Recirculation of shares in Copernican World Banks Split Inc. (CBW and CBW.PR.A)

This split share fund is in the process of going through its annual redemption which is to be paid on December 10th to shareholders who have submitted their Units for redemption in November (a 'Unit" being one preferred share and one Class A share). This creates an opportunity for those wishing to increase their stake in this fund via the resale of those units which have been tendered for redemption. As outlined in the prospectus we, on behalf of Manulife, have entered into a recirculation agreement whereby CIBC as the recirculation agent uses commercially reasonable efforts to find purchasers at a price which is not less than the prescribed redemption price to be paid to the redeeming unitholders. In practice this means that CIBC will, on the fund's behalf, be offering to sell Units via the TSX at prices which are net of the current retraction fees ($0.75) and which need to be settled on or before the payment date for the redeeming unitholders.

The Preferred Share, CBW.PR.A continues to pay a tax efficient quarterly distribution of $0.13125

The retraction fees are zero by July 2013 and so for clients able to consider an investment horizon beyond 2 ½ years, this recirculation presents an opportunity to invest now at an attractive discount to the underlying net asset value.

We expect to initiate and conclude this recirculation process during the first few days in December.

Fund Mergers

Unitholder approval was given to merge Copernican World Banks Income and Growth Trust (CBK.UN) into Global Banks Premium Income Trust (GBP.UN) and European Premium Dividend Fund (EPD.UN) into Copernican International Premium Dividend Fund (CPM.UN). Thanks to all those who voted. A copy of the press release is attached – it is intended the mergers will be completed by December 10th.

News Highlights on Current Holdings

Financial Services Companies

US banks : The Federal Deposit Insurance Corporation said last Tuesday that reserves for bad loans at the largest US banks declined in the third quarter for the first time since the financial crisis began, according to the Financial Times. They said total reserves fell nearly 4 per cent, or $9.6bn, in the period, the first decrease since the fourth quarter of 2006. The drop was driven by a reduction in loan loss reserves at the largest financial institutions, while smaller banks continued to struggle with souring commercial real estate portfolios. We continue to believe this polarization between the strongest and weakest will continue.

Barclays: An SEC filing relating to the Lehman's bankruptcy case claims that 2 asset transfers of $1.276bn to Barclays from Lehman may be illegal. The $1.3bn = 7p per share, 20bps of Core tier 1. The transfers would violate securities law if they increased the deficiency in the accounts, "and Lehman Brothers would not have sufficient funds to satisfy all claims of the remaining customers," the SEC said.

Barclays may be interested in acquiring the Egg business (online credit cards) from Citi (according to the Financial Times). Valuation difficult but rumours suggest max. £500m. The business was sold to Citi by Pru back in early 2007 for £575m. Also, Barclays is planning to focus its growth strategy on Africa over the next few years according to the bank's head of Global retail banking Anthony Jenkins. The bank could also take a larger stake in Absa Group as part of the strategy.

HSBC's Stuart Gulliver, who takes over as chief executive in January, has given his clearest signal yet of the increased importance of Asia to the bank with his first management reshuffle. Mr Gulliver, promoted Paul Thurston, the head of the bank's UK retail business, to the new role of chief executive of global retail banking and wealth management, with a mandate to expand the bank's services to wealthy Asians. In an article in the Telegraph, HSBC reckons the wealth management industry globally generates $1 trillion (£634bn) in annual revenues and hopes to capture a larger share of the market for managing the savings of the increasingly wealthy populations of Asian countries such as China, India and Singapore.

Prudential plc Chief Risk Officer Thibault Le Maire has resigned to take a role at HSBC. Also Prudential's communications director Stephen Whitehead is to leave following the failed AIA bid.

