Mulvihill Structured Products

Mulvihill

Hybrid Income Funds

Annual Report 2005

Mulvihill *Top 10 Split Fund*

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Message to Unitholders

On November 21, 2005, unitholders of Mulvihill Premium U.S. Fund (FPU.UN) approved a proposal to change its name to Mulvihill Top 10 Split Fund, change the capital structure of the Fund to a "split trust", consolidate the remaining units of the Fund on a 2.3 for 1 basis. For each unit held, unitholders would receive one Capital Unit with an initial net asset value of $12.50 and one Preferred Security with a principal amount of $12.50. The Fund's investment strategy also was amended to invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization, combined with a reduction to the investment management fee and management fee to 1.10 percent of total assets from 1.75 percent of net asset value. The final change involved amending the investment objectives of the Fund to provide holders of Capital Units with a stable stream of quarterly cash distributions targeted to be 7.5 percent of net asset value per Capital Unit per annum and to provide holders of Preferred Securities with a fixed quarterly interest payment of at least 6 percent per annum on the $12.50 principal amount as well as repay the principal amount of $12.50 on the termination date of the Fund on March 31, 2011.

For the fiscal year ended December 31, 2005, the combined value of the Fund totalled $40.2 million, or $24.21 per combined security (on a post-consolidated basis) compared to $12.34 on December 31, 2004 (on a pre-consolidation basis). The Fund's Preferred Securities, listed on the Toronto Stock Exchange as TXT.PR.A, closed on December 30, 2005, at $12.70 per share. The Fund's Capital Units, listed on the Toronto Stock Exchange as TXT.UN, closed on December 30, 2005, at $11.75 per unit.

Distributions amounting to $1.89856 per Capital Unit ($0.69856 to TXT.UN and $1.20 to FPU.UN) and $0.06042 per Preferred Security were made to unitholders during the fiscal year. Volatility was low throughout the period, but remained sufficient to maintain option writing programs. However, due to this low volatility, the Fund increased its investment position thereby providing greater income generating capabilities. To offset the risk of added equity exposure, the Fund purchased protective put options to mitigate partially the potential impact of a severe market decline as well as to take advantage of the low cost of this protection.

The broad based S&P 100 Index climbed 1.2 percent in U.S. dollar terms during the year, but declined 2.0 percent in Canadian dollar terms. Buoyed by strong commodity prices, the energy and utility sectors were the strongest performing sectors while the telecommunications and consumer discretionary sectors were the weakest performing sectors.

A summary of the Fund's investments is included with the financial statements in this annual report. We would like to take this opportunity to thank each of the Fund's unitholders for their continued support.

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

Management Report on Fund Performance

This Management Report on Fund Performance has been prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure) which became effective June 2005. This report contains the financial highlights of Mulvihill Top 10 Split Fund (formerly First Premium U.S. Income Trust) (the "Fund") for the year ended December 31, 2005. The annual financial statements of the Fund are also attached behind this report.

Securityholders may also contact us to request a copy of the Fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure at no cost, by calling toll free 1-800-725-7172, 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.

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.

Investment Objectives and Strategies

Until November 30, 2005, the Fund invested in a diversified portfolio consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard and Poor's 100 Index on the basis of market capitalization.

After November 30, 2005, the Fund universe was changed to invest in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization. The Fund was invested in cash and cash equivalents pending completion of an offering of additional securities that closed February 15, 2006. On this date, the Fund issued 2,500,000 Capital Units at a price of $13.10 per Capital Unit and 2,500,000 Preferred Securities at a price of $12.50 per Preferred Security for gross proceeds of $64,000,000. Costs of $2,902,500 were incurred in connection with this offering and have been charged to equity.

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

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

Risk

During the period of January 1 to November 30, 2005, the Fund held a diversified portfolio of securities consisting mainly of large capitalization U.S. equities selected from the S&P 100 Index. The process of writing covered call options on the securities held in the portfolio will tend to lower the volatility of the net asset value of the portfolio. During November, unitholders approved the change in the investable universe from U.S. stocks to the top 10 Canadian financials. Investors should be aware that the primary risks associated with the Fund relate to the non-diversified nature of the investment universe, and 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 held in the portfolio. During the course of this year, volatility reached multi-year lows which results in the Fund having to write options on a greater portion of the portfolio in order to generate distributable income. Increased option writing resulted in limiting the appreciation of securities in the portfolio during 2005. As the Fund increased its investment position during the year, U.S. equity holdings increased, thereby increasing exposure to foreign exchange fluctuations. The Fund actively hedged a portion of its U.S. dollar exposure during the year, which mitigated partially the impact of the U.S. dollar decline versus its Canadian counterpart.

To facilitate the re-opening of this product to new unitholders, the portfolio was converted from U.S. equity to cash and cash equivalents during November and remained in cash, pending the closing of the offering of additional securities in mid February 2006.

