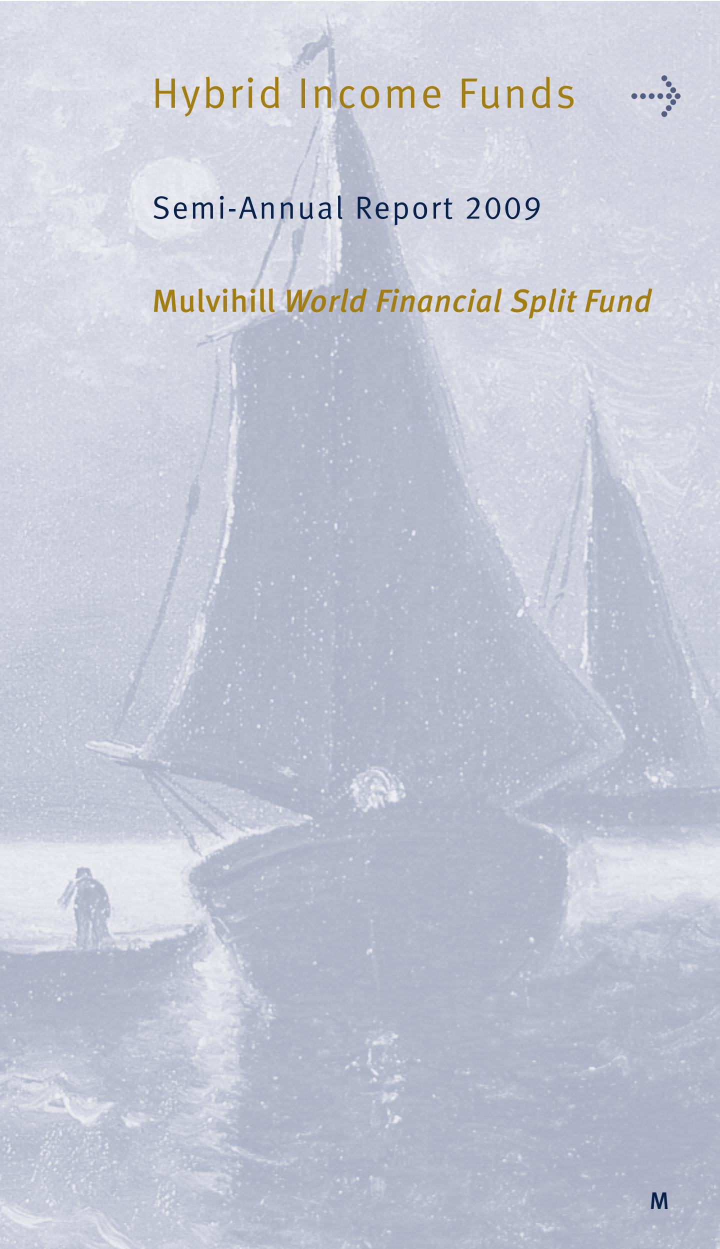
Mulvihill Structured Products

Mulvihill



Hybrid Income Funds

Semi-Annual Report 2009

Mulvihill *World Financial Split Fund*

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Message to Shareholders

We are pleased to present the semi-annual financial results of Mulvihill World Financial Split Corp. which operates as Mulvihill World Financial Split 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 2004 with the objectives to:

(1) Provide holders of Preferred shares with fixed cumulative preferential quarterly cash distributions in the amount of $0.131250 per Preferred share representing a yield on the issue price of the Preferred shares of 5.25 percent per annum; and

(2) Provide holders of Class A shares with regular quarterly cash distributions targeted to be 8.0 percent per annum and to return the original issue price to holders of both Preferred shares and Class A shares at the time of redemption of such shares on June 30, 2011 (the "Termination Date").

To accomplish these objectives the net proceeds of the offering will be invested by the Fund in a portfolio (the "Portfolio") which will include common equity securities selected from the ten largest financial services companies by market capitalization in each of Canada (at the operating level), the United States and the Rest of the World (the "Portfolio Universe"). In addition, the issuers of the securities in the Fund's Portfolio, other than those of Canadian issuers, must have a minimum local currency issuer credit rating of "A" from Standard & Poor's or a comparable rating from an equivalent agency. 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 six-month period ended June 30, 2009, the total return of the Fund was negative 0.27 percent. Distributions amounting to $0.262500 per unit were paid during the six-month period, contributing to the overall decline in the net asset value from $12.48 per unit as at December 31, 2008 to $12.17 per unit as at June 30, 2009.