Financial Infrastructure

Global Payments last week announced an agreement with "la

Caixa," the largest retail bank in Spain and the leading merchant acquirer in the region, to form a merchant acquiring and payment processing joint venture. Under the terms of the agreement, GPN will pay €125mm (or ~$180mm) to acquire a 51% stake in the joint venture. "la Caixa" will retain the remaining 49% and will contribute its existing merchant acquiring business to the JV. The transaction is expected to close by February 2011 and is expected to be modestly dilutive to Full year 2011 earnings and modestly accretive on a cash earnings basis, which excludes acquisition related amortizations and stock compensation. The transaction will be funded by existing cash resources in Europe and credit facilities. "la Caixa" serves >150k merchants and is expected to generate €60mm (~$82mm) in revenues in 2010 on~590mm transactions. "la Caixa" is the leading merchant acquirer in Spain with a 21% market share. GPN will pay a little over 4 times trailing 12 month revenues, which is slightly richer than the price paid for their initial stake in its HSBC U.K. joint venture two years ago. Spain is perceived as one of the "under-penetrated" developed countries that we believe is ripe for bank card growth based on its relatively high per capita GDP (~$30k) and low payment penetration rate (~6% of GDP). By comparison, payment penetration rates in the U.S. and U.K are ~20%. Spain is the 4th largest economy in the European Union (the 13th largest globally) and has a population of ~46mm.

Dividend Paying Companies

Johnson Matthey – Johnson Matthey of UK, the leading manufacturer of auto catalytic converters and a major platinum group metals trader, announced the results for the first six months of its fiscal year. The company performed strongly, posting significant beats in terms of sales, operating profit and earnings compared to consensus expectations. The net sales excluding the precious metals (most often a pass through) were up 25% versus the previous comparative period, while the underlying profit before tax reached a record level in the first half of fiscal 2010 to £164.3mm, up 32% year on year.

All Johnson Matthey divisions performed well with most of the profitability being generated by the Environmental Technologies Divisions and the Precious Metals Products Division. In particular the production of catalysts for light duty vehicles delivered strong results, as the measures taken by management to streamline activities are paying off and more stringent vehicle emissions regulations are rolled out across the globe. The heavy duty diesel (HDD) division turned to profit compared to a small loss the year before. The HDD catalyst market, currently at roughly $600mm is expected to grow to $2.5bn by 2015, as regulations are implemented. Johnson Matthey currently controls about 65% of the HDD market. The company platinum group metals (PGM) trading activities recovered well after a weak 2009 and delivered £81.2mm of underlying operating profit.

The company is showing confidence both in the near and long term by continuing to invest in R&D activities and manufacturing facilities in India and China. The interim dividend was increased by 13% to 12.5 pence. The management expects the group's performance in the second half of the year to mimic the first half's results at least.

ABB – ABB is reported to have won a $125mm order from a Belgian company to connect a wind farm located 30km off the Belgian coast to the main grid. The wind farm is expected to generate 1,000 GW-hours a year and is expected to begin service in 2013.

Economic Activity, Consumer and Business Conditions

US – The core personal consumption expenditure (PCE) index, the Fed's favourite inflation gage, has worryingly moved closer to deflationary territory, as the year on year change for October sat at 0.9%, the lowest since 1966, after lingering at the 1.2% mark for the previous three months. In this new light, we can understand more easily the Fed's 'foresight' in launching QE2.

The manufacturing activity stateside seems to have taken a hit in October with durable goods excluding transportation retreating by 2.7% in the month versus September, way worse than the expected 0.6% advance, driven by weakness in the communications and the electronics industries. At the aggregate level, the US GDP's second estimate balanced the bad news with a higher than expected 2.5% rate in Q3 and higher than the advance figure of 2%, helped by upgraded numbers for the consumer spending and business investment.

The housing sector interrupted its advance in October, as the existing home sales fell 2.2% while the new home sales dropped by 8.1%. The all important employment situation is actually showing signs of improvement as the US initial jobless claims retreated by 34,000, to 407,00, a figure more in line with consistent job creation at the aggregate level. However, the encouraging trend needs to continue for the unemployment rate to start its trip lower.

Canada – The Canadian Consumer Price Index core measurement (excluding the eight most volatile series, mainly food and energy) rose by 0.4% in October moving the year on year rate of change to 1.8%, still within the comfort zone of Bank of Canada yet close enough to the upper level to raise the level of hawkishness of the monetary policy makers. Meanwhile, the retail sales grew by 0.6% in September, roughly in line with the expectations.

