
GlobalBanc Advantaged 8 Split Corp.

**Annual Management Report of Fund Performance
and Audited Financial Statements
for the period from
June 26, 2007 to December 31, 2007**

GlobalBanc Advantaged 8 Split Corp.

2007 ANNUAL REPORT

Table of Contents

Annual Management Report of Fund Performance	1
Financial Highlights	5
Summary of Investment Portfolio	8
Management's Responsibility for Financial Reporting . .	9
Financial Statements	
Auditors' Report	10
Statement of Net Assets	11
Statement of Investment Operations and Retained Earnings (Deficit)	12
Statements of Changes in Shareholders' Equity . . .	13
Statement of Cash Flows	14
Schedule of Investments	15
Notes to Financial Statements	16
Corporate Information	22

Forward-looking Statements

This report may contain forward-looking statements. Forward-looking statements involve risks and uncertainties and are predictive in nature and actual results could differ materially from those contemplated by the forward-looking statements.

Annual Management Report of Fund Performance

This annual management report of fund performance contains financial highlights along with the audited annual financial statements (the “Annual Financial Statements”) of GlobalBanc Advantaged 8 Split Corp. (the “Company”). The Canadian Securities Administrators released a nationally harmonized set of continuous disclosure requirements for investment funds. Set out in *National Instrument 81-106 Investment Fund Continuous Disclosure* are the requirements for a number of reporting matters including financial statements, management report of fund performance, delivery obligations and proxy voting disclosure. Shareholders can request a copy of the Company’s proxy voting policies and procedures or proxy voting disclosure by calling 1-877-642-1289, by writing to GlobalBanc Advantaged 8 Split Corp. at 95 Wellington St. West, Suite 1400, Toronto, ON, M5J 2N7, by visiting the Company’s website at www.globalbancsplit.com or on SEDAR at www.sedar.com.

Investment Objective and Strategy

The Company 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 a basket of securities of Citigroup Inc., Bank of America Corp. (DE), Royal Bank of Scotland Group plc, Deutsche Bank AG, UBS AG, Banco Santander Central Hispano SA, BNP Paribas and Societe Generale Group (the “GlobalBanc Portfolio”).

The investment objectives with respect to the Preferred Shares of the Company are: (i) to provide holders with fixed cumulative preferential quarterly cash distributions that are expected to consist of non-taxable returns of capital and capital gains in the amount of \$0.1125 per Preferred Share, representing a yield on the issue price of the Preferred Shares of 4.5% per annum; and (ii) to return the original issue price of \$10.00 per Preferred Share at the time of redemption of such Preferred Shares on December 15, 2012.

The investment objectives with respect to the Class A Shares of the Company are: (i) to provide holders with the opportunity for leveraged growth in net asset value per Class A Share after the repayment of the original issue price of the Preferred Shares; and (ii) to provide holders of Class A Shares with cash distributions that are expected to consist of non-taxable returns of capital and capital gains as and when declared by the board of directors.

Risk

There were not any changes to the Company over the financial year which affected the overall level of risk associated with an investment in shares of the Company.

The Company has a redemption feature. As with all funds with redemption features, there is always a risk that redemptions will be significant. If a significant number of shares are redeemed, the trad-

ing liquidity of the shares could be significantly reduced and expenses of the Company would be spread over fewer shares, resulting in a higher management expense ratio for the Company.

The Company is a passive investment vehicle that was created to provide economic exposure to a static basket of eight global banks. The GlobalBanc Portfolio is not actively managed and as such, its performance is directly related to the performance of the issuers comprising the GlobalBanc Portfolio. The past year has been difficult for global banks, marked by various challenges, most notably problems associated with sub-prime securities and credit markets.

The annual information form of the Company for the year ended December 31, 2007 contains a more detailed discussion of risks. This document is available on the Company's website at www.globalbancsplit.com or on SEDAR at www.sedar.com. In addition, readers are directed to Note 10 to the attached Annual Financial Statements.

Results of Operations

The Company completed its initial public offering on June 26, 2007. The over-allotment option was exercised on July 6, 2007. In aggregate, the Company issued 2.7 million Preferred Shares and 2.7 million Class A Shares for aggregate gross proceeds of approximately \$54 million. The net proceeds of the offering were invested in accordance with the investment guidelines of the Company.