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

		Years ended December 31			
	June 30, 2009	2008	2007	2006	2005
Total Fund Return	(0.27)%	(30.04)%	(9.33)%	11.18%	6.31%
Preferred Share Distribution Paid (annual target of $0.131250 per share)	$ 0.262500	$ 0.525000	$ 0.525000	$ 0.525000	$ 0.525000
Class A Share Distribution Paid (annual target of $1.20 per share)	$ –	$ 0.900000	$ 1.200000	$ 1.200000	$ 1.200000
Ending Net Asset Value per Unit (initial issue price was $25.00 per Unit)	$ 12.17	$ 12.48	$ 19.50	$ 23.31	$ 22.60

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

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

Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the six months ended June 30, 2009 of Mulvihill World Financial Split Corp. (Mulvihill World Financial Split Fund) (the “Fund”). The June 30, 2009 unaudited semi-annual financial statements of the Fund are attached.

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

Management Report on Fund Performance

Summary of Investment Portfolio

The composition of the 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

June 30, 2009	% of Net Asset Value*
Cash and Short-Term Investments	39 %
Canada	37 %
United States	34 %
International	10 %
Other Assets (Liabilities)	(20)%
	100 %

*The Net Asset Value excludes the Preferred share liability.

Portfolio Holdings

June 30, 2009	% of Net Asset Value*
Cash and Short-Term Investments	39 %
The Bank of Nova Scotia	5 %
Great-West Lifeco Inc.	5 %
Northern Trust Corp.	4 %
Canadian Imperial Bank of Commerce	4 %
Credit Suisse Group - Spon ADR	4 %
IGM Financial Inc.	4 %
Chubb Corp.	4 %
Goldman Sachs Group, Inc.	4 %
Wells Fargo Company	4 %
JPMorgan Chase & Co.	4 %
US Bancorp	4 %
Banco Santander SA - Spon ADR	4 %
Metlife Inc.	4 %
Bank of Montreal	4 %
Royal Bank of Canada	4 %
The Toronto-Dominion Bank	4 %
The Travelers Companies, Inc.	3 %
Manulife Financial Corporation	3 %
Mitsubishi UFJ Financial Group, Inc. (MUFG) ADR	3 %
Sun Life Financial Inc.	2 %
National Bank of Canada	2 %
Bank of New York Mellon Corp.	2 %
	120 %

*The Net Asset Value excludes the Preferred share liability.

Management Report on Fund Performance

Results of Operations

For the six-month period ended June 30, 2009, the net asset value of the Fund for pricing purposes based on closing prices totalled $110.61 million or $12.17 per Unit (see Note 2 to the financial statements) compared to $12.48 per Unit at December 31, 2008. The Fund's Preferred Shares, listed on the Toronto Stock Exchange as WFS.PR.A, closed on June 30, 2009 at $9.28 per share. The Fund's Class A Shares, listed on the Toronto Stock Exchange as WFS.A, closed on June 30, 2009, at $2.40 per share. Each Unit consists of one Preferred Share and one Class A Share.

Distributions totalling $0.2625 per share were made to the Preferred Shareholders during the period while distributions to the Class A Shareholders remain suspended in accordance with the terms of the offering prospectus which states: "No distribution will be paid to the Class A shares if (i) the distributions payable on the Preferred shares are in arrears; or (ii) after the payment of the distribution by the Fund, the NAV per unit would be less than $15.00".

Volatility remained high in early part of the 2009 as most stock markets across the world made new lows in the early part of March. Since then, volatility has declined considerably as equity markets have rallied and liquidity has increased significantly as the cumulative efforts of governments and central banks around the world to stabilize the financial system have taken hold.

The six-month total return of the Fund, including reinvestment of distributions, was negative 0.27 percent versus the positive total return for the MSCI World Financial Services Index in Canadian dollar terms of 2.8 percent. During the period, in Canadian dollar terms, the S&P/TSX Financials Index gained 26.3 percent while the S&P 500 Financials Index declined by 7.8 percent and the MSCI EAFE Financials Index increased by 8.0 percent. The U.S. dollar weakened versus the Canadian dollar during the period by approximately 4.6 percent. Our relative underperformance during this period was primarily due to higher than normal cash holdings.

