Mulvihill Structured Products

Mulvihill

# Hybrid Income Funds

## Annual Report 2008

### Mulvihill Premium *Canadian Fund*

First Premium Income Trust

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## Message to Unitholders

We are pleased to present the annual financial results of First Premium Income Trust, which operates as Mulvihill Premium Canadian Fund (the “Fund”).

The following is intended to provide you with the financial highlights of the Fund and we hope you will read the more detailed information contained within the report.

The Fund was launched in 1996 with the objectives to:

(1) Provide unitholders with a stable stream of quarterly distributions of at least $0.50 ($2.00 annually) per unit; and

(2) Return, at a minimum, the original issue price of the units to unitholders upon termination of the Fund.

To accomplish these objectives the Fund invests its net assets in a diversified portfolio of common shares issued by major Canadian issuers that are in the top 200 of the S&P/TSX Composite Index by market capitalization. Accordingly, the distributions paid out by the Fund are funded from the dividend income earned on the portfolio, realized capital gains from the sale of securities and option premiums from the sale of covered call options. During the fiscal year ended 2008 the Fund earned an annual total return of negative 21.53 percent. Distributions amounting to $1.70 per unit were paid during the year, contributing to the overall decline in the net asset value from $17.42 per unit as at December 31, 2007 to $12.25 per unit as at December 31, 2008.

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

| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| **Annual Total Fund Return** | (21.53)% | 6.01% | 5.04% | 8.09% | 8.15% |
| **Distribution Paid (annual target of $2.00 per unit)** | $ 1.70 | $ 2.00 | $ 2.00 | $ 2.00 | $ 2.00 |
| **Ending Net Asset Value per Unit (initial issue price was $25.00 per unit)** | $ 12.25 | $ 17.42 | $ 18.37 | $ 19.43 | $ 19.90 |

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

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

# Mulvihill Premium *Canadian Fund* [FPI.UN]

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## Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended December 31, 2008 of First Premium Income Trust, which operates as Mulvihill Premium Canadian Fund (the “Fund”). The annual financial statements of the Fund are attached.

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

## Investment Objectives and Strategies

The Fund’s investment objectives are to provide unitholders with a stable stream of quarterly distributions of at least $0.50 ($2.00 annually) per unit while returning at a minimum the original issue price of $25.00 per unit to unitholders upon termination of the Fund on January 1, 2014.

The Fund achieves its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by major Canadian issuers that are in the top 200 of the S&P/TSX Composite Index by market capitalization. To generate additional returns above the dividend income generated by the portfolio, the Fund writes covered call options in respect of all or part of the securities in the portfolio. From time to time, the Fund may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

## Risk

The underlying portfolio holds securities issued by major Canadian issuers that are in the top 200 of the S&P/TSX Composite Index by market capitalization. Investors should be aware that the primary risks associated with the Fund relate to the financial performance of the securities within the investable universe, general market and economic conditions as well as the level of option volatility realized in undertaking the writing of covered call options.

In order to generate income, the Fund writes covered call options in respect of all or part of the securities in the portfolio. For the first few quarters of 2008, volatility levels in Canadian equities continued the moderate up-trend that started in mid 2007. In the fourth quarter, however, volatility rose dramatically in most equities. This occurred along with a dramatic correction in the share prices of most equities. Realized gains earned from options amounted to approximately $2.1M.

During 2008, cash levels were increased through the sale of equity holdings and option writing activity was also increased which had the effect of decreasing the overall level of risk of investment in the Fund.

## Summary of Investment Portfolio

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

### Asset Mix

December 31, 2008

| | % OF NET ASSET VALUE | | % OF NET ASSET VALUE | | % OF NET ASSET VALUE |
|---|---|---|---|---|---|
| Cash and Short-Term Investments | 51% | Materials | 10% | Industrials | 4 % |
| Financials | 15% | Consumer Staples | 5% | Information Technology | 1 % |
| Energy | 14% | Utilities | 4% | Other Assets (Liabilities) | (4)% |

### Portfolio Holdings

December 31, 2008

| | % OF NET ASSET VALUE | | % OF NET ASSET VALUE | | % OF NET ASSET VALUE |
|---|---|---|---|---|---|
| Cash and Short-Term Investments | 51% | Kinross Gold Corporation | 5% | SNC-Lavalin Group Inc. | 4% |
| Goldcorp Inc. | 5% | The Bank of Nova Scotia | 4% | Manulife Financial Corporation | 4% |
| Imperial Oil Ltd. | 5% | Royal Bank of Canada | 4% | The Toronto-Dominion Bank | 3% |
| Shoppers Drug Mart Corporation | 5% | EnCana Corporation | 4% | Research In Motion Limited | 1% |
| Husky Energy Inc. | 5% | TransAlta Corp. | 4% | | |

