



## Hybrid Income Funds



Semi-Annual Report 2007

**Mulvihill Premium Global Telecom Fund**

Global Telecom Split Share Corp.



Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the six months ended December 31, 2007 of Global Telecom Split Share Corp. which operates as Mulvihill Premium Global Telecom Fund (the “Fund”). The December 31, 2007 unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at [www.mulvihill.com](http://www.mulvihill.com). You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at [www.mulvihill.com](http://www.mulvihill.com).

Asset Mix

December 31, 2007

	% of Net Asset Value*
Telecommunication Services	60 %
Cash and Short-Term Investments	21 %
Communication Technology	12 %
Cable Services & Wireless	12 %
Other Assets (Liabilities)	(5)%
	100 %

\*The Net Asset Value excludes the Preferred share liability.

# Mulvihill Premium *Global Telecom Fund* [GT.A/GT.PR.A]

## Management Report on Fund Performance

### Portfolio Holdings

December 31, 2007

	% of Net Asset Value*
Cash and Short-Term Investments	21%
AT&T Inc.	8%
Telefonos de Mexico SA ADR	6%
Verizon Communications Inc.	5%
TELUS Corporation	5%
Nokia Corp. ADR	5%
SK Telecom Co. Ltd. ADR	5%
Telefonica De Espana ADR	4%
Vodafone Group PLC - SP ADR	4%
Rogers Communications Inc., Class B	4%
KT Corp. ADR	4%
Manitoba Telecom Services Inc.	4%
Telecom Italia Spon ADR	3%
BCE Inc.	3%
QUALCOMM Incorporated	3%
Shaw Communications Inc. - B	3%
France Telecom ADR	3%
America Movil S.A. de C.V. ADR	3%
Nippon Telegraph and Telephone Corporation ADR	3%
Telecom Corporation of New Zealand Limited ADR	2%
Cisco Systems Inc.	2%
China Mobile HK Ltd. SP ADR	2%
Motorola Inc.	2%
Telefonica de Argentina ADR	1%
	105%

\*The Net Asset Value excludes the Preferred share liability.

## Management Report on Fund Performance

### Results of Operations

For the six months ended December 31, 2007 the net asset value of the Fund for pricing purposes based on closing prices was \$13.98 per unit compared to \$13.90 per unit at June 29, 2007. The Fund's Preferred shares, listed on the Toronto Stock Exchange as GT.PR.A closed on December 31, 2007, at \$13.53 per share. The Fund's Class A shares, listed on the Toronto Stock Exchange as GT.A closed on December 31, 2007, at \$0.12 per share. Each Unit consists of one Preferred Share and one Class A share together.

Distributions totalling \$0.4125 per share were made to the Preferred shareholders during the six months ending December 31, 2007, maintaining a 5.5 percent yield based on the initial issue price of these shares. No distributions were made to the Class A shareholders, and these will not resume until returns improve, and arrears of \$0.21 per Preferred Share have been paid.

Volatility moved to elevated levels through this six month period and remained sufficient to maintain option writing programs. The Fund reduced its investment position in lieu of higher volatility realized by the sector.

The Fund actively hedged its U.S. dollar exposure during the period and finished the period with its U.S. exposure fully hedged against fluctuations in the exchange rate for Canadian dollars.

The six month return for the Fund in Canadian dollars, including reinvestment of distributions, was 3.5 percent. The S&P/TSX Telecommunications Index had a return of negative 5.4 percent while the S&P 500 Telecom Services Index had a return of negative 9.5 percent in Canadian dollar terms while the return on the MSCI World Telecom Services Index was flat at 0.9 percent in Canadian dollar terms.

# Mulvihill Premium *Global Telecom Fund* [GT.A/GT.PR.A]

## Management Report on Fund Performance

### Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years.

The information for the years ended June 29 is derived from the Fund's audited annual financial statements.

Information for the period ended December 31, 2007 is derived from the Fund's unaudited semi-annual financial statements.

