Top 10 Split Trust

Annual Report 2023

MULVIHILL

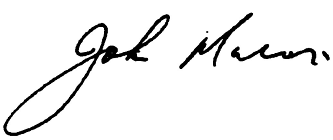
Letter to Securityholders

We are pleased to present the 2023 annual report containing the management report of fund performance and the audited financial statements for Top 10 Split Trust (the "Fund").

2023 was a difficult year to manage equity portfolios, unless you went away for the year and did nothing. As expected, the Federal Reserve Board ("FED") and many other central banks continued their tightening policies by raising interest rates through to July and then preached "higher for longer" interest rates. Such policies had historically led to lower stock prices, but not this time as strong performance from a handful of large mega cap stocks (i.e. FAANG) carried markets to positive returns in the first half of 2023. The reality is that most other stocks were not performing as well in an environment where inflation and higher interest rates were creating concerns about an eventual recession. All that changed in late October when the FED announced it had finished raising rates. With sources of liquidity reopening, both the bond and stock markets went on the huge run we witnessed in November and December. The total return for the S&P/TSX Composite Index for the year was 11.8 percent and 26.3 percent (23.2 percent in Canadian dollars) for the S&P 500 Index. Sector performance varied significantly in both markets with Information Technology leading the way by a considerable margin in both markets, with a total return of 69.2 percent in Canada and 57.8 percent in the U.S. Meanwhile, defensive interest sensitive stocks underperformed in both markets with Communication Services lagging in Canada, down 3.9 percent, while south of the border, Utility stocks lagged, down 7.1 percent. The Canadian dollar rose 2.3 percent relative to the U.S. dollar during the year.

The net asset value per Combined Unit increased 5.8 percent from $13.90 at December 31, 2022 to $14.71 at December 31, 2023. The net realized gain on options at fair value through profit or loss amounted to $0.09 per Combined Unit in 2023 as compared to a net realized gain on options of $0.22 per Combined Unit in 2022. For the year ended December 31, 2023, the annual return per Combined Unit, including reinvestment of distributions, was 12.83 percent. The Fund paid cash distributions of $0.12 per Capital Units and cash distributions of $0.78 per Preferred Security during the year. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all securityholders for their continued support and encourage securityholders to review the detailed information contained within the annual report.



John Mulvihill
Chairman & CEO
Mulvihill Capital Management Inc.

The Fund

The Fund is a split share trust designed to provide Capital Unit holders with the benefit of any capital appreciation in the value of the portfolio combined with tax-efficient quarterly distributions and to provide holders of the Preferred Securities with fixed cumulative preferential quarterly distributions. These securities are listed on the Toronto Stock Exchange under the ticker symbols TXT.UN for the Capital Units and TXT.PR.A for the Preferred Securities. A Combined Unit of the Fund consists of one Capital Unit and one Preferred Security.

To accomplish its objectives, the Fund invests in a portfolio of securities consisting of common equity securities of the six largest Canadian banks and the four largest Canadian life insurance companies. The Fund may also invest in public investment funds including exchange-traded funds and other Mulvihill Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Mulvihill Funds) that provide exposure to such securities.

The Fund employs an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

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Management Report of Fund Performance

This annual management report of fund performance contains the financial highlights for the year ended December 31, 2023 of Top 10 Split Trust (the "Fund"). The annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at info@mulvihill.com or by visiting our website at www.mulvihill.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Investment Objectives and Strategies

The Fund's investment objectives for Capital Units are to:

(1) provide holders of Capital Units, upon redemption, with the benefit of any capital appreciation in the market price of the securities in the Financial Portfolio, and

(2) pay quarterly distributions to holders of Capital Units in an amount targeted to be 7.5 percent per annum of the net asset value (the "NAV") of the Capital Units, and

the Fund's investment objectives for Preferred Securities are to:

(1) pay holders of Preferred Securities fixed quarterly cash interest payments equal to 6.25 percent per annum on the $12.50 principal amount of a Preferred Security, and

(2) repay the principal amount of $12.50 per Preferred Security on the termination date of the Fund on March 31, 2026.

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Risk

Risks associated with an investment in the securities of the Fund are discussed in the Fund's 2023 annual information form, which is available on the Fund's website at www.mulvihill.com or on SEDAR at www.sedarplus.ca. There were no changes to the Fund over the year that materially affected the risks associated with an investment in the securities of the Fund.

Results of Operations

Distributions

For the year ended December 31, 2023, cash distributions of $0.12 per Capital Unit were paid compared to $0.22 per Capital Unit in 2022. Interest payments of $0.78 per Preferred Security were paid during the year, unchanged from the prior year.

Since the reorganization of the Fund in November 2005 when the Fund adopted new objectives and a new investment strategy as the Top 10 Split Trust, the Fund paid cash distributions of $6.51 per Capital Unit and interest of $14.12 per Preferred Security.

Revenue and Expenses

For the year ended December 31, 2023, total revenue was $0.68 per Combined Unit, down $0.03 per Combined Unit from the prior year. Total expenses for the year ended December 31, 2023, were $0.61 per Combined Unit compared to $0.60 for the prior year. The Fund had realized and unrealized gains of $1.65 per Combined Unit in 2023 as compared to a net realized and unrealized loss of $2.10 per Combined Unit for the prior year.

Net Asset Value

The net asset value per Combined Unit of the Fund increased 5.8 percent from $13.90 at December 31, 2022 to $14.71 at December 31, 2023. The aggregate net asset value of the Fund decreased $0.43 million from $7.78 million at December 31, 2022 to $7.35 million at December 31, 2023, reflecting an operating profit of $0.96 million, Combined Unit distributions of $0.51 million and redemptions of $0.88 million.