Summary of Investment Portfolio

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

Asset Mix

December 31, 2005

	% of Net Assets
Cash and Short-Term Investments	101%
Other Net Assets (Liabilities)	(1)%

Portfolio Holdings

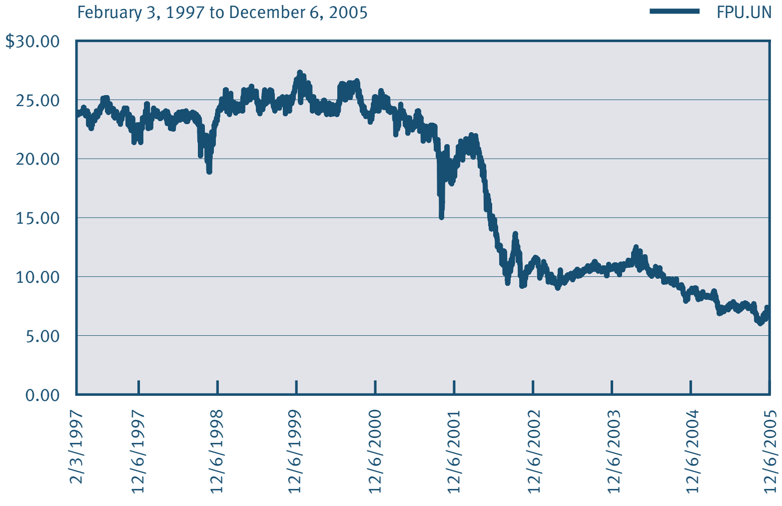
	% of Net Assets (excluding Preferred Security liability)
• Cash and Short-Term Investments	101.0%

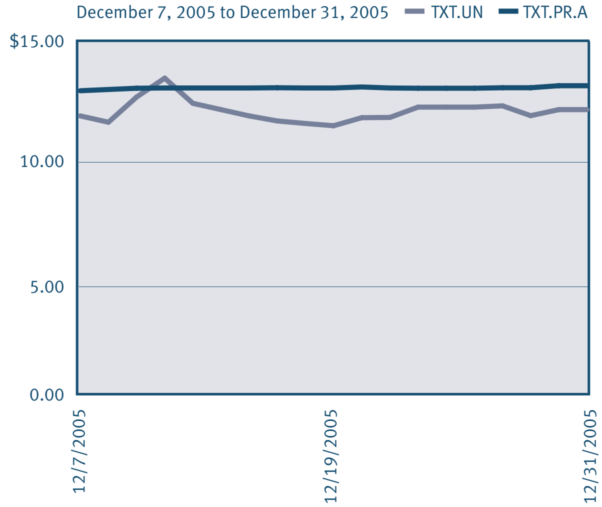
Distribution History

INCEPTION DATE: FEBRUARY 1997	CAPITAL UNIT REGULAR DISTRIBUTION	CAPITAL UNIT SPECIAL DISTRIBUTION	CAPITAL UNIT TOTAL DISTRIBUTION	PREFERRED SECURITY INTEREST
Total for 1997	$ 1.83	$ 0.75	**$ 2.58**	$ –
Total for 1998	2.00	1.25	**3.25**	–
Total for 1999	2.00	2.50	**4.50**	–
Total for 2000	2.00	0.75	**2.75**	–
Total for 2001	2.00	0.00	**2.00**	–
Total for 2002	1.60	0.00	**1.60**	–
Total for 2003	1.40	0.00	**1.40**	–
Total for 2004	1.60	0.00	**1.60**	–
Total for 2005	1.90	0.00	**1.90**	0.06
Total Distributions to Date	**$ 16.33**	**$ 5.25**	**$ 21.58**	**$ 0.06**

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

Trading History





Results of Operations

For the fiscal year ended December 31, 2005, the combined value of the Fund was $24.21 per combined security (on a post-consolidated basis) compared to $12.34 on December 31, 2004 (on a pre-consolidation basis). Units were consolidated on a 2.3 to 1 basis on December 2, 2005. The Fund's Preferred Securities, listed on the Toronto Stock Exchange as TXT.PR.A, closed on December 30, 2005, at $12.70 per share. The Fund's Capital Units, listed on the Toronto Stock Exchange as TXT.UN, closed on December 30, 2005, at $11.75 per unit.

Distributions amounting to $1.89856 per Capital Unit ($0.69856 to TXT.UN and $1.20 to FPU.UN) and $0.06042 per Preferred Security were made to unitholders during the fiscal year.

Volatility was low throughout the period, but remained sufficient to maintain option writing programs. However, due to these lower levels of volatility, the Fund increased its invested position thereby providing greater income generating capabilities. To offset the risk of added equity exposure, the Fund purchased protective put options to mitigate partially the potential impact of a severe market decline as well as to take advantage of the low cost of this protection.

