



Hybrid Income Funds



Annual Report 2003

Mulvihill Premium Global Telecom Fund

Global Telecom Split Share Corp.





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Message to Shareholders

The Fund's net asset value remained virtually unchanged during fiscal 2003, declining slightly from \$12.49 per unit as of June 29, 2002, to \$12.19 on June 29, 2003 after paying dividends of \$0.62 per unit to Preferred shareholders. No dividend payments to Class A shareholders were made during this period. Dividends to Class A shareholders will continue to be suspended until the value of the Fund's portfolio improves, and dividends in arrears of \$0.21 per Preferred share have been paid. On the Toronto Stock Exchange, the Fund's Class A shares closed the period trading at \$1.30, and Preferred shares closed at \$11.00.

Demand has remained sluggish in the telecommunications sector both at home and abroad. However, the sector's long decline now seems to have stabilized, and the current outlook is positive for a gradual recovery. Central banks have lowered interest rates and increased liquidity, and there are now signs that this stimulus is beginning to take hold. Increased demand will quickly translate into higher earnings for telecommunications companies that have spent the last few years becoming leaner and more efficient. This prospect is already improving share values in the sector, and we expect this trend to continue.

A summary of the Fund's investments is included with the financial statements in this annual report. We would like to take this opportunity to thank our shareholders for their continued support.



John P. Mulvihill

President

Mulvihill Capital Management Inc.

Investment Objectives

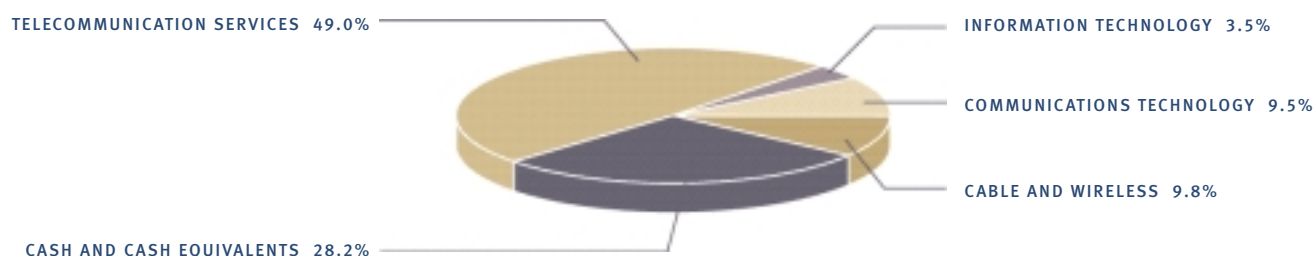
The Fund's investment objectives are to provide Preferred shareholders with quarterly cash dividends to yield 5.50% per annum based on the preferred share's par value (\$15.00) and to provide Class A shareholders with all excess realized income of the Fund at each fiscal year end. The Fund has set an initial dividend policy on the Class A shares of \$0.30 per quarter or 8% per annum based on the shares' issue price. In respect of the Class A shares, the Fund's Telecom Universe has experienced a sharp decline resulting in a reduction in the Fund's net asset value per Unit. As a result, the dividends on the Class A shares continue to be suspended until such time as the value of the underlying portfolio and coverage on the Preferred Shares improves.

Investment Strategy

The Fund achieves its investment objectives by investing its net assets in a diversified portfolio consisting principally of common shares issued by corporations within the Fund's Global Telecom Universe. To generate additional returns above the dividend income earned on the portfolio, the Fund will from time to time, write covered call options in respect of all or part of the common shares in the portfolio. From time to time, the Fund may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix

June 29, 2003



Distribution History

INCEPTION DATE: JUNE 1998	CLASS A REGULAR DISTRIBUTION	CLASS A SPECIAL DISTRIBUTION	TOTAL CLASS A DISTRIBUTION	REGULAR PREFERRED DISTRIBUTION
Total for 1998*	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.441600
Total for 1999	1.80	6.40	8.20	0.874903
Total for 2000	1.20	1.50	2.70	0.876778
Total for 2001	1.05	0.10	1.15	0.873839
Total for 2002	0.00	0.00	0.00	0.643526
March 2003	0.00	0.00	0.00	0.206250
June 2003	0.00	0.00	0.00	0.206250
Total for 2003	0.00	0.00	0.00	0.412500
Total Distributions to Date	\$ 4.05	\$ 8.00	\$ 12.05	\$ 4.123146

*Distributions are shown above on a calendar year basis to reflect amounts subject to tax in the year in which they are paid.