The Company's net asset value per Class A Share as at December 31, 2007 was \$5.35, a 42.3% decrease from its opening net asset value of \$9.28 as at June 26, 2007. The Company distributed \$0.0485 per Class A Share during the period. As a result, total return for the Class A Shares was -41.9% over the period. The Company also distributed \$0.2321 per Preferred Share over the period.

The challenging environment for global banking institutions led to significant declines in the stock prices of the issuers comprising the GlobalBanc Portfolio which resulted in a significant decline in the net asset value of the Company.

Recent Developments

January 16, 2008: The Company announced that DBRS Limited lowered the rating on the Company's Preferred Shares from Pfd-2 to Pfd-3(high) with a Stable Trend.

March 19, 2008: The Company announced: (i) it was not paying distributions on the Class A Shares for the quarter-ended March 31, 2008; (ii) it was moving to daily publication of its Net Asset Value; and (iii) that it had been advised by DBRS Limited that the rating of certain structured preferred shares with significant exposure to the financial sector, including the Company's Preferred Shares, had been placed "Under Review with Developing Implications".

While there have been no other developments affecting the Company, the securities of the issuers comprising the GlobalBanc Portfolio may be affected by factors which are not within the control of the Company, including factors that affect companies in the financial sector generally and the banking sector in particular, such as fluctuations in interest rates as well as factors unique to each issuer such as changes in its management and other events that may affect the value of the securities of the issuers comprising the GlobalBanc Portfolio. Readers may wish to consult the continuous disclosure documents of the issuers comprising the GlobalBanc Portfolio. For greater certainty, such documents are not incorporated by reference herein.

Related Party Transactions

In connection with its initial public offering, the Company entered into an Agency Agreement with National Bank Financial Inc. (“NBF”), CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Scotia Capital Inc., TD Securities Inc., Canaccord Capital Corporation, Desjardins Securities Inc., Dundee Securities Corporation, Raymond James Ltd., Blackmont Capital Inc. and Wellington West Capital Inc. (collectively, the “Agents”) dated as of May 29, 2007 pursuant to which the Agents agreed to offer the Shares for sale on a best efforts basis when issued by the Company (the “offering”). In connection with their services, the Agents received \$0.30 per Preferred Share and \$0.60 per Class A Share. In connection with the Offering, NBF was also the promoter. NBF also receives a fee for administrative services it provides to the Company.

NBF is an affiliate of National Bank of Canada (the “Counterparty”). The Counterparty is the counterparty under the forward agreement which provides the Company with exposure to the economic performance of the GlobalBanc Portfolio. The Company pays the Counterparty an amount under the forward agreement, calculated daily and payable quarterly in arrears, equal to 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 is based, and 0.20% per annum in respect of hedging costs incurred in connection with securities pledged to the Counterparty to secure the obligations of the Company under the forward agreement.

The Company established a revolving credit facility for the purpose of paying redemptions and for working capital purposes. Amounts borrowed under the facility are collateralized by a security interest in the assets and undertakings of the Company. The lender under the credit facility is National Bank of Canada, an affiliate of NBF. The amount of the loan ranged between nil and \$200,000 during the period and represented 0.48% of the Company’s net asset value as at December 31, 2007. The terms, conditions, interest rates and expenses are typical for a loan of this nature.

First Asset Investment Management Inc. (“First Asset”), which has been retained by NBF to provide certain services to the Company, is also considered to be a related party. First Asset receives a fee

for the services it provides (see “Management Fees” below).

The Independent Review Committee

The Company has appointed an Independent Review Committee (the “IRC”) in accordance with *National Instrument 81-107*. The Company shares its IRC with NB Split Corp., and the relationship with the IRC is administered by FA Administration Services Inc. The costs and expenses of the IRC are shared by the Company and NB Split Corp. The IRC’s Report to Security-holders which must be prepared in accordance with Section 4.4 of *National Instrument 81-107* is available on the Company’s website (www.globalbancsplit.com), on SEDAR (www.sedar.com), or can be obtained by calling (416) 642-1289 or 1-877-642-1289, or by emailing info@globalbancsplit.com.