We continue to be cautious about the market recovery and, as such, have held higher than normal cash positions to protect the assets of the Fund. These cash assets will be redeployed with a return to greater confidence in future corporate earnings.

The covered call writing activity is down somewhat since the end of 2008. We began to reduce the overwritten amount when select holdings started to rebound off their lows in the second quarter.

For more detailed information on the investment returns, please see the Annual Total Return bar graph on page 7.

During the course of the year the Fund had varying exposures to the U.S. dollar due to the investments in U.S. Financial Services equities along with International Financial Services equities through the ADR market. The U.S. dollar exposure was actively hedged back into Canadian dollars throughout the semi-annual period and ended June 30, 2009 approximately 100 percent hedged.

World Financial Split Corp. ended 2008 with a regional asset mix of 30 percent in Canada, 26 percent in the United States, and 9 percent in the Rest of World. During the six-month period ending June 30, 2009 the regional asset mix was mainly unchanged with an emphasis on maintaining an overweight exposure to Canada and an underweight exposure to the U.S. and the International areas. The Fund ended June 30, 2009 with a regional asset mix of 37 percent in Canada, 34 percent in the United States and 10 percent in the Rest of World.

Management Report on Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from its inception date on February 17, 2004.

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

Information for the period ended June 30, 2009 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 2009
NET ASSETS PER UNIT	
Net Assets, beginning of period (based on bid prices)[(1)]	**$ 12.47**
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	**0.03**
Total expenses	**(0.10)**
Realized gains (losses) for the period	**(2.43)**
Unrealized gains (losses) for the period	**2.38**
Total Increase (Decrease) from Operations[(2)]	**(0.12)**
DISTRIBUTIONS	
Class A Share	
From capital gains	**–**
Non-taxable distributions	**–**
Total Class A Share Distributions	**–**
Preferred Share	
From net investment income	**–**
From capital gains	**–**
Non-taxable distributions	**(0.26)**
Total Preferred Share Distributions	**(0.26)**
Total Distributions[(3)]	**(0.26)**
Net Assets, end of period (based on bid prices)[(1)]	**$ 12.16**

(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 of the Fund excluding the liability for the Redeemable Preferred shares of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted January 1, 2007 relating to Financial Instruments. Refer to Note 3 to the annual financial statements for further discussion.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gains (losses), net of withholding taxes and foreign exchange gains (losses),

	Six months ended June 2009
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value, excluding liability for Redeemable Preferred shares ($millions)	**$ 110.61**
Net Asset Value ($millions)	**$ 19.70**
Number of units outstanding	**9,091,210**
Management expense ratio[(1)]	**1.48%**[(4)]
Portfolio turnover rate[(2)]	**52.60%**
Trading expense ratio[(3)]	**0.24%**[(4)]
Net Asset Value per Unit[(6)]	**$ 12.17**
Closing market price - Class A	**$ 2.40**
Closing market price - Preferred	**$ 9.28**

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes and capital taxes but excluding transaction fees and income taxes and Preferred share distributions, charged to the Fund to the average net asset value, excluding the liability for the Redeemable Preferred shares.

(2) 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.

Management Report on Fund Performance

For June 30, 2009, 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. All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended December 31				
2008	2007	2006	2005	2004[4]
$ 19.48	$ 23.29[6]	$ 22.60	$ 22.96	$ 23.87[5]
0.81	0.57	0.61	0.59	0.49
(0.26)	(0.36)	(0.34)	(0.34)	(0.30)
(5.97)	1.59	1.25	0.68	0.65
(0.18)	(3.88)	0.80	0.31	(0.24)
(5.60)	**(2.08)**	**2.32**	**1.24**	**0.60**
–	(0.81)	(0.39)	(0.86)	(0.34)
(0.90)	(0.39)	(0.81)	(0.34)	(0.70)
(0.90)	**(1.20)**	**(1.20)**	**(1.20)**	**(1.04)**
(0.25)	(0.25)	(0.19)	(0.19)	(0.11)
–	(0.28)	(0.34)	(0.28)	(0.35)
(0.28)	–	–	(0.06)	–
(0.53)	**(0.53)**	**(0.53)**	**(0.53)**	**(0.46)**
(1.43)	**(1.73)**	**(1.73)**	**(1.73)**	**(1.50)**
$ 12.47	**$ 19.48**	**$ 23.31**	**$ 22.60**	**$ 22.96**

less expenses, excluding Preferred share distributions, and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

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

(4) For the period from inception on February 17, 2004 to December 31, 2004.

