
GlobalBanc Advantaged 8 Split Corp.

Annual Management Report of Fund Performance
for the year ended December 31, 2008

Fund: GlobalBanc Advantaged 8 Split Corp.

Securities: Preferred Shares – Listed TSX: GBA.PR.A
Class A Shares – Listed TSX: GBA
A “unit” means a notional unit consisting of one Preferred Share and one Class A Share.

Period: January 1, 2008 to December 31, 2008

Administrator: National Bank Financial Inc.
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Notes:

1. This annual management report of fund performance contains financial highlights but does not contain the complete annual financial statements of the Fund. You can get a copy of the annual financial statements at your request, and at no cost, by contacting First Asset Investment Management Inc. at 416-642-1289 or 1-877-642-1289, at www.firstasset.com (info@firstasset.com) or on SEDAR at www.sedar.com. Securityholders may also contact us to request a free copy of the Fund’s proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.
2. 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.
3. Unless otherwise indicated all information is as at December 31, 2008. For more current information please see www.globalbancsplit.com.
4. None of the websites that are referred to in this Annual Management Report of Fund Performance, nor any of the information on any such websites, are incorporated by reference in this Annual Management Report of Fund Performance.

Investment Objective and Strategy

The Fund provides holders of its securities 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 Fund are 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 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 Fund are 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 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.

Risks

There were no changes to the Fund over the period of this report that affected the overall level of risk associated with an investment in the Fund. Securityholders should still refer to the annual information form ("AIF") for the Fund for the year-ended December 31, 2008 as it contains a detailed discussion of risk and other considerations relating to an investment in the Fund. The AIF is available free of charge from us (contact information above), on our website www.globalbancsplit.com and on SEDAR www.sedar.com. Readers are also directed to Note 3 of the Fund's 2008 Annual Financial Statements which discusses management of financial risks.

Results of Operations

The Fund's net assets were \$11.7 million as at December 31, 2008, a decrease from \$41.2 million as at December 31, 2007. The largest contributing factor to this decrease is the decline in value of stock prices of the issuers comprising the GlobalBanc Portfolio. The financial sector has come under significant pressure due to the global credit crisis. Asset write-downs and earnings declines have led to re-pricing of global bank stocks. The global financial markets and the economies in which the banks operate are experiencing recessionary pressures leading to near-term uncertainty for businesses of the banks comprising the GlobalBanc Portfolio.

Other contributing factors which affected the decrease in net assets during the year were redemptions of \$1.8 million and distributions to Preferred shareholders of \$1.1 million. As well, net investment loss was slightly higher as compared to the prior period because of the fact that the Fund completed a full year in 2008 as compared to a partial year in 2007, however this was offset by the fact that average net assets decreased during the

year and, as such, expenses which are calculated as a percentage of net assets were lower than their corresponding annualized amounts in 2007.

For the fiscal year ended December 31, 2008, the net assets per unit of the Fund (each comprised of a Class A Share and a Preferred Share) were \$5.03 after payment of distributions to securityholders compared to \$15.35 per unit on December 31, 2007. Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities excluding the liability for Preferred Shares of the Fund on that date divided by the number of units then outstanding. The Fund distributed \$0.41 per Preferred Share during the period. In order to protect the net assets of the Fund, it did not pay a distribution on the Class A Shares in 2008. As a result, total return for the Fund was -65.5% over the period.

The net assets per unit of \$5.03 as at December 31, 2008 were comprised of \$5.03 per Preferred Share and \$0.00 per Class A Share. Since the net assets per unit is currently below the \$10 principal value of the Preferred Shares, the holders of the Preferred Shares would receive less than \$10.00 if the portfolio were liquidated and proceeds distributed as at December 31, 2008.

Recent Developments

The Fund has 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 (as established by the share conditions relating to the Preferred Shares) and the expenses of the Fund. Accordingly, the Fund has determined to pay during 2009 a quarterly dividend on the Preferred Shares in an amount of one-quarter of the Bloomberg Dividend Forecast of the dividends to be paid by the banks comprising the GlobalBanc Portfolio in the upcoming 12 months, less an estimate of the expenses of the Fund. The Board of Directors will monitor these estimates and may revise the amount of dividends paid on the Preferred Shares in the future, up or down, to take in to account changes in these estimates and changes in the Fund's expenses.