Recent Developments

There were no recent developments pertaining to the Fund during the year ended December 31, 2023.

Related Party Transactions

Mulvihill Capital Management Inc. (“Mulvihill”), as the Investment Manager of the Fund, manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Mulvihill dated January 22, 1997 and amended as of November 30, 2005.

Mulvihill is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Mulvihill dated January 22, 1997 and amended as of November 30, 2005. As such, Mulvihill is responsible for providing or arranging for required administrative services to the Fund.

Mulvihill is paid the fees described under the Management Fees section of this report.

During the year, no recommendations or approvals were required to be sought from the Independent Review Committee (“IRC”) concerning related party transactions.

Independent Review Committee

National Instrument 81-107 – Independent Review Committee for Investment Funds (“NI 81-107”) requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert G. Bertram, R. Peter Gillin and Dr. Robert Bell.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

Years ended December 31	**2023**	2022	2021	2020	2019
NET ASSETS PER COMBINED UNIT					
Net Assets, beginning of year(1)	**$ 13.90**	$ 16.88	$ 13.92	$ 16.24	$ 14.40
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.68**	0.71	0.63	0.65	0.62
Total expenses	**(0.61)**	(0.60)	(0.55)	(0.38)	(0.42)
Realized gain (loss) for the year	**0.76**	1.12	3.17	(1.18)	0.27
Unrealized gain (loss) for the year	**0.89**	(3.22)	1.32	(0.56)	2.38
Total Increase (Decrease) from Operations(2)	**1.72**	(1.99)	4.57	(1.47)	2.85
DISTRIBUTIONS					
From net investment income – Preferred Security	**(0.78)**	(0.78)	(0.78)	(0.78)	(0.78)
Non-taxable distributions – Capital Unit	**(0.12)**	(0.22)	(0.27)	(0.08)	(0.23)
Total Distributions(3)	**(0.90)**	(1.00)	(1.05)	(0.86)	(1.01)
Net Assets, end of year(1)	**$ 14.71**	$ 13.90	$ 16.88	$ 13.92	$ 16.24

(1) All per Combined Unit figures are derived from the Fund's audited financial statements for the years ended December 31. Net assets per Combined Unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities, excluding the Preferred Security liability, divided by the number of Units then outstanding.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses and is calculated based on the weighted average number of Units outstanding during the year. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of Units outstanding during the year.
(3) Distributions to securityholders are based on the number of securities outstanding on the record date for each distribution.

Years ended December 31	**2023**	2022	2021	2020	2019
RATIOS/SUPPLEMENTAL DATA					
Net Asset Value, excluding the Redeemable Preferred Security liability ($millions)(1)	**$ 7.35**	$ 7.78	$ 9.79	$ 14.26	$ 16.75
Net Asset Value ($millions)(1)	**$ 1.11**	$ 0.78	$ 2.54	$ 1.45	$ 3.86
Number of Combined Units outstanding(1)	**499,532**	559,794	579,894	1,024,436	1,031,459
Management expense ratio(2)	**4.26%**	3.79%	3.38%	2.71%	2.51%
Portfolio turnover rate(3)	**63.45%**	92.71%	51.10%	102.84%	92.46%
Trading expense ratio(4)	**0.10%**	0.11%	0.06%	0.22%	0.16%
Net Asset Value per Combined Unit(5)	**$ 14.71**	$ 13.90	$ 16.88	$ 13.92	$ 16.24
Closing market price – Preferred Security	**$ 11.60**(6)	$ 10.75	$ 12.67	$ 12.11	$ 12.34
Closing market price – Capital Unit	**$ 2.80**(7)	$ 2.53	$ 3.58	$ 1.51	$ 3.63

(1) This information is provided as at December 31. One Combined Unit consists of one Capital Unit and one Preferred Security.
(2) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax but excluding transaction fees, divided by the average net asset value. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER, including Preferred Security interest payments, is 9.82%, 8.88%, 8.20%, 8.81%, and 7.51% for 2023, 2022, 2021, 2020, and 2019 respectively.
(3) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the year.
(5) Net Asset Value per Combined Unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities, excluding the Preferred Security liability, divided by the number of Units then outstanding.
(6) The last date with an executed trade was December 29, 2023.
(7) The last date with an executed trade was December 29, 2023.

Management Fees

Mulvihill, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.00 percent of the net asset value, excluding the Preferred Security liability, of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. Mulvihill also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

Mulvihill, as the Manager of the Fund, is entitled to fees under the Trust Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include providing or arranging for required administrative services to the Fund.

Past Performance

The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

(1) information shown assumes that all distributions and interest payments made by the Fund during these periods were reinvested in securities of the Fund,