(5) Net of agent fees.

(6) Net Assets per unit has been adjusted for the Transition Adjustment (see Note 3 to the annual financial statements).

Years ended December 31				
2008	2007	2006	2005	2004[5]
$ 147.77	$ 269.64	$ 337.41	$ 369.99	$ 432.80
$ 29.41	$ 131.40	$ 192.66	$ 206.30	$ 244.30
11,835,359	13,824,263	14,474,579	16,368,811	18,850,000
1.43%	1.49%	1.51%	1.48%	1.51%[4]
61.65%	116.48%	189.55%	165.51%	73.63%
0.17%	0.14%	0.23%	0.16%	0.17%[4]
$ 12.48	$ 19.50	$ 23.31	$ 22.60	$ 22.96
$ 1.49	$ 8.16	$ 11.50	$ 11.07	$ 12.03
$ 8.99	$ 9.95	$ 10.86	$ 11.05	$ 10.75

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

(4) Annualized.

(5) For the period from inception on February 17, 2004 to December 31, 2004.

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

Management Report on Fund Performance

Management Fees

Mulvihill Capital Management Inc. ("MCM") is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.00 percent of the net asset value of the Fund at each month end, excluding the Redeemable Preferred share liability. Services received under the Investment Management Agreement include the making of all investment decisions and the writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and the execution of all portfolio and other transactions.

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

Recent Developments

The Global Financial Services companies demonstrated declining fundamentals and profitability in the first half of 2009 mainly due to rising credit losses and asset write-downs on their balance sheets. Although credit will continue to be a challenge in 2009 as the global economy continues to slow and unemployment levels continue to rise, this may be offset somewhat by low long-term interest rates and a rising yield curve that should positively impact net interest margins. Valuations are also relatively attractive on both an absolute and relative basis. Many of these companies have also issued common and/or preferred equity to the market post the stress test results, which has increased their capital ratios to levels that should help cushion the impact of the deteriorating credit environment going forward.

Due to the uncertain environment currently surrounding the economy and financial markets, the Global Financial Services companies are likely to maintain their capital ratios to deal with unforeseen events rather than make large acquisitions or return capital to shareholders in the form of increased dividends and share repurchases.

Past Performance

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

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

Management Report on Fund Performance

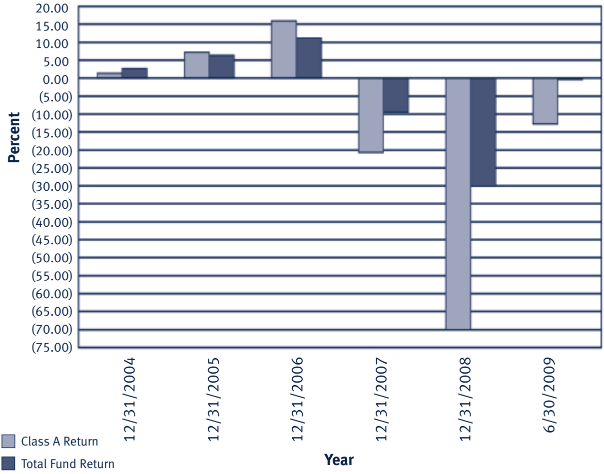
(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

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

Year-By-Year Returns

The bar chart below illustrates how the Fund's total return for each of the past five years including the six months period June 30, 2009 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2004 would have increased or decreased by the end of that fiscal year, or June 30, 2009 for the six months then ended.

Annual Total Return



Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 17, 2004.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 17, 2004, 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 Robert G. Bertram.

Management's Responsibility for Financial Reporting

The accompanying financial statements of World Financial Split Corp. (operating as Mulvihill World Financial Split Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager") and have been approved by the Board of Directors (the "Board").

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2008.

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

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

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

John P. Mulvihill
Director
Mulvihill Fund Services Inc.