Assuming dividends paid by the GlobalBanc Portfolio are at least consistent with these estimates over the coming 12 months, the Fund will maintain sufficient cash flow to make dividend payments on the Preferred Shares in accordance with the revised dividend policy and to fund current operating expenses. If the Fund were to pay dividends and incur operating expenses in excess of these cash flows it may be necessary to dispose of a portion of the securities comprising the GlobalBanc Portfolio. The Board of Directors believes it is in the best interests of the Fund to pay dividends at a level which avoids a sale of assets at this time.

The shortfall below the prescribed amount of the Preferred Share dividend will accumulate and, in accordance with the terms of the Preferred Shares and the Class A Shares, will be paid in priority to any payments on the Class A Shares.

Other developments relating to the Fund which were announced or which occurred during the year include:

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

March 19, 2008: The Fund 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 Fund's Preferred Shares, had been placed "Under Review with Developing Implications".

April 17, 2008: The Fund announced that DBRS Limited lowered the rating on the Fund's Preferred Shares from Pfd-3 (high) to Pfd-4 (high).

July 2, 2008: The Fund announced that DBRS Limited has lowered the rating on the Fund's Preferred Shares from Pfd-4 (high) to Pfd-5 with a Stable Trend.

November 6, 2008: The Fund announced that DBRS Limited has lowered the rating on the Fund's Preferred Shares from Pfd-5 with a Stable Trend to Pfd-5 (low) with a Negative Trend.

February 10, 2009: The Fund announced that it will make available on a monthly basis the then current Bloomberg Dividend Forecast which is used as a basis for determining the amount of the quarterly Preferred Share dividends. Investors may review this information at the Fund's website (www.globalbancsplit.com). The periodic publication of the Bloomberg Dividend Forecast is provided for investor information only and there may be periodic changes in those estimates between postings of this monthly information on the Fund's website. The Fund does not intend on updating this information more frequently than monthly. In accordance with the Fund's dividend policy, the Board intends to consider the Bloomberg Dividend Forecast as it exists prior to the determination of the quarterly dividends, if any, to be paid on the Preferred Shares and Class A Shares, and these values may be significantly different than the Fund's last monthly posting of the Bloomberg Dividend Forecast prior to any dividend determination.

March 20, 2009: The Fund announced a dividend of \$0.005 per Preferred Share for the quarter ended March 31, 2009. Consistent with the Fund's current dividend policy, the dividend on the Preferred Shares represents approximately one-quarter of the current Bloomberg Dividend Forecast of the dividends to be paid by the banks comprising the Bank Portfolio in the upcoming 12 months, less an estimate of the expenses of the Fund. The Board of Directors will continue to monitor these estimates and may revise the amount of dividends paid on the Preferred Shares in the future, up or down, to take in to account changes in these estimates and changes in the Fund's expenses.

Regulatory Changes

For financial statement reporting purposes, the fair value of the Fund's investments are measured in accordance with CICA Handbook Section 3855: *Financial Instruments – Recognition and Measurement*, which for publicly listed securities is based on the closing bid price on the recognized stock exchange on which the investments are listed or principally traded. 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. The Canadian securities regulatory authorities have published amendments to NI 81-106 that remove the requirement that net asset value for redemptions and subscriptions (“**Net Asset Value**”) be calculated in accordance with Canadian GAAP effective September 8, 2008. As a result of the amendments, the Net Asset Value of investment funds will continue to be calculated based on the fair value of investments using the close or last trade price. The Net Assets per unit for financial reporting purposes and Net Asset Value per unit for pricing purposes could be different due to the use of different valuation techniques.

International Financial Reporting Standards

On February 13, 2008 the Canadian Accounting Standards Board of the CICA confirmed that the use of International Financial Reporting Standards (“**IFRS**”) will be required for all publicly accountable profit oriented enterprises (including investment funds) effective January 1, 2011. At December 31, 2008, the Fund has developed a changeover plan to meet the timeline published by the CICA for the changeover to 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.

Related Party Transactions

In connection with its initial public offering, the Fund entered into an Agency Agreement with National Bank Financial Inc. (the “**Administrator**”), 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 Fund (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, the Administrator was also the promoter. The Administrator also receives a fee for administrative services it provides to the Fund.

