



Hybrid Income Funds



Annual Report 2003

Mulvihill Summit Digital World Fund

Digital World Trust



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Message to Unitholders

Equity markets in 2003 made positive returns, strongly outperforming both bonds and cash instruments. The S&P TSX composite index rose 27 percent, with advances in all major industry groups. This reflected the underlying stability of the Canadian economy, which continued to perform well, despite the temporary setbacks of the SARS outbreak, mad cow disease, forest fires in the West and the Ontario power blackout. One other development, however, is having a more lasting effect—the sharp rise in the value of the Canadian dollar. This has hurt the competitiveness of Canadian manufacturers in export markets, and will continue to have a dampening effect on economic growth in 2004.

In the U.S., equity markets rebounded strongly after a sluggish first quarter, buoyed by a surging American economy. The S&P 500 index recorded a 29 percent gain for the year, and the NASDAQ rose by a full 50 percent. The sinking value of the U.S. dollar, however, turned these advances into only 5 percent and 23 percent gains in Canadian currency terms. Low interest rates, tax cuts and depleted inventories have contributed to the resurgence of the American economy, and the weaker dollar is also improving U.S. export prospects for this year. The present federal budget deficit and the chronic and now massive U.S. current account deficit are shifting investor sentiment away from U.S. dollar denominated assets. Commodities priced in depreciating U.S. dollars are thus more affordable, encouraging a rise in global demand.

In both Canada and the U.S., equity investors favoured stocks with depressed prices in sectors poised for renewed growth. This propelled the formerly devastated information technology sector into the forefront of performers, along with the materials and financial sectors. Price volatility was high in the first quarter, but has decreased substantially since then, though it remains sufficient to sustain limited option writing programs.

The outlook at present is for solid economic growth this year, accompanied by low inflation and higher corporate profits. The Canadian economy will benefit from the strong U.S. recovery, though this will be dampened somewhat by the strength of the Canadian dollar. Short-term interest rates are likely to remain low and could even ease from current levels. The U.S. Federal Reserve has probably finished its easing cycle, and will remain on hold for a while, with potential for tightening in the second half of the year.

With valuation levels already quite high, especially in the U.S., equity markets are unlikely to rise as much in 2004 as they did in 2003. Nevertheless, the equity investment environment remains distinctly positive for the year.



John P. Mulvihill
President

Mulvihill Capital Management Inc.

Investment Objectives

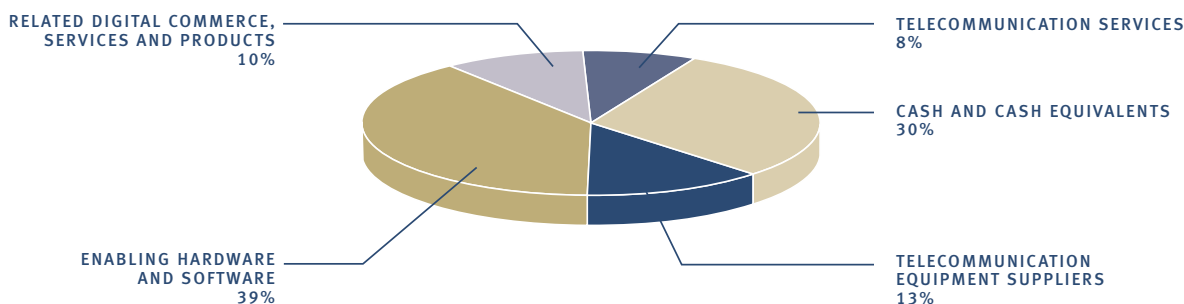
The Fund's investment objective is to provide unitholders with superior returns delivered in the form of (a) quarterly distributions and (b) appreciation in the value of the Fund's portfolio. The quarterly distributions will be comprised of dividends received on the Fund's portfolio and net realized capital gains including option premiums from writing covered call options on securities held in the Fund's portfolio and from writing cash covered put options on securities in which the Fund is permitted to invest.

