



As at October 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.

Capital Share (XMF.A)

The Capital Shares participate in any net asset value growth over \$10 per unit. These shares are highly leveraged to any change in the value of the Manulife common shares. In addition, dividends would be paid if and when the net asset value exceeds \$15.00.

Class I Preferred Share (XMF.PR.B)

Class I Preferred Shares receive cumulative monthly dividends to yield 7.5% of its \$5 par value. These shares have excellent asset coverage and their dividends are funded by dividends received on the underlying portfolio and income generated from the covered call writing program.

Class II Preferred Share (YCM.PR.C)

The Class II Preferred Shares have a par value of \$5 and are entitled to the assets of the company above \$5 per unit to a maximum of \$5. In addition, the Class II Preferred Shares are entitled to receive dividends at a rate of 7.5% once the net asset value of the company exceeds \$12.50.

Note: On March 23, 2010 a Capital Reorganization of M Split was completed. For complete details, please [click here](#) to view the Information Circular dated December 23, 2009.

Commentary

October was an exceptional month for the North American financial markets, despite uncertainties of spillover effects of the debt crisis surrounding the Eurozone countries. Market sentiment and performance continued to be dictated by macroeconomic and political events during the month. Increased market volatility was observed as European leaders hammered out an agreement intended to stabilize the Greek sovereign debt crisis. Global markets rallied sharply toward the end of the month as investors welcomed the specific details contained in the Greece bailout plan. The extent of extremely positive market reaction underlies the importance of resolving the Eurozone debt crisis to the financial markets. The potential success of this plan and future actions to deal with the Greek sovereign debt crisis and other distressed Eurozone countries will have a significant impact on global financial markets. In addition, investors will also continue to focus on U.S. efforts to deal with extraordinary large and growing government deficits.

Notwithstanding overall macro concerns, valuations remain relatively attractive in this low interest rate environment. 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. Due to increased market volatility in the recent months, the covered call writing program has added a higher level of income to supplement dividend income earned in the portfolio.

	One Month to Oct 31, 2011	Year to Date Oct 31, 2011
TSX	5.40%	-8.86%
S&P 500	10.77%	-0.35%
DJII	9.54%	3.26%
NASDAQ	11.14%	1.19%

Distributions (by record date)

	XMF.A	XMF.PR.B	XMF.PR.C	Total
Total to Date	\$0.9000	\$1.5627	\$0.0000	\$2.4627
2011 YTD	\$0.0000	\$0.3125	\$0.0000	\$0.3125
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 ⁽¹⁾	\$0.0000	\$0.7690

⁽¹⁾ 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:	\$5.79
Cash Weighting:	5%
Canadian Equity Weighting:	95%
XMF.PR.B Trading Price:	\$4.74
Current Yield*:	7.9%
Market Capitalization:	\$12,966,791
<i>*Last distribution annualized.</i>	
XMF.PR.C Trading Price:	\$0.91
Market Capitalization:	\$2,489,405.10
XMF.A Trading Price:	\$0.14
Market Capitalization:	\$369,307.35

Holding

Symbol

Manulife Financial	MFC
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Company News

Manulife % return for Oct 2011:	10.2%
Manulife % return year-to-date 2011:	-23.3%
Dividend Yield on Manulife shares:	3.95%