



February 2008

# Monthly Update

**M-Split Corp** is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in common shares of Manulife Financial, a leading Canadian based Global Financial Services company offering financial products and wealth management services. Two types of shares are available, a Class A and a Preferred (Priority Equity Share).

## Objectives

### Preferred Shares (TSX: XMF.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares by way of the Portfolio Protection Plan.

### Class A Shares (TSX: XMF):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.05 per Class A Share to yield **6.0% per annum** on the original issue price; and (ii) on or about December 1, 2014 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions (by record date)

	XMF	XMF.PR.A	Total
Total to Date	\$0.5000	\$0.4565	\$0.9565
2008 YTD	\$0.1000	\$0.0875	\$0.1875
2007	\$0.4000	\$0.3690 <sup>(1)</sup>	\$0.7690

(1) Initial distribution for the period Apr 18/07 to Jun 29/07.

## Commentary

Overall financial markets during the last two quarters were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At February 29, 2008, the Company's portfolio remained invested in Manulife common stock. The dividend income in the portfolio continues to be supplemented by a limited covered call writing program which provides some additional income to the portfolio.

## Details

Gross Proceeds:	\$96,400,000
Units Issued:	4,820,000
Inception Date:	April 18, 2007
Termination Date:	Dec 1, 2014
Net Asset Value:	\$17.53 (Feb 29/08)
Cash Weighting:	2%
Canadian Equity Weighting:	98%
<b>XMF.PR.A</b> Issue Price:	\$10.00
Trading Price:	\$10.30 (Feb 29/08)
Current Yield:	5.1% annually
Asset Coverage:	175%
Market Capitalization:	\$48,647,930
<b>XMF</b> Issue Price:	\$10.00
Trading Price:	\$6.77 (Feb 29/08)
Current Yield:	8.9% annually
Market Capitalization:	\$31,975,387

## Holding

## Symbol

Manulife Financial	MFC
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