Investment Strategy

The Fund invests in a diversified portfolio of common shares issued by leading digitally based companies. These companies are either listed on a major North America stock exchange or quoted on NASDAQ with a market capitalization in excess of US\$5.0 billion. They must operate within the sectors of Telecommunication Services, Telecommunication Equipment Suppliers, Enabling Hardware and Software, and Related Digital Commerce, Services and Products, as the Digital World Universe. The Fund may, from time to time, write covered call options in respect of all or part of the securities in its portfolio. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest. Accordingly, the Fund will hold a portion of its assets in cash equivalents which will be used to provide cover in respect of the writing of cash covered put positions.

Asset Mix

December 31, 2003



Distribution History

INCEPTION DATE: FEBRUARY 2000

REGULAR DISTRIBUTION

Total for 2000	\$ 2.35
Total for 2001	0.95
Total for 2002	0.50
March 2003	0.10
June 2003	0.10
September 2003	0.10
December 2003	0.10
Total for 2003	0.40
Total Distributions to Date	\$ 4.20

For complete distribution history and income tax information, please see our website www.mulvihill.com.

Top 10 Holdings

- Intel Corporation
- Texas Instruments Inc.
- Cisco System Inc.
- SAP AG ADR
- Nokia Corp. ADR
- Sprint Corp.
- Lexmark International, Inc.
- The Charles Schwab Corporation
- Hewlett-Packard Company
- Microsoft Corporation

Trading History



Commentary

As of December 31, 2003, the net assets of the Fund were \$24.2 million, or \$4.06 per unit, up from a net asset value of \$3.75 per unit, at the end of 2002. The Fund’s units, listed on the Toronto Stock Exchange as DWT.UN, closed on December 31, 2003 at \$3.90, compared to the closing price of \$3.56 at the end of 2002.

Unitholders received distributions of \$0.40 per unit during the year, consisting of four quarterly payments of \$0.10 each. Distributions have been reduced to maintain net asset value, and enable the Fund to meet its long-term objectives.

The revival that is now emerging in the technology sector lifted the NASDAQ Composite Index by 50 percent during 2003. Unfortunately, the sinking American dollar turned this into a weaker 23 percent gain in Canadian currency. Prospects are good for further strengthening of the sector in 2004, especially if a revival of capital spending in the U.S. is sustained. A new replacement cycle in technology is overdue, as many companies have not upgraded their major equipment since the period leading up to Y2K. U.S. companies can also take advantage of accelerated depreciation allowances for these expenditures.

The Fund is maintaining its diversified position across a range of hardware and software companies, as well as e-commerce enterprises, mostly based in the U.S. Steps have been taken to hedge some of the Fund’s foreign currency exposure as the U.S. dollar continues to show signs of weakness. A prudent level of cash is also being retained for defensive purposes.

Financial statements and a summary of the Fund’s investments are included in this annual report. We would like to take this opportunity to thank each of the Fund’s unitholders for their continuing support.

Management's Responsibility for Financial Reporting

This report has been prepared in accordance with the Accounting Standards Board guidelines.

The accompanying financial statements of Digital World Trust (operating as Mulvihill Summit Digital World Fund) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc., (the "Manager"), and have been reviewed by the Board of Advisors (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 annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the financial statements. The financial statements have been audited by Deloitte & Touche LLP on behalf of the unitholders.

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 Board 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 has full and unrestricted access to the Board.



John P. Mulvihill
Director
Mulvihill Fund Services Inc.



David N. Middleton
Director
Mulvihill Fund Services Inc.

