



As at January 31, 2011

# 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. Three types of shares are available, a Capital share, a Class I Preferred and a Class II Preferred.

On March 23, 2010 a Capital Reorganization of M Split was completed.

Holders of Priority Equity Shares (Symbol: **XMF.PR.A**) received the following securities in exchange for each Priority Equity Share held: One \$5.00 Class I Preferred Share (Symbol: **XMF.PR.B**); One \$5.00 Class II Preferred Share (Symbol: **XMF.PR.C**); One 2011 Warrant (Symbol: **XMF.WT**); and One 2012 Warrant (Symbol: **XMF.WT.A**).

Since more Priority Equity Shares were tendered for retraction under the special retraction right than Class A Shares, the outstanding Class A Shares were consolidated. This was done to ensure there is an equal number of Capital Shares, Class I Preferred Shares and Class II Preferred Shares outstanding.

Holders of Class A Shares (Symbol: **XMF**) received 0.944808 of a Capital Share (Symbol: **XMF.A**) in exchange for each Class A Share held.

For complete details, please [click here](#) to view the Information Circular dated December 23, 2009.

## Commentary

The North American financial markets ended the year on a strong note and that performance continued into the first month in 2011. The extension of the Bush tax cuts for all individuals in the United States for at least another two years combined with improving economic data seemed to provide the fuel for the continued rally in the month of January. The US housing market and unemployment market continue to exert a drag on the US economy. Other measures of economic activity including manufacturing activity and retail sales seemed to suggest that the economy continues to improve, albeit at a fairly modest pace. The question of whether this economic growth can become sustainable without the continued record levels of fiscal and monetary stimulus remains to be answered in the coming months and years.

The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. Many Canadian companies held in the portfolios are expected to raise their dividends over the next 6 months. The dividend income continues to be supplemented by income generated by the covered call writing program.

## Distributions (by record date)

	XMF.A	XMF.PR.B	XMF.PR.C	Total
Total to Date	\$0.9000	\$1.2815	\$0.0000	\$2.1815
2011 YTD	\$0.0000	\$0.0313	\$0.0000	\$0.0313
2010	\$0.0000	\$0.3125	\$0.0000	\$0.3125
2009	\$0.0000	\$0.0438	\$0.0000	\$0.0438
2008	\$0.5000	\$0.5250	\$0.0000	\$1.0250
2007	\$0.4000	\$0.3690 <sup>(1)</sup>	\$0.0000	\$0.7690

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

## Details

Units Outstanding:	2,735,610
Inception Date:	April 18, 2007
Capital Reorganization Date:	March 23, 2010
Termination Date:	December 1, 2014
Net Asset Value:	\$7.69
Cash Weighting:	6%
Canadian Equity Weighting:	94%
XMF.PR.B Trading Price:	\$5.30
Current Yield*:	7.1%
Market Capitalization:	\$14,498,733
<i>*Last distribution annualized.</i>	
XMF.PR.C Trading Price:	\$2.40
Market Capitalization:	\$6,565,464.00
XMF.A Trading Price:	\$0.55
Market Capitalization:	\$1,504,585.50

## Holding

## Symbol

Manulife Financial	MFC
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## Company News

Manulife % return for Jan 2011:	1.7%
Manulife % return year-to-date 2011:	1.7%
Dividend Yield on Manulife shares:	2.98%

	One Month to Jan 31, 2011	Year to Date Jan 31, 2011
TSX	0.81%	0.81%
S&P 500	2.26%	2.26%
DJII	2.72%	2.72%
NASDAQ	1.78%	1.78%

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