The broad based S&P 100 Index climbed 1.2 percent in U.S. dollar terms during the year, but declined 2.0 percent in Canadian dollar terms. Buoyed by strong commodity prices, the Energy and Utilities sectors led the performance while the Telecom and Consumer Discretionary indices underperformed.

While the U.S. dollar was strong against major world currencies, it underperformed the Canadian dollar, which was lifted by strong commodity prices, particularly oil. The Fund actively hedged a portion of its U.S. dollar exposure during the year.

The one year compound total return for the Fund, including reinvestment of distributions, was negative 2.3 percent. This return is reflective of the performance of the large capitalization U.S. equities underlying the S&P 100 Index.

On November 21, 2005, unitholders voted in favour of a proposal to restructure the Fund. Costs of this proposal amounted to $525,000 and were expensed during the year.

During the year, 4,200,238 units were redeemed by the Fund. Of the units redeemed during the year, 3,910,088 units were redeemed under the special one-time redemption right to permit unitholders to redeem their units at 100 percent of net asset value for the November 30, 2005 redemption. 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 5 years. This information is derived from the Fund's audited annual financial statements. Financial Highlights presented for the year ended December 31, 2005 reflect the restructuring of the Fund and the consolidation of the units on a 2.3 to 1 basis on December 2, 2005. The net asset value per unit at the beginning of the year is on a pre-consolidation basis while the combined value at the end of the year is on a post-consolidation basis.

Years ended December 31

	2005[4]	2004	2003	2002	2001
THE FUND'S NET ASSET VALUE PER UNIT					
Net Asset Value, beginning of year[1]	**$ 12.34**	$ 14.27	$ 14.38	$ 19.67	$ 21.91
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.21**	(0.15)	0.02	0.25	0.68
Total expenses	**(0.75)**	(0.27)	(0.28)	(0.32)	(0.41)
Realized gains (losses) for the period	**(3.72)**	(0.15)	(0.84)	(2.22)	(0.76)
Unrealized gains (losses) for the period	**3.68**	0.24	2.32	(1.44)	0.24
Total Increase (Decrease) from Operations[2]	**(0.58)**	**(0.33)**	**1.22**	**(3.73)**	**(0.25)**
DISTRIBUTIONS					
Non-taxable distributions	**(1.90)**	(1.60)	(1.40)	(1.60)	(2.00)
Total Annual Distributions[3]	**(1.90)**	**(1.60)**	**(1.40)**	**(1.60)**	**(2.00)**
Net Asset Value, as at December 31[1]	**$ 24.21**[4]	**$ 12.34**	**$ 14.27**	**$ 14.38**	**$ 19.67**

(1) 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 excluding the liability for Preferred Securities of the Fund on that date divided by the number of units then outstanding.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange 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 asset value 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) As at December 2, 2005, the Fund amended its investment strategy, changed its name to Mulvihill Top 10 Split Fund, consolidated units on a 2.3 to 1 basis and issued Capital Units and Preferred Securities. The net asset valued at December 31, 2005 represents the combined value of a Capital Unit and Preferred Security on this date.

RATIOS/SUPPLEMENTAL DATA	2005	2004	2003	2002	2001
Net Assets, excluding Preferred Security liability	**$ 40.19**	$ n/a	$ n/a	$ n/a	$ n/a
Net Assets ($millions)[1][5]	**$ 19.44**	$ 98.90	$ 134.28	$ 155.88	$ 234.07
Number of units outstanding[1][5]	**1,659,931**	8,014,935	9,408,604	10,841,735	11,901,171
Management expense ratio[2]	**2.79%**	1.99%	1.98%	1.99%	1.99%
Portfolio turnover rate[3]	**121.82%**	54.70%	65.16%	46.79%	36.80%
Trading expense ratio[4]	**0.33%**	0.17%	0.16%	0.17%	0.17%
Closing market price - Capital Unit[5]	**$ 11.75**	$ 11.71	$ 13.70	$ 13.74	$ 22.00
Closing market price - Preferred Security[5]	**$ 12.70**	$ –	$ –	$ –	$ –

(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 charged to the Fund to average net assets. Management expense ratio for 2005 includes the special resolution expense. The management expense ratio excluding the special resolution expense is 2.20%.
(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 an annualized percentage of daily average net assets during the period.
(5) As at December 2, 2005, the Fund amended its investment strategy, changed its name to Mulvihill Top 10 Split Fund, consolidated units on a 2.3 to 1 basis and issued Capital Units and Preferred Securities.

Management Fees

Mulvihill Capital Management ("MCM") is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.65 percent of the net assets of the Fund at each month end. After November 30, 2005, the investment management fee decreased to 1.00 percent of the total assets of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions for the Fund, including writing covered call options for the Fund, in accordance with the investment objectives, strategy and criteria of the Fund, decisions as to the purchase and sale of securities comprising the portfolio and as to the execution of all portfolio and other transactions are made by MCM.

