



September 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).

## Distributions (by record date)

	XMF	XMF.PR.A	Total
Total to Date	\$0.8500	\$0.7627	\$1.6127
2008 YTD	\$0.4500	\$0.3938	\$0.8438
2007	\$0.4000	\$0.3690 <sup>(1)</sup>	\$0.7690

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

## Commentary

The month of September 2008 will long be remembered as one of the most dramatic and volatile months ever for world financial markets. Fueled by the intensification of the ongoing credit crisis, world financial markets reached a level of "panic" at levels which arguably have never been seen by investors on such a global scale. Several of the largest financial institutions in the United States and around the world required unprecedented government intervention in order to rescue them from complete insolvency while others were required to make emergency decisions to save their businesses by being acquired by other stronger partners. Fannie Mae and Freddie Mac, the two most important mortgage organizations in the United States and AIG, the world's largest insurance company were rescued through direct intervention taken by the U.S government. Major investment banks on Wall Street were severely impacted during the month as Lehman Bros filed for bankruptcy, Merrill Lynch was hastily acquired by Bank of America and Goldman Sachs and Morgan Stanley made a dramatic decision to convert their business model into a regulated bank. Washington Mutual, the largest savings and Loan Company in the United States was acquired by JP Morgan after its share price fell more than 90% over the last year. The month concluded with a failed vote on a U.S. government sponsored rescue plan which sent markets reeling and caused dramatic stock market losses across the world. The volatility index as measured by the VIX reached record levels indicating fear was at historically high levels. It is clear the credit crisis is having a far reaching impact on the economy and will now require major intervention by governments around the world to stabilize conditions and restore confidence. Many think this type of unprecedented government involvement, although not always welcome by capitalist economies, will prove to be a turning point in rebuilding and restoring confidence in the worldwide credit markets. When pessimism and fear reach extreme levels, markets have often provided the best buying opportunities for longer term investors. Many believe current stock market levels have already discounted much of the impact of this credit crisis and that current valuations in some sectors may turn out to be very attractive on a longer term basis.

The market price of Manulife common stock increased approx. 0.4% during the month of September.

## Details

Gross Proceeds:	\$96,400,000
Units Issued:	4,820,000
Inception Date:	April 18, 2007
Termination Date:	Dec 1, 2014
Net Asset Value:	\$17.13 (Sep 30/08)
Cash Weighting:	0%
Canadian Equity Weighting:	100%
<b>XMF.PR.A</b> Trading Price:	\$9.52 (Sep 30/08)
Current Yield:	5.5% annually
Asset Coverage:	171%
Market Capitalization:	\$44,802,072
<b>XMF</b> Trading Price:	\$6.19 (Sep 30/08)
Current Yield:	9.7% annually
Market Capitalization:	\$29,130,759

## Holding

## Symbol

Manulife Financial

MFC



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