Top 10 Holdings

(equity securities)

- Telecom Italia ADR
- BCE Inc.
- Telefonica De Espana ADR
- Cable & Wireless ADR
- SBC Communications Inc.
- CenturyTel Inc.
- Cisco Systems Inc.
- Vodafone Group ADR
- Telefonos de Mexico ADR
- America Movil ADR

Trading History



Commentary

Over the 12 months ending June 29, 2003, the S&P 500 Telco Service Index declined 5 percent (Cdn), while the MSCI World Telecom Index rose by nearly 1 percent (Cdn). The rise of the Canadian dollar, particularly against its American counterpart, had a negative effect on the Fund's gains achieved in foreign currencies. Foreign exchange losses were reduced in part during the year through the use of forward exchange contracts by the Fund. In this environment, the Fund generated a return of 4.2 percent while maintaining a cash balance of 20 percent on average during the year.

The improved cost structure of many companies is enhancing their ability to generate earnings from increasing revenues. We are now focusing the Fund's investments on companies with solid cash flows and balance sheets, and debt significantly reduced or refinanced at lower rates. These companies include BCE Inc., TELUS Corporation, Verizon Communications Inc., SBC Communications Inc., BellSouth Corp., BT Group ADR, and Telecom New Zealand ADR.

The recovery in demand for telecom services and hardware is just beginning and various regulatory uncertainties remain, so revenue growth is modest. A broader economic recovery, especially in the U.S., will take longer to produce substantial growth in earnings, as well as rising share values. Meanwhile, there has been sufficient market volatility in the sector to enable the Fund to generate option-writing income to pay dividends.

To the Shareholders

We have audited the accompanying statement of investments of Global Telecom Split Share Corp. (operating as Mulvihill Premium Global Telecom Fund) (the "Fund") as at June 29, 2003, the statements of financial position as at June 29, 2003 and 2002, the statements of operations and deficit, of changes in net assets (deficiency) and of changes in investments and options for the years then ended, and the statements of financial highlights for each of the years (since inception) in the five-year period ended June 29, 2003. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets (deficiency) and investments and options, and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.



Chartered Accountants

Toronto, Ontario

July 25, 2003

Statements of Financial Position

June 29, 2003 and 2002

	2003	2002
ASSETS		
Investments at market value (average cost - \$35,972,083; 2002 - \$20,138,121)	\$ 29,292,842	\$ 14,263,507
Short-term Investments (average cost - \$11,623,828; 2002 - \$26,944,160)	11,620,160	26,936,765
Cash	23,613	79,785
Interest and dividends receivable	127,896	167,231
Due from brokers	863,713	—
TOTAL ASSETS	\$ 41,928,224	\$ 41,447,288
LIABILITIES		
Due to brokers	\$ 4,839,907	\$ —
Accounts payable and accrued liabilities	51,155	61,953
Accrued preferred share distributions (Note 7)	1,211,866	—
Redeemable preferred shares (Note 4)	44,067,870	49,704,675
TOTAL LIABILITIES	50,170,798	49,766,628
EQUITY (DEFICIENCY)		
Class A and Class B shares (Note 4)	41,390,619	41,390,619
Deficit	(49,633,193)	(49,709,959)
TOTAL EQUITY (DEFICIENCY)	(8,242,574)	(8,319,340)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	\$ 41,928,224	\$ 41,447,288
Net Asset Value per Unit		
Preferred share	\$ 12.1944	\$ 12.4894
Class A share	—	—
	\$ 12.1944	\$ 12.4894

