and Mulvihill, MCM and the Company, the Agents have agreed to offer the Preferred Shares and Class A Shares for sale, as agents of the Company, on a best efforts basis, if, as and when issued by the Company. The Agents will receive a fee equal to $0.30 for each Preferred Share sold and $0.7875 for each Class A Share sold and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Preferred Shares and the Class A Shares offered hereby, the Agents will not be obligated to purchase Preferred Shares and Class A Shares which are not sold.

The Company has granted the Agents an option (the ''Over-Allotment Option''), exercisable for a period of 30 days from the closing of the offering, to offer up to 4,500,000 additional Preferred Shares and 4,500,000 additional Class A Shares on the same terms set forth above. This prospectus qualifies the distribution of the Over-Allotment Option, and the Preferred Shares and the Class A Shares issuable on the exercise thereof. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of this offering. To the extent that the Over-Allotment Option is exercised, the additional Preferred Shares and Class A Shares will be offered at the offering prices hereunder and the Agents will be entitled to a fee of $0.30 per Preferred Share and $0.7875 per Class A Share purchased.

If subscriptions for a minimum of 10,000,000 Preferred Shares or 10,000,000 Class A Shares have not been received within 90 days following the date of issuance of a final receipt for this prospectus, this offering may not continue without the consent of those who have subscribed on or before such date. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. In the event the minimum offering is not achieved by the Company and the necessary consents are not obtained or if the closing of the offering does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Preferred Shares and Class A Shares will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will take place on February 17, 2004 or such later date as may be agreed upon by the Company and the Agents that is on or before April 26, 2004.

The Toronto Stock Exchange has conditionally approved the listing of the Preferred Shares and the Class A Shares, subject to fulfillment by the Company of the requirements of such stock exchange by April 21, 2004, including distribution to a minimum number of shareholders.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Preferred Shares or Class A Shares. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Preferred Shares and the Class A Shares. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this offering, the Agents may over-allot or effect transactions in connection with their over-allotted position. Such transactions, if commenced, may be discontinued at any time.

CAPITALIZATION

The capitalization of the Company at January 27, 2004 and at such date as adjusted to give effect to the issue and sale of the Preferred Shares and the Class A Shares offered hereby, is set forth in the table below:

	Authorized	Outstanding as at January 27, 2004	To be outstanding as at January 27, 2004 after giving effect to these issues (1)
			(unaudited)
Liabilities			
Preferred Shares	Unlimited	Nil	$300,000,000 (30,000,000 shares)
Share Capital			
Class A Shares	Unlimited	Nil	$450,000,000 (30,000,000 shares)
Class J Shares	Unlimited	$ 100 (100 shares)	$ 100 (100 shares)
Issue Costs		Nil	$ (33,375,000)
Total Capitalization (2)		$ 100	$716,625,100

Notes:

(1) Assumes the maximum amount of the offering.

(2) See Note 3(a) to the Statement of Financial Position.

PRINCIPAL SHAREHOLDER

All of the issued and outstanding Class J Shares of the Company are owned by a trust established for the benefit of the holders of the Preferred Shares and Class A Shares from time to time. The Class J Shares will be held in escrow by Computershare Trust Company of Canada pursuant to an agreement dated as of the date of Closing (the ''Escrow Agreement'') between such trust, Computershare Trust Company of Canada and the Company and will not be disposed of or dealt with in any manner until all the Preferred Shares and Class A Shares have been retracted or redeemed, without the express consent, order or direction in writing of the Ontario Securities Commission.

FEES AND EXPENSES

Initial Expenses

The expenses of the offering (including the costs of creating and organizing the Company, the costs of printing and preparing this prospectus, legal expenses of the Company, marketing expenses and legal and other out-of-pocket expenses incurred by the Agents and certain other expenses) will, together with the Agents' fees, be paid by the Company from the gross proceeds of the offering. The initial expenses are estimated to be $750,000.

Fees and Other Expenses

Pursuant to the terms of the Investment Management Agreement, MCM is entitled to a fee at an annual rate of 1.00% of the NAV of the Company. Pursuant to the terms of Management Agreement, Mulvihill is entitled to a fee at an annual rate of 0.10% of the NAV of the Company plus the amount of the annual service fee payable to dealers. Fees payable to MCM and Mulvihill (but not the service fee portion) will be calculated and payable monthly based on the NAV of the Company as at the Valuation Date of each month.