Six months ended  
Dec. 31, 2007

#### DATA PER UNIT

<b>Net Assets at beginning of period (based on bid prices)<sup>(1)</sup></b>	<b>\$ 13.89</b>
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.15
Total expenses	(0.15)
Realized gains (losses) for the period	1.43
Unrealized gains (losses) for the period	(0.96)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>0.47</b>
DISTRIBUTIONS	
<b>Preferred Share</b>	
From net investment income	(0.41)
Accrued preferred share distributions	–
<b>Total Preferred Share Distributions</b>	<b>(0.41)</b>
<b>Total Distributions<sup>(3)</sup></b>	<b>(0.41)</b>
<b>Net Assets, end of period (based on bid prices)<sup>(1)</sup></b>	<b>\$ 13.96</b>

(1) 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 the Redeemable Preferred shares of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to new accounting standards set out by the Canadian Institute of Chartered Accountants relating to Financial Instruments. Refer to Note 4 of the annual financial statements for further discussion.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), realized and unrealized gains (losses),

Six months ended  
Dec. 31, 2007

#### RATIOS/SUPPLEMENTAL DATA

Net Asset Value (\$millions)	\$ 29.25
Number of units outstanding	2,095,508
Management expense ratio <sup>(1)</sup>	2.02% <sup>(4)</sup>
Portfolio turnover rate <sup>(2)</sup>	9.05%
Trading expense ratio <sup>(3)</sup>	0.08% <sup>(4)</sup>
Net Asset Value, per Unit <sup>(5)</sup>	\$ 13.98
Closing market price - Preferred	\$ 13.53
Closing market price - Class A	\$ 0.12

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes and capital taxes but excluding transaction fees and income taxes and Preferred share distributions, charged to the Fund to the average net asset value, excluding the liability for the Redeemable Preferred shares.

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities.

**Management Report on Fund Performance**

For December 31, 2007 and June 29, 2007, the Net Assets included in the Data per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices. All other calculations for the purposes of this MRFP are made using Net Asset Value.

		Years ended June 29				
2007	2006	2005	2004	2003		
\$ 11.49 <sup>(4)</sup>	\$ 11.81	\$ 12.28	\$ 12.19	\$ 12.49		
0.52	0.29	0.32	0.19	0.40		
(0.27)	(0.24)	(0.22)	(0.24)	(0.24)		
0.27	0.48	(0.69)	0.93	0.61		
2.74	(0.02)	0.94	0.03	(0.26)		
3.26	0.51	0.35	0.91	0.51		
(0.83)	(0.83)	(0.83)	(0.83)	(0.62)		
—	—	—	—	(0.21)		
(0.83)	(0.83)	(0.83)	(0.83)	(0.83)		
(0.83)	(0.83)	(0.83)	(0.83)	(0.83)		
\$ 13.89	\$ 11.52	\$ 11.81	\$ 12.28	\$ 12.19		

less expenses excluding Class A share distributions, and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

(3) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution and were paid in cash.

(4) Net Assets per unit has been adjusted for the Transition Adjustment - New Accounting Standards.

		Years ended June 29				
2007	2006	2005	2004	2003		
\$ 31.96	\$ 30.52	\$ 34.54	\$ 36.04	\$ 35.83		
2,299,108	2,650,058	2,925,858	2,934,858	2,937,858		
1.95%	1.91%	1.82%	1.86%	1.94%		
42.05%	64.48%	58.87%	59.85%	87.78%		
0.12%	0.19%	0.12%	0.19%	0.45%		
\$ 13.90	\$ 11.52	\$ 11.81	\$ 12.28	\$ 12.19		
\$ 13.37	\$ 10.90	\$ 11.30	\$ 12.00	\$ 11.00		
\$ 0.23	\$ 0.23	\$ 0.31	\$ 0.75	\$ 1.30		

The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

(3) Trading expense ratio represents total commissions expressed as an annualized percentage of the daily average net asset value during the period.

(4) Annualized.

(5) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

## **Management Report on Fund Performance**

### **Management Fees**

Mulvihill Capital Management (“MCM”) is entitled to fees under the Investment Management Agreement and the Management Agreement calculated monthly as 1/12 of 1.15 percent of the net asset value of the Fund at each month end, excluding the liability for Redeemable Preferred shares. Services received under the Investment Management Agreement include the making of all investment decisions and of writing covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund’s portfolio and the execution of all portfolio and other transactions.

Mulvihill Fund Services is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end, excluding the liability for Redeemable Preferred shares. Services received under the Management Agreement included providing or arranging for required administrative services to the Fund.