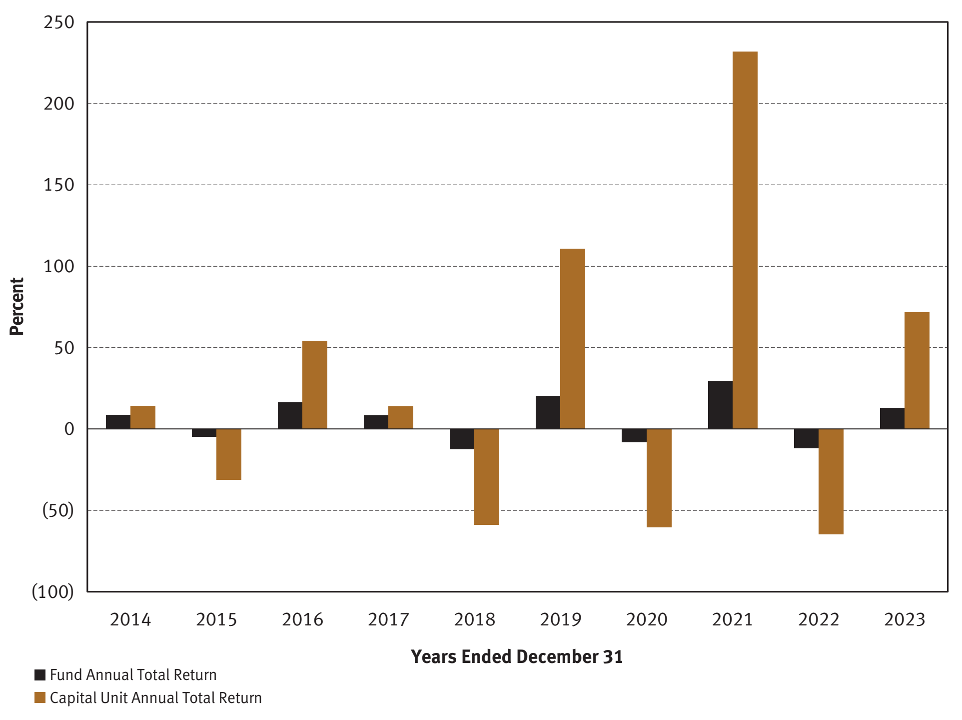
(2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(3) past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The following bar chart illustrates how the Fund's annual total return varied from year to year for each of the past ten years. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound return (net of expenses) for the years ended December 31, 2023 as compared to the performance of the S&P/TSX Capped Financials Index.

	One Year	Three Years	Five Years	Ten Years	Since Inception
Top 10 Split Trust	**12.83 %**	8.71 %	7.22 %	4.95 %	3.85 %
Top 10 Split Trust – Preferred Security	**6.40 %**	6.40 %	6.43 %	6.41 %	6.41 %
Top 10 Split Trust – Capital Unit	**71.83 %**	26.37 %	10.99 %	(0.52)%	(1.79)%
S&P/TSX Capped Financials Index(1)	**13.86 %**	12.09 %	11.68 %	9.25 %	8.26 %

(1) The S&P/TSX Capped Financials Index is a subset of the constituents of the S&P/TSX Composite Index that have been classified according to the Global Industry Classification Standard. The relative weight of any single index constituent is capped at 25 percent.

The equity performance benchmark shown here provides an approximate indication of how the Fund's returns compare to a public market index for similar securities. It is important to note that the Fund is not managed in order to match or exceed this index; rather, its objectives are to pay out quarterly distributions and return the original invested amount at the termination date. As a result, the Fund has, from time to time, maintained cash balances in an effort to provide greater net asset value stability and employs a covered option writing strategy to enhance the income generated by the portfolio and reduce volatility.

The Manager believes that in a flat or downward trending market, a portfolio that is subject to covered call option writing will generally provide higher relative returns and lower volatility than one on which no options are written. However, in a rising market, the use of options may have the effect of limiting or reducing the total returns of the Fund since the premiums associated with writing covered call options may be outweighed by the foregone opportunity of remaining fully invested in the securities comprising the portfolio.

Portfolio Manager Report

2023 was a difficult year to manage equity portfolios, unless you went away for the year and did nothing. As expected, the Federal Reserve Board ("FED") and many other central banks continued their tightening policies by raising interest rates through to July and then preached "higher for longer" interest rates. Such policies had historically led to lower stock prices, but not this time as strong performance from a handful of large megacap stocks (i.e. FAANG) carried markets to positive returns in the first half of 2023. The reality is that most other stocks were not performing as well in an environment where inflation and higher interest rates were creating concerns about an eventual recession. All that changed in late October when the FED announced it had finished raising rates. With sources of liquidity reopening, both the bond and stock markets went on the huge run we witnessed in November and December. The total return for the S&P/TSX Composite Index for the year was 11.8 percent and 26.3 percent (23.2 percent in Canadian dollars) for the S&P 500 Index. Sector performance varied significantly in both markets with Information Technology leading the way by a considerable margin in both markets, with a total return of 69.2 percent in Canada and 57.8 percent in the U.S. Meanwhile, defensive interest sensitive stocks underperformed in both markets with Communication Services lagging in Canada, down 3.9 percent, while south of the border, Utility stocks lagged, down 7.1 percent. The Canadian dollar rose 2.3 percent relative to the U.S. dollar during the year.

As of December 31, 2023, the annual return per Combined Unit, including reinvestment of distributions, was 12.8 percent. The Capital Unit achieved its investment objective of providing quarterly distributions in an amount targeted to be 7.5 percent of NAV. The Preferred Security achieved its investment objective of providing fixed quarterly cash interest payments equal to 6.25 percent on the $12.50 principal amount. In aggregate, the Fund paid cash distributions of $0.12 per Capital Unit and $0.78 per Preferred Security during the year. While the NAV per Preferred Security remained unchanged at $12.50, the NAV per Capital Unit increased from $1.40 at the end of 2022 to $2.21 at the end of 2023.