The members of the IRC are:

Douglas A. S. Mills, C.A. – Mr. Mills brings over 30 years of experience in the finance and wealth management industry. He is currently the Chairman of The Glencreggan Limited, a consulting firm engaged in corporate advisory and change implementation. Mr. Mills has played several leading roles in the financial services industry including Chief Executive of a major Chartered Bank’s Investment Management subsidiary, Vice-President of Barclays Bank Canada and Barclays PLC. Mr. Mills is a Chartered Accountant, sits on several boards and is an Executive-in-Residence at the Ivey School of Business.

Carl M. Solomon, LLB. – Mr. Solomon brings over 35 years of experience in the legal profession having been a partner and subsequently counsel to the law firm now known as Gowling Lafleur Henderson LLP until his retirement in 1999. More recently, Mr. Solomon has been involved in assisting numerous small and mid-sized companies to raise capital for their on-going business or buy-out needs.

Henry Knowles, Q.C., H.B.A., LL.B., LL.M., M.B.A. – Mr. Knowles brings over 45 years of experience in both the legal and financial services industries. Mr. Knowles is currently a consultant to Sheldon Huxtable Professional Corporation. Between 1980 and 1983, Mr. Knowles was the Chairman of the Ontario Securities Commission and was responsible for introducing the new Ontario Securities Act to the business, government and professional communities. Mr. Knowles has played prominent roles with many publicly-listed companies, and has also served in a senior position with a major Canadian mutual fund management company. Mr. Knowles sits on several boards.

Financial Highlights

The following tables show selected key financial information about the Company and are intended to help explain the Company's financial performance since inception. This information is derived from the Company's audited annual financial statements.

The Company's Net Asset Value (NAV) per Unit

	2007 ⁽¹⁾
Net Asset Value, beginning of year ⁽²⁾	\$19.28
Increase (decrease) from operations	
Total revenue	0.01
Total expenses	(0.19)
Realized losses for the period	(0.63)
Unrealized losses for the period	(2.86)
Total increase (decrease) from operations ⁽³⁾	(3.67)
Distributions per Preferred Share:	
From income (excluding dividends)	0.00
From dividends	0.00
From capital gains	0.00
Return of capital	(0.23)
Total Annual Preferred Share Distributions ⁽⁴⁾	(0.23)
Distributions per Class A Share:	
From income (excluding dividends)	0.00
From dividends	0.00
From capital gains	0.00
Return of capital	(0.05)
Total Annual Class A Distributions ⁽⁴⁾	(0.05)
Net Asset Value at December 31 ⁽⁵⁾	\$15.35

(1) Results for the period from May 1, 2007 (inception date) to December 31, 2007.

(2) The Net Asset Value reflects the issue price of \$10 per Class A Share and \$10 per Preferred Share less share issue expenses.

(3) Net Asset Value and distributions are based on the actual number of capital units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(4) Distributions were paid in cash.

(5) This is not a reconciliation of the beginning and ending Net Asset Value per unit.

Ratios and Supplementary Data

	2007 ⁽¹⁾
Net assets ⁽¹⁾	\$41,233,805
Number of units outstanding ⁽¹⁾	2,686,500
Management expense ratio before share issue expenses and interest on Preferred Shares ⁽²⁾	1.24%
Management expense ratio ⁽²⁾	10.00%
Portfolio turnover rate ⁽³⁾	0.00%
Trading expense ratio ⁽⁴⁾	0.00%
Closing market price - Preferred Share	\$8.60
Closing market price - Class A Shares	\$4.49

- (1) This information is provided as at December 31, 2007 and represents GAAP NAV. A Unit represents one Preferred Share and one Class A Share. Net Asset Value is equal to Net Asset Value per unit multiplied by the number of Units outstanding.
- (2) Management expense ratio is based on total expenses for the stated period and is expressed as an annualized percentage of daily average net assets during the period. Total expenses include interest on the Company's Preferred Shares. The Preferred Shares form part of the Company's dual security capital structure. The MER for the period ending December 31, 2007 annualizes expenses incurred from inception date to the end of the period and it also includes all Agents' fees and other offering expenses, which are one time expenses and therefore are not annualized.
- (3) The Corporation's portfolio turnover rate indicates how actively the Corporation's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Corporation buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
- (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of monthly average net assets during the period.

