



June 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 | \$0.7000 | \$0.6315 | \$1.3315 |
| 2008 YTD | \$0.3000 | \$0.2625 | \$0.5625 |
| 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 continue to be adversely impacted by the confluence of record high commodity prices and the continuing credit related problems originating from the US sub prime lending market. These conditions have caused economic growth to slow considerably in both Canada and the United States while at the same time high commodity prices are beginning to lead to a marked increase in inflationary pressures. In particular, the dramatic increase in oil prices has become a large obstacle for economic recovery. Although it is difficult to know when these conditions will ease, the financial markets tend to act as a leading indicator and have in the past anticipated economic recoveries, sometimes 6 to 12 months in advance of the actual pick up in economic activity. Based on market recoveries over the past 25 years, the financial services sector has quite often been among the strongest leading sectors.

The market price of Manulife common stock declined approx. 7% during the month of June.

Details

| | |
|--------------------------------|---------------------|
| Gross Proceeds: | \$96,400,000 |
| Units Issued: | 4,820,000 |
| Inception Date: | April 18, 2007 |
| Termination Date: | Dec 1, 2014 |
| Net Asset Value: | \$16.13 (Jun 30/08) |
| Cash Weighting: | 1% |
| Canadian Equity Weighting: | 99% |
| XMF.PR.A Trading Price: | \$10.14 (Jun 30/08) |
| Current Yield: | 5.2% annually |
| Asset Coverage: | 161% |
| Market Capitalization: | \$47,719,854 |
| XMF Trading Price: | \$6.10 (Jun 30/08) |
| Current Yield: | 9.8% annually |
| Market Capitalization: | \$28,707,210 |

Holding

Symbol

Manulife Financial MFC



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