February 20, 2004

To the Unitholders of Mulvihill Summit Digital World Fund

We have audited the accompanying statement of investments of Digital World Trust (operating as Mulvihill Summit Digital World Fund) (the "Fund") as at December 31, 2003, the statements of net assets as at December 31, 2003 and 2002, and the statements of financial operations, of changes in net assets and of loss on sale of investments and options for the years then ended and the statements of financial highlights for each of the years or periods (since inception) in the four-year period ended December 31, 2003. These financial statements are the responsibility of the Fund's Manager. 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 the Manager, 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, the loss on sale of investments and options and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

The signature of Deloitte & Touche LLP is written in a cursive, handwritten style in dark ink.

Chartered Accountants
Toronto, Ontario
February 20, 2004

Statements of Net Assets

December 31, 2003 and 2002

	2003	2002
ASSETS		
Investments at market value (average cost - \$32,673,539; 2002 - \$51,444,360)	\$ 19,174,781	\$ 21,616,532
Short-term investments (average cost - \$8,083,549; 2002 - \$7,797,076)	7,995,406	7,831,287
Cash	20,162	91,680
Interest receivable	9,798	19,014
Dividends receivable	7,248	18,711
Due from brokers	21,906	-
TOTAL ASSETS	27,229,301	29,577,224
LIABILITIES		
Redemptions payable	2,931,652	2,309,982
Due to brokers	68,344	-
Accrued liabilities	40,578	61,032
TOTAL LIABILITIES	3,040,574	2,371,014
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 24,188,727	\$ 27,206,210
Number of Units Outstanding (Note 5)	5,962,815	7,261,933
Net Asset Value per Unit	\$ 4.0566	\$ 3.7464

On Behalf of the Manager,
Mulvihill Fund Services Inc.


John P. Mulvihill, Director


David N. Middleton, Director

Statements of Financial Operations

Years ended December 31, 2003 and 2002

	2003	2002
REVENUE		
Dividends	\$ 183,089	\$ 294,104
Interest, net of foreign exchange	(364,995)	35,457
Withholding taxes	(28,816)	(40,399)
TOTAL REVENUE	(210,722)	289,162
EXPENSES (Note 6)		
Management fees	321,643	452,123
Custodian and other expenses	124,693	131,204
Goods and services tax	30,315	40,146
TOTAL EXPENSES	476,651	623,473
Net Investment Loss	(687,373)	(334,311)
Loss on sale of investments and options	(10,715,552)	(23,053,949)
Change in unrealized depreciation of investments, options and foreign currency	16,205,277	4,941,792
Net Gain (Loss) on Investments	5,489,725	(18,112,157)
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ 4,802,352	\$ (18,446,468)

Statements of Changes in Net Assets

Years ended December 31, 2003 and 2002

	2003	2002
NET ASSETS, BEGINNING OF YEAR	\$ 27,206,210	\$ 53,624,217
Total Results of Financial Operations	4,802,352	(18,446,468)
Unit Transactions		
Amount paid for units redeemed	(5,067,843)	(3,995,274)
Proceeds from reinvestment of distributions	-	82,356
	(5,067,843)	(3,912,918)
Distributions to Unitholders (Note 7)		
Non-taxable distribution	(2,751,992)	(4,058,621)
Changes in Net Assets during the Year	(3,017,483)	(26,418,007)
NET ASSETS, END OF YEAR	\$ 24,188,727	\$ 27,206,210

Statements of Loss on Sale of Investments and Options

Years ended December 31, 2003 and 2002

	2003	2002
Proceeds from Sale of Investments	\$ 20,556,324	\$ 14,824,541
Cost of Investments Sold		
Cost of investments, beginning of year	51,444,360	77,910,692
Cost of investments purchased	12,501,055	11,412,158
	63,945,415	89,322,850
Cost of Investments, End of Year	(32,673,539)	(51,444,360)
	31,271,876	37,878,490
LOSS ON SALE OF INVESTMENTS AND OPTIONS	\$ (10,715,552)	\$ (23,053,949)