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

August 2009

Financial Statements

Statements of Financial Position

June 30, 2009 (Unaudited) and December 31, 2008 (Audited)

	2009	2008
ASSETS		
Investments at fair value (cost - $106,011,100; 2008 - $136,803,603)	**$ 88,812,009**	$ 92,247,681
Short-term investments at fair value (cost - $42,619,241; 2008 - $60,410,322)	**42,640,479**	60,260,881
Cash	**277,889**	529,457
Interest receivable	**16,498**	680,455
Dividends receivable	**318,669**	567,509
Due from brokers - investments	**6,118,663**	–
TOTAL ASSETS	**$ 138,184,207**	**$ 154,285,983**
LIABILITIES		
Redemptions payable	**$ 27,451,469**	$ 6,426,347
Accrued management fees	**124,965**	143,829
Accrued liabilities	**57,230**	75,657
Redeemable Preferred shares	**90,912,100**	118,353,590
	118,545,764	**124,999,423**
EQUITY		
Class A and Class J shares	**126,029,621**	164,071,208
Deficit	**(106,391,178)**	(134,784,648)
	19,638,443	**29,286,560**
TOTAL LIABILITIES AND EQUITY	**$ 138,184,207**	**$ 154,285,983**
Number of Units Outstanding	**9,091,210**	**11,835,359**
Net Assets per Unit		
Preferred share	**$ 10.0000**	$ 10.0000
Class A share	**2.1602**	2.4745
	$ 12.1602	**$ 12.4745**

Statements of Operations and Deficit

For the six months ended June 30 (Unaudited)

	2009	2008
REVENUE		
Interest, net of foreign exchange	$ (1,441,876)	$ 708,954
Dividends	1,840,617	4,362,865
Withholding taxes	(107,817)	(404,548)
	290,924	4,667,271
Net realized gains (losses) on short-term investments	(38,832)	2,244
Net realized gains on derivatives	5,412,494	3,396,058
Net realized losses on investments	(33,407,724)	(35,866,498)
Total Net Realized Losses	(28,034,062)	(32,468,196)
TOTAL REVENUE	(27,743,138)	(27,800,925)
EXPENSES		
Management fees	722,044	1,300,837
Service fees	35,182	176,769
Administration and other expenses	89,578	93,106
Transaction fees	161,566	196,348
Custodian fees	23,268	34,529
Audit fees	16,147	–
Director fees	10,445	9,734
Independent review committee fees	3,437	2,002
Legal fees	6,166	5,688
Shareholder reporting costs	32,171	35,563
Goods and services tax	43,509	73,408
TOTAL EXPENSES	1,143,513	1,927,984
Net Realized Loss before Distributions	(28,886,651)	(29,728,909)
Preferred share distributions	(3,012,518)	(3,512,934)
Net Realized Loss	(31,899,169)	(33,241,843)
Net change in unrealized depreciation of short-term investments during the period	176,572	(146,896)
Net change in unrealized depreciation of investments during the period	27,356,831	(9,502,173)
Total Net Change in Unrealized Appreciation/Depreciation of Investments	27,533,403	(9,649,069)
NET LOSS FOR THE PERIOD	$ (4,365,766)	$ (42,890,912)
NET LOSS PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the period of 11,554,005; 2008 - 13,500,149)	$ (0.3779)	$ (3.1771)
DEFICIT		
Balance, beginning of period	$ (134,784,648)	$ (60,652,702)
Net allocations on retractions	32,759,236	7,154,701
Net loss for the period	(4,365,766)	(42,890,912)
Distributions on Class A shares	–	(8,029,564)
BALANCE, END OF PERIOD	$ (106,391,178)	$(104,418,477)

Financial Statements

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2009	2008
NET ASSETS, BEGINNING OF PERIOD	**$ 29,286,560**	$ 130,990,283
Net Realized Loss before Distributions	**(28,886,651)**	**(29,728,909)**
Share Capital Transactions		
Amount paid for Class A shares redeemed	**(5,282,351)**	**(6,893,264)**
Distributions		
Class A Shares		
Non-taxable distributions	**–**	(8,029,564)
Preferred Shares		
From net investment income	**–**	(717,158)
Non-taxable distributions	**(3,012,518)**	(2,795,776)
Total Distributions	**(3,012,518)**	**(11,542,498)**
Net Change in Unrealized Appreciation/ Depreciation of Investments	**27,533,403**	**(9,649,069)**
Changes in Net Assets during the Period	**(9,648,117)**	**(57,813,740)**
NET ASSETS, END OF PERIOD	**$ 19,638,443**	**$ 73,176,543**