### Distribution History

| INCEPTION DATE: JUNE 1996 | REGULAR DISTRIBUTION | SPECIAL DISTRIBUTION | TOTAL DISTRIBUTION |
|---|---|---|---|
| **Total for 1996** | $ 1.00 | $ 0.50 | **$ 1.50** |
| **Total for 1997** | 2.00 | 1.50 | **3.50** |
| **Total for 1998** | 2.00 | 0.75 | **2.75** |
| **Total for 1999** | 2.00 | 0.50 | **2.50** |
| **Total for 2000** | 2.00 | 2.00 | **4.00** |
| **Total for 2001** | 2.00 | 0.25 | **2.25** |
| **Total for 2002** | 2.00 | 0.00 | **2.00** |
| **Total for 2003** | 2.00 | 0.00 | **2.00** |
| **Total for 2004** | 2.00 | 0.00 | **2.00** |
| **Total for 2005** | 2.00 | 0.00 | **2.00** |
| **Total for 2006** | 2.00 | 0.00 | **2.00** |
| **Total for 2007** | 2.00 | 0.00 | **2.00** |
| **Total for 2008** | 1.70 | 0.00 | **1.70** |
| **Total Distributions to Date** | **$ 24.70** | **$ 5.50** | **$ 30.20** |

For complete distribution history and income tax information, please see our website www.mulvihill.com.

## Trading History

June 28, 1996 to December 31, 2008


## Results of Operations

For the year ended December 31, 2008, the net asset value of the Fund for pricing purposes based on closing prices was $12.25 per unit (see Note 4 to the financial statements) compared to $17.42 per unit at December 31, 2007. The Fund's units listed on the Toronto Stock Exchange as FPI.UN closed on December 31, 2008 at $11.44 per unit, which represents a 6.6 percent discount to the net asset value.

Distributions totalling $1.70 per unit were made to the unitholders during the year. The regular $0.50 per unit distribution was reduced to $0.35 per unit in the third quarter following a sustained market correction which continued more dramatically in the fourth quarter.

By the end of the second quarter, we anticipated market weakness and began to take a more defensive posture by reducing our invested position in favour of cash holdings. We became increasingly defensive as the year progressed and the market experienced much further weakness.

The S&P/TSX Composite Index total return for the year was negative 33.00 percent. All sectors delivered negative performance for the year. The best performing sector was Consumer Staples led by grocers Metro Inc. and Empire Company Ltd. The worst performing sectors were Financials and Technology.

The one year compound return for the Fund, including reinvestment of distributions, was negative 21.5 percent. For more detailed information on investment returns, please see the Annual Total Return bar graph and the Annual Compound Returns table on page 7 of this report.

During the year, 613,780 units were redeemed by the Fund. The Fund facilitated these redemptions by selling equities from the portfolio, resulting in no material impact on Fund performance.

## Financial Highlights

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

For December 31, 2008 and December 31, 2007, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 3 and 4 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended December 31

| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| **THE FUND'S NET ASSETS PER UNIT** | | | | | |
| **Net Assets, beginning of year (based on bid prices)[1]** | **$ 17.40** | **$ 18.36[4]** | **$ 19.43** | **$ 19.90** | **$ 20.31** |
| INCREASE (DECREASE) FROM OPERATIONS | | | | | |
| Total revenue | **0.36** | 0.37 | 0.38 | 0.37 | 0.36 |
| Total expenses | **(0.34)** | (0.37) | (0.35) | (0.35) | (0.36) |
| Realized gains (losses) for the period | **(0.87)** | 1.09 | 1.83 | 1.30 | 2.19 |
| Unrealized gains (losses) for the period | **(2.01)** | (0.09) | (0.99) | 0.03 | (0.61) |
| **Total Increase (Decrease) from Operations[2]** | **(2.86)** | **1.00** | **0.87** | **1.35** | **1.58** |
| DISTRIBUTIONS | | | | | |
| From net investment income | **–** | (0.29) | (0.29) | (0.26) | (0.22) |
| From capital gains | **–** | (0.34) | (1.01) | (0.45) | (0.56) |
| Non-taxable distributions | **(1.70)** | (1.37) | (0.70) | (1.29) | (1.22) |
| **Total Annual Distributions[3]** | **(1.70)** | **(2.00)** | **(2.00)** | **(2.00)** | **(2.00)** |
| **Net Assets, as at December 31 (based on bid prices)[1]** | **$ 12.25** | **$ 17.40** | **$ 18.37** | **$ 19.43** | **$ 19.90** |