On Behalf of the
Board of Directors


John P. Mulvihill, Director


Robert W. Korthals, Director

Statements of Operations and Deficit

Years ended June 29, 2003 and 2002

	2003	2002
REVENUE		
Interest	\$ 739,710	\$ 649,555
Dividends	561,419	2,474,731
Withholding taxes	(76,081)	(87,506)
	1,225,048	3,036,780
Net Realized Gains (Losses) on Investments and Options	1,859,341	(47,117,390)
TOTAL REVENUE	3,084,389	(44,080,610)
EXPENSES (Note 5)		
Management fees	422,053	702,635
Administrative and other expenses	198,707	209,985
Custodian fees	28,849	35,419
GST and capital taxes	73,477	146,380
TOTAL EXPENSES	723,086	1,094,419
Realized Income (Loss) before Income Taxes and Preferred Share Transactions	2,361,303	(45,175,029)
Income tax expense (Note 6)	(51,537)	(287,599)
Net Realized Income (Loss) before Preferred Share Transactions	2,309,766	(45,462,628)
Gain on retraction of preferred shares	1,043,953	–
Net Realized Income (Loss) before Distributions	3,353,719	(45,462,628)
Preferred share distributions (Note 7)	(2,475,646)	(2,904,091)
Net Realized Income (Loss)	878,073	(48,366,719)
Change in unrealized depreciation of investments and foreign exchange during the year	(801,307)	23,787,228
NET INCOME (LOSS) FOR THE YEAR	\$ 76,766	\$ (24,579,491)
DEFICIT		
Balance, beginning of year	\$ (49,709,959)	\$ (23,634,828)
Net income (loss) for the year	76,766	(24,579,491)
Distributions on Class A shares	–	(1,495,640)
BALANCE, END OF YEAR	\$ (49,633,193)	\$ (49,709,959)

Statements of Changes in Net Assets (Deficiency)

Years ended June 29, 2003 and 2002

	2003	2002
NET ASSETS (DEFICIENCY), BEGINNING OF YEAR	\$ (8,319,340)	\$ 18,679,816
Share Capital Transactions		
Class A shares redeemed	–	(924,025)
Net Realized Income (Loss) before Distributions	3,353,719	(45,462,628)
Distributions (Note 7)		
Preferred shares	(2,475,646)	(2,904,091)
Class A shares	–	(1,495,640)
	(2,475,646)	(4,399,731)
Change in Unrealized Depreciation of Investments and Foreign Exchange during the Year	(801,307)	23,787,228
Change in Net Assets during the Year	76,766	(26,999,156)
NET ASSETS (DEFICIENCY), END OF YEAR	\$ (8,242,574)	\$ (8,319,340)

Statements of Changes in Investments and Options

Years ended June 29, 2003 and 2002

	2003	2002
INVESTMENTS AT MARKET VALUE, BEGINNING OF YEAR	\$ 14,263,507	\$ 46,516,590
Unrealized depreciation of investments, beginning of year	5,874,614	29,673,384
Investments at Cost, Beginning of Year	20,138,121	76,189,974
Cost of Investments Purchased during the Year	33,783,927	22,252,234
Cost of Investments Sold during the Year		
Proceeds from sales	(19,809,306)	(31,186,697)
Net realized gains (losses) on sales	1,859,341	(47,117,390)
	(17,949,965)	(78,304,087)
Investments at Cost, End of Year	35,972,083	20,138,121
Unrealized depreciation of investments, end of year	(6,679,241)	(5,874,614)
INVESTMENTS AT MARKET VALUE, END OF YEAR	\$ 29,292,842	\$ 14,263,507

Statement of Investments

June 29, 2003

	Par Value/ Number of Shares		Average Cost	Market Value	% of Portfolio
SHORT-TERM INVESTMENTS					
Treasury Bills					
Government of Canada - August 14, 2003	645,000	\$	639,467	\$ 639,467	
Government of Canada - August 28, 2003	40,000		39,664	39,664	
Government of Canada - September 25, 2003	4,495,000		4,453,792	4,453,792	
Government of Canada, USD - August 5, 2003	325,000		437,646	439,445	
Government of Canada, USD - September 19, 2003	200,000		272,035	270,187	
Total Treasury Bills			5,842,604	5,842,555	50.2%
Promissory Note					
Province of Nova Scotia - September 9, 2003	1,000,000		991,620	991,620	8.6%
Bonds					
Canada Mortgage & Housing Corporation - December 1, 2003	4,750,000		4,789,604	4,785,985	41.1%
			11,623,828	11,620,160	99.9%
Accrued interest				13,525	0.1%
TOTAL SHORT-TERM INVESTMENTS		\$	11,623,828	\$ 11,633,685	100.0%

INVESTMENTS

Canadian Common Shares

Information Technology

Nortel Networks Corporation	200,000	\$	692,232	\$ 738,000	2.5%
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Telecommunication Services