### **Recent Developments**

We continue to see signs of increased competitive intensity especially in North America. Aggressive cost-cutting efforts have helped earnings and this should continue in the near term. We continue to see very strong growth from Telecommunication services companies in emerging markets because of very low penetration rates although this may be offset somewhat by increased regulatory risk.

Mobile content is now mainstream, with ring tones, picture messaging and downloadable games and music being the most basic forms of mobile content and service providers are doing their best to maximize the opportunity that such mobile content offers. There is opportunity to offer some of this content in emerging markets.

Higher levels of market volatility have provided the Fund with greater opportunities to generate income through option writing and capital gains and as a result, the Fund was able to reduce its equity exposure over the past several months. We remain cautious on the sector due to concerns about consumer spending however strong cash flow and attractive dividend yields should provide downside protection.



Management Report on Fund Performance

Past Performance

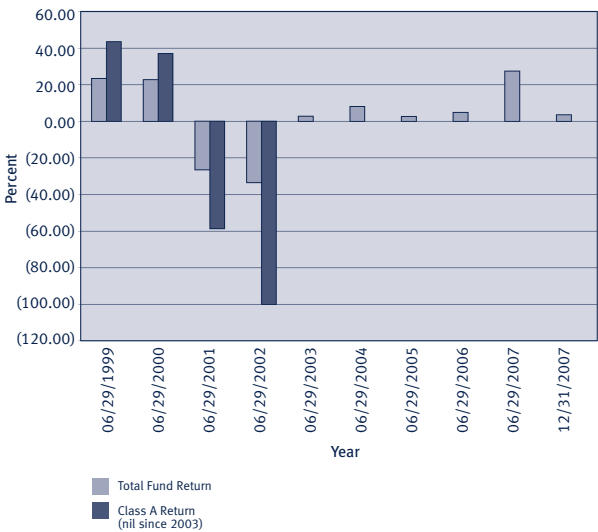
The chart below sets out the Fund’s year-by-year past performance. It is important to note that:

- (1) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,
- (2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) the past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates how the Fund’s total return in each of the past nine years as well as for the Fund’s six month period ended December 31, 2007 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on June 30 in each year or the date of inception in 1998 would have increased or decreased by the end of that fiscal year, or December 31, 2007 for the six months then ended.

Annual Total Return



## **Management Report on Fund Performance**

### **Related Party Transactions**

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Mulvihill Capital Management Inc. (“MCM”) manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated June 18, 1998.

Mulvihill Fund Services Inc. (“Mulvihill”) is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated June 18, 1998, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

### **Independent Review Committee**

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 - Independent Review Committee for Investment Funds (“NI 81-107”). NI 81-107 requires all publicly offered investment funds to establish an independent review committee (“IRC”) to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions.

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, C. Edward Medland, and Michael M. Koerner.

### **Forward-Looking Statements**

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

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

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

## Management's Responsibility for Financial Reporting

The accompanying financial statements of Global Telecom Split Share Corp. (operating as Mulvihill Premium Global Telecom Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager") and have been approved by the Board of Directors (the "Board").

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 of the annual financial statements for the year ended June 29, 2007.

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

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

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by Canadian Institute of Chartered Accountants.



John P. Mulvihill  
Director  
Mulvihill Fund Services Inc.



Sheila S. Szela  
Director  
Mulvihill Fund Services Inc.

February 2008

## Financial Statements

### Interim Statements of Financial Position

December 31, 2007 (Unaudited) and June 29, 2007 (Audited)

	December 2007	June 2007
<b>ASSETS</b>		
Investments at fair value (cost - \$23,316,746; June 2007 - \$27,585,971)	<b>\$ 24,082,962</b>	<b>\$ 30,470,547</b>
Short-term investments at fair value (cost - \$6,171,156; 2007 - \$2,008,725)	<b>6,170,078</b>	1,999,123
Cash	<b>3,013</b>	3,528
Interest and dividends receivable	<b>74,338</b>	94,731
<b>TOTAL ASSETS</b>	<b>\$ 30,330,391</b>	<b>\$ 32,567,929</b>
<b>LIABILITIES</b>		
Redemptions payable	<b>\$ 600,923</b>	<b>\$ —</b>
Accrued preferred share distributions	<b>441,067</b>	474,191
Accrued management fees	<b>31,770</b>	31,775
Accounts payable and accrued liabilities	<b>6,486</b>	132,707
Redeemable preferred shares	<b>29,250,145</b>	31,929,256
	<b>30,330,391</b>	<b>32,567,929</b>
<b>EQUITY</b>		
Class A and Class B shares	<b>28,700,000</b>	31,524,840
Deficit	<b>(28,700,000)</b>	(31,524,840)
	<b>—</b>	<b>—</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 30,330,391</b>	<b>\$ 32,567,929</b>
<b>Number of Units Outstanding</b>	<b>2,095,508</b>	<b>2,299,108</b>
<b>Net Assets per Unit</b>		
Preferred Share	<b>\$ 13.9585</b>	<b>\$ 13.8877</b>
Class A Share	<b>—</b>	<b>—</b>
	<b>\$ 13.9585</b>	<b>\$ 13.8877</b>