Management Fees

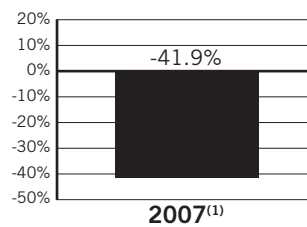
NBF is responsible for providing, or arranging for the provision of administrative services required by the Company. As compensation for the services it provides, NBF is entitled to receive an annual fee from the Company in an amount equal to 0.25% of the NAV, which is calculated daily and paid monthly in arrears. NBF has retained First Asset to provide administrative services, including investment advisory services required by the Company. Fees payable to First Asset for such services are paid by NBF out of its fee.

Past Performance

The following chart indicates the performance of the Company by showing annual returns by fiscal year assuming all the distributions made by the Company in the periods shown were reinvested. Past performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. Past performance is not necessarily indicative of future performance.

Year-by-Year Returns

The following chart shows the Company's annual performance for the period shown. The bar chart shows, in percentage terms, how much an investment made on the first trading day of the financial period would have grown or decreased by the last day of the financial period.



(1) Total return for the period June 26, 2007 to December 31, 2007.

Summary of Investment Portfolio

In order to gain exposure to the price performance and dividend payments of the portfolio securities, the Company 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 (“National Bank”). Pursuant to the agreement, the Company will agree to transfer on or about the termination date of the Company the Canadian Securities Portfolio to National Bank in exchange for an amount determined by reference to the Canadian dollar value of the GlobalBanc Portfolio. The individual securities in the Canadian Securities Portfolio of the Company as of December 31, 2007 are disclosed in the notes to the Financial Statements.

Management's Responsibility for Financial Reporting

The accompanying financial statements of GlobalBanc Advantaged 8 Split Corp. (the "Company") are the responsibility of management and have been approved by the board of directors of the Company (the "Board"). They have been prepared in accordance with Canadian generally accepted accounting principles using information available to February 13, 2008 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.



Michael Shuh
DIRECTOR
FEBRUARY 13, 2008.



David Taylor
DIRECTOR
FEBRUARY 13, 2008.

Auditors' Report

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

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

We conducted our audit 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 Company as at December 31, 2007, the results of its investment operations, the changes in its shareholders' equity and its cash flows for the period from June 26, 2007 to December 31, 2007 in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS

TORONTO, CANADA,
FEBRUARY 13, 2008.

GLOBALBANC ADVANTAGED 8 SPLIT CORP.

STATEMENT OF NET ASSETS

As at December 31

2007
\$

ASSETS

Canadian Securities Portfolio, at fair value [note 6]	44,941,102
Forward Agreement, at fair value [note 6]	(4,548,367)
Cash and cash equivalents	171,077
Receivable from Canadian Securities Portfolio	458,364
	41,022,176

LIABILITIES

Accounts payable and accrued liabilities	178,339
Redemptions payable	77,413
Distributions payable [note 7]	365,364
Bank indebtedness [note 3]	198,284
Preferred Shares [note 4]	25,833,971
	26,653,371
	14,368,805

CAPITAL SHAREHOLDERS' EQUITY

Class A Shares [note 4]	25,015,231
Class J Shares [note 4]	150
Deficit	(10,646,576)
	14,368,805
Number of units outstanding [note 4]	2,686,500
Net Asset Value per Class A Share	\$5.35
Redemption value per Preferred Share [note 4]	\$10.00
Net Asset Value per unit	\$15.35

See accompanying notes

On behalf of the Board of Directors:



DIRECTOR



DIRECTOR

STATEMENT OF INVESTMENT OPERATIONS AND RETAINED EARNINGS (DEFICIT)