Germany – Germany's consumer and business confidence levels is sitting at or close to historical highs as Europe's largest economy is expected to grow close to 4% annual rate in the current year. The country, known for its large trade surpluses is getting a boost from increased consumer spending as the unemployment level is below 3 million for the first time in 18 years. It remains to be seen if the strong economic performance of Germany is enough to power a return to growth in other areas of Europe.

Ireland: European Union finance ministers last night signed off on a €85bn bail-out package for Ireland (€50 for government finances,€35bn for banks- of which €10bn is for immediate recapitalisation)and approved the outlines of a new permanent mechanism for dealing with debt crises in the eurozone, in a bid to head off further contagion affecting borrowing for Portugal and Spain. The Irish contribution from the National Pension Fund is €17.5bn, excluding which the bail out from external sources is 43% of GDP compared to Greece's 50% of GDP. A key Ireland fear in the market last Friday was an immediate change in Euro rules to ensure that senior bond holders would share losses going forward. This does not appear to have materialised - although the change to the Euro rules post 2013 look likely to offset some of the relief. Ireland to pay an average interest rate of 5.8% (compared with earlier reports of 6.5%-7%) but higher than the Greek bailout of 5.2% (the funds of which were extended by 4years to 7 to match the Irish bailout.

Irish Banking System: Bank of Ireland will seek to raise a further EUR2.2bn on top of the sums already announced to take its core tier to c. 12.5%. It will do this via a "combination of internal capital management initiatives, support from existing shareholders and other capital sources". Assuming all the fresh capital comes from the government then its ownership will rise to 75%. Allied Irish Bank will be required to raise a further EUR 5.2bn taking its capital to be raised to almost EUR10bn with a market cap of just EUR 400m it is fair to say the bank will be effectively nationalised.

Ireland Prime Minister Cowen announced the Irish Govt will resign in the new year after passing the new budget which contains a range of tough austerity measures designed to help solve the country's debt crisis. Among the spending cuts and tax rises are a reduction in the minimum wage, a new property tax and thousands of public sector job cuts. The four-year plan is designed to save the state €15bn (US$20bn; £13bn). They successfully defended its low corporation tax of 12.5%.

Ireland's debt rating was lowered two steps from AA- to A, by S&P with a continued negative outlook.

EU bailouts - following the Irish bailout details announced last night, the EU accelerated proposals for a permanent mechanism for bailouts, The plan would replace the present €440bn eurozone rescue fund, due to expire in 2013, with a permanent "European stabilization mechanism". At the same time, private creditors would be involved in any future debt rescheduling or restructuring through collective action clauses attached to eurozone government bonds after 2013 – in line with current IMF practices.

Portuguese Strikes; Portugal is facing its biggest strikes in 22 years. Workers at ports, hospitals and public transport are protesting about a 5% cut in the wage bill and a 2% increase in VAT. Portugal does not suffer from the same deficit problems as the other PIGS however it is still deteriorating and is still forecast to be almost 9% of GDP in 2010. Another issue is that the banks have diversified their treasury portfolios into other IGS debt (particularly Ireland) for example BPI has over 30% of its market cap in Irish government debt.

Korea : According to newswires last Tuesday, North Korea fired dozens of artillery shells at a South Korean island, Yeonpyeong, which lies off the west coast of the divided peninsular near a disputed maritime border. Most of the shells landed in a South Korean military base, with the military reporting that one soldier was killed and three seriously injured in the attack. South Korean military returned fire and also sent a fighter jet to the area. Firing artillery into a contested area is not a new event. However, the duration of the shelling appears different this time and the island's population of 1300 are being evacuated. The current incident is the most serious calibrated provocation by North Korea to date, and possibly in response to US pressure about its newly built nuclear facility. We believe that the initial scare could usher in a slightly longer phase of sabre rattling than the sinking of the navy patrol boat back in March. North Korea cannot exist without some form of ongoing support from China and so we think that ultimately China and the major powers will prevail on North Korea to step back.