**Financial Statements**

**Interim Statements of Operations and Deficit**

For the six months ended December 31 (Unaudited)

	2007	2006
<b>REVENUE</b>		
Interest, net of foreign exchange	\$ 8,998	\$ 298,224
Dividends	338,939	417,726
Withholding taxes	(21,798)	(21,691)
	<b>326,139</b>	<b>694,259</b>
Net realized gains on investments	1,039,725	418,711
Net realized losses on short-term investments	(8,174)	—
Net realized gains (losses) on derivatives	2,113,872	(1,086,206)
<b>Total Net Realized Gains (Losses)</b>	<b>3,145,423</b>	<b>(667,495)</b>
<b>TOTAL REVENUE</b>	<b>3,471,562</b>	<b>26,764</b>
<b>EXPENSES</b>		
Management fees	196,439	203,002
Administrative and other expenses	31,172	28,221
Transaction fees	12,062	—
Custodian fees	13,088	19,055
Audit fees	29,892	29,892
Director fees	9,434	9,134
Independent review committee fees	739	—
Legal fees	—	10,189
Shareholder reporting costs	14,271	17,062
Goods and services tax	17,484	18,294
<b>TOTAL EXPENSES</b>	<b>324,581</b>	<b>334,849</b>
<b>Net Realized Income (Loss) before Distributions</b>	<b>3,146,981</b>	<b>(308,085)</b>
Preferred share distributions	(898,253)	(1,053,673)
<b>Net Realized Income (Loss)</b>	<b>2,248,728</b>	<b>(1,361,758)</b>
Net change in unrealized appreciation/depreciation of investments	(2,118,360)	5,135,161
Net change in unrealized appreciation/depreciation of short-term investments	8,788	72,814
<b>Total Net Change in Unrealized Appreciation/Depreciation</b>	<b>(2,109,572)</b>	<b>5,207,975</b>

## Financial Statements

### Interim Statements of Operations and Deficit (continued)

For the six months ended December 31 (Unaudited)

	2007	2006
<b>Net Income before Recovery in Value of Preferred Shares</b>	<b>139,156</b>	<b>3,846,217</b>
Recovery in value of preferred shares	(139,156)	(3,846,217)
<b>NET INCOME FOR THE PERIOD</b>	<b>\$ —</b>	<b>\$ —</b>
<b>NET INCOME PER CLASS A SHARE</b> (based on the weighted average number of Class A shares outstanding during the period of 2,199,986; 2006 - 2,573,917)	<b>\$ 0.0000</b>	<b>\$ 0.0000</b>
<b>DEFICIT</b>		
Balance, beginning of year	<b>\$ (31,524,840)</b>	<b>\$ (36,336,986)</b>
Net allocations on retractions	<b>2,824,840</b>	<b>2,457,909</b>
Net income for the period	—	—
Distributions on Class A shares	—	—
<b>BALANCE, END OF PERIOD</b>	<b>\$ (28,700,000)</b>	<b>\$ (33,879,077)</b>

**Financial Statements**

**Interim Statements of Changes in Net Assets**

For the six months ended December 31 (Unaudited)