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

**RATIOS/SUPPLEMENTAL DATA**

| | 2008 | 2007 | 2006 | 2005 | 2004 |
|---|---|---|---|---|---|
| Net Asset Value ($millions)[1] | **$ 27.38** | $ 49.58 | $ 61.68 | $ 87.24 | $ 110.21 |
| Number of units outstanding[1] | **2,234,176** | 2,845,744 | 3,357,025 | 4,490,351 | 5,538,445 |
| Management expense ratio[2] | **1.95%** | 1.91% | 1.83% | 1.76% | 1.79% |
| Portfolio turnover rate[3] | **149.92%** | 109.81% | 190.12% | 234.60% | 222.18% |
| Trading expense ratio[4] | **0.20%** | 0.15% | 0.24% | 0.26% | 0.27% |
| Net Asset Value per Unit[5] | **$ 12.25** | $ 17.42 | $ 18.37 | $ 19.43 | $ 19.90 |
| Closing market price | **$ 11.44** | $ 16.76 | $ 17.60 | $ 18.60 | $ 19.65 |

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

## Management Fees

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

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

## Recent Developments

2008 was a year of unprecedented market turmoil in many areas. The credit crisis came to a climax with the takeout or closure of several large financial institutions and the sector as a whole received bailouts from governments in many developed countries. Crude oil prices endured the most dramatic intra-year swings in history. Equity market volatility as measured by the Chicago Board Options Volatility Exchange Index also saw the most dramatic intra-year swings since the index was created. Some industries, namely automotive manufacturing, finished the year on the brink of collapse. The deleveraging of the economies of the Western World continues into 2009.

Earnings growth was mixed in 2008 with more than one third of companies in the S&P/TSX Composite Index delivering negative growth compared to approximately one quarter of companies doing so in 2007. However, overall earnings growth did improve year over year. Financials and Health Care sectors had negative earnings growth during the year.

The Fund has exposure to the Financials, Materials, Energy, and Utilities sectors. Our gold holdings in Kinross Gold Corporation and Goldcorp Inc. were the best performers returning 23.5 percent and 14.2 percent respectively.

## Past Performance

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

(1) the information shown assumes that all distributions made by the Fund during these periods shown were reinvested in the Fund,

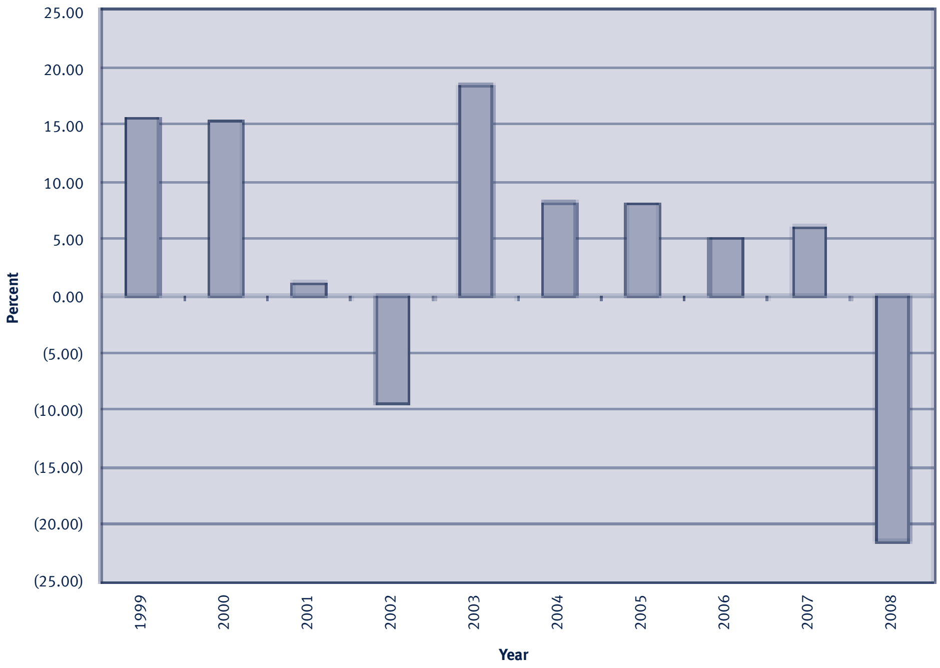
(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(3) the past performance of the Fund does not necessarily indicate how it will perform in the future.

### Year-By-Year Returns

The bar chart below illustrates how the Fund's total annual return in each of the past ten years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year.

