
**GlobalBanc
Advantaged 8 Split Corp.**

Annual Financial Statements
for the year ended December 31, 2008

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of GlobalBanc Advantaged 8 Split Corp. (the "Fund") are the responsibility of management and have been approved by the board of directors of the Fund (the "Board"). They have been prepared in accordance with Canadian generally accepted accounting principles using information available to February 20, 2009 and management's best estimates and judgments.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

These financial statements have been approved by the Board and have been audited by Deloitte & Touche LLP, Chartered Accountants, on behalf of the shareholders. The auditors' report outlines the scope of their audit and their opinion on the financial statements.



Tim Evans
DIRECTOR
FEBRUARY 20, 2009.



David Taylor
DIRECTOR
FEBRUARY 20, 2009.

AUDITORS' REPORT

To the Shareholders of **GlobalBanc Advantaged 8 Split Corp.**,

We have audited the statements of net assets of GlobalBanc Advantaged 8 Split Corp. (the "Fund") as at December 31, 2008 and 2007, the schedule of investments as at December 31, 2008 and the statements of investment operations and retained earnings (deficit), changes in shareholders' equity and cash flows for the year ended December 31, 2008 and the period from June 26, 2007 to December 31, 2007. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2008 and 2007, the results of its investment operations, the changes in its shareholders' equity and its cash flows for the year or period then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP


CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO, CANADA,
FEBRUARY 20, 2009.

GLOBALBANC ADVANTAGED 8 SPLIT CORP.
STATEMENTS OF NET ASSETS

As at December 31	2008 \$	2007 \$
ASSETS		
Canadian Securities Portfolio, at fair value <i>[note 7]</i>	16,318,744	44,941,102
(Total cost: 2008 – \$35,521,818, 2007 – \$48,554,434)		
Forward Agreement, at fair value <i>[note 7]</i>	(5,377,834)	(4,548,367)
Cash and cash equivalents	72,981	171,077
Receivable from Counterparty under Forward Agreement <i>[note 7]</i>	257,520	458,364
Prepaid expenses	8,773	1,667
	11,280,184	41,023,843
LIABILITIES		
Accounts payable and accrued liabilities	114,065	180,006
Redemptions payable	7,520	77,413
Payable for Preferred Shares purchased	17,821	–
Distributions payable <i>[note 8]</i>	162,480	365,364
Bank indebtedness <i>[note 4]</i>	–	198,284
Preferred Shares <i>[note 5]</i>	10,978,298	25,833,971
	11,280,184	26,655,038
	–	14,368,805
CAPITAL SHAREHOLDERS' EQUITY (DEFICIT)		
Class A Shares <i>[note 5]</i>	25,007,711	25,015,231
Class J Shares <i>[note 5]</i>	150	150
Deficit	(25,007,861)	(10,646,576)
	–	14,368,805
Number of units outstanding <i>[note 5]</i>	2,321,150	2,686,500
Net Assets per Class A Share	\$0.00	\$5.35
Redemption value per Preferred Share <i>[note 5]</i>	\$5.03	\$10.00
Net Assets per unit	\$5.03	\$15.35

See accompanying notes

On behalf of the Board of Directors:



DIRECTOR



DIRECTOR

GLOBALBANC ADVANTAGED 8 SPLIT CORP.