	2007	2006
NET ASSETS - CLASS A AND CLASS B SHARES, BEGINNING OF YEAR	\$ -	\$ -
<b>Recovery in Value of Preferred Shares</b>		
Recovery in Value of Preferred Shares	(139,156)	(3,774,256)
Transition Adjustment - New Accounting Standards	-	(71,961)
	(139,156)	(3,846,217)
<b>Net Realized Income (Loss) before Distributions</b>	<b>3,146,981</b>	<b>(308,085)</b>
<b>Distributions Preferred Shares</b>		
From net investment income	(898,253)	(1,053,673)
<b>Net Change in Unrealized Appreciation/ Depreciation of Investments</b>	<b>(2,109,572)</b>	<b>5,207,975</b>
<b>Changes in Net Assets during the Period</b>	<b>-</b>	<b>-</b>
NET ASSETS - CLASS A AND CLASS B SHARES, END OF PERIOD	\$ -	\$ -

The statement of changes in net assets excludes cash flows pertaining to the Preferred shares as they are reflected as liabilities. During the period, amounts paid for the redemption of 203,600 Preferred shares (2006 - 177,700) totalled \$2,872,485 (2006 - \$2,193,944).

**Interim Statements of Changes in Investments**

For the six months ended December 31 (Unaudited)

	2007	2006
INVESTMENTS AT FAIR VALUE, BEGINNING OF YEAR	\$ 30,470,547	\$ 28,395,041
Unrealized appreciation/depreciation of investments, beginning of period	(2,884,576)	3,899,134
<b>Investments at Cost, Beginning of Year</b>	<b>27,585,971</b>	<b>32,294,175</b>
<b>Cost of Investments Purchased During the Period</b>	<b>2,539,273</b>	<b>6,718,397</b>
<b>Cost of Investments Sold During the Period</b>		
Proceeds from sales	9,962,095	10,530,898
Net realized gains (losses) on sales	3,153,597	(667,495)
	6,808,498	11,198,393
<b>Investments at Cost, End of Period</b>	<b>23,316,746</b>	<b>27,814,179</b>
Unrealized appreciation of Investments, end of period	766,216	1,236,027
INVESTMENTS AT FAIR VALUE, END OF PERIOD	\$ 24,082,962	\$ 29,050,206

## Financial Statements

### Statement of Investments

December 31, 2007 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
<b>SHORT-TERM INVESTMENTS</b>				
<b>Treasury Bills</b>				
Government of Canada, 3.98% - February 21, 2008	1,190,000	\$ 1,175,281	\$ 1,175,281	
Government of Canada, 3.88% - March 6, 2008	1,590,000	1,575,353	1,575,353	
<b>Total Treasury Bills</b>		<b>2,750,634</b>	<b>2,750,634</b>	<b>44.5%</b>
<b>Discount Commercial Paper</b>				
Canadian Wheat Board, USD, 4.17% - January 10, 2008	15,000	14,787	14,787	
Canadian Wheat Board, USD, 4.14% - February 6, 2008	1,345,000	1,342,244	1,319,759	
Export Development Corporation, USD, 4.29% - January 7, 2008	100,000	97,663	98,131	
Export Development Corporation, USD, 4.16% - February 25, 2008	20,000	19,628	19,534	
<b>Total Discount Commercial Paper</b>		<b>1,474,322</b>	<b>1,452,211</b>	<b>23.5%</b>
<b>Ontario Treasury Note</b>				
Province of Ontario, USD, 3.87% January 29, 2008	2,000,000	1,946,200	1,967,233	31.8%
		6,171,156	6,170,078	99.8%
<b>Accrued Interest</b>			15,661	0.2%
<b>TOTAL SHORT-TERM INVESTMENTS</b>		<b>\$ 6,171,156</b>	<b>\$ 6,185,739</b>	<b>100.0%</b>

### INVESTMENTS

#### Canadian Common Shares

##### Cable Services & Wireless

Rogers Communications Inc., Class B	23,000	\$ 647,266	\$ 1,034,770	
Shaw Communications Inc. - B	40,000	999,600	943,600	
<b>Total Cable Services &amp; Wireless</b>		<b>1,646,866</b>	<b>1,978,370</b>	<b>8.2%</b>

##### Telecommunication Services

BCE Inc.	25,000	774,433	990,000	
Manitoba Telecom Services Inc.	22,000	987,126	1,011,340	
TELUS Corporation	30,000	1,298,808	1,482,900	
<b>Total Telecommunication Services</b>		<b>3,060,367</b>	<b>3,484,240</b>	<b>14.5%</b>
<b>Total Canadian Common Shares</b>		<b>\$ 4,707,233</b>	<b>\$ 5,462,610</b>	<b>22.7%</b>