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

Recent Developments

On November 21, 2005, unitholders of Mulvihill Premium U.S. Fund approved a proposal to change its name to Mulvihill Top 10 Split Fund, change the capital structure of the Fund to a "split trust" and consolidate the remaining units of the Fund on a 2.3 for 1 basis. For each unit held, unit-holders would receive one Capital Unit with an initial net asset value of $12.50 and one Preferred Security with a principal amount of $12.50. The Fund's investment strategy also was amended to invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization, combined with a reduction to the investment management fee and management fee to 1.10 percent of total assets from 1.75 percent of net asset value. The final change involved amending the investment objectives of the Fund to provide holders of Capital Units with a stable stream of quarterly cash distributions targeted to be 7.5 percent of net asset value per Capital Unit per annum and to provide holders of Preferred Securities a fixed quarterly interest payment of at least 6 percent per annum on the $12.50 principal amount as well as repay the principal amount of $12.50 on the termination date of the Fund on March 31, 2011.

Due to the restructuring and new investment mandate for the Fund, the Fund has eliminated its exposure to the U.S. equity markets and may now invest in the top 10 Canadian banks and life insurance companies which continue to demonstrate strong fundamentals and profitability with strong capital positions, high ROE's and low balance sheet risk. The high dividend yield on these companies relative to the 10-year Government of Canada bond yield at 4 percent is at a very compelling valuation level and the P/E multiple of the banks and life insurers relative to the broad market is still attractive.

Several variables with the potential to impact the rate of future earnings growth include higher short term rates, a flattening yield curve as well as an increase in loan loss provisions. Offsetting positive variables include the potential expansion of net interest margins protection and wealth management earnings which have been growing very strong due to strong annuity and mutual fund flows as well as better capital markets.

Due to the strong domestic competition and no apparent conclusion to domestic bank mergers or cross pillar mergers between banks and life insurance companies in Canada from the Federal government, the banks and lifeco's have continued to seek growth outside of the Canadian market. This was demonstrated in 2005 with The Toronto-Dominion Bank buying a controlling position in Banknorth as well as a minority position in Ameritrade in the U.S., The Bank of Nova Scotia's acquisition of Banco Wiese Sudameris in Peru and Sun Life Financial Services of Canada Inc.'s acquisition of Hong Kong insurance business CMG Asia. As Canadian banks and Canadian life insurance companies enter 2006 with excess capital sitting on their balance sheets, potential uses of this capital may include acquisitions outside the domestic markets or it may be returned to shareholders in the form of increased dividends and share repurchases.

Past Performance

The past performance of the Fund is set out below and illustrates year-by-year returns, overall past performance and annual compound returns.

With respect to the charts displayed below, please note the following:

(a) the performance information shown assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund at the time of payment. This reinvestment assumption results in a compounding effect on the calculated rate of return;

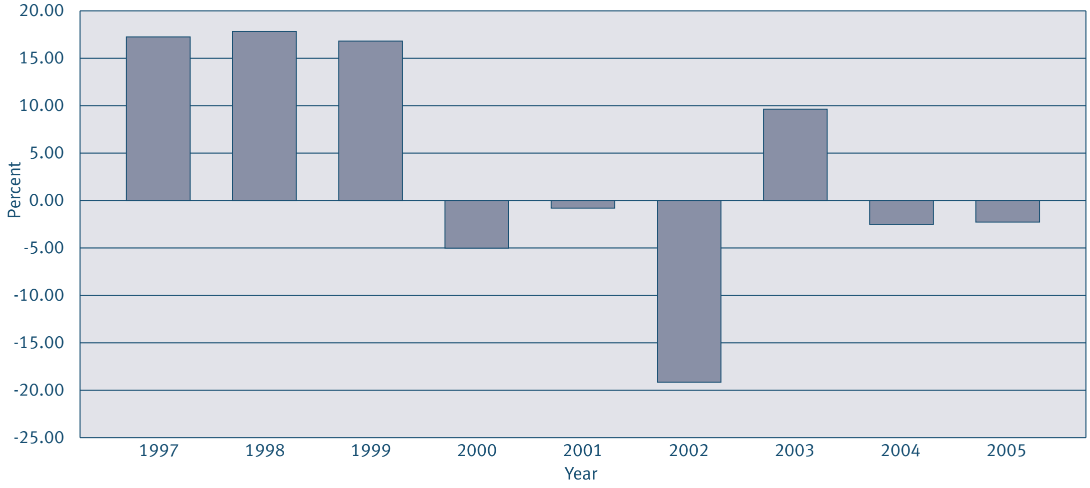
(b) the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and