**STATEMENTS OF INVESTMENT OPERATIONS
AND RETAINED EARNINGS (DEFICIT)**

	Year ended December 31, 2008 \$	Period from June 26 to December 31, 2007 \$
INVESTMENT INCOME		
Interest	215	21,201
	215	21,201
EXPENSES		
Forward Agreement fee <i>[note 7]</i>	184,235	144,997
Securityholder reporting costs	93,923	83,276
Administrator fees <i>[note 6]</i>	69,000	60,236
Legal fees	49,425	32,203
Independent review committee and directors' fees	32,689	21,750
Audit fees	32,514	32,000
Custodial fees	31,904	16,771
Interest expense and borrowing charges	15,317	994
Goods and Services Tax	12,465	14,370
	521,472	406,597
Net investment loss before the undernoted:	(521,257)	(385,396)
Preferred Shares issue costs amortization <i>[note 5]</i>	(323,291)	(103,971)
Distributions on Preferred Shares <i>[note 8]</i>	(1,069,174)	(625,151)
Net investment loss	(1,913,722)	(1,114,518)
REALIZED AND UNREALIZED LOSS ON FORWARD AGREEMENT, CANADIAN SECURITIES PORTFOLIO AND PREFERRED SHARES		
Realized loss on Canadian Securities Portfolio <i>[note 7]</i>	(9,210,203)	(1,696,865)
Change in unrealized loss of Forward Agreement and Canadian Securities Portfolio	(16,667,624)	(7,704,560)
Gain on redemption of Preferred Shares	1,904,800	-
Decrease in value of Preferred Shares <i>[Note 3]</i>	11,525,464	-
Net loss on Forward Agreement, Canadian Securities Portfolio and Preferred Shares	(12,447,563)	(9,401,425)
Results of investment operations for the period	(14,361,285)	(10,515,943)
Results of investment operations per Class A Share	\$ (5.4071)	\$ (3.9035)
Retained earnings (deficit), beginning of period	(10,646,576)	-
Results of investment operations for the period	(14,361,285)	(10,515,943)
Distributions on Class A Shares <i>[note 8]</i>	-	(130,633)
Deficit, end of period	(25,007,861)	(10,646,576)

See accompanying notes

GLOBALBANC ADVANTAGED 8 SPLIT CORP.

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

	Year ended December 31, 2008 \$	Period from June 26 to December 31, 2007 \$
Shareholders' equity, beginning of period	14,368,805	-
Operations		
Decrease in net assets from investment operations	(14,361,285)	(10,515,943)
Shareholder transactions [note 5]		
Proceeds from issuance of Class A Shares	-	27,000,000
Proceeds from issuance of Class J Shares	-	150
Issue costs on Class A Shares	-	(1,922,950)
Redemption of Class A Shares	(7,520)	(71,635)
Discount on Preferred Shares redeemed	-	9,816
	(7,520)	25,015,381
Distribution to Class A Shareholders [note 8]		
From return of capital	-	(130,633)
Net increase (decrease) in shareholders' equity	(14,368,805)	14,368,805
Shareholders' equity (deficit), end of period	-	14,368,805

See accompanying notes

GLOBALBANC ADVANTAGED 8 SPLIT CORP.
STATEMENTS OF CASH FLOWS

	Year ended December 31, 2008 \$	Period from June 26 to December 31, 2007 \$
OPERATING ACTIVITIES		
Net investment loss for the period	(1,913,722)	(1,114,518)
Net change in non-cash items		
Preferred Share issue cost amortization	323,291	103,971
Change in other assets and liabilities	15,401	(5,148)
Cash flows used in operating activities	(1,575,030)	(1,015,695)
FINANCING ACTIVITIES		
Issuance of Preferred Shares	-	27,000,000
Issuance of Class A Shares	-	27,000,000
Issuance of Class J Shares	-	150
Issue costs on Preferred Shares	-	(1,135,000)
Issue costs on Class A Shares	(27,354)	(1,895,596)
Redemption of Preferred Shares	(3,653,500)	(75,000)
Redemption of Class A Shares	(20,509)	(51,126)
Discount on Preferred Shares redeemed	1,865,718	6,720
Distributions on Class A Shares	(63,133)	(67,500)
Borrowings (repayment) of bank indebtedness	(198,285)	198,284
Cash flows from (used in) financing activities	(2,097,063)	50,980,932
INVESTING ACTIVITIES		
Proceeds from partial settlement of Forward Agreement	3,573,997	953,784
Purchase of Forward Agreement	-	(50,747,944)
Cash flows from (used in) investing activities	3,573,997	(49,794,160)
Net increase (decrease) in cash and cash equivalents during the period	(98,096)	171,077
Cash and cash equivalents, beginning of period	171,077	-
Cash and cash equivalents, end of period	72,981	171,077

See accompanying notes

GLOBALBANC ADVANTAGED 8 SPLIT CORP.
SCHEDULE OF INVESTMENTS

As at December 31, 2008

	Fair Value (\$)	% of Total Investments
Canadian Securities Portfolio <i>[note 7]</i>	16,318,744	149.15
Value of Forward Agreement <i>[note 7]</i>	(5,377,834)	(49.15)
Total value of investments (including Forward Agreement)	10,940,910	100.00