Period from June 26, 2007 to December 31	2007 \$
INVESTMENT INCOME	
Interest	21,201
	21,201
EXPENSES	
Forward Agreement fee <i>[note 6]</i>	144,997
Securityholder reporting costs	83,276
Administrator fee <i>[note 5]</i>	60,236
Legal fees	32,203
Audit fees	32,000
Directors' fees	19,552
Custodial fees	16,771
Goods and Services Tax	14,370
Other administrative expense	6,198
Interest expense <i>[note 3]</i>	994
	406,597
Net investment loss before the undernoted:	(385,396)
Preferred Shares issue costs amortization <i>[note 4]</i>	(103,971)
Distributions on Preferred Shares <i>[note 7]</i>	(625,151)
Net investment loss	(1,114,518)
REALIZED AND UNREALIZED LOSS ON FORWARD AGREEMENT AND CANADIAN SECURITIES PORTFOLIO	
Realized loss on sale of Canadian Securities Portfolio <i>[note 6]</i>	(1,696,865)
Change in unrealized depreciation of Forward Agreement and Canadian Securities Portfolio	(7,704,560)
Net loss on Forward Agreement and Canadian Securities Portfolio	(9,401,425)
Results of investment operations for the period	(10,515,943)
Results of investment operations per Class A Share	\$ (3.9035)
Retained earnings, beginning of period	
Results of investment operations for the period	(10,515,943)
Distributions on Class A Shares <i>[note 7]</i>	(130,633)
Deficit, end of period	(10,646,576)

See accompanying notes

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

Period from June 26, 2007 to December 31	2007 \$
Shareholders' equity, beginning of period	-
Operations	
Decrease in net assets from investment operations	(10,515,943)
Shareholder transactions [note 4]	
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)
Redemptions on Class A Shares	(71,635)
Discount on Preferred Shares redeemed	9,816
	25,015,381
Distribution to Class A Shareholders [note 7]	
From return of capital	(130,633)
Net increase in shareholders' equity	14,368,805
Shareholders' equity, end of period	14,368,805

See accompanying notes

STATEMENT OF CASH FLOWS

Period from June 26, 2007 to December 31	2007 \$
OPERATING ACTIVITIES	
Net investment loss for the period	(1,114,518)
Net change in non-cash items	
Preferred Share issue cost amortization	103,971
Change in other assets and liabilities	(5,148)
Cash flows used in operating activities	(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	(1,895,596)
Redemption of Preferred Shares	(75,000)
Redemption of Class A Shares	(51,126)
Discount on Preferred Shares redeemed	6,720
Distributions on Class A Shares	(67,500)
Borrowings of bank indebtedness	198,284
Cash flows from financing activities	50,980,932
INVESTING ACTIVITIES	
Proceeds from partial settlement of Forward Agreement	953,784
Purchase of Forward Agreement	(50,747,944)
Cash flows used in investing activities	(49,794,160)
Net increase in cash and cash equivalents during the period	171,077
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	171,077

See accompanying notes

SCHEDULE OF INVESTMENTS

As at December 31, 2007

	Fair Value (\$)	% of Total Investments
Canadian Securities Portfolio <i>[note 6]</i>	44,941,102	111.26
Value of Forward Agreement <i>[note 6]</i>	(4,548,367)	(11.26)
Total value of investments (including Forward Agreement)	40,392,735	100.00

As a result of the Forward Agreement described in Note 6, the above total investments (including Forward Agreement) are represented by the Net Asset Value of the GlobalBanc Portfolio as at December 31, 2007 as listed below:

Number of Shares	Description	Fair Value (\$)	% of Portfolio Securities
128,200	Bank of America Corp.	5,220,504	12.92
51,000	BNP Paribas	5,461,961	13.52
123,300	Citigroup Inc.	3,582,581	8.87
42,000	Deutsche Bank AG	5,422,005	13.42
32,300	Societe Generale	4,610,924	11.42
489,900	Royal Bank of Scotland Group PLC	4,273,362	10.58
324,900	Banco Santander Central Hispano SA	6,931,520	17.16
101,000	UBS AG	4,602,636	11.39
	Cash and other assets net of liabilities	287,242	0.72
	Value of GlobalBanc Portfolio	40,392,735	100.00

See accompanying notes

NOTES TO FINANCIAL STATEMENTS

December 31, 2007

1. INCORPORATION

GlobalBanc Advantaged 8 Split Corp. (the "Company"), incorporated under the laws of Ontario on May 1, 2007, is a mutual fund corporation. The Company 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 Company 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 Company 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 Company is National Bank Financial Inc. ("NBF").

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 Company in the preparation of its financial statements.

Adoption of new accounting standards

Pursuant to National Instrument 81-106 *Investment Fund Continuous Disclosure* ("NI 81-106"), investment funds are required to calculate their Net Asset Value in accordance with Canadian GAAP. On April 1, 2005, Canadian GAAP was modified by the introduction of CICA Section 3855: *Financial Instruments – Recognition and Measurement* ("Section 3855") which applies to financial years beginning on or after October 1, 2006.