## Annual Total Return




## Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended December 31, 2008 as compared to the performance of the S&P/TSX Composite Index.

| **(In Canadian Dollars)** | **One Year** | **Three Years** | **Five Years** | **Ten Years** |
|---|---|---|---|---|
| Mulvihill Premium Canadian Fund | **(21.53)%** | (4.40)% | 0.43% | 3.97% |
| In order to meet regulatory requirements, the performance of a broader based market index has been included below. | | | | |
| S&P/TSX Composite Index* | **(33.00)%** | (4.80)% | 4.16% | 5.34% |

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

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

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

## Related Party Transactions

Mulvihill Capital Management Inc. (“MCM”) manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated June 21, 1996.

Mulvihill Fund Services Inc. (“Mulvihill”) is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated June 21, 1996, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

## Independent Review Committee

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

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, Michael M. Koerner, and effective January 1, 2009, Robert G. Bertram.

**Forward-Looking Statements**

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

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

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

# Management's Responsibility for Financial Reporting

The accompanying financial statements of First Premium Income Trust (operating as Mulvihill Premium Canadian Fund) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager"), and have been approved by the Board of Advisors (the "Board").

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

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

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

John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 17, 2009

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

## To the Unitholders of First Premium Income Trust

We have audited the accompanying statement of investments of First Premium Income Trust (operating as Mulvihill Premium Canadian Fund) (the “Fund”) as at December 31, 2008, the statements of net assets as at December 31, 2008 and 2007, and the statements of financial operations, of changes in net assets and of net gain (loss) on sale of investments for the years then ended. These financial statements are the responsibility of the Fund’s management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2008 and 2007, and the results of its operations, the changes in its net assets, and the net gain (loss) on sale of investments for the years then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
February 17, 2009

## Statements of Net Assets

December 31, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| ASSETS | | |
| Investments at fair value (cost - $18,811,826; 2007 - $42,093,734) | **$ 13,852,688** | $ 42,308,344 |
| Short-term investments at fair value (cost - $13,853,800; 2007 - $7,341,981) | **13,853,800** | 7,341,981 |
| Cash | **12,976** | 1,440 |
| Interest receivable | **25,382** | 43,135 |
| Dividends receivable | **42,780** | 94,968 |
| TOTAL ASSETS | **27,787,626** | **49,789,868** |
| LIABILITIES | | |
| Redemptions payable | **358,653** | 148,825 |
| Accrued liabilities | **71,543** | 116,049 |
| TOTAL LIABILITIES | **430,196** | **264,874** |
| NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY | **$ 27,357,430** | **$ 49,524,994** |
| **Number of Units Outstanding** (Note 5) | **2,234,176** | **2,845,744** |
| **Net Assets per Unit** (Note 4) | **$ 12.2450** | **$ 17.4032** |

On Behalf of the Manager,
Mulvihill Fund Services Inc.

John P. Mulvihill, Director

Sheila S. Szela, Director

The notes are an integral part of the Financial Statements.

## Statements of Financial Operations

Years ended December 31, 2008 and 2007

| | | 2008 | | 2007 |
|---|---|---|---|---|
| REVENUE | | | | |
| Dividends | $ | **638,206** | $ | 868,919 |
| Interest | | **284,743** | | 289,707 |
| TOTAL REVENUE | | **922,949** | | 1,158,626 |
| EXPENSES (Note 6) | | | | |
| Management fees | | **510,487** | | 698,903 |
| Service fees | | **116,681** | | 161,562 |
| Administrative and other expenses | | **59,777** | | 77,727 |
| Transaction fees (Note 9) | | **81,965** | | 86,990 |
| Custodian fees | | **32,365** | | 34,690 |
| Audit fees | | **19,441** | | 19,447 |
| Independent review committee fees | | **4,114** | | 739 |
| Legal fees | | **5,756** | | 5,574 |
| Unitholder reporting costs | | **18,751** | | 24,712 |
| Goods and services tax | | **31,768** | | 49,399 |
| TOTAL EXPENSES | | **881,105** | | 1,159,743 |
| **Net Investment Income (Loss)** | | **41,844** | | **(1,117)** |
| Net gain (loss) on sale of investments | | **(4,323,964)** | | 3,710,696 |
| Net gain (loss) on sale of derivatives | | **2,095,735** | | (307,121) |
| Net change in unrealized appreciation/depreciation of investments | | **(5,173,748)** | | (272,597) |
| **Net Gain (Loss) on Investments** | | **(7,401,977)** | | **3,130,978** |
| NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS | $ | **(7,360,133)** | $ | **3,129,861** |
| NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the year of 2,568,321; 2007 - 3,120,092) | $ | **(2.8657)** | $ | **1.0031** |

The notes are an integral part of the Financial Statements.