As a result of the Forward Agreement described in Note 7, the above investments (including Forward Agreement) are represented by the Net Asset Value of the GlobalBanc Portfolio as at December 31, 2008 as listed below:

Number of shares	Description	Fair value \$	% of GlobalBanc Portfolio
80,500	Bank of America Corp. (DE)	1,388,300	12.69
40,700	BNP Paribas	2,102,938	19.22
28,500	Citigroup Inc.	241,005	2.20
29,900	Deutsche Bank AG	1,434,339	13.11
20,300	Societe Generale Group	1,254,064	11.46
394,937	Royal Bank of Scotland Group plc	344,880	3.15
266,400	Banco Santander Central Hispano SA	3,081,168	28.16
65,900	UBS AG	1,123,594	10.28
	Cash and other assets net of liabilities	(29,378)	(0.27)
	Value of GlobalBanc Portfolio	10,940,910	100.00

See accompanying notes

GLOBALBANC ADVANTAGED 8 SPLIT CORP.

NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. INCORPORATION

GlobalBanc Advantaged 8 Split Corp. (the "Fund"), incorporated under the laws of Ontario on May 1, 2007, is a mutual fund corporation. The Fund provides holders of its shares with tax-efficient exposure, through the use of a forward agreement, to the price performance and dividend payments (including any increases thereof) of an initially equally weighted basket of securities consisting of eight of the world's largest banks ("GlobalBanc Portfolio").

On June 26, 2007, 2,600,000 Preferred Shares and 2,600,000 Class A Shares were issued by the Fund for gross proceeds of \$26,000,000 in respect of the Preferred Shares and \$26,000,000 in respect of the Class A Shares.

On July 6, 2007, 100,000 Preferred Shares and 100,000 Class A Shares were issued by the Fund for gross proceeds of \$1,000,000 in respect of the Preferred Shares and \$1,000,000 in respect of the Class A Shares.

The Administrator of the Fund is National Bank Financial Inc. (the "Administrator").

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). In applying Canadian GAAP, management may make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses during the reporting period. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements.

Adoption of new accounting standards

Financial Instruments Disclosure and Presentation

On January 1, 2008, the Fund adopted CICA Handbook Section 3862, *Financial Instruments – Disclosures* and CICA Handbook Section 3863, *Financial Instruments – Presentation*. These sections emphasize disclosure on how the Fund manages its financial risk exposure on financial instruments. The standards include new requirements to quantify certain risk exposures and to provide sensitivity analysis for certain risks. These standards did not affect the Fund's financial position or results of operations. See Note 3 for disclosure relating to the adoption of the new requirements.

Capital Disclosures

On January 1, 2008, the Fund adopted CICA Handbook Section 1535, *Capital Disclosures*, which specifies 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 non-compliance. This standard did not affect the Fund's financial position or results of operations. The disclosure requirements pertaining to Section 1535 are contained in Note 11.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash and short-term investments with a term to maturity of less than three months from the date of purchase. Cash and cash equivalents are categorized as held for trading and therefore are carried at fair value. Short-term investments are valued at cost plus accrued interest, which approximates fair value.

Income recognition

The accrual method of recording income and expenses is followed with dividend income being recorded on the ex-dividend date.

Forward Agreement and Canadian Securities Portfolio

The Forward Agreement is valued at an amount equal to the gain or loss that would be realized if the position was to be closed out in accordance with its terms, in which case the fair value shall be based on the current fair value of the GlobalBanc Portfolio. On settlement, the fair value of the Forward Agreement would equal the difference between the fair value of the Canadian Securities Portfolio and the GlobalBanc Portfolio, net of expenses. The investments comprising the Canadian Securities Portfolio are valued at the closing bid price.

NOTES TO FINANCIAL STATEMENTS continued

The Canadian Securities Portfolio and Forward Agreement are deemed to be held for trading and changes in fair value are reflected in the Fund's Statements of Operations and Retained Earnings. Average cost is used to determine the gain or loss on the sale of the Canadian Securities Portfolio.