The Company will pay for all expenses incurred in connection with the operation and administration of the Company. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to holders of Preferred Shares and Class A Shares; (b) fees payable to the Custodian for acting as custodian of the assets of the Company; (c) fees payable to Computershare Investor Services Inc. for acting as registrar and transfer agent with respect to the Preferred Shares and Class A Shares; (d) fees payable to members of the Board of Directors of the Company; (e) any additional fees payable to Mulvihill for performance of extraordinary services on behalf of the Company; (f) fees payable to the auditors and legal advisors of the Company; (g) regulatory filing, stock exchange and licensing fees; and (h) expenditures incurred upon the termination of the Company. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Mulvihill, MCM or the Custodian is entitled to indemnity by the Company. See ''Management of the Company''. The Company will also be responsible for all commissions and other costs of securities transactions. All such expenses will be subject to an independent audit and report thereon to the Custodian and Mulvihill will provide reasonable access to its books and records for such purpose. The aggregate annual amount of these fees and expenses is estimated to be $300,000.

The Manager will calculate quarterly and pay at the end of each calendar quarter to each dealer whose clients hold Class A Shares a service fee and applicable taxes. The service fee will be equal to 0.40% annually of the value of Class A Shares held by clients of the dealer. For these purposes, the value of a Class A Share will be the NAV per Unit less $10.00.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

MCM, Mulvihill and the Custodian will receive the fees described under ''Fees and Other Expenses'' for their respective services to the Company and will be reimbursed by the Company for all expenses incurred in connection with the operation and administration of the Company.

In accordance with the requirements of the provincial securities regulatory authorities in connection with the offering, MCM has undertaken to file insider trading reports, as if the Company was not a mutual fund corporation, in accordance with applicable securities legislation, for itself and to cause its affiliates, its directors and senior officers and the directors and senior officers of its affiliates who might ordinarily receive knowledge of material facts or changes with respect to the Company prior to the general disclosure of such facts and changes to file insider trading reports, as if the Company was not a mutual fund, in accordance with applicable securities legislation in respect of trades made by them in Preferred Shares or Class A Shares. The foregoing undertakings shall remain in full force until such time as all the Preferred Shares and Class A Shares have been redeemed.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Preferred Shares and Class A Shares:

(a) the Management Agreement described under ''The Manager'';

(b) the Investment Management Agreement described under ''Management of the Company — Investment Management Agreement'';

(c) the Agency Agreement described under ''Plan of Distribution'';

(d) the Escrow Agreement described under ''Principal Shareholder''; and

(e) the Custodian Agreement described under ''Custodian''.

Copies of the agreements referred to above after the execution thereof may be inspected during business hours at the principal office of the Company during the course of distribution of the Preferred Shares and Class A Shares offered hereby.

RISK FACTORS

The following are certain considerations relating to an investment in Preferred Shares or Class A Shares which prospective investors should consider before purchasing such shares:

Performance of the Portfolio

Net Asset Value per Unit will vary as the value of the securities in the Portfolio varies. The Company has no control over the factors that affect the value of the securities in the Portfolio, including factors that affect all of the companies in the financial services industry such as fluctuations in interest rates and factors unique to each company such as changes in its management, changes in its strategic direction, achievement of its strategic goals, mergers, acquisitions and divestitures, changes in its dividend policies and other events that may affect the value of its common shares.

Concentration Risk

The Portfolio will consist only of securities of the companies in the financial services industry and, as a result, the Company's holdings will not be diversified and the NAV may be more volatile than the value of a more broadly diversified portfolio and may fluctuate substantially over short periods of time in response to economic conditions and regulatory changes that specifically affect the provision of financial services. This may have a negative impact on the value of the Preferred Shares and the Class A Shares.

No Assurances on Achieving Objectives

There is no assurance that the Company will be able to achieve its distribution and Portfolio preservation objectives or that the Portfolio will earn any return or will return an amount in excess of the original issue price of the Class A Shares or that the Company will achieve its objective of returning the original issue price to holders of Preferred Shares and Class A Shares on the Termination Date.

There is no assurance that the Company will be able to pay quarterly distributions. The funds available for distribution to holders of Preferred Shares or Class A Shares will vary according to, among other things, the dividends paid on all of the securities comprising the Portfolio, the level of option premiums received and the value of the securities comprising the Portfolio. As the dividends received by the Company will not be sufficient to meet the objectives of the Company in respect of the payment of distributions, the Company will depend on the receipt of option premiums and the realization of capital gains to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such a pricing model can be attained.