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

Year-By-Year Returns

The bar chart below shows the Fund's annual total return in each of the past nine years. It illustrates that the Fund's performance has varied from year to year. This chart also shows, in percentage terms, how much an investment made on January 1 in each year (or the date of inception in 1997) would have grown or decreased by December 31 in 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 as compared to the performance of the S&P 100 Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Since Inception*
Mulvihill Top 10 Split Fund	**(2.27)%**	1.47%	(3.48)%	2.82%

Included below, to meet regulatory requirements, is the performance of a broad based market index. The performance of the Fund is not intended to match that of the market index as the investment objectives of the Fund are to provide Preferred securityholders with quarterly interest payments and to provide Capital unitholders with quarterly distributions generated primarily from equity holdings and option writing, and to provide Capital unitholders, upon redemption with the benefit of any capital appreciation in the market price of the securities in the portfolio and to pay the principal amount of $12.50 per Preferred Security to the Preferred securityholders on termination of the Fund.

S&P 100 Index**	**(2.01)%**	0.11%	(6.75)%	4.40%

* From date of inception on February 4, 1997.
**The S&P 100 Index is a capitalization-weighted index based on 100 highly capitalized stocks for which options are listed.

The accompanying equity performance benchmark is included for reference purposes to provide unitholders with information as to the sensitivity of this Fund's returns relative to public market equity index. The specific universe of stocks in which the Fund may invest in has been limited by the prospectus offering and will not exactly match the index composition. The benchmark index has been included for comparison purposes as it represents the closest "publicly available" market proxy.

In addition, however, unitholders are reminded that the Fund's investment objectives are not to match or exceed the returns of an equity index but to pay out quarterly distributions and return the original investment amount at the termination of the Fund. As a result, the Fund has, from time to time, maintained cash balances in an effort to provide greater net asset value stability and employ a covered option writing strategy to generate the distributions. These strategies will change the return profile of an investment portfolio under differing market conditions when compared to a fully invested conventional equity portfolio.

For example, during periods of strongly rising markets, this approach will tend to under-perform a comparable equity benchmark as the Fund is not fully invested and writing covered calls generally limits portfolio performance to the option premium received. In negative market environments, however, the reverse is true, as defensive cash balances help to protect the net asset value and covered option writing will provide out-performance relative to a stock only portfolio.

Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 22, 1997 amended as of November 30, 2005.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 22, 1997 amended as of November 30, 2005 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.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Mulvihill Top 10 Split Fund (formerly First Premium U.S. Income Trust) (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 reviewed 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 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 28, 2006

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Unitholders of Mulvihill Top 10 Split Fund

We have audited the accompanying statement of investments of Mulvihill Top 10 Split Fund (formerly First Premium U.S. Income Trust) (the "Fund") as at December 31, 2005, the statements of net assets as at December 31, 2005 and 2004, and the statements of financial operations, of changes in net assets and of loss on sale of investments for the years then ended. These financial statements are the responsibility of the Fund's Manager. 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 Manager, 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 and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, and the loss on sale of investments for the years indicated above in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Toronto, Ontario
February 28, 2006

Statements of Net Assets

December 31, 2005 and 2004

		2005		2004
ASSETS				
Investments at market value (cost - nil; 2004 - $99,423,177)	$	–	$	87,698,184
Short-term investments (cost - $40,591,052; 2004 - $25,593,533)		**40,591,052**		25,201,613
Cash		–		84,723
Interest receivable		**58,753**		29,064
Dividends receivable		**3,204**		80,367
Due from brokers - investments		–		3,070,760
Due from brokers - derivatives		–		44,591
TOTAL ASSETS		**40,653,009**		**116,209,302**
LIABILITIES				
Preferred securities (Note 4)		**20,749,138**		–
Accrued liabilities		**465,446**		197,234
Due to brokers - derivatives		–		33,100
Redemptions payable		–		17,075,571
TOTAL LIABILITIES		**21,214,584**		**17,305,905**
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	**$**	**19,438,425**	**$**	**98,903,397**
Number of Units Outstanding (Note 4)		**1,659,931**		**8,014,935**
Net Asset Value per Capital Unit (Note 4)	**$**	**11.7104**	**$**	**12.3399**
Preferred Security Repayment Price (Note 4)	**$**	**12.5000**	**$**	–
Combined Value	**$**	**24.2104**	**$**	**12.3399**

On Behalf of the Manager,
Mulvihill Fund Services Inc.