Results of investment operations per Class A Share

The results of investment operations per Class A Share in the Statements of Investment Operations and Retained Earnings (Deficit) represents the results of investment operations during the period, divided by the average number of Class A Shares outstanding during the period.

Net Assets per unit

The Net Assets per unit is calculated as net assets at fair value divided by the number of units outstanding of the Fund. The Preferred Shares are not treated as liabilities for this purpose. A unit is a notional unit comprising of one Preferred Share and one Class A Share.

Preferred Shares

The Preferred Shares are carried at amortized cost using the effective interest method and are presented as liabilities in the Statements of Net Assets. The costs incurred to issue Preferred Shares are amortized over the term of the Preferred Shares using the effective interest method. On redemption or early retraction of the Preferred Shares or Class A Shares, any unamortized issue cost relating to these shares and included in Net Asset per unit will be written off. The fair value of the Preferred Shares, which is based on the TSX market price on December 31, 2008, was \$8,124,025 (2007 - \$23,103,900).

Other assets and liabilities

Receivable from Counterparty under Forward Agreement is designated as loans and receivables are recorded at cost or amortized cost. Similarly, accounts payable and accrued liabilities, redemptions payable, payable for Preferred Shares purchased, and distributions payable are designated as other liabilities and recorded as cost or amortized cost. Other assets and liabilities are short-term in nature and amortized cost approximates fair value.

3. MANAGEMENT OF FINANCIAL RISKS

In the normal course of business, the Fund is exposed to various financial risks, including credit risk, liquidity risk and market risk (consisting of interest rate risk, currency risk and other price risk). To assist in managing risk, the Administrator maintains a governance structure that oversees the Fund's investment activities and monitors compliance with the Fund's stated investment strategy, investment guidelines and securities regulations.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund.

In entering into the Forward Agreement, the Fund is exposed to the credit risk associated with the Counterparty. Depending upon the relative values of the GlobalBanc Portfolio and the Canadian Securities Portfolio, the Fund's exposure to the credit risk of the Counterparty may be significant. As at December 31, 2008, the credit exposure is \$10.9 million and is represented by the carrying value of the GlobalBanc Portfolio.

The Counterparty credit risk is managed by dealing with counterparties the Fund believes to be creditworthy and by regular monitoring of credit exposures. As at December 31, 2008, the Counterparty has a credit rating of A according to Standard & Poor's.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to settle or meet its obligation on time or at a reasonable price. As at December 31, 2008, the holdings in the Canadian Securities Portfolio and GlobalBanc Portfolio are considered readily realizable as they are actively traded on public exchanges. In addition, the Fund may borrow up to 5% of its net assets for the purpose of paying redemptions and for working capital purposes.

NOTES TO FINANCIAL STATEMENTS continued

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments.

The Fund is exposed to interest rate risk relating to borrowings under the loan facility. A rise in interest rates will increase the net investment loss of the Fund. If the prevailing interest rates on the loan facility increased or decreased by 0.50% during the period with all other variables held constant, the borrowing costs for the period would increase or decrease by \$791 respectively.

The Fund is not exposed to interest rate risk on the Preferred Shares as these shares are entitled to a fixed cumulative preferential distribution of 4.5% per annum on the issue price of the Preferred Shares.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The assets and liabilities of the Fund are predominantly held in the functional currency of the Fund which is the Canadian dollar. The Fund is exposed to the performance of the GlobalBanc Portfolio which is denominated in foreign currencies. As the Forward Agreement, through which the exposure is obtained, includes a foreign currency hedge, the Fund is not exposed to significant foreign currency risks.

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

All investments in securities present a risk of loss of capital. The maximum market price risk resulting from these investments is equivalent to their fair value. The value of the Class A Shares and Preferred Shares will vary with the value of the GlobalBanc Portfolio by virtue of the Forward Agreement. The Fund's investment portfolio is passively managed and the value of the GlobalBanc Portfolio will be influenced by factors which are not within the control of the Fund including the performance of the portfolio securities, the condition of the equity markets generally and other factors. The Fund's exposure is concentrated in the financial services sector and as such will be exposed to the specific factors that affect this sector.