## Statements of Changes in Net Assets

Years ended December 31, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| NET ASSETS, BEGINNING OF YEAR | $ 49,524,994 | $ 61,676,541 |
| **Transition Adjustment** (Note 3) | – | (44,550) |
| **Net Increase (Decrease) in Net Assets from Operations** | (7,360,133) | 3,129,861 |
| **Unit Transactions** (Note 5) | | |
| Amount paid for units redeemed | (10,409,891) | ( 9,025,189) |
| Proceeds from reinvestment of distributions | 38,307 | – |
| | (10,371,584) | (9,025,189) |
| **Distributions to Unitholders** (Note 7) | | |
| From net investment income | – | (899,184) |
| From net gain on sale of investments | – | (1,032,872) |
| Non-taxable distributions | (4,435,847) | (4,279,613) |
| | (4,435,847) | (6,211,669) |
| **Changes in Net Assets during the Year** | (22,167,564) | (12,151,547) |
| NET ASSETS, END OF YEAR | $ 27,357,430 | $ 49,524,994 |

## Statements of Net Gain (Loss) on Sale of Investments

Years ended December 31, 2008 and 2007

| | 2008 | 2007 |
|---|---|---|
| **Proceeds from Sale of Investments** | $ 66,332,435 | $ 72,023,938 |
| **Cost of Investments Sold** | | |
| Cost of investments, beginning of year | 42,093,734 | 56,449,241 |
| Cost of investments purchased | 45,278,756 | 54,264,856 |
| | 87,372,490 | 110,714,097 |
| **Cost of Investments, End of Year** | (18,811,826) | (42,093,734) |
| | 68,560,664 | 68,620,363 |
| NET GAIN (LOSS) ON SALE OF INVESTMENTS | $ (2,228,229) | $ 3,403,575 |

The notes are an integral part of the Financial Statements.

## Statement of Investments

December 31, 2008

| | Par Value/ Number of Shares | Average Cost | Fair Value | % of Portfolio |
|---|---|---|---|---|
| SHORT-TERM INVESTMENTS | | | | |
| **Treasury Bills** | | | | |
| Government of Canada, 1.82% - January 22, 2009 | 5,405,000 | $ 5,386,173 | **$ 5,386,173** | |
| Government of Canada, 1.82% - February 5, 2009 | 735,000 | 731,998 | **731,998** | |
| Government of Canada, 1.84% - February 19, 2009 | 4,035,000 | 4,017,367 | **4,017,367** | |
| Government of Canada, 1.31% - March 5, 2009 | 1,700,000 | 1,694,778 | **1,694,778** | |
| Government of Canada, 1.20% - March 19, 2009 | 2,030,000 | 2,023,484 | **2,023,484** | |
| **Total Treasury Bills** | | **13,853,800** | **13,853,800** | **99.8%** |
| **Accrued Interest** | | | **25,382** | **0.2%** |
| TOTAL SHORT-TERM INVESTMENTS | | **$ 13,853,800** | **$ 13,879,182** | **100.0%** |
| INVESTMENTS | | | | |
| **Canadian Common Shares** | | | | |
| **Consumer Staples** | | | | |
| Shoppers Drug Mart Corporation | 28,000 | **$ 1,499,249** | **$ 1,344,840** | 9.7% |
| **Energy** | | | | |
| EnCana Corporation | 20,000 | 1,530,591 | **1,135,000** | |
| Husky Energy Inc. | 42,500 | 1,862,155 | **1,311,125** | |
| Imperial Oil Ltd. | 33,600 | 1,749,085 | **1,376,592** | |
| **Total Energy** | | **5,141,831** | **3,822,717** | 27.6% |
| **Financials** | | | | |
| Manulife Financial Corporation | 45,100 | 1,734,646 | **936,276** | |
| Royal Bank of Canada | 33,200 | 1,699,873 | **1,195,200** | |
| The Bank of Nova Scotia | 36,100 | 1,777,234 | **1,196,715** | |
| The Toronto-Dominion Bank | 20,400 | 1,365,730 | **885,768** | |
| **Total Financials** | | **6,577,483** | **4,213,959** | 30.4% |
| **Industrials** | | | | |
| SNC-Lavalin Group Inc. | 27,500 | **1,370,600** | **1,091,200** | 7.9% |
| **Information Technology** | | | | |
| Research In Motion Limited | 4,900 | **612,575** | **242,354** | 1.8% |
| **Materials** | | | | |
| Goldcorp Inc. | 38,000 | 1,506,477 | **1,457,680** | |
| Kinross Gold Corporation | 54,500 | 953,990 | **1,220,800** | |
| **Total Materials** | | **2,460,467** | **2,678,480** | 19.3% |
| **Utilities** | | | | |
| TransAlta Corp. | 45,000 | **1,455,700** | **1,093,500** | 7.9% |
| **Total Canadian Common Shares** | | **$ 19,117,905** | **$ 14,487,050** | **104.6%** |

The notes are an integral part of the Financial Statements.