John P. Mulvihill, Director

Sheila S. Szela, Director

Statements of Financial Operations

Years ended December 31, 2005 and 2004

	2005	2004
REVENUE		
Dividends, net of foreign exchange	$ **1,302,245**	$ 1,759,521
Interest, net of foreign exchange	**(434,965)**	(2,910,640)
Withholding taxes	**(190,033)**	(250,987)
TOTAL REVENUE	**677,247**	**(1,402,106)**
EXPENSES (Note 5)		
Management fees	**1,487,149**	2,228,445
Preferred security interest (Note 6)	**100,293**	–
Administrative and other expenses	**97,474**	56,375
Custodian fees	**44,793**	46,787
Audit fees	**13,899**	9,750
Advisory board fee	**20,127**	18,882
Legal fees	**725**	1,599
Shareholder reporting costs	**60,293**	35,606
Goods and services taxes	**116,587**	166,894
TOTAL EXPENSES	**1,941,340**	**2,564,338**
Net Investment Loss	**(1,264,093)**	**(3,966,444)**
Loss on sale of investments	**(18,138,505)**	(9,977,978)
Gain on sale of derivatives	**5,883,365**	8,589,536
Change in unrealized depreciation of investments	**12,117,450**	2,232,777
Net Gain (Loss) on Investments	**(137,690)**	**844,335**
Special Resolution Expense (Note 1)	**(525,000)**	–
TOTAL RESULTS OF FINANCIAL OPERATIONS	$ **(1,926,783)**	$ **(3,122,109)**
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on weighted average number of units outstanding during the year of 3,295,707*; 2004 - 9,400,569)	$ **(0.5846)**	$ **(0.3321)**

* As at December 2, 2005, units were consolidated on a 2.2981 to 1 basis.

Statements of Changes in Net Assets

Years ended December 31, 2005 and 2004

	2005	2004
NET ASSETS, BEGINNING OF YEAR	$ 98,903,397	$ 134,275,062
Total Results of Financial Operations	(1,926,783)	(3,122,109)
Capital Unit Transactions		
Amount exchanged for preferred securities (Note 4)	(20,749,138)	–
Amount paid for units redeemed, excluding preferred securities	(46,220,360)	(17,204,831)
	(66,969,498)	(17,204,831)
Distributions to Unitholders (Note 6)		
Non-taxable distributions	(10,568,691)	(15,044,725)
Changes in Net Assets during the Year	(79,464,972)	(35,371,665)
NET ASSETS, END OF YEAR	$ 19,438,425	$ 98,903,397

Statements of Loss on Sale of Investments

Years ended December 31, 2005 and 2004

	2005	2004
Proceeds from Sale of Investments	$ 170,404,664	$ 97,160,994
Cost of Investments Sold		
Cost of investments, beginning of year	99,423,177	146,733,763
Cost of investments purchased	83,236,627	51,238,850
	182,659,804	197,972,613
Cost of Investments, End of Year	–	(99,423,177)
	182,659,804	98,549,436
LOSS ON SALE OF INVESTMENTS	$ (12,255,140)	$ (1,388,442)

Statement of Investments

December 31, 2005

	% of Portfolio	Par Value	Average Cost	Market Value
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada - February 23, 2006		15,415,000	$ 15,310,645	**$ 15,310,645**
Government of Canada - March 23, 2006		25,495,000	25,280,407	**25,280,407**
Total Treasury Bills	**99.9 %**		**40,591,052**	**40,591,052**
Accrued Interest	**0.1 %**			**58,753**
TOTAL SHORT-TERM INVESTMENTS	**100.0 %**		**$ 40,591,052**	**$ 40,649,805**

1. Establishment and Restructuring of the Fund

Top 10 Split Fund (formerly First Premium U.S. Income Trust) (the "Fund") was originally established as an investment trust under the laws of the Province of Ontario on January 22, 1997 under the name First Premium U.S. Income Trust. The Fund began operations on February 4, 1997.

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.

On November 21, 2005, unitholders voted in favour of a proposal (the "Proposal") to:

- amend the investment strategy and investment restrictions of the Fund. The Fund will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization (the "Financial Portfolio");
- extend the termination date of the Fund to March 31, 2011 from January 1, 2007;
- change the capital structure of the Fund to a "split trust" structure. Under this proposal, existing units were first consolidated such that after giving effect to the consolidation, net asset value ("NAV") per unit was $25.00. Unitholders received for each unit held: (i) one Capital Unit with an initial NAV of $12.50 and (ii) one Preferred Security with a principal amount of $12.50;
- amend the investment objectives of the Fund. The Fund's investment objectives for the Capital Units are (i) to provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio and (ii) to pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5 percent per annum of the NAV of the Fund. The Fund's investment objectives for the Preferred Securities are (i) to pay holders of Preferred Securities fixed quarterly cash interest payments of at least 6.00 percent per annum on the $12.50 principal amount of a Preferred Security and (ii) to repay the principal amount of $12.50 per Preferred Security on termination of the Fund on March 31, 2011;
- move the redemption right available to unitholders at 100 percent of NAV from December 31, 2005 to November 30, 2005 in order to give unitholders an opportunity to exit earlier should they wish not to participate in the Fund going forward. As a result of this change, there was no December 31, 2005 redemption right for securityholders;
- permit the Fund to issue additional Capital Units and Preferred Securities on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.40 percent of value of the Capital Units to investment dealers whose clients hold Capital Units if the Fund completes a public offering of additional Capital Units and Preferred Securities after the Special Resolution was approved.