By utilizing a split share structure, holders of the Class A Shares receive leveraged exposure such that any capital appreciation or depreciation of the GlobalBanc Portfolio will be borne by the Class A Shares up to amounts subscribed by these shareholders. Accordingly, any increase or decrease in the value of the GlobalBanc Portfolio will result in a greater proportionate increase or decrease in the Net Asset Value of the Class A Shares. At December 31, 2008 as the decline in the value of the GlobalBanc Portfolio exceeded the amounts subscribed by the Class A shareholders, the value of the Class A shares is nil and the Preferred Shareholders have absorbed the excess losses.

As at December 31, 2008, 93.6% of the Fund's net assets were exposed to the holdings in the GlobalBanc Portfolio which are traded on global stock exchanges. If equity prices on the global stock exchanges had increased or decreased by 10% as at the period end, with all other factors remaining constant, net assets would have increased or decreased by \$1,094,091, respectively.

4. BANK INDEBTEDNESS

The Administrator, on behalf of the Fund, has entered into a \$2.5 million revolving term facility with a Canadian bank. Under the terms of the facility, the Fund may borrow up to 5% of the net assets of the Fund. Amounts borrowed under the facility are collateralized by security interest in the assets and undertakings of the Fund. Amounts borrowed bear interest at the bank's prime rate or, if incurred by way of banker's acceptance, at rates slightly below prime. As at December 31, 2007, the indebtedness was in the form of bankers' acceptances having a weighted average term of 90 days and an effective rate of 4.80%. As at December 31, 2008, the Fund had no bank indebtedness outstanding. The amount of the loan ranged between \$nil and \$450,000 during the year.

NOTES TO FINANCIAL STATEMENTS continued

5. SHARE CAPITAL

The Fund is authorized to issue an unlimited number of Preferred Shares, Class A Shares and Class J Shares.

The Fund issued 150 Class J Shares for a cash consideration of \$150.

A summary of the Fund's issued and outstanding share capital and related share issue costs is as follows:

	Class J Shares	Number of Units	Class A Shares	Preferred Shares	Preferred Share Issue Costs
Issuance of shares on June 26, 2007	\$150	2,700,000	\$27,000,000	\$27,000,000	–
Issue costs	–	–	(\$1,922,950)	–	(\$1,135,000)
Redemptions of shares	–	(13,500)	(\$61,819)	(\$135,000)	\$5,196
Amortization	–	–	–	–	\$98,775
Outstanding on December 31, 2007	\$150	2,686,500	\$25,015,231	\$26,865,000	(\$1,031,029)
Redemptions of shares	–	(365,350)	(\$7,520)	(\$3,653,500)	\$113,450
Amortization	–	–	–	–	\$209,841
Decrease in value of Preferred Shares	–	–	–	(\$11,525,464)	–
Outstanding on December 31, 2008	\$150	2,321,150	\$25,007,711	\$11,686,036	(\$707,738)

Preferred Shares

Holders of Preferred Shares will be entitled to receive fixed cumulative preferential quarterly cash distributions of \$0.1125 per Preferred Share or 4.5% per annum on the issue price of the Preferred Shares. Such quarterly distributions will be paid on or about the last business day of March, June, September and December in each year commencing September 28, 2007.

Preferred Shares may be surrendered at any time for redemption by the Fund, but will be redeemed only on the monthly Redemption Date. Holders of Preferred Shares whose shares are surrendered for redemption will be entitled to receive the Preferred Share Redemption Price which will be equal to the lesser of (i) (a) 95% of the Net Asset Value per unit less (b) the cost to the Fund of the purchase of a Class A Share in the market for cancellation and (ii) \$10.00. Any unamortized issue costs relating to any offering of Preferred Shares by the Fund will be deducted in calculating the Net Asset Value per unit for this purpose.

Commencing in November 2008, a holder of a Preferred Share may concurrently redeem an equal number of Preferred Shares and Class A Shares on the Redemption Date in November of each year. The amount received per unit by the redeeming shareholder for such concurrent redemption will be equal to the Net Asset Value per unit. Any unamortized issue costs relating to any offering of Preferred Shares by the Fund will be deducted in calculating the Net Asset Value per unit for this purpose.