Financial Statements

Statement of Investments (continued)

December 31, 2007 (Unaudited)

	Number of Shares	Market Cost	Fair Value	% of Portfolio
INVESTMENTS (continued)				
<b>United States Common Shares</b>				
<b>Communication Technology</b>				
Cisco Systems Inc.	25,000	\$ 776,196	\$ 667,920	
Motorola Inc.	40,000	1,050,831	633,229	
QUALCOMM Incorporated	25,000	1,217,582	969,434	
<b>Total Communication Technology</b>		<b>3,044,609</b>	<b>2,270,583</b>	<b>9.4%</b>
<b>Telecommunication Services</b>				
AT&T Inc.	55,000	2,605,611	2,252,719	
Verizon Communications Inc.	35,400	1,940,437	1,524,700	
<b>Total Telecommunication Services</b>		<b>4,546,048</b>	<b>3,777,419</b>	<b>15.7%</b>
<b>Total United States Common Shares</b>		<b>\$ 7,590,657</b>	<b>\$ 6,048,002</b>	<b>25.1%</b>
<b>Non-North American Common Shares</b>				
<b>Cable Services &amp; Wireless</b>				
America Movil S.A. de C.V. ADR	15,000	\$ 849,674	\$ 908,835	
China Mobile HK Ltd. SP ADR	7,500	196,322	643,024	
<b>Total Cable Services &amp; Wireless</b>		<b>1,045,996</b>	<b>1,551,859</b>	<b>6.4%</b>
<b>Communication Technology</b>				
Nokia Corp. ADR	35,000	795,947	1,324,046	5.5%
<b>Telecommunication Services</b>				
France Telecom ADR	26,000	622,806	914,293	
KT Corp. ADR	40,000	1,214,944	1,018,535	
Nippon Telegraph and Telephone Corporation ADR	35,000	875,576	851,839	
SK Telecom Co. Ltd. ADR	45,000	1,413,137	1,319,506	
Telecom Corporation of New Zealand Limited ADR	42,666	819,843	697,330	
Telecom Italia Spon ADR	33,000	1,131,269	1,004,116	
Telefonica de Argentina ADR	16,100	325,890	199,578	
Telefonica De Espana ADR	12,000	805,070	1,154,024	
Telefonos de Mexico SA ADR	50,000	1,250,306	1,817,966	
Vodafone Group PLC - SP ADR	30,000	1,005,167	1,102,031	
<b>Total Telecommunication Services</b>		<b>9,464,008</b>	<b>10,079,218</b>	<b>41.9%</b>
<b>Total Non-North American Common Shares</b>		<b>\$ 11,305,951</b>	<b>\$12,955,123</b>	<b>53.8%</b>

## Financial Statements

### Statement of Investments (continued)

December 31, 2007 (Unaudited)

	Fair Value	% of Portfolio
INVESTMENTS (continued)		
<b>Forward Exchange Contracts</b>		
Sold USD \$1,755,000, Bought CAD \$1,758,499 @ 0.99801 - January 9, 2008	\$ 26,603	
Sold USD \$4,860,000, Bought CAD \$4,832,311 @ 1.00573 - January 16, 2008	36,763	
Sold USD \$1,945,000, Bought CAD \$1,882,756 @ 1.03306 - January 16, 2008	(36,450)	
Sold USD \$3,040,000, Bought CAD \$2,965,680 @ 1.02506 - January 23, 2008	(33,738)	
Sold USD \$290,000, Bought CAD \$293,415 @ 0.98836 - January 30, 2008	7,315	
Sold USD \$1,280,000, Bought CAD \$1,220,535 @ 1.04872 - January 31, 2008	(42,240)	
Sold USD \$3,000,000, Bought CAD \$2,738,426 @ 1.09552 - February 6, 2008	(221,088)	
Sold USD \$2,525,000, Bought CAD \$2,559,087 @ 0.98668 - February 8, 2008	68,187	
Sold USD \$2,120,000, Bought CAD \$2,024,601 @ 1.04712 - February 13, 2008	(66,686)	
Sold USD \$1,445,000, Bought CAD \$1,448,883 @ 0.99732 - March 12, 2008	23,665	
<b>Total Forward Exchange Contracts</b>	\$ (237,669)	(1.0)%