In connection with the Special Resolution, Mulvihill Fund Services Inc., as Manager, and Mulvihill Capital Management Inc., as Investment Manager, reduced their fees by approximately 37 percent from a total of 1.75 percent per annum of NAV to 1.10 percent of the Fund's total assets from and after the effective date of the Special Resolution and the Fund changed its name to Top 10 Split Trust to reflect better its new investment strategy.

2. Investment Objectives of the Fund

Until November 30, 2005, the Fund invested in a diversified portfolio consisting primarily of common shares issued by corporations that rank in the top 50 of the Standard and Poor's 100 Index on the basis of market capitalization.

After November 30, 2005, the Fund universe was changed to invest in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization. The Fund was invested in cash and cash equivalents pending completion of an offering of additional securities completed February 15, 2006. See Note 10 for details of this subsequent event.

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

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

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada, 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 significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair market value at the end of the period, determined as follows:

Securities are valued at fair market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell). If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest which approximates market value.

Listed options are valued at market value as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

The value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract was to be closed out.

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 gain (loss) on sale of 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) Settlement of purchased put options whereby realized gains are equivalent to the difference between the exercise price of the option less the premium paid; and

(iii) Sale of purchase 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.

Credit ratings of counterparties are at or above approved credit ratings set out in National Instrument 81-102.

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

Foreign Currency Translation

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

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

4. Unitholders' Equity

On November 21, 2005, unitholders voted in favor of a proposal to restructure the Fund. This restructuring is detailed in Note 1. The restructuring of the Fund resulted in the issuance of Capital Units and Preferred Securities.

The Fund is authorized to issue an unlimited number of transferable, redeemable units of one class representing an equal, undivided beneficial interest in the net assets of the Fund. All Capital Units have equal rights and privileges. Each whole Capital Unit is entitled to one vote at all meetings of holders and is entitled to participate equally with respect to any and all distribution made by the Fund, including distributions of net income and net realized capital gains, and any distributions upon the termination of the Fund after payment of debts and liabilities, including, without limitation, the aggregate Repayment Price of the Preferred Securities, and liquidation expenses of the Fund.

The Preferred Securities will be direct unsecured debt obligations issued by the Fund and will not be secured by a mortgage, pledge, hypothec or other charge. Preferred Securities were issued in denominations of $12.50 and a redemption value of $12.50. The issuance of 1,659,931 Preferred Securities resulted in a total Preferred Security liability of $20.7 million.

Following are the unit transactions for the year:

	2005	2004
Preferred Securities, beginning of year	**–**	–
Preferred Securities issued on consolidation of units	**1,659,931**	–
Preferred Securities, end of year	**1,659,931**	–

	2005	2004
Units outstanding, beginning of year	**8,014,935**	9,408,604
Units redeemed, preconsolidation	**(4,200,238)**	(1,393,669)
	3,814,697	8,014,935
Consolidation adjustment	**(2,154,766)**	–
Units, end of year	**1,659,931**	8,014,935

From April 28, 2005 to December 2, 2005, the Fund had a normal course issuer bid in place. No units have been purchased by the Fund under the normal course issuer bid.

Capital Units may be surrendered for retraction (either alone or together with a Preferred Security) at least five business days prior to the last business day in a month for payment on or before the fifth business day following such date commencing in January 2006. A holder retracting a Capital Unit alone for the last business day of the month (other than December) in a year will receive the amount by which 95 percent of the combined value exceeds the price paid by the Fund for one Preferred Security in the market and $0.50. A holder who surrenders a Capital

Unit together with a Preferred Security for retraction will receive an amount equal to 95 percent of the combined value less $0.50. A holder retracting a Capital Unit alone for the last business day of December (commencing in December 2006) will receive an amount equal to the combined value minus the price paid by the Fund for one Preferred Security in the market. A holder who surrenders a Capital Unit together with a Preferred Security for retraction on the December retraction date will receive an amount equal to the combined value.

Combined value is NAV per Capital Unit plus the principal amount of and all accrued and unpaid interest on a Preferred Security.

5. Management Fees, Expenses and Management Expense Ratios

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Fund's operations. 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 1.65 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes. After November 30, 2005, the fees are payable at annual rates of 0.10 percent and 1.00 percent respectively of the Fund's total assets, calculated and payable monthly, plus applicable taxes.

On November 21, 2005, unitholders voted in favour of a proposal to restructure the Fund. Costs of this proposal amounted to $525,000 and were expensed during the year.