Sensitivity to Interest Rates

As the Company is targeting quarterly distributions representing a yield on the issue price of the Preferred Shares of 5.25% per annum and at least 8.0% per annum on the Class A Shares, the market price of the Preferred Shares and Class A Shares may be affected by the level of interest rates prevailing from time to time. In addition, any decrease in the NAV of the Company resulting from an increase in interest rates may also negatively affect the market price of the Preferred Shares or Class A Shares. Holders of Preferred Shares or Class A Shares who wish to redeem or sell their Preferred Shares or Class A Shares prior to the Termination Date will therefore be exposed to the risk that NAV per Unit or the market price of the Preferred Shares or Class A Shares will be negatively affected by interest rate fluctuations.

Fluctuations in Net Asset Value

The NAV per Unit and the funds available for distribution will vary according, among other things, to the value of the Portfolio securities acquired by the Company, the dividends paid and interest earned thereon, the volatility of such securities and the levels of option premiums received. Fluctuations in the market values of the Portfolio securities in which the Company invests may occur for a number of reasons beyond the control of the Manager, MCM or the Company. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice, actual option premiums are determined based on market factors including interest rate levels, and there is no assurance that the premiums predicted by such a pricing model can be attained.

Preferred Shares or Class A Shares may trade in the market at a premium or discount to the NAV per Unit and there can be no guarantee that Preferred Shares or Class A Shares will trade at prices that reflect their NAV.

Reliance on the Investment Manager

MCM will manage the Company in a manner consistent with the investment objectives, strategy and criteria of the Company. The officers of MCM who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of MCM until June 30, 2011.

Use of Options and Other Derivative Instruments

The Company is subject to the full risk of its investment position in the securities comprising its Portfolio, including those securities that are subject to outstanding call options and those securities underlying put options written by the Company, should the market price of such securities decline. In addition, the Company will not participate in any gain on the securities that are subject to outstanding call options above the strike price of such options.

There is no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to write covered call options or cash covered put options or purchase cash secured put options on desired terms or to close out option positions should MCM desire to do so. The ability of the Company to close out its positions may also be affected by exchange imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Company is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires. In addition, upon the exercise of a put option, the Company will be obligated to acquire a security at a strike price which may exceed the then current market value of such security.

In purchasing call or put options or entering into forward or future contracts, the Company is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations.

Foreign Currency Exposure

As the Portfolio will include securities and options denominated in U.S. dollars or other foreign currencies, the NAV of the Company and the value of the dividends and option premiums received by the Company will be affected by fluctuations in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

Securities Lending

The Company may engage in securities lending as described under ''Investments of the Company — Securities Lending''. Although the Company will receive collateral for the loans and such collateral is marked to market, the Company will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Operating History

The Company is a newly organized investment company with no previous operating history. There is currently no public market for the Preferred Shares or the Class A Shares and there can be no assurance that an active public market will develop or be sustained after completion of the offering.

Tax Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Company will treat option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains or capital losses, as the case may be, in accordance with its understanding of CCRA's published administrative and assessing practices. Gains or losses realized upon the disposition of shares, including the disposition of shares held in the Portfolio upon exercise of a call option will be treated as capital gains or losses. The CCRA's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained.

If, contrary to the CCRA's published administrative practices, some or all of the transactions undertaken by the Company in respect of options and shares were treated as income rather than capital gains, after-tax returns to holders of Preferred Shares and Class A Shares could be reduced and the Company could be subject to non-refundable income tax from such transactions and be subject to penalty taxes in respect of excessive capital gains dividend elections.

LEGAL OPINIONS

The matters referred to under ''Eligibility for Investment'' and ''Canadian Federal Income Tax Considerations'' and certain other legal matters relating to the securities offered hereby will be passed upon by Osler, Hoskin & Harcourt LLP, on behalf of the Company, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents.

CUSTODIAN

Pursuant to an agreement (the ''Custodian Agreement'') to be entered into on or prior to the date of Closing with the Company, The Royal Trust Company (the ''Custodian'') is the custodian of the assets of the Company and is responsible for processing redemptions, NAV calculations, net income and net realized capital gains of the Company and maintaining the books and records of the Company.