The Preferred Shares will be redeemed on December 15, 2012 (the "Final Redemption Date"). The redemption price payable by the Fund for each Preferred Share outstanding on the Final Redemption Date will be equal to the lesser of (i) \$10.00 plus any accrued and unpaid distributions on a Preferred Share, and (ii) the Net Asset Value on that date divided by the number of Preferred Shares then outstanding.

The Preferred Shares rank in priority to the Class A Shares and Class J Shares with respect to the payment of distributions and the repayment of capital upon the dissolution, liquidation or winding-up of the Fund.

Class A Shares

Holders of Class A Shares will receive cash distributions if, as and when declared by the board of directors, that are expected to consist of non-taxable returns of capital and capital gains.

Class A Shares may be surrendered at any time for redemption by the Fund, but will be redeemed only on the monthly

NOTES TO FINANCIAL STATEMENTS continued

Redemption Date. Holders of Class A Shares whose shares are surrendered for redemption will be entitled to receive the Class A Redemption Price which will be equal to the lesser of (i) 95% of the Net Asset Value per unit less (ii) the cost to the Fund of the redemption of a Preferred Share at a premium or purchase of a Preferred Share in the market for cancellation. Any unamortized issue costs relating to any offering of Preferred Shares by the Fund will be deducted in calculating the Net Asset Value per unit for this purpose.

Commencing in November 2008, a holder of Class A Share may concurrently redeem an equal number of Class A Shares and Preferred Shares on the Redemption Date in November of each year. The amount received per unit by the redeeming shareholder for such concurrent redemption will be equal to the Net Asset Value per unit. Any unamortized issue costs relating to any offering of Preferred Shares by the Fund will be deducted in calculating the Net Asset Value per unit for this purpose.

The Class A Shares will be redeemed on the Final Redemption Date. The redemption price payable by the Fund for each Class A Share outstanding on the Final Redemption Date will be equal to the greater of (i) the Net Asset Value per unit on that date minus \$10.00 and minus any accrued and unpaid distributions on a Preferred Share, and (ii) nil.

The Class A Shares rank subsequent to the Preferred Shares with respect to the payment of distributions and the repayment of capital on the dissolution, liquidation or winding up of the Fund.

Class J Shares

The holders of Class J Shares are not entitled to receive dividends. The holders of Class J Shares are entitled to one vote per share.

The Class J Shares are redeemable at a price of \$1.00 per share and retractable at any time at either (i) a price of \$1.00 per share if any of the Class A Shares or Preferred Shares are then outstanding, or (ii) the Net Asset Value of the Fund divided by number of Class J Shares outstanding if none of the Class A Shares or Preferred Shares are then outstanding.

6. EXPENSES OF THE FUND

The Administrator is entitled to an annual fee of 0.25% per annum of the Net Asset Value, calculated daily and payable monthly, plus applicable taxes. The Administrator has retained First Asset Investment Management Inc. ("First Asset") to provide the administrative services, including investment advisory services, required by the Fund. Fees payable to First Asset for such services will be paid by the Administrator out of its fee.

The Fund pays the forward counterparty, National Bank of Canada, an additional purchase amount under the Forward Agreement, calculated daily and payable quarterly in arrears, of 0.40% per annum of the notional amount of the Forward Agreement, being the value of securities upon which the payment obligation of the Counterparty under the Forward Agreement is based, and 0.20% per annum in respect of hedging costs incurred in connection with the Canadian Securities Portfolio.

The Fund is responsible for all costs relating to its administration.

No commissions or other transaction costs were paid by the Fund for its portfolio transactions during the period.

7. FORWARD AGREEMENT AND CANADIAN SECURITIES PORTFOLIO

In order to gain exposure to the price performance and dividend payments of the GlobalBanc Portfolio, the Fund invested the net proceeds of the offering of units in a portfolio of common shares of Canadian public companies (the "Canadian Securities Portfolio") and entered into a Forward Agreement with National Bank of Canada (the "Counterparty").

Pursuant to the agreement, the Fund will agree to transfer on or about the Final Redemption Date the Canadian Securities Portfolio to the Counterparty in exchange for an amount determined by reference to the Canadian dollar value of the GlobalBanc Portfolio. The Fund will partially settle the Forward Agreement prior to the Final Redemption Date in order to fund distributions and retractions, redemptions and repurchases of shares and to pay any expenses or liabilities of the Fund.