Statements of Cash Flows

For the six months ended June 30 (Unaudited)

	2009	2008
CASH AND SHORT-TERM INVESTMENTS, BEGINNING OF PERIOD	**$ 60,790,338**	**$ 23,899,914**
Cash Flows Provided by (Used In) Operating Activities		
Net Realized Loss before Distributions	**(28,886,651)**	**(29,728,909)**
Adjustments to Reconcile Net Cash Provided by (Used in) Operating Activities		
Purchase of investment securities	**(43,974,363)**	(77,425,437)
Proceeds from disposition of investment securities	**74,766,866**	150,112,626
(Increase)/decrease in dividends receivable, interest receivable, and due from brokers - investments	**(5,205,866)**	(1,689,723)
Increase/(decrease) in accrued management fees and accrued liabilities	**(37,291)**	(166,386)
Net change in unrealized depreciation of cash and short-term investments	**176,572**	(146,896)
	25,725,918	**70,684,184**
Cash Flows Provided by (Used In) Financing Activities		
Distributions to Class A shares	**–**	(8,029,564)
Distributions to Preferred shares	**(3,012,518)**	(3,512,934)
Class A share redemptions	**(1,616,899)**	(4,704,271)
Preferred share redemptions	**(10,081,820)**	(5,610,570)
	(14,711,237)	**(21,857,339)**
Net Increase/(Decrease) in Cash and Short-Term Investments During the Period	**(17,871,970)**	**19,097,936**
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	**$ 42,918,368**	**$ 42,997,850**
Cash and Short-Term Investments comprise of:		
Cash	**$ 277,889**	$ 7,741
Short-Term Investments	**42,640,479**	42,990,109
CASH AND SHORT-TERM INVESTMENTS, END OF PERIOD	**$ 42,918,368**	**$ 42,997,850**

Statement of Investments

June 30, 2009 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Bankers' Acceptances				
Canadian Imperial Bank of Commerce, 0.51% - July 20, 2009	7,800,000	$ 7,790,094	**$ 7,790,094**	
National Bank of Canada, 0.27% - August 27, 2009	1,000,000	999,330	**999,330**	
The Bank of Nova Scotia, 0.28% - July 6, 2009	1,150,000	1,149,782	**1,149,782**	
The Bank of Nova Scotia, 0.29% - August 26, 2009	9,500,000	9,493,255	**9,493,255**	
Total Bankers' Acceptances		**19,432,461**	**19,432,461**	**45.6%**
Treasury Bills				
Government of Canada, 0.18% - July 23, 2009	8,635,000	8,631,797	**8,631,797**	
Government of Canada, 0.18% - August 20, 2009	12,875,000	12,869,276	**12,869,276**	
Province of Ontario, USD, 0.11% - July 8, 2009	700,000	791,647	**812,885**	
Province of Ontario, 0.42% - July 15, 2009	895,000	894,060	**894,060**	
Total Treasury Bills		**23,186,780**	**23,208,018**	**54.4%**
		42,619,241	**42,640,479**	**100.0%**
Accrued Interest			**16,498**	**0.0%**
TOTAL SHORT-TERM INVESTMENTS		**$ 42,619,241**	**$ 42,656,977**	**100.0%**
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	84,000	$ 4,478,372	**$ 4,117,680**	
Canadian Imperial Bank of Commerce	83,200	6,373,816	**4,838,080**	
Great-West Lifeco Inc.	231,473	7,695,717	**5,277,584**	
IGM Financial Inc.	111,000	5,402,814	**4,554,330**	
Manulife Financial Corporation	160,000	6,230,517	**3,230,400**	
National Bank of Canada	50,850	3,142,410	**2,733,188**	
Royal Bank of Canada	85,800	4,510,034	**4,074,642**	
Sun Life Financial Inc.	87,800	4,355,519	**2,756,042**	
The Bank of Nova Scotia	128,000	5,864,955	**5,557,760**	
The Toronto-Dominion Bank	66,000	4,417,116	**3,965,940**	
Total Financials		**52,471,270**	**41,105,646**	**46.3%**
Total Canadian Common Shares		**$ 52,471,270**	**$ 41,105,646**	**46.3%**
Non-North American Common Shares				
Financials				
Credit Suisse Group - Spon ADR	87,000	$ 4,031,500	**$ 4,613,353**	
Banco Santander SA - Spon ADR	300,000	4,909,663	**4,215,685**	
Mitsubishi UFJ Financial Group, Inc. (MUFG) ADR	400,000	4,027,520	**2,842,975**	
Total Financials		**12,968,683**	**11,672,013**	**13.1%**
Total Non-North American Common Shares		**$ 12,968,683**	**$ 11,672,013**	**13.1%**