For the year 2023, the Canadian financials had a total return of 13.9 percent, while the holdings in the portfolio had an average return of 17.6 percent. The bank holdings underperformed the insurance holdings by 15 percentage points, with an average return of 11.2 percent for the banks held and 27.1 percent for the insurance companies held. Great West Lifeco Inc. led the Fund with an annual total return of 47.7 percent while The Toronto-Dominion Bank lagged with an annual total return of 2.4 percent. The year-end average dividend yield for the fund holdings was 4.8 percent.

Similar to the previous year, volatility levels, as measured by the Chicago Board Options Exchange Volatility Index ("VIX") traded in a wide range between 11.8 and 30.8. However, the average level of the VIX Index during 2023 was 16.8, considerably lower than the average of 25.6 in 2022. Short cash covered put positions reached a high of 18.7 in the second quarter averaging 4.1 percent over the entire year. Call writing took place in the second quarter only, reaching a high of 7.7 percent and averaging 0.9 percent for the year. Cash averaged 4.1 percent during the year and ended the year at 1.7 percent. The higher average reflects cash required as collateral for the written put positions.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.mulvihill.com.

Asset Mix
December 31, 2023

	% OF NET ASSET VALUE*
Financials	108.7 %
Exchange-Traded Funds	2.3 %
Cash	1.6 %
Other Assets (Liabilities)	(12.6)%
	100.0 %

* The Net Asset Value excludes the Preferred Security liability.

Portfolio Holdings
December 31, 2023

	% OF NET ASSET VALUE*
Manulife Financial Corporation	13.5 %
Canadian Imperial Bank of Commerce	12.3 %
National Bank of Canada	11.7 %
Royal Bank of Canada	11.1 %
Great-West Lifeco Inc.	11.0 %
iA Financial Corporation Inc.	10.7 %
Bank of Montreal	10.2 %
Sun Life Financial Inc.	10.2 %
The Toronto-Dominion Bank	9.2 %
The Bank of Nova Scotia	8.8 %
Exchange-Traded Funds	2.3 %
Cash	1.6 %

* The Net Asset Value excludes the Preferred Security liability.

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Top 10 Split Trust (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Capital Management Inc. (the "Manager"), and have been approved by the Fund's Board of Advisors (the "Board").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Board meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Board.

John Mulvihill
Director
Mulvihill Capital Management Inc.

John D. Germain
Director
Mulvihill Capital Management Inc.

March 5, 2024

To the Securityholders of Top 10 Split Trust (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income (loss), changes in net assets attributable to holders of Capital Units and cash flows for the years then ended, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Francesco Quatrale.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 27, 2024

Statements of Financial Position

As at December 31

	Note		2023		2022
ASSETS					
Financial assets at fair value through profit or loss	6	$	**8,164,382**	$	7,756,116
Dividends receivable			**21,791**		18,977
Due from brokers – Investments			**–**		240,572
Cash			**118,087**		115,690
TOTAL ASSETS			**8,304,260**		8,131,355
LIABILITIES					
Redemptions payable			**886,611**		279,304
Accrued liabilities			**60,674**		65,912
Accrued management fees	8		**7,542**		7,385
Preferred Securities			**6,244,150**		6,997,425
TOTAL LIABILITIES			**7,198,977**		7,350,026
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS		**$**	**1,105,283**	$	781,329
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS PER CAPITAL UNIT		**$**	**2.2126**	$	1.3957

On behalf of the Manager,
Mulvihill Capital Management Inc.

John Mulvihill, Director

John D. Germain, Director

The notes are an integral part of the Financial Statements.

Statements of Comprehensive Income

Years ended December 31

	Note	2023	2022
INCOME			
Dividend income		$ **368,558**	$ 408,639
Interest income		**9,338**	2,628
Net realized gain/(loss) on investments at fair value through profit or loss		**381,194**	520,303
Net realized gain/(loss) on options at fair value through profit or loss		**51,375**	129,565
Net change in unrealized gain/(loss) on investments at fair value through profit or loss		**495,373**	(1,868,464)
TOTAL INCOME/(LOSS), NET		**1,305,838**	(807,329)
EXPENSES			
Management fees	8	**85,688**	92,703
Service fees		**—**	3,297
Administrative and other expenses		**88,021**	87,826
Transaction fees	9	**7,608**	9,373
Custodian fees		**45,658**	41,065
Audit fees	12	**33,555**	33,600
Advisory board fees	8	**20,400**	19,378
Independent review committee fees	8	**11,297**	12,981
Legal fees		**6,115**	4,713
Securityholder reporting costs		**15,864**	12,842
Harmonized sales tax		**28,255**	28,731
TOTAL EXPENSES		**342,461**	346,509
OPERATING PROFIT/(LOSS)		**963,377**	(1,153,838)
Preferred security interest		**(437,333)**	(453,036)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS	10	$ **526,044**	$ (1,606,874)
INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS PER CAPITAL UNIT	10	$ **0.9400**	$ (2.7712)

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets Attributable to Holders of Capital Units

Years ended December 31

	2023	2022
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS, BEGINNING OF YEAR	**$ 781,329**	$ 2,542,169
Increase/(Decrease) in Net Assets Attributable to Holders of Capital Units	**526,044**	(1,606,874)
Capital Unit Transactions		
Value for Capital Units redeemed, excluding Preferred Securities	**(133,336)**	(28,054)
Distributions		
Non-taxable distributions	**(68,754)**	(125,912)
Changes in Net Assets Attributable to Holders of Capital Units during the Year	**323,954**	(1,760,840)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS, END OF YEAR	**$ 1,105,283**	$ 781,329