Aliant Inc.	30,000		1,150,775	898,500	
BCE Inc.	50,000		1,926,755	1,557,000	
Manitoba Telecom Services Inc.	20,000		850,730	805,000	
TELUS Corporation	30,000		695,100	717,600	
Total Telecommunication Services			4,623,360	3,978,100	13.6%

Total Canadian Common Shares

\$	5,315,592	\$	4,716,100	16.1%
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United States Common Shares

Cable and Wireless

Alltel Corp.	10,000	\$	1,006,349	\$ 660,395	
AT&T Wireless Services Inc.	70,000		805,385	794,938	
Nextel Communications, Inc., Class A	20,000		409,270	499,188	
Total Cable and Wireless			2,221,004	1,954,521	6.7%

Communication Technology

Cisco Systems Inc.	50,000		1,606,937	1,149,161	
Motorola Inc.	80,000		1,204,870	1,015,701	
Total Communications Technology			2,811,807	2,164,862	7.4%

Statement of Investments

June 29, 2003

	Number of Shares	Average Cost	Market Value	% of Portfolio
INVESTMENTS (continued)				
United States Common Shares (continued)				
Information Technology				
QUALCOMM Inc.	15,000	890,289	729,697	2.5%
Telecommunication Services				
AT&T Canada Inc.	20,000	885,746	523,822	
BellSouth Corp.	15,000	958,526	549,811	
CenturyTel Inc.	25,000	1,131,383	1,174,201	
Sprint Corp.	40,000	912,231	785,057	
SBC Communications Inc.	35,000	1,744,168	1,205,198	
Verizon Communications Inc.	10,000	827,610	536,816	
Total Telecommunication Services		6,459,664	4,774,905	16.3%
Total United States Common Shares		\$ 12,382,764	\$ 9,623,985	32.9%
Non-North American Common Shares				
Cable and Wireless				
America Movil ADR	40,000	\$ 1,238,559	\$ 1,017,867	
Vodafone Group ADR	40,000	1,160,055	1,083,920	
Total Cable and Wireless		2,398,614	2,101,787	7.2%
Communications Technology				
Alcatel ADR	60,000	761,862	728,479	
Nokia Corp. ADR	45,000	1,756,994	1,014,145	
Total Communications Technology		2,518,856	1,742,624	5.9%
Telecommunication Services				
BT Group ADR	20,000	1,219,879	902,815	
Cable & Wireless ADR	170,000	1,466,362	1,279,372	
Deutsche Telekom AG ADR	40,000	774,273	827,829	
France Telecom ADR	15,000	486,762	499,052	
KT Corp. ADR	25,000	848,561	670,344	
Nippon Telegraph & Telephone ADR	30,000	1,210,767	821,914	
SK Telecom Co. Ltd. ADR	25,000	871,257	651,732	
Tele Danmark TDC ADR	45,000	1,258,892	913,644	
Telecom New Zealand ADR	20,000	556,474	645,642	
Telecom Italia ADR	15,000	1,914,012	1,845,560	
Telefonica De Espana ADR	28,153	1,893,114	1,337,534	
Telefonos de Mexico ADR	25,000	1,274,078	1,071,332	
Total Telecommunication Services		13,774,431	11,466,770	39.1%
Total Non-North American Common Shares		\$ 18,691,901	\$ 15,311,181	52.2%