6. Distributions

Distributions paid during the year were allocated as follows:

		2005		2004
Non-taxable distributions on Capital Units	**$**	**1.90**	$	1.60
Interest on Preferred Securities	**$**	**0.06**	$	–

Until November 30, 2005, the Fund endeavoured to make quarterly cash distributions to unitholders of net income and net realized capital gains on the last day of March, June, September and December in each year. After November 30, 2005, the Fund will endeavour (i) to make quarterly distributions to holders of Capital Units in an amount targeted to be 7.5 percent per annum on the Fund's net asset value and (ii) to pay holders of Preferred Securities fixed quarterly cash interest payments at least equal to 6.00 percent per annum on the $12.50 principal amount of a Preferred Security. The Fund currently pays interest on the Preferred Securities at a rate equal to 6.00 percent per annum. Interest on the issued and outstanding Preferred Securities was paid to holders on December 31, 2005 and on February 14, 2006 prior to closing of the offering. See Note 10 for details of the subsequent event. Thereafter, interest on the Preferred Securities will be payable quarterly at a rate equal to 6.25 percent per annum.

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

7. 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 2005 or 2004.

Accumulated non-capital losses of approximately $11.1 million (2004 - $9.8 million) and capital losses of approximately $59.1 million (2004 - $45.7 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2016 and capital losses can be carried forward indefinitely.

8. Commission Charges

Total commissions paid in 2005 in connection with portfolio transactions were $285,277 (2004 - $219,171). Of this amount $60,606 (2004 - $60,220) was directed for payment of trading related goods and services.

9. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, investments and certain derivative contracts (options and forward exchange contracts).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Fund manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other instruments are carried at cost, which approximates fair value.

10. Subsequent Event

On February 15, 2006, the Fund issued 2,500,000 Capital Units at a price of $13.10 per Capital Unit and 2,500,000 Preferred Securities at a price of $12.50 per Preferred Security for gross proceeds of $64,000,000. Costs of $2,902,500 were incurred in connection with this offering and have been charged to equity.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

Mulvihill Capital Management Inc.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than $3.0 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management ⇢ provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management ⇢ offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products ⇢ is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

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, 2005 to December 31, 2005	
MULVIHILL PLATINUM			
Mulvihill Pro-AMS *U.S. Fund*	PAM.UN	$ 21.99	$ 20.00
Mulvihill Pro-AMS *RSP Fund*	PR.UN	$ 20.74	$ 18.94
Mulvihill Pro-AMS *100 Plus (Cdn $) Fund*	PRC.UN	$ 18.45	$ 16.26
Mulvihill Pro-AMS *100 Plus (U.S. $) Fund*	PRU.U	$ 15.08 USD	$ 13.15 USD
Mulvihill Pro-AMS *RSP Split Share Fund*	SPL.A/SPL.B	$ 10.40/$ 13.87	$ 9.10/$ 12.32
MULVIHILL PREMIUM			
Mulvihill Premium *Canadian Fund*	FPI.UN	$ 21.10	$ 16.50
Mulvihill Premium *Oil & Gas Fund*	FPG.UN	$ 13.33	$ 10.25
Mulvihill Premium *60 Plus Fund*	SIX.UN	$ 19.45	$ 16.40
Mulvihill Premium *Global Plus Fund*	GIP.UN	$ 12.39	$ 10.00
Mulvihill Premium *Canadian Bank Fund*	PIC.A/PIC.PR.A	$ 13.20/$ 16.85	$ 9.75/$ 15.79
Mulvihill Premium *Split Share Fund*	MUH.A/MUH.PR.A	$ 9.67/$ 16.15	$ 6.22/$ 15.25
Mulvihill Premium *Global Telecom Fund*	GT.A/GT.PR.A	$ 0.55/$ 11.90	$ 0.14/$ 10.10
Mulvihill *Top 10 Canadian Financial Fund*	TCT.UN	$ 17.27	$ 14.50
Mulvihill *Top 10 Split Fund*	TXT.UN/TXT.PR.A	$ 13.00/$ 13.00	$ 9.70/$ 12.50
Mulvihill *World Financial Split Fund*	WFS/WFS.PR.A	$ 12.60/$ 11.30	$ 9.11/$ 10.41

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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 Pro-AMS *U.S. Fund*
Mulvihill Pro-AMS *RSP Fund*
Mulvihill Pro-AMS *100 Plus (Cdn $) Fund*
Mulvihill Pro-AMS *100 Plus (U.S. $) Fund*
Mulvihill Pro-AMS *RSP Split Share Fund*

Mulvihill Premium

Mulvihill Premium *Canadian Fund*
Mulvihill Premium *Oil & Gas Fund*
Mulvihill Premium *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill Premium *Global Telecom Fund*
Mulvihill *Top 10 Canadian Financial Fund*
Mulvihill *Top 10 Split Fund*
Mulvihill *World Financial Split Fund*

Mutual Funds Managed by Mulvihill Capital Management

Mulvihill Canadian *Money Market Fund*
Mulvihill Canadian *Bond Fund*
Mulvihill Global *Equity Fund*
Premium Global *Income Fund*

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