Statement of Investments

December 31, 2003

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada - February 12, 2004		625,000	\$ 619,834	\$ 619,834
Government of Canada - February 26, 2004		30,000	29,794	29,794
Government of Canada - March 25, 2004		185,000	183,384	183,384
Government of Canada - April 8, 2004		865,000	858,190	858,190
Government of Canada - May 6, 2004		100,000	99,110	99,110
Total Treasury Bills	22.4 %		1,790,312	1,790,312
Discount Commercial Paper				
Canadian Wheat Board, USD - January 21, 2004		200,000	261,993	257,873
Canadian Wheat Board, USD - January 23, 2004		50,000	66,818	64,553
Canadian Wheat Board, USD - February 23, 2004		1,090,000	1,431,864	1,405,291
Export Development Corporation, USD - January 15, 2004		1,900,000	2,485,173	2,452,765
Export Development Corporation, USD - February 19, 2004		1,470,000	1,915,845	1,895,642
Province of Ontario, USD - January 14, 2004		100,000	131,544	128,970
Total Discount Commercial Paper	77.5 %		6,293,237	6,205,094
	99.9 %		8,083,549	7,995,406
Accrued interest	0.1 %			9,798
TOTAL SHORT-TERM INVESTMENTS	100.0 %		\$ 8,083,549	\$ 8,005,204

INVESTMENTS

Canadian Common Shares

Telecommunication Equipment Suppliers

Celestica Inc.	1.0 %	10,000	\$ 918,025	\$ 195,600
Total Canadian Common Shares	1.0 %		\$ 918,025	\$ 195,600

United States Common Shares

Enabling Hardware and Software

EMC Corporation		20,000	\$ 373,267	\$ 333,919
Hewlett-Packard Company		30,000	2,615,045	890,494
IBM Corporation		5,000	623,405	598,832
Intel Corporation		60,000	2,966,050	2,496,640
Lexmark International, Inc.		10,000	892,885	1,016,231
Maxim Integrated Products Inc.		5,000	292,500	321,772
Microsoft Corporation		25,000	988,306	889,719
Oracle Corporation		50,000	1,817,089	852,890
Texas Instruments Inc.		50,000	5,162,811	1,898,325
Total Enabling Hardware and Software	48.5 %		15,731,358	9,298,822

Statement of Investments

December 31, 2003

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)				
United States Common Shares (continued)				
Related Digital Commerce, Services and Products				
AOL Time Warner Inc.		25,000	548,763	581,192
First Data Corp.		10,000	540,910	530,988
General Electric Company		20,000	1,097,495	800,682
The Charles Schwab Corporation		60,000	1,210,833	918,019
Total Related Digital Commerce, Services and Products	14.8 %		3,398,001	2,830,881
Telecommunication Equipment Suppliers				
Cisco Systems Inc.	8.2 %	50,000	2,652,446	1,569,446
Telecommunication Services				
Sprint Corp.	5.5 %	50,000	4,123,429	1,060,943
Total United States Common Shares	77.0 %		\$ 25,905,234	\$ 14,760,092
Non-North American Common Shares				
Enabling Hardware and Software				
SAP AG ADR	7.0 %	25,000	\$ 1,209,352	\$ 1,342,655
Telecommunication Equipment Suppliers				
Alcatel ADR		40,000	696,069	664,220
Nokia Corp. ADR		50,000	1,845,114	1,098,418
Total Telecommunication Equipment Suppliers	9.2 %		2,541,183	1,762,638
Telecommunication Services				
BT Group PLC ADR		20,000	1,094,980	884,421
Deutsche Telekom AG ADR		10,000	1,213,503	234,286
Total Telecommunication Services	5.8 %		2,308,483	1,118,707
Total Non-North American Common Shares	22.0 %		\$ 6,059,018	\$ 4,224,000