The new standard redefines fair value as being the closing bid price for long positions and the closing ask price for short positions, in lieu of the closing or last trade price for all positions for financial statement purposes. The Canadian Securities Administrator has granted investment funds an exemption from complying with Section 3855 until September 30, 2008 or when NI 81-106 is amended, whichever is earlier.

On September 28, 2007, Canadian securities regulatory authorities ("CSRA") provided exemptive relief to investment funds from having to comply with Section 3855 in calculating and reporting their Net Asset Value for purposes other than financial statements, such as issuance and redemption of units. This exemptive relief expires on September 30, 2008 or until NI 81-106 is amended whichever is earlier. Consequently, adopting these new rules has resulted in a different Net Asset Value for financial reporting purposes ("GAAP NAV") and pricing purposes ("Transaction NAV").

The Company has adopted Section 3855 since its inception. Consequently, as at December 31, 2007, the Canadian Securities Portfolio is valued at the closing bid price of each security and the value of the Forward Agreement has been adjusted accordingly based on its terms.

Future change in accounting policy

On December 31, 2006, the CICA issued three new accounting standards: Handbook Section 1535, *Capital Disclosures*, Handbook Section 3862, *Financial Instruments – Disclosures*, and Handbook Section 3863 *Financial Instruments – Presentation*. These new standards will be effective for the Company on January 1, 2008. These sections emphasize disclosure on how the Company manages its capital and its financial risk exposure on financial instruments. The impact upon adoption of these accounting standards is limited to the Company's financial statement disclosure.

NOTES TO FINANCIAL STATEMENTS continued

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 date of purchase. 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 in accordance with Section 3855 (see Adoption of new accounting standards above).

The difference between fair value and average cost is shown as unrealized appreciation (depreciation) of Canadian Securities Portfolio. 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 statement of investment operations and retained earnings represents the results of investment operations during the period, divided by the average number of Class A Shares outstanding during the period.

Net Asset Value per unit

The Net Asset Value per unit is calculated as net assets at fair value divided by the number of units outstanding of the Company. 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 Statement of Net Assets.

The costs incurred to issue Preferred Shares are amortized over the term of the Preferred Shares. On redemption or early retraction of the Preferred Shares or Class A Shares, any unamortized issue cost relating to these shares will be written off.

3. BANK INDEBTEDNESS

The Administrator, on behalf of the Company, has entered into a revolving term facility with a Canadian bank. Under the terms of the facility, the Company may borrow up to 5% of the net assets of the Company. Amounts borrowed under the facility are collateralized by security interest in the assets and undertakings of the Company. 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 effective rate of 4.80%. The fair value of the bank indebtedness approximates the carrying value as at December 31, 2007.

4. SHARE CAPITAL

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

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

NOTES TO FINANCIAL STATEMENTS continued

A summary of the Company'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
Issued, beginning of period	–	–	–	–	–
Issuance of shares	\$150	2,700,000	\$27,000,000	\$27,000,000	–
Issue costs	–	–	(\$1,922,950)	–	(\$1,135,000)
Redemption of shares	–	(13,500)	(\$61,819)	(\$135,000)	–
Amortization	–	–	–	–	\$103,971
Outstanding, end of period	\$150	2,686,500	\$25,015,231	\$26,865,000	(\$1,031,029)

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 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 Company, 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 Company 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 Company will be deducted in calculating the Net Asset Value per unit for this purpose.

Commencing in November 2008, a holder of 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 Company 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 Company 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 Company.

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 Company, but will be redeemed only on the monthly 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 Company 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 Company 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 Company will be deducted in calculating the Net Asset Value per unit for this purpose.

NOTES TO FINANCIAL STATEMENTS continued

The Class A Shares will be redeemed on the Final Redemption Date. The redemption price payable by the Company 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 Company.

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 Company divided by number of Class J Shares outstanding if one of the Class A Shares or Preferred Shares are then outstanding.

5. EXPENSES OF THE COMPANY

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. NBF has retained First Asset Investment Management Inc. ("First Asset") to provide the administrative services, including investment advisory services, required by the Company. Fees payable to First Asset for such services will be paid by the NBF out of its fee.