Statement of Investments

June 29, 2003

	Number of Contracts		Proceeds	Market Value	% of Portfolio
INVESTMENTS (continued)					
OPTIONS					
Written Covered Call Options (100 shares per contract)					
Alcatel ADR - July 2003 @ \$10	600	\$	(51,281)	\$ (16,878)	
America Movil ADR - July 2003 @ \$19	400		(18,399)	(28,025)	
AT&T Canada Inc. - July 2003 @ \$20	200		(20,941)	(5,098)	
AT&T Wireless Services Inc. - July 2003 @ \$8	350		(15,491)	(38,675)	
BT Group ADR - July 2003 @ \$35	100		(14,137)	(8,387)	
Cable & Wireless ADR - July 2003 @ \$5	850		(44,162)	(65,051)	
CenturyTel Inc. - July 2003 @ \$35	125		(9,699)	(11,078)	
Cisco Systems Inc. - July 2003 @ \$18	250		(14,584)	(3,796)	
Deutsche Telekom AG ADR - July 2003 @ \$15	400		(18,561)	(22,335)	
Motorola Inc. - July 2003 @ \$10	600		(28,406)	(27,842)	
Nextel Communications, Inc., Class A - July 2003 @ \$18	200		(20,971)	(30,194)	
Nokia Corp. ADR - July 2003 @ \$17	225		(12,487)	(10,080)	
Nortel Networks Corporation - August 2003 @ \$4	500		(16,000)	(2,109)	
Nortel Networks Corporation - August 2003 @ \$4	500		(17,000)	(2,462)	
QUALCOMM Inc. - July 2003 @ \$37	100		(13,797)	(11,630)	
SBC Communications Inc. - July 2003 @ \$27	100		(6,105)	(867)	
Sprint Corp. - July 2003 @ \$15	400		(20,563)	(6,923)	
Telecom Italia ADR - July 2003 @ \$92	100		(13,938)	(18,421)	
Telefonica De Espana ADR - July 2003 @ \$36	250		(23,789)	(14,931)	
Telefonos de Mexico ADR - July 2003 @ \$33	150		(7,745)	(4,056)	
TELUS Corporation - July 2003 @ \$24	300		(10,500)	(13,361)	
Verizon Communication Inc. - July 2003 @ \$40	50		(4,594)	(4,389)	
Vodafone Group ADR - July 2003 @ \$21	300		(15,024)	(11,836)	
Total Written Covered Call Options		\$	(418,174)	\$ (358,424)	(1.2)%
TOTAL INVESTMENTS		\$	35,972,083	\$ 29,292,842	100.0 %

Statements of Financial Highlights

Years ended June 29

	2003	2002	2001	2000	1999
DATA PER UNIT					
Net Asset Value, as at June 30	\$ 12.49	\$ 20.34	\$ 30.46	\$ 31.86	\$ 29.25 *
INCOME FROM OPERATIONS					
Net investment income	0.15	0.50	0.75	0.29	0.04
Net gains (losses) on investments and options	0.04	(7.03)	(8.39)	6.69	5.95
Gain on retraction of preferred shares	0.34	—	—	—	—
Total from Operations	0.53	(6.53)	(7.64)	6.98	5.99
DISTRIBUTIONS TO SHAREHOLDERS					
Preferred shares					
From taxable income	(0.62)	(0.30)	(0.09)	(0.08)	(0.06)
Accrued preferred share distributions (Note 7)	(0.21)	—	—	—	—
From net realized gains on sale of investments and options	—	(0.57)	(0.79)	(0.80)	(0.82)
Class A shares					
From net realized gains on sale of investments and options	—	(0.45)	(1.60)	(7.50)	(2.50)
Total Distributions	(0.83)	(1.32)	(2.48)	(8.38)	(3.38)
Net Asset Value, as at June 29	\$ 12.19	\$ 12.49	\$ 20.34	\$ 30.46	\$ 31.86
Preferred shares	\$ 12.19	\$ 12.49	\$ 15.00	\$ 15.00	\$ 15.00
Class A shares	\$ —	\$ —	\$ 5.34	\$ 15.46	\$ 16.86
RATIOS/SUPPLEMENTAL DATA					
Total net assets, end of year (\$millions)	\$ 35.83	\$ 41.39	\$ 71.16	\$ 109.36	\$ 156.67
Average net assets (\$millions)	\$ 37.26	\$ 58.88	\$ 88.91	\$ 121.52	\$ 162.42
Management expense ratio	1.94%	1.88%	1.58%	1.60%	1.52%
Portfolio turnover rate	86.6%	38.3%	28.0%	67.4%	50.1%
Annual rate of return					
Preferred shares	5.50%	5.83%	5.83%	5.84%	5.88%
Class A shares	(11.8)%	(138.6)%	(55.1)%	36.2%	35.9%

* Net of agent fees.

1. Corporate Information

Global Telecom Split Share Corp. (the "Fund") is a mutual fund corporation incorporated under the laws of the Province of Ontario on May 7, 1998. The Fund was inactive prior to the initial public offering of Preferred shares and Class A shares on June 30, 1998. All shares outstanding on July 2, 2008 will be redeemed by the Fund on that date.

The Fund operates under the registered name Mulvihill Premium Global Telecom Fund.

The Fund invests in a diversified portfolio consisting principally of common shares and American Depositary Receipts ("ADRs") issued by selected corporations operating in the global telecommunications industry. ADRs are issued by a depository as evidence of a beneficial interest in foreign securities of an issuer that are held on deposit by the depository.