Statement of Investments

December 31, 2003

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)				
Forward Exchange Contracts				
Sold USD \$1,300,000, Bought CAD \$1,783,803 @ 0.72878 - January 12, 2004			\$	102,935
Sold USD \$2,315,000, Bought CAD \$3,037,500 @ 0.76214 - January 27, 2004				42,170
Bought CAD \$2,573,230, Sold USD \$1,955,000 @ 0.75975 - January 27, 2004				(43,639)
Sold USD \$1,993,000, Bought CAD \$2,624,890 @ 0.75927 - February 11, 2004				44,554
Sold USD \$1,421,000, Bought CAD \$1,854,002 @ 0.76645 - February 25, 2004				13,186
Sold USD \$1,564,000, Bought CAD \$2,097,021 @ 0.74582 - March 10, 2004				69,748
Total Forward Exchange Contracts	1.2 %		\$	228,954

	% of Portfolio	Number of Contracts	Proceeds	Market Value
OPTIONS				
Written Cash Covered Put Options (100 shares per contract)				
Vodafone Group PLC ADR - January 2004 @ \$24	0.0 %	100	\$ (6,358)	\$ (867)
Written Covered Call Options (100 shares per contract)				
Alcatel ADR - January 2004 @ \$13		400	(12,065)	(11,968)
AOL Time Warner Inc. - January 2004 @ \$17		150	(7,247)	(24,469)
BT Group PLC ADR - January 2004 @ \$32		100	(7,369)	(32,840)
EMC Corporation - January 2004 @ \$13		100	(5,845)	(3,132)
Intel Corporation - January 2004 @ \$32		300	(39,083)	(37,490)
Maxim Integrated Products Inc. - January 2004 @ \$49		50	(10,310)	(9,460)
Nokia Corp. ADR - January 2004 @ \$17		250	(13,316)	(8,490)
SAP AG ADR - January 2004 @ \$42		250	(34,255)	(25,344)
Sprint Corp. - January 2004 @ \$17		500	(21,906)	(20,272)
Texas Instruments Inc. - January 2004 @ \$29		500	(50,984)	(59,533)
Total Written Covered Call Options	(1.2)%		(202,380)	(232,998)
TOTAL OPTIONS	(1.2)%		\$ (208,738)	\$ (233,865)
TOTAL INVESTMENTS	100.0 %		\$ 32,673,539	\$ 19,174,781

Statements of Financial Highlights

Years ended December 31

	2003	2002	2001	2000*
DATA PER UNIT				
Net Asset Value, Beginning of Year	\$ 3.75	\$ 6.47	\$ 9.06	\$ 14.18**
INCOME (LOSS) FROM INVESTMENT OPERATIONS				
Net investment income (loss)	(0.10)	(0.05)	0.29	0.34
Net gain (loss) on sale of investments and options	0.81	(2.17)	(1.93)	(3.11)
Total from Investment Operations	0.71	(2.22)	(1.64)	(2.77)
DISTRIBUTIONS TO UNITHOLDERS				
From net investment income	-	-	(0.13)	(0.18)
From net realized gain on sale investments and options	-	-	-	(2.16)
Non-taxable distribution (Note 7)	(0.40)	(0.50)	(0.82)	(0.01)
Total distributions	(0.40)	(0.50)	(0.95)	(2.35)
Net Asset Value, End of Year	\$ 4.06	\$ 3.75	\$ 6.47	\$ 9.06
RATIOS/SUPPLEMENTAL DATA				
Total net assets, end of year (\$millions)	\$ 24.19	\$ 27.21	\$ 53.62	\$ 74.53
Average net assets (\$millions)	\$ 27.12	\$ 38.99	\$ 61.80	\$ 100.42
Management expense ratio	1.76 %	1.65%	1.61%	1.50%***
Portfolio turnover rate	61.1 %	39.5%	26.8%	38.9%
Annual rate of return	18.9 %	(34.3)%	(18.1)%	N/A

* For the period from inception on February 23, 2000 to December 31, 2000.

** Net of agent fees.

***Annualized

1. Establishment of the Fund

Digital World Trust (the "Fund") is an investment trust established under the laws of the Province of Ontario on February 15, 2000. The Fund began operations on February 23, 2000 and will terminate on December 31, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Fund by a majority vote at a meeting called for such purpose.