Statements of Cash Flows

Years ended December 31

	2023	2022
CASH, BEGINNING OF YEAR	**$ 115,690**	$ 421,694
Cash Flows Provided By (Used In) Operating Activities		
Operating Profit/(Loss)	**963,377**	(1,153,838)
Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities		
Net realized (gain)/loss on investments at fair value through profit or loss	**(381,194)**	(520,303)
Net realized (gain)/loss on options at fair value through profit or loss	**(51,375)**	(129,565)
Net change in unrealized (gain)/loss on investments at fair value through profit or loss	**(495,373)**	1,868,464
Decrease in dividends receivable	**237,758**	647,690
Decrease in accrued liabilities and accrued management fees	**(5,081)**	(5,326)
Purchase of investment securities	**(5,422,480)**	(7,740,451)
Proceeds from disposition of investment securities	**5,942,156**	7,745,255
	(175,589)	1,865,764
Cash Flows Provided By (Used In) Financing Activities		
Capital Unit redemptions	**(37,199)**	(113,982)
Preferred Security redemptions	**(242,105)**	(325,000)
Capital Unit distributions	**(68,754)**	(125,912)
Preferred Security distributions	**(437,333)**	(453,036)
	(785,391)	(1,017,930)
Net Increase/(Decrease) in Cash during the Year	**2,397**	(306,004)
CASH, END OF YEAR	**$ 118,087**	$ 115,690

Dividends received	**$ 365,744**	$ 419,007
Interest received	**$ 9,338**	$ 2,628

The notes are an integral part of the Financial Statements.

Schedule of Investments

As at December 31, 2023

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Capital Units and Redeemable Preferred Securities
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	5,700	$ 711,029	$ 747,327	
Canadian Imperial Bank of Commerce	14,200	891,375	905,960	
Great-West Lifeco Inc.	18,500	709,110	811,410	
iA Financial Corporation Inc.	8,700	731,641	785,871	
Manulife Financial Corporation	34,000	836,243	995,520	
National Bank of Canada	8,500	825,149	858,500	
Royal Bank of Canada	6,100	799,509	817,400	
Sun Life Financial Inc.	10,900	697,053	749,048	
The Bank of Nova Scotia	10,000	752,161	645,000	
The Toronto-Dominion Bank	7,900	679,956	676,398	
Total Financials		7,633,226	7,992,434	
Total Canadian Common Shares		$ 7,633,226	$ 7,992,434	108.7 %
Exchange-Traded Funds				
Premium Income Corporation – Preferred	12,460	$ 177,862	$ 171,948	2.3 %
Adjustment for transaction fees		(4,109)		
TOTAL INVESMENTS		$ 7,806,979	$ 8,164,382	111.0 %
OTHER NET LIABILITIES			(814,949)	(11.0)%
NET ASSETS ATTRIBUTABLE TO HOLDERS OF CAPITAL UNITS AND REDEEMABLE PREFERRED SECURITIES			$ 7,349,433	100.0 %

1. Fund Information

Top 10 Split Trust (the "Fund") was originally established as a closed-end investment trust under the laws of the Province of Ontario on January 22, 1997 under the name First Premium U.S. Income Trust ("FPU") which began operations on February 4, 1997. On November 21, 2005, unitholders of FPU approved a proposal resulting in a change in the investment objectives and strategy of the Fund. In connection with the approval of the proposal, the Fund changed its name to Top 10 Split Trust to better reflect its new investment strategy and split trust capital structure. The address of the Fund's registered office is 121 King Street West, Suite 2600, Toronto, Ontario.

Mulvihill Capital Management Inc. ("Mulvihill") is the Manager as well as the Investment Manager of the Fund. RBC Investor Services Trust is the Custodian of the Fund.

The Fund is a split share trust designed to provide Capital Unit holders with the benefit of any capital appreciation in the value of the portfolio combined with tax-efficient quarterly distributions and to provide holders of the Preferred Securities with fixed cumulative preferential quarterly distributions. These securities are listed on the Toronto Stock Exchange under the ticker symbols TXT.UN for the Capital Units and TXT.PR.A for the Preferred Securities. A Combined Unit of the Fund consists of one Capital Unit and one Preferred Security.

The Fund invests in a portfolio of securities consisting of common equity securities of the six largest Canadian banks and the four largest Canadian life insurance companies. The Fund may also invest in public investment funds including exchange-traded funds and other Mulvihill Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Mulvihill Funds) that provide exposure to such securities.

The Fund employs an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

These financial statements were approved by the Board of Advisors on March 5, 2024.

2. Basis of Presentation

The annual financial statements for the Fund have been prepared in compliance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

3. Summary of Material Accounting Policy Information

Effective January 1, 2023, the Fund adopted the IAS 1 – Presentation of Financial Statements ("IAS 1") amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023, that have a material effect on the financial statements of the Fund. The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Policies Functional and Presentation

Currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the "functional currency"). The functional currency is the Canadian dollar, which is also the Fund's presentation currency.

Financial Instruments

IFRS 9 Financial Instruments ("IFRS 9") requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit and loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of financial assets are recognized at their trade date. The Fund's investments are classified at fair value through profit or loss ("FVTPL"). The Fund's obligation for net assets attributable to holders of redeemable units is presented at the redemption amount as of the date of the statement of financial position. All other financial assets and liabilities are measured at amortized cost. The Fund's accounting policies for measuring the fair value of its investments are identical to those used in measuring its net asset value ("NAV") for transactions with unitholders.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Classification

Financial Assets

The Fund classifies its investments in equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken.

Consequently, these financial assets are mandatorily measured at FVTPL.