Financial Statements

Statement of Investments (continued)

June 30, 2009 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Portfolio
United States Common Shares				
Financials				
Bank of New York Mellon Corp.	64,000	$ 2,240,886	**$ 2,178,499**	
Chubb Corp.	98,000	5,268,958	**4,538,818**	
Goldman Sachs Group, Inc.	26,000	4,087,000	**4,443,796**	
JPMorgan Chase & Co.	110,000	5,313,921	**4,356,208**	
Metlife Inc.	120,000	4,255,826	**4,182,238**	
Northern Trust Corp.	80,000	6,002,927	**4,986,354**	
The Travelers Companies, Inc.	82,000	4,008,728	**3,908,254**	
US Bancorp	203,000	5,439,661	**4,224,697**	
Wells Fargo Company	156,000	4,531,348	**4,395,183**	
Total Financials		**41,149,255**	**37,214,047**	**41.9 %**
Total United States Common Shares		**$ 41,149,255**	**$ 37,214,047**	**41.9 %**
Forward Exchange Contracts				
Sold USD $5,000,000, Bought CAD $5,888,750 @ 0.84908 - July 8, 2009			**$ 82,283**	
Sold USD $1,000,000, Bought CAD $1,127,500 @ 0.88692 - July 8, 2009			**(33,787)**	
Sold USD $4,900,000, Bought CAD $6,055,420 @ 0.80919 - July 22, 2009			**365,484**	
Sold USD $2,500,000, Bought CAD $2,765,500 @ 0.90400 - July 22, 2009			**(137,430)**	
Sold USD $5,600,000, Bought CAD $6,228,376 @ 0.89911 - August 5, 2009			**(273,613)**	
Sold USD $5,100,000, Bought CAD $6,118,470 @ 0.83354 - August 19, 2009			**197,178**	
Sold USD $5,600,000, Bought CAD $6,226,080 @ 0.89944 - September 16, 2009			**(274,095)**	
Sold USD $5,000,000, Bought CAD $5,629,750 @ 0.88814 - September 30, 2009			**(173,452)**	
Sold USD $1,000,000, Bought CAD $1,127,200 @ 0.88715 - September 30, 2009			**(33,442)**	
Sold USD $6,000,000, Bought CAD $6,603,780 @ 0.90857 - October 28, 2009			**(358,260)**	
Sold USD $5,000,000, Bought CAD $5,729,500 @ 0.87268 - November 25, 2009			**(71,356)**	
Total Forward Exchange Contracts			**$ (710,490)**	**(0.8)%**

Statement of Investments (continued)

June 30, 2009 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Portfolio
OPTIONS				
Written Covered Call Options (100 shares per contract)				
Chubb Corp. - July 2009 @ $41	(330)	$ (32,793)	$ **(12,742)**	
Credit Suisse Group - Spon ADR - July 2009 @ $45	(290)	(74,403)	**(69,042)**	
Great-West Lifeco Inc. - July 2009 @ $23	(460)	(30,820)	**(45,848)**	
IGM Financial Inc. - July 2009 @ $40	(320)	(31,360)	**(56,800)**	
Manulife Financial Corporation - July 2009 @ $24	(400)	(45,600)	**(9,860)**	
Metlife Inc. - July 2009 @ $34	(400)	(59,080)	**(6,968)**	
Mitsubishi UFJ Financial Group, Inc. (MUFG) ADR - July 2009 @ $7	(1,000)	(28,526)	**(5,870)**	
Royal Bank of Canada - July 2009 @ $45	(170)	(18,020)	**(54,213)**	
The Bank of Nova Scotia - July 2009 @ $41	(380)	(41,572)	**(110,258)**	
The Toronto-Dominion Bank - July 2009 @ $60	(198)	(13,365)	**(40,751)**	
The Travelers Companies, Inc. - July 2009 @ $41	(410)	(54,903)	**–**	
Wells Fargo Company - July 2009 @ $24	(400)	(42,154)	**(54,830)**	
Total Written Covered Call Options		**(472,596)**	**(467,182)**	**(0.5)%**
Written Cash Covered Put Options (100 shares per contract)				
Sun Life Financial Services Inc. - July 2009 @ $28	(150)	**(7,950)**	**(2,025)**	**(0.0)%**
TOTAL OPTIONS		**$ (480,546)**	**$ (469,207)**	**(0.5)%**
Adjustment for transaction fees		**(97,562)**		
TOTAL INVESTMENTS		**$ 106,011,100**	**$ 88,812,009**	**100.0%**