## Financial Statements

### Statement of Investments (continued)

December 31, 2007 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Portfolio
INVESTMENTS (continued)				
OPTIONS				
<b>Written Covered Call Options</b> (100 shares per contract)				
America Movil S.A. de C.V. ADR - January 2008 @ \$64	(150)	\$ (34,840)	\$ (3,433)	
AT&T Inc. - January 2008 @ \$34	(275)	(34,415)	(77,931)	
China Mobile HK Ltd. SP ADR - January 2008 @ \$91	(75)	(43,099)	(2,538)	
Cisco Systems Inc. - January 2008 @ \$28	(250)	(26,582)	(4,399)	
Nokia Corp. ADR - January 2008 @ \$40	(175)	(29,742)	(7,772)	
Rogers Communications Inc., Class B - January 2008 @ \$44	(115)	(11,960)	(21,165)	
Shaw Communications Inc. - B - January 2008 @ \$25	(200)	(9,200)	(416)	
Telefonos de Mexico SA ADR - January 2008 @ \$39	(500)	(59,341)	(14,973)	
Verizon Communications Inc. - January 2008 @ \$44	(354)	(35,763)	(12,477)	
<b>Total Written Covered Call Options</b>		(284,942)	(145,104)	(0.6)%
<b>TOTAL OPTIONS</b>		\$ (284,942)	\$ (145,104)	(0.6)%
Adjustment for transaction fees		\$ (2,153)		
<b>TOTAL INVESTMENTS</b>		\$ 23,316,746	\$ 24,082,962	100.0 %

## **Notes to Financial Statements**

December 31, 2007

### **1. Basis of Presentation**

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The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting standards ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended June 29, 2007.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended June 29, 2007.

### **2. Net Asset Value and Net Assets**

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For financial statement reporting purposes, the Fund applies Canadian generally accepted accounting principles requiring the Fund to value its securities using bid price. However, pursuant to a temporary exemption provided by the Canadian securities regulatory authorities, the Fund can calculate its net asset value using last sale price.

The difference between the net asset value for pricing purposes and the net assets reflected in the financial statements is as follows:

	December 31, 2007
Net Asset Value (for pricing purposes)	\$ 13.98
Difference	(0.02)
Net Assets (for financial statement purposes)	\$ 13.96

### **3. Normal Course Issuer Bid**

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Under the terms of the Fund's normal course issuer bid that was renewed in November 2007, the Fund proposes to purchase, if considered advisable, up to a maximum 218,951 of its Class A shares (2006 - 251,936) and 218,951 of its Preferred Shares (2006 - 251,936), 10 percent of its public float as determined in accordance with the rules of the Exchange. The normal course issuer bid will remain in effect until the earlier of November 12, 2008 or until the Fund has purchased the maximum number of shares permitted under the bid. As at December 31, 2007, no shares (2006 - nil) have been purchased by the Fund.

**Notes to Financial Statements**

December 31, 2007

Shareholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Investors Services at Mulvihill Premium Global Telecom Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

## **Mulvihill Premium *Global Telecom Fund* [GT.A/GT.PR.A]**

### **Hybrid Income Funds**

#### **Managed by Mulvihill Structured Products**

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#### **Mulvihill Platinum**

*Mulvihill Government Strip Bond Fund*

*Mulvihill Pro-AMS U.S. Fund*

*Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund*

*Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund*

*Mulvihill Pro-AMS RSP Split Share Fund*

#### **Mulvihill Premium**

*Mulvihill Core Canadian Dividend Fund*

*Mulvihill Premium Canadian Fund*

*Mulvihill Premium 60 Plus Fund*

*Mulvihill Premium Canadian Bank Fund*

*Mulvihill Premium Global Plus Fund*

*Mulvihill Premium Split Share Fund*

*Mulvihill Premium Global Telecom Fund*

*Mulvihill S Split Fund*

*Mulvihill Top 10 Canadian Financial Fund*

*Mulvihill Top 10 Split Fund*

*Mulvihill World Financial Split Fund*

#### **Mutual Funds Managed by**

#### **Mulvihill Capital Management**

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*Mulvihill Canadian Money Market Fund*

*Mulvihill Canadian Bond Fund*

*Mulvihill Global Equity Fund*

*Premium Global Income Fund*

#### **Head Office**

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**Mulvihill Capital Management Inc.**

*Please contact your broker directly  
for address changes.*