## Statement of Investments

December 31, 2008

| | Number of Contracts | Proceeds | Fair Value | % of Portfolio |
|---|---|---|---|---|
| INVESTMENTS (continued) | | | | |
| OPTIONS | | | | |
| **Written Covered Call Options** (100 shares per contract) | | | | |
| EnCana Corporation - January 2009 @ $60 | (45) | $ (6,840) | $ **(5,310)** | |
| Goldcorp Inc. - January 2009 @ $24 | (95) | (33,630) | **(135,412)** | |
| Goldcorp Inc. - February 2009 @ $34 | (190) | (69,730) | **(156,822)** | |
| Kinross Gold Corporation - January 2009 @ $17 | (365) | (58,035) | **(202,528)** | |
| Manulife Financial Corporation - January 2009 @ $23 | (65) | (7,215) | **(10,408)** | |
| Shoppers Drug Mart Corporation - January 2009 @ $45 | (140) | (33,320) | **(47,843)** | |
| SNC-Lavalin Group Inc. - January 2009 @ $42 | (70) | (13,160) | **(4,900)** | |
| The Bank of Nova Scotia - January 2009 @ $35 | (140) | (28,980) | **(26,983)** | |
| The Bank of Nova Scotia - February 2009 @ $32 | (75) | (14,775) | **(26,656)** | |
| The Toronto-Dominion Bank - January 2009 @ $46 | (64) | (15,424) | **(16,850)** | |
| The Toronto-Dominion Bank - January 2009 @ $57 | (64) | (18,880) | **(650)** | |
| **Total Written Covered Call Options** | | **(299,989)** | **(634,362)** | **(4.6)%** |
| TOTAL OPTIONS | | **$ (299,989)** | **$ (634,362)** | **(4.6)%** |
| Adjustment for transaction costs | | **(6,090)** | | |
| TOTAL INVESTMENTS | | **$ 18,811,826** | **$ 13,852,688** | **100.0 %** |

The notes are an integral part of the Financial Statements.

## 1. Establishment of the Fund

First Premium Income Trust (the "Fund") is an investment trust established under the laws of the Province of Ontario on June 21, 1996. The Fund began operations on June 25, 1996 and will terminate on January 1, 2014 and its net assets will be distributed to unitholders unless unitholders determine to continue the Fund by a two-thirds majority vote at a meeting called for such purpose.

The manager of the Fund is Mulvihill Fund Services Inc. (the "Manager") and the Fund's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). RBC Dexia Investor Services (the "Trustee") is the trustee and acts as custodian of the assets of the Fund.

The Fund operates under the registered name Mulvihill Premium Canadian Fund.

## 2. Investment Objectives of the Fund

The Fund achieves its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by major Canadian issuers that are in the top 200 of the S&P/TSX Composite Index by market capitalization.

To generate additional returns above the dividend income earned on the portfolio, the Fund writes covered call and put options in respect of all or some of the securities in the portfolio. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province.

## 3. Summary of Significant Accounting Policies

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

The Fund has adopted, effective January 1, 2007, the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855 "Financial Instruments - Recognition and Measurement". The standard requires that the fair value of securities which are traded in active markets be measured based on bid price and transaction fees, such as brokerage commissions, incurred in the purchase or sale of securities by the Fund be charged to net income in the period incurred. The standard has been adopted retrospectively with no restatement of prior periods' comparative amounts.

As a result of the adoption of the standard, the Fund recorded a transition adjustment to the 2007 opening net assets in the amount of $44,550. This transition adjustment represents the adjustment to fair value of investments from the closing sale price to the closing bid price as of December 31, 2006.

The significant accounting policies of the Fund are as follows:

### Valuation of Investments

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

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

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

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

### Transaction Fees

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

### Investment Transactions and Income

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

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

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

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

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

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

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

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

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

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

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

### New Accounting Standards

Commencing January 1, 2008, the Fund adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments - Disclosures" and Section 3863, "Financial Instruments - Presentation". The new standards replaced Section 3861 "Financial Instruments - Disclosure and Presentation". The new disclosure standards increase the emphasis on the disclosure on the nature and extent of risks associated with financial instruments and how those risks are managed by the Fund. The previous requirements related to presentation of financial instruments have been carried forward relatively unchanged. Adoption of the new standards does not impact the net asset value for pricing purposes, nor the calculation of net assets. These expanded disclosures are found in Note 10.