GLOBALBANC ADVANTAGED 8 SPLIT CORP.
NOTES TO FINANCIAL STATEMENTS continued

As at December 31, 2008, the Canadian Securities Portfolio for the Fund consists of the following investments:

Number of shares	Description	Fair Value \$
80,459	CGI Group Inc., Class A	764,361
109,700	FNX Mining Company Inc.	331,294
242,800	Galleon Energy Inc., Class A	1,230,996
135,400	Hudbay Minerals Inc.	414,324
290,200	IVANHOE Mines Ltd.	919,934
95,900	MacDonald Dettwiler & Associates	2,068,563
187,500	RONA Inc.	2,248,125
119,900	Stantec Inc.	3,582,612
134,800	Viterra Inc.	1,277,904
265,900	Westjet Airlines Ltd	3,480,631
		16,318,744

8. DISTRIBUTIONS

An objective of the Fund is to provide fixed cumulative preferential quarterly cash distributions equal to of \$0.1125 per share to holders of Preferred Shares, as and when declared, to yield 4.5% per annum on the original issue price of the Preferred Shares. For the first three quarters of 2008, the Fund maintained and declared quarterly cash distributions of \$0.1125 per Preferred Share, however, the fourth quarter distribution was reduced to \$0.07 per Preferred Share. The Fund determined that, as a result of anticipated changes in the dividend payments to be paid by the banks included in the GlobalBanc Portfolio, future dividend payments to be received by the Fund may not generate sufficient yield to pay in full the fixed cumulative quarterly dividends in the amount of \$0.1125 per Preferred Share and the expenses of the Fund. The Board of Directors will monitor the distributions estimated to be received on the GlobalBanc Portfolio and may revise the amount of dividends paid on the Preferred Shares in the future, up or down, to take into account changes in these estimates and changes in the Fund's expenses.

Class A shareholders will receive cash distributions if, as and when declared by the Board of Directors. No distributions were declared on the Class A Shares for the year ended December 31, 2008.

9. INCOME TAXES

The Fund qualifies and intends to continue to qualify as a mutual fund corporation under the Income Tax Act (Canada). Mutual fund corporations are generally subject to tax in the same manner as other public corporations except that income taxes payable on realized capital gains are refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid by the Fund to its shareholders.

The Fund is subject to a special tax at the rate of 33 1/3% on taxable dividends received from taxable Canadian corporations.

This tax is refundable to the Fund upon the payment of taxable dividends to its shareholders at the rate of \$1 of tax for every \$3 of dividends paid.

NOTES TO FINANCIAL STATEMENTS continued**10. TAX LOSS CARRYFORWARD**

As at December 31, 2008, the Fund had capital loss carryforwards for income tax purposes which may be carried forward indefinitely to be applied against future capital gains. The non-capital losses may be utilized to reduce taxable income of future years and expire in the year indicated.

Capital Losses	Non-Capital Losses	Expiration of Non-Capital Losses 2028	Expiration of Non-Capital Losses 2027
\$11,014,852	\$1,611,291	\$960,373	\$650,918

11. CAPITAL MANAGEMENT

The Fund considers its capital to consist of Class A, Class J and Preferred Shares.

The Fund's objectives in managing its capital are:

- (i) to provide holders of Preferred Shares with cumulative preferential quarterly cash distributions in the amount of \$0.1125 per Preferred Share and to return the original issue price to holders of the shares on December 15, 2012, and
- (ii) to provide holders of Class A Shares with cash distributions and the opportunity for growth in net asset value per share.

The Fund manages its capital in accordance with its investment objectives and strategies and the risk management practices outlined in Note 3. In order to manage its capital structure, the Fund may adjust the amount of distributions paid to shareholders.

12. INTERNATIONAL FINANCIAL REPORTING STANDARDS

At December 31, 2008, the Fund has developed a changeover plan to meet the timeline published by the CICA for the changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include the disclosures of the qualitative impact in the 2009 and 2010 financial statements, disclosures of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS. Currently, the Fund believes that the changeover to IFRS will not impact the reported results or net asset value per unit. The main impact of IFRS on accounting policies and implementation decisions is expected to relate to additional disclosures in the financial statements of the Fund.

13. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the current year's presentation.