To generate additional returns above the dividend income earned on the portfolio, the Fund will from time to time write covered-call options in respect of all or part of the securities in the portfolio. In addition, the Fund may write cash-covered put options in respect of all of the securities in which the Fund is permitted to invest. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time, the portfolio may include debt securities having a remaining term to maturity of less than one year issued or guaranteed by the government of Canada or a province or the government of the United States of America or short-term commercial paper with a rating of at least R-1 (mid).

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada. The following is a summary of the significant accounting policies.

Investment valuation policies

Investments are recorded in the financial statements at their market value at the end of the period, determined as follows:

Shares or other securities for which market quotations are readily available are valued at the closing sale price or, if there is no sale price, the average of the closing bid and ask prices.

Listed options are valued at market values as reported on recognized exchanges. Over-the-counter options are valued using an appropriate valuation model.

Forward foreign exchange contracts are valued at the current market value on the valuation date.

Short-term investments are valued at cost adjusted for any foreign currency translation plus accrued interest, which approximates market values.

Policies for the recognition of investment appreciation, investment depreciation and income

Realized gains and losses on investment sales and unrealized appreciation or depreciation in investment values are calculated on the average cost basis.

Option premiums received are deferred and included in investments on the statement of financial position so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation of investments.

Dividend income is recognized on the ex-dividend date. Interest income is recognized when earned.

Foreign currency translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

3. Statements Of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

(a) Net investment income per Unit consists of interest and dividend revenue less expenses, and is calculated based on the weighted average number of Units outstanding during the year.

(b) Net gain (loss) on investments and options per Unit includes the impact of timing of shareholder transactions.

(c) Distributions to shareholders are based on the number of Preferred shares and Class A shares outstanding on the record date for each distribution.

(d) Management expense ratio is the ratio of all fees and expenses, including GST and capital taxes but excluding income taxes, charged to the Fund to average net assets, including Preferred shares.

(e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year, including Preferred shares.

(f) Annual rate of return represents the historical annual total rate of return of an investment in a Preferred share or a Class A share for the year, assuming reinvestment of current year distributions paid and accrued.

4. Share Capital

The Fund is authorized to issue an unlimited number of Preferred and Class A shares and 1,000 Class B shares.

All Preferred shares and Class A shares outstanding on July 2, 2008 will be redeemed by the Fund on that date.

Preferred shares and Class A shares may be surrendered at any time for retraction at specified retraction amounts. Holders of Preferred shares and Class A shares may concurrently retract one Preferred Share and one Class A Share (together, a "Unit") on a June month end valuation date at their net asset values. Shares retracted at any other valuation date or not retracted concurrently at a June month end valuation date will be retracted at a discount to their net asset values. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Preferred shares and Class A shares tendered for retraction. The Preferred shares rank in priority to the Class A shares and the Class A shares rank in priority to the Class B shares with respect to the payment of dividends and repayment of capital on the dissolution, liquidation or winding up of the Fund.

The holders of Class B shares are not entitled to receive dividends. The Class B shares are retractable at a price of \$1.00 per share.

Class B shares are entitled to one vote per share. Preferred shares and Class A shares are entitled to vote on certain shareholder matters.

The Fund's Preferred shares have been classified as liabilities in accordance with the accounting guidelines of The Canadian Institute of Chartered Accountants. Accordingly, net income for the year is stated after Preferred shares distributions.

A net of 375,787 (2002 - 185,100) each of Preferred shares and Class A shares were redeemed during the year. As the total retraction proceeds were lower than the nominal value of the preferred shares redeemed, the gain on retraction of the preferred shares is included in the Statement of Operations.

Subsequent to the year end, 3,000 Units were surrendered for concurrent retraction.

Issued and Outstanding

	2003	2002
Preferred shares		
2,937,858 (2002 - 3,313,645)	\$ 44,067,870	\$ 49,704,675
Class A shares		
2,937,858, (2002 - 3,313,645)	\$ 41,389,619	\$ 41,389,619
Class B shares		
1,000	1,000	1,000
	\$ 41,390,619	\$ 41,390,619

5. Management Fees and Expenses

The Fund is responsible for all ongoing custodial, manager, legal, accounting and audit fees as well as all other expenses incurred by the custodian and manager in the ordinary course of business relating to the Fund's operations.