Effective January 1, 2008, the Fund also adopted CICA Handbook Section 1535, "Capital Disclosures" which specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The adoption of Section 1535 did not have a significant impact on the Fund's disclosures as: (i) the Fund's objectives, policies and processes for managing capital are described in Note 2; (ii) information on the Fund's unitholders' equity is described in Note 5 and Note 7; and (iii) the Fund does not have any externally imposed capital requirements.

## 4. Net Asset Value

The Canadian securities regulatory authorities have published amendments to NI 81-106 that remove the requirement that net asset value be calculated in accordance with Canadian GAAP effective September 8, 2008. As a result of the amendments, the Net Asset Value of the Fund will continue to be calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). The adoption of these new rules will result in a different Net Assets per unit for financial reporting purposes and Net Asset Value per unit due to the use of different valuation techniques. The Net Asset Value per unit at December 31 is as follows:

| | **2008** | 2007 |
|---|---|---|
| Net Asset Value (for pricing purposes) | **$12.25** | $17.42 |

## 5. Unitholders' Equity

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Fund.

All units have equal voting rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Fund. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on the monthly valuation date. Unitholders whose units are redeemed on a June 30 valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4 percent of such net asset value per unit and (ii) $1.00.

Unit transactions during the year are as follows:

| | **2008** | 2007 |
|---|---|---|
| Units outstanding, beginning of year | **2,845,744** | 3,357,025 |
| Units Issued on reinvestment of distributions | **2,212** | – |
| Units redeemed | **(613,780)** | (511,281) |
| Units outstanding, end of year | **2,234,176** | 2,845,744 |

Under the terms of the normal course issuer bid that was renewed in May 2008, the Fund proposes to purchase, if considered advisable, up to a maximum of 283,144 units (2007 - 334,272 units), 10 percent of its public float as determined in accordance with the rules of the Toronto Stock Exchange. The purchases would be made in the open market through facilities of the Toronto Stock Exchange. The normal course issuer bid will remain in effect until the earlier of May 8, 2009 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2008, nil units (2007 - nil) have been purchased by the Fund.

Unitholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Mulvihill Investors Services at: Mulvihill Premium Canadian Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

## 6. Management Fees and Expenses

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

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10 percent and 1.15 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes.

The Manager also collects from the Fund a service fee equal to 0.30 percent annually of the net asset value of the Fund which it pays to dealers in connection with amounts held by clients of the sales representatives of such dealers, plus applicable taxes. This service fee is payable quarterly.

## 7. Distributions

The Fund endeavours to make quarterly distributions of net income and net realized capital gains to unitholders on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Fund in additional units.

If after such distributions there would otherwise remain in the Fund additional net investment income or net realized capital gains, the Fund intends to make a special distribution of such portion of the remaining net investment income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax thereon under the Income Tax Act (Canada).

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

## 8. Income Taxes

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable to unitholders is recoverable by the Fund to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2008 or 2007.

Capital losses of approximately $2.1 million (2007 - nil) are available for utilization against realized gains on sale of investments in future years. The capital losses can be carried forward indefinitely.

Issue costs of nil (2007 - $0.3 million) remain undeducted for tax purposes at year-end.

## 9. Transaction Fees

Total transaction fees paid for the year ended December 31, 2008 in connection with portfolio transactions were $81,965 (2007 - $86,990). Of this amount $42,845 (2007 - $49,825) was directed for payment of trading related goods and services.

## 10. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, investments, receivables, payables and certain derivative contracts. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include other price risk, liquidity risk, interest rate risk and credit risk.

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

### Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to other price risk arises from its investments in equity securities. Net Asset Value per unit varies as the value of the securities in the Portfolio varies. The Fund has no control over the factors that affect the value of the securities in the Portfolio. The Fund's market risk is managed by taking a long-term perspective and utilizing an option writing program.

Approximately 53 percent of the Fund's net assets held at December 31, 2008 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at December 31, 2008, the net assets of the Fund would have increased or decreased by $1.4M respectively or 5.3 percent of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Fund may from time to time write covered call options in respect of all or part of the common shares in the Portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. The Fund is subject to the full risk of its investment position in securities that are subject to outstanding call options and those securities underlying put options written by the Fund, should the market price of such securities decline. In addition, the Fund will not participate in any gain on the securities that are subject to outstanding call options above the strike price of such options. The Fund may also purchase put options. The Fund has full downside risk on invested positions which may be partially mitigated by the use of purchased put options. The risk to the Fund with respect to purchased put options is limited to the premiums paid to purchase the put options.

### Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and can be easily disposed of. In addition, the Fund aims to retain sufficient cash and cash equivalent positions to maintain liquidity.

Cash is required to fund redemptions. Unitholders must surrender units at least 5 business days prior to the last day of the month and receive payment on or before 5 business days following the month end valuation date. Therefore the Fund has a maximum of 10 business days to generate sufficient cash to fund redemptions mitigating liquidity issues.

### Interest Rate Risk

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

### Credit Risk

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

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

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

| Dealer | Long-Term Local Currency Rating | Short-Term Local Currency Rating |
|---|---|---|
| **Canadian Dollar** | | |
| Canadian Imperial Bank of Commerce | A+ | A-1 |
| Citigroup Inc. | A | A-1 |
| National Bank of Canada | A | A-1 |
| Royal Bank of Canada | AA- | A-1+ |
| The Toronto-Dominion Bank | AA- | A-1+ |

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

| Type of Short-Term Investment | Rating | % of Short-Term Investments |
|---|---|---|
| Treasury Bills | A-1+ | 100% |
| **Total** | | **100%** |

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

## 11. Future Accounting Policy Changes

The Manager is developing a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants ("CICA") for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include disclosures of the qualitative impact in the 2008 annual financial statements, the disclosures of the quantitative impact, if any, in the 2009 and 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The current impact based on the Fund's management's understanding of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosures in the financial statements of the Fund.

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

| **MULVIHILL HYBRID INCOME FUNDS** | **SYMBOL** | **HIGH** | **LOW** |
|---|---|---|---|
| | | For the period January 1, 2008 to December 31, 2008 | |
| **MULVIHILL PLATINUM** | | | |
| Mulvihill *Government Strip Bond Fund* | GSB.UN | $ 23.55 | $ 20.08 |
| Mulvihill Pro-AMS *U.S. Fund* | PAM.UN | $ 24.50 | $ 21.70 |
| Mulvihill Pro-AMS *RSP Split Share Fund* | SPL.A/SPL.B | $ 9.11/$17.94 | $ 7.15/$14.48 |
| **MULVIHILL PREMIUM** | | | |
| Mulvihill *Core Canadian Dividend Fund* | CDD.UN | $ 9.94 | $ 4.02 |
| Mulvihill Premium *Canadian Fund* | FPI.UN | $ 17.99 | $ 10.00 |
| Mulvihill Premium *60 Plus Fund* | SIX.UN | $ 16.50 | $ 9.19 |
| Mulvihill Premium *Global Plus Fund* | GIP.UN | $ 10.05 | $ 5.56 |
| Mulvihill Premium *Canadian Bank Fund* | PIC.A/PIC.PR.A | $ 8.89/$15.49 | $ 1.87/$10.58 |
| Mulvihill Premium *Split Share Fund* | MUH.A/MUH.PR.A | $ 6.34/$15.65 | $ 1.20/$10.28 |
| Mulvihill *S Split Fund* | SBN/SBN.PR.A | $ 11.48/$10.48 | $ 4.01/$ 7.51 |
| Mulvihill *Top 10 Canadian Financial Fund* | TCT.UN | $ 14.00 | $ 8.01 |
| Mulvihill *Top 10 Split Fund* | TXT.UN/TXT.PR.A | $ 8.15/$13.51 | $ 1.31/$10.00 |
| Mulvihill *World Financial Split Fund* | WFS/WFS.PR.A | $ 8.70/$10.75 | $ 1.19/$ 6.66 |

## Board of Advisors

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

### Sheila S. Szela
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

### Michael M. Koerner[1]
Corporate Director

### Robert W. Korthals[1]
Corporate Director

### Robert G. Bertram[1,2]
Corporate Director

[1] *Independent Review Committee*
[2] *Effective January 1, 2009*

## Information

### Auditors:
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Brookfield Place
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Toronto, Ontario M5J 2V1

### Transfer Agent:
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### Shares Listed:
Toronto Stock Exchange
trading under
FPI.UN

### Custodian:
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Royal Trust Tower
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Toronto, Ontario M5W 1P9

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

## Hybrid Income Funds
## Managed by Mulvihill Structured Products

### Mulvihill Platinum

Mulvihill *Government Strip Bond Fund*
Mulvihill Pro-AMS *U.S. Fund*
Mulvihill Pro-AMS *RSP Split Share Fund*

### Mulvihill Premium

Mulvihill *Core Canadian Dividend Fund*
Mulvihill Premium *Canadian Fund*
Mulvihill Premium *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill *S Split Fund*
Mulvihill *Top 10 Canadian Financial Fund*
Mulvihill *Top 10 Split Fund*
Mulvihill *World Financial Split Fund*

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