



March 23, 2011

Dear Securityholder:

The Independent Review Committee (the "**IRC**") of MCM Split Share Corp. (the "**Company**") was established pursuant to National Instrument 81-107 - *Independent Review Committee for Investment Funds* on April 23, 2007.

The primary role of the IRC is to review conflict of interest matters identified and referred to it by the manager, Mulvihill Capital Management Inc. (the "**Manager**"). The Manager was formed on the amalgamation of Mulvihill Fund Services Inc. and Mulvihill Capital Management Inc. on September 1, 2010. A "conflict of interest matter" is a situation where a reasonable person would consider the Manager or an entity related to it to have an interest that may conflict with the Manager's ability to act in good faith and in the best interests of the Company and Securityholders.

The following represents our report to securityholders for the year ended January 31, 2011 and is respectfully submitted by your IRC.

A handwritten signature in black ink, appearing to read "Robert W. Korthals".

Robert W. Korthals, Chair

## **Independent Review Committee** **Report to Securityholders**

### ***Reporting Period***

The original members of the Independent Review Committee (the “IRC”) for the Company were appointed by the manager of the Company, Mulvihill Fund Services Inc. Mulvihill Fund Services Inc. amalgamated with Mulvihill Capital Management Inc. on September 1, 2010. As successor, Mulvihill Capital Management Inc. became the manager of the Company (the “Manager”). Mr. R. Bertram, the most recent member, was appointed by the IRC on January 1, 2009. The IRC became operational on November 1, 2007. Unless otherwise stated, the information in this report covers the year ended January 31, 2011.

### ***Members of the IRC***

The following individuals are members of the IRC:

<u>Name</u>	<u>Residence</u>	<u>Commencement of Service</u>	<u>Member of Other Independent Review Committees</u>
Robert W. Korthals <sup>1</sup>	Toronto, Ontario	November 1, 2007	No
Michael M. Koerner	Toronto, Ontario	November 1, 2007	No
Robert G. Bertram	Aurora, Ontario	January 1, 2009	No

<sup>1</sup> Chair of the IRC

The members have concluded that they have no material relationship with the Company that could reasonably be perceived to interfere with any member’s judgment regarding a conflict of interest matter.

### ***Holdings of Securities***

#### *MCM Split Share Corp.*

As at January 31, 2011, the percentage of securities of each class of the Company beneficially owned, directly or indirectly, in aggregate, by all members of the IRC did not exceed 10 percent.

#### *Mulvihill Capital Management Inc.*

As at January 31, 2011, no member of the IRC beneficially owned, directly or indirectly, any voting or equity securities of the Manager.

#### *Service Providers*

As at January 31, 2011, no member of the IRC beneficially owned, directly or indirectly, any class or series of voting or equity securities of a person or company providing services to the Company or the Manager with respect to fund business.

### ***IRC Compensation and Indemnities***

The Manager set the initial compensation and expense reimbursement policy of the IRC. Each member of the IRC receives \$25,000 per annum as a general retainer for the Mulvihill Family of Funds and \$300 for each IRC meeting attended. IRC members are also reimbursed for any reasonable costs incurred in connection with the performance of their duties as members of the IRC.

The IRC has set the same compensation for the ensuing year. In concluding that this compensation was appropriate, the IRC considered: the nature and complexity of the Company's operations; the time commitment required and the level of information provided to the IRC members; industry best practices; and the best interest of the Company.

The aggregate compensation paid by the Company to the members of the IRC for the year ended January 31, 2011 was \$6,601.42.

During the year, no expenses were reimbursed and no indemnities were paid to the members of the IRC by the Company.

### ***Activities during the Year***

During the year, the IRC reviewed conflict of interest policies and procedures prepared by the Manager, considered conflict of interest matters identified and submitted to it by the Manager and assessed the adequacy and effectiveness of the standing instructions provided by it to the Manager.

The IRC has also provided standing instructions to the Manager that permit the Manager to act on an ongoing basis in respect of the following conflict of interest matters. Each standing instruction requires the Manager to comply with the applicable policies and procedures of the Manager described below.

- (a) *Broker selection and best execution* – policies and procedures to ensure the appropriate selection of brokers and best execution in the trading of securities on behalf of the Company.
- (b) *Trade allocations* – policies and procedures to ensure that security transactions are allocated fairly among the Company and other funds or accounts managed by the Manager.
- (c) *Soft-dollar arrangements* – policies and procedures to ensure that brokerage arrangements are in the best interests of the Company.
- (d) *Personal investing* – policies and procedures governing securities trading by employees, officers and directors of the Manager and its affiliates.
- (e) *Proxy voting* – policies and procedures regarding the exercise of proxy voting rights in respect of the voting securities held by the Company.

The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter referred to the IRC for which the IRC did not give a positive recommendation. The IRC is not aware of any instance in which the Manager acted in a conflict of interest matter but did not meet a condition imposed by the IRC in its recommendation in respect of the matter.