Fees are paid to Mulvihill Capital Management Inc. ("MCM") under the terms of an investment management agreement and to Mulvihill Fund Services Inc. ("Mulvihill") under the terms of a management agreement. The fees are comprised of monthly fees calculated at 1/12 of 1.15% and 1/12 of 0.10%, respectively, of the net assets of the Fund at each month end, including the redeemable Preferred shares.

6. Income Taxes

The Fund is a "mutual fund corporation" as defined in the Income Tax Act (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. Also, the Fund is generally subject to a tax of 33-1/3% under Part IV of the Act on taxable dividends received in the year. This tax is fully refundable upon payment of sufficient dividends. The Fund is also subject to tax on the amount of its interest and foreign dividend income that is not offset by operating expenses and share issue expenses. The amount paid in respect of income taxes for 2003 was \$51,537 (2002 - \$287,599).

The Fund is also a "financial intermediary corporation" as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received nor is it generally liable to tax under Part VI.1 on dividends paid on taxable Preferred shares.

Under the dividend policy of the Fund, premiums received in respect of written options that are still outstanding at year end are not to be distributed in the year to the shareholders. The premiums retained by the Fund are subject to a refundable tax at 37.6%.

Capital losses of approximately \$47 million (2002 - \$47 million) are available for utilization against realized gains on sales of investments in future years. Capital losses can be carried forward indefinitely.

7. Distributions – Preferred Shares

Preferred shares are entitled to a cumulative preferential quarterly dividend of \$0.20625 per share payable on the last day of September, December, March and June in each year. To the extent that a quarterly dividend is a capital gains dividend funded by net realized capital gains or option premiums, holders of Preferred shares will receive an additional capital gains dividend of \$0.068 for each \$1.00 of Preferred Share dividend so funded.

The Fund suspended payment of cumulative preferential dividends on preferred shares in its first quarter ended September 30, 2002. In its second quarter, the Fund reinstated the cumulative preferential dividends on the preferred shares. The Preferred shares distribution payable amount includes dividend of \$605,933 in arrears and the Fund shall pay such arrears over time.

8. Commissions Paid

Total commissions paid for the year in connection with portfolio transactions were \$167,768 (2002 - \$154,941).

9. Financial Instruments and Risk Management

The value of the Fund's assets and liabilities is affected by changes in interest rates and equity markets. The Fund manages these risks through the use of various risk limits and trading strategies. The Fund's assets and liabilities are included in the statements of financial position at market value.

10. Normal Course Issuer Bid

The Toronto Stock Exchange accepted a Notice of Intention to make a normal course issuer bid filed by the Fund. Under the terms of the normal course issuer bid, the Fund proposes to purchase, if considered advisable, up to a maximum 307,266 of its Class A shares and 307,266 of its Preferred shares being approximately, 10% of its public float as determined in accordance with the rules of the Exchange. The purchases, which may commence on October 31, 2002, would be made in the open market through the facilities of the Exchange. The normal course issuer bid will remain in effect until the earlier of October 30, 2003 or until the Fund has purchased the maximum number of shares permitted under the bid. As at June 29, 2003, no shares have been purchased by the Fund.

Unitholders 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.

11. Comparative Figures

Certain comparative figures have been reclassified to conform with the current presentation.

12. Statement of Portfolio Transactions

The Fund will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any shareholder to the Fund at 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

Statement of Corporate Governance Practices

The Board of Directors (the "Board") bear responsibility for the stewardship of Global Telecom Split Share Corp. (operating as Mulvihill Premium Global Telecom Fund) (the "Fund"). Stewardship includes responsibility for the adoption of a strategic planning process, the identification of the principal risks of the Fund and ensuring the implementation of appropriate systems to manage these risks, succession planning, communications policy, and the integrity of the Fund's internal control and management information systems.

The Board consists of five directors, three of whom are independent of the Fund. The Board believes that the number of directors is appropriate for the Fund and only directors independent of the Fund are compensated. Amounts paid as compensation are reviewed for adequacy to ensure that they realistically reflect the responsibilities and risk involved in being an effective director. Individual directors may engage an outside advisor at the expense of the Fund in appropriate circumstances subject to the approval of the Board.