The address of the Custodian is 77 King Street West, Toronto, Ontario, M5W 1P9.

The Custodian is entitled to receive fees from the Company as described under ''Fees and Expenses'' and to be reimbursed for all expenses and liabilities which are properly incurred by the Custodian in connection with the activities of the Company.

PROMOTER

MCM has taken the initiative in organizing the Company and accordingly may be considered to be a ''promoter'' of the Company within the meaning of the securities legislation of certain provinces of Canada. MCM will receive fees from the Company and will be entitled to reimbursement of expenses incurred in relation to the Company as described under ''Fees and Expenses''.

AUDITORS

The auditors of the Company are Deloitte & Touche LLP, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1.

REGISTRAR AND TRANSFER AGENT

Pursuant to the Registrar and Transfer Agency Agreement to be signed on or prior to the date of Closing, Computershare Investor Services Inc. at its principal offices in Toronto will be appointed the registrar and transfer agent for the Preferred Shares and Class A Shares.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

CONSENT OF AUDITORS

We have read the prospectus of World Financial Split Corp. (the ''Company'') dated January 27, 2004 relating to the sale and issuance of preferred shares and class A shares of the Company (the ''Prospectus''). We have complied with Canadian generally accepted standards for an auditors' involvement with offering documents.

We consent to the inclusion in the Prospectus of our report to the board of directors of the Company on the statement of financial position of the Company as at January 27, 2004. Our report is dated January 27, 2004.

Toronto, Ontario
January 27, 2004

DELOITTE & TOUCHE LLP
Chartered Accountants

AUDITORS' REPORT

To the Board of Directors of
WORLD FINANCIAL SPLIT CORP.

We have audited the statement of financial position of World Financial Split Corp. (the ''Company'') as at January 27, 2004. This financial statement is the responsibility of the Company's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this statement of financial position presents fairly, in all material respects, the financial position of the Company as at January 27, 2004 in accordance with Canadian generally accepted accounting principles.

Toronto, Ontario
January 27, 2004

DELOITTE & TOUCHE LLP
Chartered Accountants

COMPILATION REPORT ON PRO FORMA STATEMENT OF FINANCIAL POSITION

To the Board of Directors of
World Financial Split Corp.

We have read the accompanying unaudited pro forma statement of financial position of World Financial Split Corp. (the ''Company'') as at January 27, 2004 and have performed the following procedures.

1. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
   (a) the basis for determination of the pro forma adjustments; and
   (b) whether the pro forma statement of financial position complies as to form in all material respects with the Securities Acts of each of the provinces of Canada (collectively, the ''Acts'') and the related regulations.
2. The officials:
   (a) described to us the basis for determination of the pro forma adjustments; and
   (b) stated that the pro forma statement of financial position complies as to form in all material respects with the Acts and related regulations.
3. Read the notes to the pro forma statement of financial position, and found them to be consistent with the basis described to us for determination of the pro forma adjustments.
4. Recalculated the application of the pro forma adjustments to the statement of financial position as at January 27, 2004 in the column captioned ''Actual'' and found the amounts in the column captioned ''Pro Forma'' to be arithmetically correct.

A pro forma financial statement is based on management assumptions and adjustments which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro forma financial statement, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statement.

Toronto, Ontario
January 27, 2004

Deloitte & Touche LLP
Chartered Accountants

WORLD FINANCIAL SPLIT CORP.

STATEMENTS OF FINANCIAL POSITION
January 27, 2004

	Actual	Pro forma (Unaudited) (3)
ASSETS		
Cash	$100	$ 100
Investment in portfolio securities	—	716,625,000
Total	$100	$716,625,100
LIABILITIES		
Preferred Shares	$ —	$300,000,000
EQUITY		
Class A Shares	—	$450,000,000
Class J Shares	$100	$ 100
Issue Costs	—	$ (33,375,000)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$100	$716,625,100

Approved by the Board:

(Signed) JOHN P. MULVIHILL
Director

(Signed) DAVID N. MIDDLETON
Director

NOTES

1. Organization and Share Capital

World Financial Split Corp. (the ''Company'') was incorporated under the laws of the Province of Ontario by Articles of Incorporation dated December 5, 2003.

The Company is authorized to issue an unlimited number of Preferred Shares, Class A Shares and Class J Shares. The Company issued 100 Class J Shares to a trust for cash consideration of $100.