Notes to Financial Statements

June 30, 2009

1. Basis of Presentation

The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting standards ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2008.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended December 31, 2008.

2. Net Asset Value

The Net Asset Value of the Fund is calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). The Net Assets per unit for financial reporting purposes and Net Asset Value per unit for pricing purposes will not be the same due to the use of different valuation techniques. The Net Asset Value per unit is as follows:

	June 30, 2009	Dec. 31, 2008
Net Asset Value (for pricing purposes)	**$ 12.17**	$ 12.48

3. 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, currency 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, including factors that affect all the companies in the global financial services industry. The Fund's market risk is managed by taking a long-term perspective and utilizing an option writing program.

Approximately 81 percent (December 31, 2008 - 64 percent) of the Fund's net assets, excluding the Redeemable Preferred share liability, held at June 30, 2009 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at June 30, 2009, the net assets, excluding the Redeemable Preferred share liability, of the Fund would have increased or decreased by $9.0M (December 31, 2008 - $9.5M) respectively or 8.1 percent (December 31, 2008 - 6.4 percent) of the net assets, excluding the

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

Interest Rate Risk

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

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign denominated in foreign currencies. The net asset value of the Fund and the value of the dividends and option premiums received by the Fund will be affected by fluctuations in the value of the foreign currencies relative to the Canadian dollar. The Fund uses foreign exchange contracts to actively hedge the majority of its foreign currency exposure.

Approximately 51 percent (December 31, 2008 - 33 percent) of the Fund's net assets, excluding the Redeemable Preferred share liability, held at June 30, 2009 were held in securities denominated in U.S. currency. This risk is mitigated by the Fund through the use of forward currency contracts. At June 30, 2009 the Fund had minimal currency risk as a result of its investment in forward currency

Notes to Financial Statements

June 30, 2009

contracts. If the Canadian dollar strengthened or weakened by 1 percent in relation to the U.S. currency, the net assets, excluding the Redeemable Preferred share liability, of the Fund would have decreased or increased, by approximately nil (December 31, 2008 - $0.4M) respectively or 0.0 percent (December 31, 2008 - 0.3 percent) of the net assets, excluding the Redeemable Preferred share liability, with all other factors remaining constant.

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 during the period, based on Standard & Poor's credit ratings as of June 30, 2009:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Bank of Montreal	A+	A-1
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+
U.S. Dollar		
Citigroup Inc.	A	A-1
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A+	A-1

The following are the credit ratings for the counterparties to derivative financial instruments that the Fund dealt with during the prior period, 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		
Bank of Montreal	A+	A-1
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+
U.S. Dollar		
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A+	A-1

The following are credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of June 30, 2009:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Government of Canada Treasury Bills	AAA	46%
Bankers' Acceptances	A-1	50%
Province of Ontario Treasury Bills	AA	4%
Total		100%

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

Type of Short-Term Investment	Rating	% of Short-Term Investments
Bankers' Acceptances	A-1	68%
Bonds	AAA	18%
Discount Commercial Paper	AAA	14%
Total		**100%**

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

4. Future Accounting Policy Changes

The Manager has developed a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants ("CICA") for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the preliminary plan include disclosures of the qualitative impact in the 2009 annual financial statements, the disclosure of the quantitative impact, if any, in the 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 and analysis of IFRS on accounting policies and implementation decisions for 2009, will mainly be in the areas of additional note disclosures in the financial statements of the Fund and is expected to have no material impact on the net assets per unit of the Fund.

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 *Canadian Bank Fund*
Mulvihill Premium *Global Plus 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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