The Administrator is an affiliate of National Bank of Canada (the “**Counterparty**”). The Counterparty is the counterparty under the forward agreement which provides the Fund with exposure to the economic performance of the GlobalBanc Portfolio. The Fund 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 Fund under the forward agreement.

The Fund 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 Fund. The lender under the credit facility is National Bank of Canada, an affiliate of the Administrator. The amount of the loan ranged between nil and \$450,000 during the year and represented 0% of the Fund's net assets as at December 31, 2008. 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 the Administrator to provide certain services to the Fund, is also considered to be a related party. First Asset receives a fee for the services it provides (see "Management Fees" below).

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 since inception.

The Fund's Net Assets per Class A Share ⁽¹⁾

	2008	2007 ⁽²⁾
Net Assets, beginning of year ⁽³⁾	\$5.35	\$9.28
Increase (decrease) from operations		
Total revenue	0.00	0.00
Total expenses	(0.13)	(0.15)
Realized losses for the period	(2.32)	(0.63)
Unrealized losses for the period	(4.20)	(2.86)
Total increase (decrease) from operations⁽⁴⁾	(6.65)	(3.63)
Distributions:		
From income (excluding dividends)	0.00	0.00
From dividends	0.00	0.00
From capital gains	0.00	0.00
Return of capital	0.00	(0.05)
Total Annual Distributions⁽⁵⁾	0.00	(0.05)
Net Assets at December 31⁽⁶⁾	\$0.00	\$5.35

The Fund's Net Assets per Preferred Share ⁽¹⁾

	2008	2007 ⁽²⁾
Net Assets, beginning of year ⁽³⁾	\$10.00	\$10.00
Increase (decrease) from operations		
Total revenue	0.00	0.00
Total expenses	(0.07)	0.00
Realized losses for the period	(1.15)	0.00
Unrealized losses for the period	(2.08)	0.00
Total increase (decrease) from operations⁽⁴⁾	(3.30)	0.00
Distributions:		
From income (excluding dividends)	0.00	0.00
From dividends	0.00	0.00
From capital gains	0.00	0.00
Return of capital	(0.41)	(0.23)
Total Annual Distributions⁽⁵⁾	(0.41)	(0.23)
Net Assets at December 31⁽⁶⁾	\$5.03	\$10.00

Notes:

(1) This information is derived from the Fund's audited annual financial statements.

(2) Results for the period from June 26, 2007 (first day of trading) to December 31, 2007.

(3) For 2007, the Net Assets reflect the issue price of \$10 per Class A Share less total share issue expenses and \$10 per Preferred Share.

(4) Net Assets and distributions are based on the actual number of Preferred Shares and Class A Share outstanding at the relevant time. The increase/decrease from operations is based on the weighted average

number of units outstanding over the financial period. As long as the Net Assets per unit of the Fund is above \$10 per unit, then the expenses of the Fund are borne by the Class A Shares. If the Net Assets per unit of the Fund falls to or below \$10 per unit, then the expenses of the Fund are borne by the Preferred Shares until such time as the Net Assets per unit of the Fund returns to \$10 per unit or more.

(5) Distributions were paid in cash.

(6) This is not a reconciliation of the beginning and ending Net Assets per share principally because it does not include all shareholder transactions as shown in the annual audited financial statements. Columns may therefore not add.

Ratios and Supplemental Data - Class A Shares

	2008	2007
Net Asset Value (000's) ⁽¹⁾	\$0	\$14,369
Number of units outstanding (000's) ⁽¹⁾	2,321	2,687
Management expense ratio before share issue expenses and interest on Preferred Shares ⁽²⁾	10.59%	3.03%
Management expense ratio ⁽²⁾	31.83%	24.47%
Management expense ratio before waivers or absorptions	31.83%	24.47%
Portfolio turnover rate ⁽³⁾	N/A	N/A
Trading expense ratio ⁽⁴⁾	N/A	N/A
Net Asset Value per Class A Share	\$0	\$5.35
Closing market price - Class A Share	\$0.43	\$4.49

Ratios and Supplemental Data - Preferred Shares

	2008	2007
Net Asset Value (000's) ⁽¹⁾	\$11,675	\$26,865
Number of units outstanding (000's) ⁽¹⁾	2,321	2,687
Management expense ratio before share issue expenses and interest on Preferred Shares ⁽²⁾	0.66%	0.00%
Management expense ratio ⁽²⁾	0.66%	0.00%
Management expense ratio before waivers or absorptions	0.66%	0.00%
Portfolio turnover rate ⁽³⁾	N/A	N/A
Trading expense ratio ⁽³⁾	N/A	N/A
Net Asset Value per Preferred Share	\$5.03	\$10.00
Closing market price - Preferred Share	\$3.50	\$8.60

Notes:

(1) This information is provided as at December 31 of the year shown.