2. Significant Accounting Policies

Investments

The Company's investment in portfolio securities is recorded on a trade date basis and is presented at market value.

Issue Costs

Issue costs incurred in connection with the offering are charged to Equity.

3. Pro Forma Statement of Financial Position (unaudited)

The pro forma Statement of Financial Position gives effect, as at January 27, 2004 to the following assumptions:

(a) The issue of 30,000,000 Class A Shares for total gross proceeds of $450,000,000 and the issue of 30,000,000 Preferred Shares for total gross proceeds of $300,000,000.

(b) The payment of estimated costs relating to the offering of $33,375,000, which amount is comprised of the fee payable to the agents in the offering of $32,625,000 and issue costs of $750,000.

(c) The completion of the purchase of an investment portfolio at a cost of $716,625,000.

4. Agency Agreement and Custodian

The Company has engaged RBC Dominion Securities Inc., CIBC World Markets Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., Canaccord Capital Corporation, Desjardins Securities Inc., First Associates Investments Inc., HSBC Securities (Canada) Inc., and Raymond James Ltd. to offer for sale to the public pursuant to a prospectus dated January 27, 2004 the Shares described in Note 1.

The Company has retained The Royal Trust Company under a Custodian Agreement to be dated as of the date of Closing to act as custodian of the assets of the Company and is also responsible for certain aspects of the Company's day-to-day operations. In consideration for the services provided by The Royal Trust Company, the Company will pay a monthly fee to be agreed upon between The Royal Trust Company and Mulvihill Fund Services Inc. (''Mulvihill'').

5. Commitments

The Company has retained Mulvihill to act as manager under the Management Agreement and has retained Mulvihill Capital Management Inc. (''MCM'') to act as investment manager under an Investment Management Agreement. Pursuant to such agreements, MCM and Mulvihill are entitled to fees at the annual rates of 1.0% and 0.10%, respectively, of the NAV of the Company. Such fees are calculated and payable monthly.

Mulvihill also collects from the Company a service fee equal to 0.40% annually of the value of the Class A Shares which it pays to dealers in connection with amounts held by clients of the sales representatives of such dealers. This service fee is payable quarterly.

CERTIFICATE OF THE COMPANY AND THE PROMOTER

Dated: January 27, 2004

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, *1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by the *Securities Act* (Nova Scotia), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of the *Securities Act* (Newfoundland and Labrador) and by the *Securities Act* (Prince Edward Island) and the respective regulations thereunder. This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

WORLD FINANCIAL SPLIT CORP.

(Signed) JOHN P. MULVIHILL Chief Executive Officer and President	(Signed) DAVID N. MIDDLETON Chief Financial Officer

On behalf of the Board of Directors

(Signed) ROBERT W. KORTHALS Director	(Signed) C. EDWARD MEDLAND Director

MULVIHILL CAPITAL MANAGEMENT INC.
(as Promoter)

(Signed) JOHN P. MULVIHILL

CERTIFICATE OF THE AGENTS

Dated: January 27, 2004

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the *Securities Act* (British Columbia), by Part 9 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, *1988* (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by the *Securities Act* (Nova Scotia), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of the *Securities Act* (Newfoundland and Labrador) and by the *Securities Act* (Prince Edward Island) and the respective regulations thereunder. To the best of our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

RBC DOMINION SECURITIES INC.

By: (Signed) GRAHAM MACMILLAN

CIBC WORLD MARKETS INC.

By: (Signed) WAYNE ADLAM

SCOTIA CAPITAL INC.

By: (Signed) BRIAN D. MCCHESNEY

TD SECURITIES INC.

By: (Signed) DAVID BEATTIE

BMO NESBITT BURNS INC.

By: (Signed) DAVID R. THOMAS

NATIONAL BANK FINANCIAL INC.

By: (Signed) MICHAEL D. SHUH

CANACCORD CAPITAL CORPORATION

By: (Signed) DOUGLAS DOIRON

DESJARDINS SECURITIES INC.

By: (Signed) JACQUES LEMAY

FIRST ASSOCIATES INVESTMENTS INC.

By: (Signed) PATRICK S. LEUNG

HSBC SECURITIES (CANADA) INC.

By: (Signed) DEBORAH J. SIMKINS

RAYMOND JAMES LTD.

By: (Signed) SARA MINATEL

World Financial

Split Corp.

BOWNE

PRINTED IN CANADA

T11739