Held for Trading

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial Assets and Financial Liabilities at Amortized Cost

The financial assets and liabilities measured at amortized cost may include cash, dividends receivable, due from brokers – investments, due to brokers – investments, accrued liabilities, accrued management fees, redemptions payable, Preferred Securities and the Fund's obligation for net assets attributable to holders of Capital Units.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets carried at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short-term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and the high credit quality, the Fund has determined that the expected credit loss allowances are not material.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price as its valuation input for financial assets and liabilities if the last traded price falls within the bid-ask spread. In other circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value for financial reporting purposes.

The fair value of financial assets and liabilities that are not traded in an active market is determined by valuation techniques as described in Note 4.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Net realized gain/(loss) on investments at fair value through profit or loss and net change in unrealized gain/(loss) on investments at fair value through profit or loss are determined on an average cost basis. Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. Realized gains and losses relating to written options may arise from:

(i) Expiration of written options whereby realized gains are equivalent to the premium received,

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option, and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses relating to purchased put options may arise from:

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid,

(ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid, and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in the net change in unrealized gain/(loss) on investments at fair value through profit or loss. The premiums received on written put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date.

Interest income is measured using the effective interest method and recorded on a daily basis.

Short-Term Investments

Short-term investments are held for investment purposes and consist primarily of money market instruments with original maturities of 90 days or less.

Capital Units

IAS 32, Financial Instruments: Presentation ("IAS 32") requires that the Capital Units (which are puttable instruments) be classified as financial liabilities unless certain criteria are met. The Fund's Capital Units do not meet the criteria to be classified as equity.

Increase/(Decrease) in Net Assets Attributable to Holders of Capital Units per Capital Unit

The increase/(decrease) in net assets attributable to holders of Capital Units per Capital Unit is calculated by dividing the increase/(decrease) in net assets attributable to holders of Capital Units by the weighted average number of Capital Units outstanding during the year. Please refer to Note 10 for the calculation.

Taxation

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to Capital Unit holders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable to unitholders is recoverable by the Fund to the extent and in the circumstances provided for in the Act.

Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any non-refundable income tax.

IAS 7 Statement of Cash Flows

IAS 7 Statement of Cash Flows ("IAS 7") requires disclosures related to changes in liabilities arising from financing activities. Capital Units issued by the Fund are classified as financial liabilities.

A reconciliation between the opening and closing balances of the Capital Units of the Fund is presented in the Statement of Changes in Net Assets Attributable to Holders of Capital Units, including changes from cash flows and non-cash changes. Further, a reconciliation between the opening and closing balances of the Preferred Securities of the Fund is presented below, including changes from cash flows and non-cash changes.

	Jan. 1, 2023	Cash Changes Cash Redemptions	Non-Cash Changes	Dec. 31, 2023
Preferred Securities (Note 7)	$6,997,425	(753,275)	–	$6,244,150

	Jan. 1, 2022	Cash Changes Cash Redemptions	Non-Cash Changes	Dec. 31, 2022
Preferred Securities (Note 7)	$7,248,675	(251,250)	–	$6,997,425

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires the Manager to use judgment in applying accounting policies and to make estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

The Fund may, from time to time, hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined by using valuation models and techniques generally recognized as standard within the investment industry. These valuation methods use observable data wherever possible. Observable market data are readily available and supplied by independent sources actively involved in the relevant market. However, areas such as credit risk (both own and counterparty) and its correlations require the Manager to make estimates. Significant changes in assumptions about these factors could adversely affect the reported fair values of financial instruments. Please refer to Note 6 for a further analysis of risks associated with financial instruments.

5. Capital Disclosures

IAS 1, Presentation of Financial Statements ("IAS 1"), requires the disclosure of: (i) an entity's objectives, policies and processes for managing capital;

(ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such noncompliance. The Fund's objectives, policies and processes are described in Note 1, information on the Fund's Capital Units is described in Note 7 and the Fund does not have any externally imposed capital requirements.

6. Risks Associated with Financial Instruments

The Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which the Fund invests. The most important risks include credit risk, liquidity risk, market risk (including interest rate risk and price risk), concentration risk and capital risk management.

Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange-traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

The Fund measures credit risk and lifetime ECLs related to the receivables using historical analysis and forward-looking information in determining the ECL.

The Fund is also exposed to counterparty credit risk on derivative financial instruments. The counterparty credit risk for derivative financial instruments is managed by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102. During the years ended December 31, 2023 and 2022, the counterparties to the Fund's derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor's Ratings Services.

The Fund's derivative instruments are subject to offsetting, enforceable netting arrangements and similar agreements. The Fund and its counterparty have elected to settle all transactions on a gross basis; however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. All outstanding derivatives have been presented on a gross basis on the Statement of Financial Position as derivative assets or derivative liabilities, as they do not meet the criteria for offsetting in IAS 32 paragraph 42.

Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and which can be easily disposed. In addition, the Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due.

Cash is required to fund redemptions. Unitholders must surrender Capital Units at least 10 business days prior to the last day of the month and receive payment on or before 10 business days following the month end valuation date. Therefore, the Fund has a maximum of 20 business days to generate sufficient cash to fund redemptions mitigating liquidity issues.