(2) Management expense ratio of a particular series is based on total expenses (excluding commissions and other portfolio transaction costs) attributable to that series for the stated period and is expressed as an annualized percentage of daily average net assets of that series during the period. Total expenses include interest on the Fund's Preferred Shares. The Preferred Shares form part of the Fund'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 Agents' fees and other offering expenses, which are one time expenses and therefore are not annualized. Annualized expenses before share issue expenses and interest on Preferred Shares as a percentage of the combined daily average net assets of both Class A and Preferred Shares is 1.24% for 2007 and 1.94% for 2008. As long as the Net Assets per unit of the Fund is above \$10 per unit, then the expenses of the Fund are borne by the Class A Shares. If the Net Assets per unit of the Fund falls to or below \$10 per unit, then the expenses of the Fund are borne by the Preferred Shares until such time as the Net Assets per unit of the Fund returns to \$10 per unit or more.

(3) The Fund's return is linked, by virtue of a forward agreement, to the performance of the GlobalBanc Portfolio, and consequently, the portfolio turnover rate and trading expense ratio do not apply to the Fund.

Management Fees

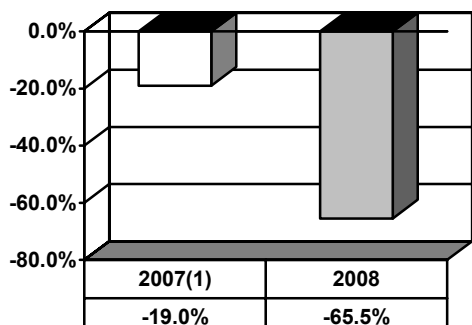
The Administrator is responsible for providing, or arranging for the provision of administrative services required by the Fund. As compensation for the services it provides, the Administrator is entitled to receive an annual fee from the Fund in an amount equal to 0.25% of the net asset value of the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

Past Performance

Please note that the performance information shown in this section assumes that all distributions made by the Fund in the periods shown were reinvested in additional securities of the Fund. Also note that the performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns on performance. The performance of the Fund in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

The following bar chart shows the Fund's annual performance for the financial years shown and illustrates how the Fund's performance has changed from year to year. The bar chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.



(1) Results for the period from June 26, 2007, to December 31, 2007.

Annual Compound Returns

The table below summarizes the Fund's annual compound total returns for the periods ended December 31 as indicated. As a basis for comparison we have provided the performance of the MSCI Diversified Financials Industry Index CDN ("**Index CDN**") and the MSCI Diversified Financials Industry Index USD ("**Index USD**"). As the criterion for determining the constituents of the Fund and the Indices differ, it is not expected that the Fund's performance will mirror that of the Indices. Further, the return of the Indices is calculated without the deduction of management fees and fund expenses whereas the performance of the Fund is calculated after deducting such fees and expenses.

Period	Fund	Index CDN	Index USD
1 Year	-65.5%	-54.4%	-62.9%
Since Inception	-53.4%	-48.1%	-50.9%

The Fund's underperformance compared to the Indices as set out above is attributed to the performance of the eight banks held by the GlobalBanc Portfolio. The two holdings of the GlobalBanc Portfolio that contributed the most to the Fund's underperformance of the Indices are Citigroup Inc. (2.2% of net assets compared to 8.9% as at December 31, 2007) and Royal Bank of Scotland plc. (3.2% of net assets compared to 10.6% as at December 31, 2007).

Summary of Investment 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 the Counterparty. Pursuant to the agreement, the Fund will agree to transfer on or about the termination date of the Fund 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 individual securities in the Canadian Securities Portfolio of the Fund as of December 31, 2008 are disclosed in the notes to the financial statements.