The Company 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 Company is responsible for all costs relating to its administration. No commissions or other transaction costs were paid by the Company for its portfolio transactions during the period.

6. FORWARD AGREEMENT AND CANADIAN SECURITIES PORTFOLIO

In order to gain exposure to the price performance and dividend payments of the GlobalBanc Portfolio, the Company 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 Company 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 Company 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 Company.

NOTES TO FINANCIAL STATEMENTS continued

As at December 31, 2007, the Canadian Securities Portfolio for the Company consists of the following investments:

Number of shares	Description	Market value \$
109,700	FNX Mining Company Inc.	3,305,261
242,800	Galleon Energy Inc., Class A	3,734,264
135,400	Hudbay Minerals Inc.	2,640,300
290,200	IVANHOE Mines Ltd.	3,105,140
95,900	MacDonald Dettwiler & Associates	4,002,866
201,500	Mega Brands Inc.	1,245,270
62,560	Research in Motion Limited	6,318,560
187,500	RONA Inc.	3,195,000
218,900	Savanna Energy Services Corp.	3,502,400
151,700	Sino-Forest Corporation	3,246,380
119,900	Stantec Inc.	4,662,911
265,900	Westjet Airlines Ltd.	5,982,750
		44,941,102

7. DISTRIBUTIONS

An objective of the Company 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.

8. INCOME TAXES

The Company 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 Company are redeemed or capital gains dividends are paid by the Company to its shareholders.

The Company 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 Company upon the payment of taxable dividends to its shareholders at the rate of \$1 of tax for every \$3 of dividends paid.

9. TAX LOSS CARRYFORWARD

As at December 31, 2007, the Company 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 2027
\$1,704,438	\$650,918	\$650,918

NOTES TO FINANCIAL STATEMENTS continued

10. RISK MANAGEMENT

As the Company obtains exposure to the GlobalBanc Portfolio through the Forward Agreement, the following incorporates disclosure in regards to the risks and risk management applicable to the Company.

Market Risk

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. Fluctuations in fair values of the GlobalBanc Portfolio may occur for a number of reasons beyond the control of the Company.

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. 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.

Interest Rate Risk

As the Company pays fixed distributions to the holders of Preferred Shares and also pays dividends to holders of Class A Shares, the market price of the Preferred Shares and Class A Shares may be affected by the level of interest rates prevailing from time to time.

Credit Risk

In entering into the Forward Agreement, the Company 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 Company's exposure to the credit risk of the Counterparty may be significant.

Currency Risk

The assets and liabilities of the Company are predominantly held in the functional currency of the Company which is the Canadian dollar. The Company 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 Company is not exposed to significant foreign currency risks.

11. SUBSEQUENT EVENT

On January 16, 2008 DBRS Limited lowered the rating on the Company's Preferred Shares from Pfd-2 to Pfd-3 (high) with a Stable Trend.

On March 19, 2008 the Company was advised by DBRS Limited that the rating of certain structured preferred shares with significant exposure to the financial sector, including the Company's Preferred Shares, have been placed "Under Review with Developing Implications".

Corporate Information

CORPORATE ADDRESSES

GlobalBanc Advantaged 8 Split Corp.

c/o First Asset Investment Management Inc.

95 Wellington Street West Suite 1400

Toronto, ON M5J 2N7

Telephone: 416-642-1289

Toll Free: 1-877-642-1289

Fax: 416-362-2199

Email: info@globalbancsplit.com

Website: www.globalbancsplit.com

LISTED

The Toronto Stock Exchange

Preferred Shares: GBA.PR.A

Capital Shares: GBA

ADMINISTRATOR

National Bank Financial Inc.

130 King Street West Suite 3200

Toronto, ON M5H 3T9

INVESTMENT ADVISOR

First Asset Investment Management Inc.

95 Wellington Street West Suite 1400

Toronto, ON M5J 2N7

AUDITORS

Deloitte & Touche LLP

181 Bay Street Suite 1400

Toronto, ON M5J 2V1

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc.

100 University Avenue, 8th Floor

Toronto, Ontario M5J 2Y1

LEGAL COUNSEL

Blake, Cassels & Graydon LLP

199 Bay Street, Suite 2800

Commerce Court West

Toronto, Ontario M5L 1A9