The amounts in the table are the contractual undiscounted cash flows:

	As at December 31, 2023 Financial Liabilities On Demand	‹ 3 months	Total
Redemptions payable	$ –	$ 886,611	$ 886,611
Accrued liabilities	–	60,674	60,674
Accrued management fees	–	7,542	7,542
Preferred securities	6,244,150	–	6,244,150
Capital Units	1,105,283	–	1,105,283
	$ 7,349,433	$ 954,827	$ 8,304,260

	As at December 31, 2022 Financial Liabilities On Demand	‹ 3 months	Total
Redemptions payable	$ –	$ 279,304	$ 279,304
Accrued liabilities	–	65,912	65,912
Accrued management fees	–	7,385	7,385
Preferred securities	6,997,425	–	6,997425
Capital Units	781,329	–	781,329
	$ 7,778,754	$ 352,601	$ 8,131,355

Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The following include sensitivity analyses that show how the net assets attributable to holders have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a financial instrument. The financial instruments which potentially expose the Fund to interest rate risk are the short-term fixed income securities. The Fund has minimal sensitivity to changes in rates since securities are usually held to maturity and are short-term in nature.

(b) Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to price risk arises from its investments in equity securities. Net assets per Capital Unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund, including factors that affect all the companies in the financial services industry.

The Fund's price risk is managed by taking a long-term perspective and utilizing an option writing program, as well as by the use of purchased put options. Approximately 111 percent (2022 – 100 percent) of the Fund's net assets attributable to holders of Capital Units, excluding the Preferred Security liability, held at December 31, 2023 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at December 31, 2023, the net assets attributable to holders of Capital Units, excluding the Preferred Security liability, would have increased or decreased by $0.4 million (2022 – $0.4 million) respectively, or 5.6 percent (2022 – 5.0 percent) of the net assets attributable to holders of Capital Units, excluding the Preferred Security liability, with all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Manager believes that a portfolio that is subject to covered call option writing or purchased put options should provide a degree of protection against falling share prices in a downward trending market.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	Dec. 31, 2023	Dec. 31, 2022
Financials	97.9%	97.9%
Exchange-Traded Funds	2.1%	2.1%
	100.0%	100.0%

Capital Risk Management

Capital Units surrendered for retraction (either alone or together with a Preferred Security) at least 10 business days prior to the last day of a month (a "Valuation Date") will be retracted on such Valuation date and such securityholder will receive payment on or before 10 business days following such Valuation Date. A holder who concurrently redeems a Capital Unit with a Preferred Security (a "Combined Unit") for retraction on a monthly Valuation Date (other than December) will be entitled to receive an amount equal to 95 percent of the lesser of (i) the net asset value ("NAV") of a Combined Unit (the "Combined Value") less $0.50 and (ii) the Combined Unit Market Price (as defined below). A holder retracting a Capital Unit alone on a monthly Valuation date (other than December) will receive a retraction price per Capital Unit equal to 95 percent of the lesser of (i) the Combined Value less the aggregate cost to purchase a Preferred Security in the market and $0.50 and (ii) the Capital Unit Market Price (as defined below).

The "Combined Unit Market Price" means the sum of the Capital Unit Market Price and the Preferred Security Market Price.

The "Capital Unit Market Price" means the weighted average trading price of the Capital Units, on the stock exchange on which the Capital Units are listed, for the 10 trading days immediately preceding the applicable valuation date.

The "Preferred Security Market Price" means the weighted average trading price of the Preferred Securities, on the stock exchange on which the Preferred Securities are listed, for the 10 trading days immediately preceding the applicable valuation date.

A holder who surrenders a Capital Unit for retraction in December (a "Special Annual Retraction") will receive an amount equal to the Combined Value minus the price paid for one Preferred Security in the market. A holder of Capital Units who surrenders one Capital Unit and one Preferred Security under a Special Annual Retraction will receive an amount equal to the Combined Value.

Fair Value Measurement

The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3: Inputs that are based on unobservable market data.

The classification of an item into the above levels is based on the lowest level of inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur. The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2023 and 2022.

As at December 31, 2023	Level 1	Level 2	Level 3	Total
Canadian Common Shares	$ 7,992,434	$ –	$ –	$ 7,992,434
Exchange-Traded Funds	171,948	–	–	171,948
	$ 8,164,382	$ –	$ –	$ 8,164,382

As at December 31, 2022	Level 1	Level 2	Level 3	Total
Canadian Common Shares	$ 7,594,634	$ –	$ –	$ 7,594,634
Exchange-Traded Funds	161,482	–	–	161,482
	$ 7,756,116	$ –	$ –	$ 7,756,116

The carrying values of cash, dividends receivable, due from brokers – investments, accrued liabilities, accrued management fees, redemptions payable, Preferred Securities and the Fund's obligation for net assets attributable to holders of Capital Units approximate their fair values due to their short-term nature.

(a) Equities

The Fund's equity positions are classified as Level 1 as equity securities are actively traded and a reliable quoted price is observable.

(b) Short-Term Investments

Short-term investments are valued at cost plus accrued interest which approximates fair value. The inputs are observable and therefore short-term investments are classified as Level 2.

(c) Derivative Assets and Liabilities

Derivative assets and liabilities consist of option contracts.

Listed options are classified as Level 1 as the security is traded on a recognized exchange and a reliable price is readily observable.

Fair value of over-the-counter options is determined using the Black-Scholes Model with observable market data as inputs. Over-the-counter option contracts, for which the credit risks are determined not to be significant to fair value, have been classified as Level 2.

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during 2023 and 2022.

7. Capital Units and Preferred Securities

The Fund is authorized to issue an unlimited number of Capital Units and Preferred Securities. The Preferred Securities are direct unsecured debt obligations issued by the Fund that will mature on March 31, 2026. At such date, the Fund will repay the principal amount of $12.50 per Preferred Security on termination of the Fund.

