



January 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 | \$0.4500 | \$0.4127 | \$0.8627 |
| 2008 YTD | \$0.0500 | \$0.0438 | \$0.0938 |
| 2007 | \$0.4000 | \$0.3690 ⁽¹⁾ | \$0.7690 |

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

Commentary

Overall financial markets during the latter half of the year were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At January 31, 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: | \$17.37 (Jan 31/08) |
| Cash Weighting: | 2% |
| Canadian Equity Weighting: | 98% |
| XMF.PR.A Issue Price: | \$10.00 |
| Trading Price: | \$10.15 (Jan 31/08) |
| Current Yield: | 5.2% annually |
| Asset Coverage: | 174% |
| Market Capitalization: | \$47,939,465 |
| XMF Issue Price: | \$10.00 |
| Trading Price: | \$6.20 (Jan 31/08) |
| Current Yield: | 9.7% annually |
| Market Capitalization: | \$29,283,200 |

Holding

Symbol

Manulife Financial

MFC



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