Financial Conditions

Policymakers continue to accommodate a recovery in bank profits, albeit less than 6 months ago. The U.S. 2 year/10 year treasury spread is 2.32% and the U.K.'s 2 year/10 year treasury spread is 2.33% - enabling financial services companies' assets booked at these levels, to be profitable.

Our concerns are mostly focused around the later cycle issues facing financial services companies – particularly commercial real estate and unsecured consumer loans/credit card loans. However, commercial real estate exposure is more acutely held by US, Spanish and German regional banks (as identified in the European stress tests) – rather than larger more diversified global financial services companies. The number of small U.S. banks failing continues to grow (149 to-date in 2010) exceeding last year's 140 which was the highest annual tally since 1992. This supports our view that franchises are being acquired/absorbed as convergence of the financial services industry accelerates – favouring we believe the stronger, better managed banks. Typically banks acquiring collapsed bank franchises from the Federal Deposit Insurance Corporation (FDIC) are paying little or no premium for deposits, assets are purchased at a discount and are covered by loss sharing agreements – so that such deals can be expected to be immediately accretive to earnings per share. The FDIC changed the loss share arrangement on assisted deals from absorbing 95% of losses down to absorbing 80% although this is still attractive to acquiring banks it does probably lower the Internal Rate of Return.

The U.S. 30 year mortgage market has remained low at 4.40% - (the lowest rate since the Federal Reserve began tracking rates in 1971 was 4.17% on Nov. 11, 2010), as the Federal Reserve effectively continues to seek to incentivise home ownership. Existing U.S. housing inventory has increased to 10.7 months supply of existing houses – much higher than what we believe is a more normal range of 4-6 months. We believe it remains premature to consider a recovery in house prices a measure of stability from which to build is welcomed….particularly for those financial services companies holding such assets in their portfolios.

A concern which remains is the extent to which mortgage foreclosures have been properly documented, thereby enabling mortgages to be "put back" to the originating bank. However, from recent bank investor relations presentations it does seem the rate of "put backs" are now expected to decline, suggesting current levels of provisions should suffice. For the larger franchises the quantum of proactive provisioning continues to act as a differentiator of quality which we believe has still to be fully appreciated.

The VIX (volatility index) is 23.11 and while, by its characteristics, the VIX will remain volatile, we believe a VIX level below 25 augurs well for quality equities.

We believe the next few years will highlight the growing polarization between strong and weak institutions. Companies that have capital strength will buy assets from those required to divest. Companies that have a strong presence in emerging markets will likely grow quicker than those that do not. Banks that have strong retail deposit franchises will take market share from those that rely on wholesale markets to fund loan growth at attractive margins. We believe the Funds we manage are extremely well positioned to benefit from the strength of their portfolios of strong, dominant, attractively priced financial services companies.

Closed-End Funds

Spreads on the closed-end funds are narrowing but remain, in our view, very attractively priced to purchase.

The Portland Investment Counsel Inc. 2009 Closed End Annual Reports are now available on the web site. Below you can find the link to access the closed end annual report.

http://www.portlandic.com/Info.aspx?disp=Financial_Reports

At the close of business on Fridays and at the end of each month we publish the Net Asset Values (NAV) of our funds onto our Portland website at http://www.portlandic.com/Funds/WeeklyPricing.aspx. The NAV for the AIC Global Financial Split Corp. can be found on the AIC/Manulife website at http://www.aic.com/EN/PricePerformance/AICClosedEndFunds/Pages/Price.aspx and the Copernican World Financial Infrastructure Trust, Copernican World Banks Split Inc. and the Copernican International Financial Split Corp. can be found on the Copernican website at http://www.copernicancapital.com/Funds/WeeklyPricing.aspx.

Chris Wain-Lowe
Executive Vice President
Portland Investment Counsel Inc.
Phone: 905-331-4250 Ext. 4232
Fax: 905-331-4368
www.portlandic.com

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