The Fund will endeavour to make quarterly distributions to holders of Capital Units in an amount targeted to be 7.5 percent per annum on the Fund's net asset value and to pay holders of Preferred Securities fixed quarterly cash interest payments of 6.25 percent per annum on the $12.50 principal amount of a Preferred Security.

For the year ended December 31, 2023, cash distributions paid to Capital Unit Holders were $68,754 (2022 – $125,912) representing a payment of $0.12 (2022 – $0.22) per Capital Unit and interest payments paid to Preferred Securities were $437,333 (2022 – $453,036) representing $0.78 (2022 – $0.78) per Preferred Security.

During the year ended December 31, 2023, 60,262 (2022 – 20,100) Units were redeemed for a total retraction value of $886,611 (2022 – $279,304).

During the years ended December 31, 2023 and 2022, unit transactions are as follows:

	Dec. 31 2023	Dec. 31 2022
Capital Units outstanding, beginning of year	559,794	579,894
Capital Units redeemed	(60,262)	(20,100)
Capital Units outstanding, end of year	499,532	559,794
Preferred Securities outstanding, beginning of year	559,794	579,894
Preferred Securities redeemed	(60,262)	(20,100)
Preferred Securities outstanding, end of year	499,532	559,794

8. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) Management Fees

Mulvihill, as Manager under the terms of the Trust Agreement and as Investment Manager under terms of the Investment Management Agreement, receives fees payable at annual rates of 0.10 percent and 1.00 percent, respectively, of the Fund's net asset value, excluding the Preferred Security liability, calculated and payable monthly, plus applicable taxes. The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the Custodian and Manager in the ordinary course of business relating to the Fund's operations. Total management fees for the year ended December 31, 2023 were $85,688 (2022 – $92,703) of which $7,542 (2022 – $7,385) was paid subsequent to year-end.

(b) Advisory Board Fees

Total advisory board fees paid to the external members of the Board of Advisors for the year ended December 31, 2023 were $20,400 (2022 – $19,378).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the year ended December 31, 2023 were $11,297 (2022 – $12,981).

(d) Investment in other Mulvihill Funds

The Fund may invest in units of other funds managed by the Manager. The Fund's ownership interest in Premium Income Corporation – Preferred share was 0.07 percent as at December 31, 2023 (2022 – 0.09 percent).

9. Brokerage Commissions and Soft Dollars

The Manager may select brokerages who charge a commission in soft dollars if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. The ascertainable soft dollar value received as a percentage of total transaction fees paid during the years ended December 31, 2023 and 2022 is disclosed below:

	Dec. 31, 2023	Dec. 31, 2022
Soft Dollars	$ 4,730	$ 4,160
Percentage of Total Transaction Fees	62.2%	44.4%

10. Increase/(Decrease) in Net Assets Attributable to Holders of Capital Units per Capital Unit

The increase/(decrease) in net assets attributable to holders of Capital Units per Capital Unit for the years ended December 31, 2023 and 2022 is calculated as follows:

	Dec. 31, 2023	Dec. 31, 2022
Increase/(Decrease) in Net Assets Attributable to Holders of Capital Units	$ 526,044	$ (1,606,874)
Weighted Average Number of Capital Units Outstanding during the Year	559,628	579,839
Increase/(Decrease) in Net Assets Attributable to Holders of Capital Units per Capital Unit	$ 0.9400	$ (2.7712)

11. Income Taxes

No amount is payable on account of income taxes in 2023 and 2022.

Accumulated non-capital losses of approximately $8.9 million (2022 – $8.6 million) and capital losses of approximately $68.6 million (2022 – $68.3 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire as follows:

Expiration Date	Amount (in $millions)
2026	$ 4.7
2028	1.1
2029	1.4
2030	0.8
2032	0.3
2039	0.1
2040	0.2
2043	0.3
	$ 8.9

12. Audit Fees

During the year, fees paid or payable to Deloitte LLP for the audit of the financial statements of the Fund were $31,360 and fees for other services were $1,736.

Board of Advisors

John Mulvihill
Chairman & CEO
Mulvihill Capital Management Inc.

John P. Mulvihill
President
Mulvihill Capital Management Inc.

John D. Germain
Senior Vice-President & Chief Financial Officer
Mulvihill Capital Management Inc.

Dr. Robert Bell[1]
Corporate Director

Robert G. Bertram[1]
Corporate Director

R. Peter Gillin[1]
Corporate Director

[1]*Independent Review Committee Member*

Information

Independent Auditor:
Deloitte LLP
Bay Adelaide Centre, East Tower 8
Adelaide Street West, Suite 200
Toronto, Ontario
M5H 0A9

Transfer Agent:
Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario
M5J 2Y1

Securities Listed:
Toronto Stock Exchange
trading under
TXT.PR.A/TXT.UN

Custodian:
RBC Investor Services Trust
RBC Centre
155 Wellington Street West, 2nd Floor
Toronto, Ontario
M5V 3L3

Visit our website at www.mulvihill.com for additional information on all Mulvihill Investment Funds.

Investment Funds Managed by Mulvihill Capital Management Inc.

EXCHANGE-TRADED FUNDS

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)
Mulvihill Premium Yield Fund ETF (MPY)
Mulvihill U.S. Health Care Enhanced Yield ETF (XLVE)

MUTUAL FUNDS

Mulvihill Premium Yield Fund

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)
S Split Corp. (SBN.PR.A/SBN)
Top 10 Split Trust (TXT.PR.A/TXT.UN)
World Financial Split Corp. (WFS.PR.A/WFS)

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Contact your broker directly for address changes.

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