To assist the Board in its monitoring of the Fund's financial reporting and disclosure, the Board has established, and hereby continues the existence of, a committee of the Board known as the Audit Committee. The Audit Committee consists of four members, three of whom are independent of the Fund. The responsibilities of the Audit Committee include, but are not limited to, review of the annual financial statements and the annual audit performed by the external auditor, oversight of management's reporting on internal control and oversight of the Fund's compliance with tax and securities laws and regulations. The Audit Committee has direct communication channels with the external auditors to discuss and review specific issues as appropriate.

The Board is responsible for developing the Fund's approach to governance issues and, together with the Investment Manager, is evolving a best practices governance procedure.

The Fund maintains an Investor Relations line and web site to respond to inquiries from shareholders. Our Statement of Corporate Governance Practices will be posted on our website at www.mulvihill.com.

Mulvihill Capital Management Inc.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than \$3.8 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management ➔ provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management ➔ offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products ➔ is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
MULVIHILL PLATINUM			
Mulvihill Pro-AMS U.S. Fund	PAM.UN	\$ 20.56	\$ 18.64
Mulvihill Pro-AMS RSP Fund	PR.UN	\$ 19.78	\$ 18.15
Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund	PRC.UN	\$ 20.70	\$ 18.56
Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund	PRU.U	\$ 19.90 USD	\$ 15.27 USD
Mulvihill Pro-AMS RSP Split Share Fund	SPL.A/SPL.B	\$ 9.80/\$ 18.50	\$ 7.78/\$ 14.30
MULVIHILL PREMIUM			
Mulvihill Premium Canadian Fund	FPI.UN	\$ 20.74	\$ 16.41
Mulvihill Premium U.S. Fund	FPU.UN	\$ 16.25	\$ 12.36
Mulvihill Premium Oil & Gas Fund	FPG.UN	\$ 9.68	\$ 8.13
Mulvihill Premium 60 Plus Fund	SIX.UN	\$ 20.70	\$ 16.68
Mulvihill Premium Global Plus Fund	GIP.UN	\$ 14.00	\$ 11.82
Mulvihill Premium Canadian Bank Fund	PIC.A/PIC.PR.A	\$ 11.95/\$ 16.10	\$ 9.22/\$ 15.00
Mulvihill Premium Split Share Fund	MUH.A/MUH.PR.A	\$ 10.25/\$ 16.00	\$ 7.71/\$ 15.00
Mulvihill Premium Global Telecom Fund	GT.A/GT.PR.A	\$ 2.49/\$ 11.00	\$ 1.01/\$ 9.00
MULVIHILL SUMMIT			
Mulvihill Summit Digital World Fund	DWT.UN	\$ 4.15	\$ 3.09

Board of Directors

John P. Mulvihill*
Chairman & President,
Mulvihill Capital Management Inc.

David N. Middleton
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner*
Corporate Director

Robert W. Korthals*
Corporate Director

C. Edward Medland*
President, Beauwood Investments Inc.

** Audit Committee*

Information

Auditors:
Deloitte & Touche LLP
BCE Place
181 Bay Street, Suite 1400
Toronto, Ontario M5J 2V1

Transfer Agent:
Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:
Toronto Stock Exchange
trading under
GT.A/GT.PR.A

Trustee:
Royal Trust
Royal Trust Tower
77 King Street West, 11th Floor
Toronto, Ontario M5W 1P9

Visit our website at www.mulvihill.com for additional information on all Mulvihill Hybrid Income Funds.

**Hybrid Income Funds
Managed by Mulvihill Structured Products**

Mulvihill Platinum

Mulvihill Pro-AMS U.S. Fund
Mulvihill Pro-AMS RSP 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 Premium Canadian Fund
Mulvihill Premium U.S. Fund
Mulvihill Premium Oil & Gas Fund
Mulvihill Premium 60 Plus Fund
Mulvihill Premium Global Plus Fund
Mulvihill Premium Canadian Bank Fund
Mulvihill Premium Split Share Fund
Mulvihill Premium Global Telecom Fund

Mulvihill Summit

Mulvihill Summit Digital World Fund

**Mutual Funds Managed by
Mulvihill Capital Management**

Mulvihill Canadian Money Market Fund
Mulvihill Canadian Equity Fund
Mulvihill Canadian Bond Fund
Mulvihill Global Equity Fund
Mulvihill U.S. Equity Fund
Premium Canadian Income Fund
Premium Global Income Fund

Head Office:

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Contact your broker directly for address changes.





www.mulvihill.com

Mulvihill Structured Products

Investor Relations

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