The manager of the Fund is Mulvihill Fund Services Inc. (the "Manager") and the Fund's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). The Royal Trust Company (the "Trustee") is the trustee and acts as custodian of the assets of the Fund.

The Fund operates under the registered name Mulvihill Summit Digital World Fund.

2. Investment Objectives of the Fund

The Fund achieves its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by leading "digitally based" companies listed on a major North American stock exchange or quoted on NASDAQ with a market capitalization in excess of U.S. \$5.0 billion and which operate within the sectors of telecommunication services, telecommunication equipment suppliers, enabling hardware and software and related digital commerce, services and products.

To generate additional returns, the Fund may, 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 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 Fund may hold a portion of its assets in cash equivalents.

3. 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 significant accounting policies.

Valuation of investments

Securities are valued at market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the last published sale price if this is between the last recorded bid price (the price someone is willing to pay) and the last recorded asked price (the price at which someone is willing to sell).

If the last published sale price is not between the bid and the asked price, the bid or the asked price is used, whichever is nearer the last published sale price.

Short-term investments are valued at cost plus accrued interest, which approximates market value.

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

The value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract, as the case may be, were to be closed out.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments, options and foreign currency

are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

- (i) Expiration of written options whereby realized gains are equivalent to the premium received;
- (ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and
- (iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of investments and options.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments, options and foreign currency. Premiums received on written put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is 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.

4. Statements of Financial Highlights

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

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Fund to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, divided by the average value of portfolio securities, excluding short-term investments.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of current year distributions. Returns are not reported in the year that the Fund was established.

5. Unitholders' Equity

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Fund.

All units have equal rights and privileges, except that units issued to a trust managed by the Manager or an affiliate of the Manager all or part of whose investment strategy is to track performance of the units of the Fund (a "Related Trust"), a counterparty to a forward agreement entered into with a Related Trust (a "Counterparty") or an entity designated by a Counterparty (a "Designated Party") may be redeemed at the net asset value on any valuation

date. No units have been issued to either a Related Trust, Counterparty or Designated Party. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Fund. Fractional units are not entitled to voting privileges.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4 percent of such net asset value per unit and (ii) \$0.60, except units held by a Related Trust, Counterparty or a Designated Party, which may be redeemed at the net asset value per unit on any valuation date. 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 units tendered for redemption.

Following are the unit transactions for the year:

	2003	2002
Units outstanding, beginning of year	7,261,933	8,284,245
Units issued on reinvestment of distributions	—	13,386
Units redeemed	(1,299,118)	(1,035,698)
Units outstanding, end of year	5,962,815	7,261,933

Under the terms of the normal course issuer bid, the Fund proposes to purchase, if considered advisable, up to a maximum of 709,208 units, 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 April 27, 2004 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2003, no units 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 Mulvihill Investors Services at: Mulvihill Summit Digital World Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

6. Management Fees and Expenses

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and Manager in the ordinary course of business relating to the Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10 percent and 1.10 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes. The fee of 0.10 percent is not payable on the value of units held by Related Trusts.

The Investment Manager is also entitled to an annual performance fee per unit equal to 10 percent of the amount by which cash distributions paid in a financial year plus the change in the net asset value per unit of the Fund since the December valuation date of the previous financial year exceeds 20 percent of the net asset value per unit at the December valuation date of the previous financial year. No performance fee will be paid in a financial year if cumulative total returns have not exceeded a 15 percent cumulative return since inception on the original investment of \$15.00 and unless the total return for the Fund for such year exceeds the simple average of the annual total return for such year of the Scotia Capital 91-day T-Bill Index and the NASDAQ-100 Index. No incentive fee was payable in respect of 2003 or 2002.

7. Distributions

The Fund endeavours to make quarterly cash distributions to unitholders of net income and net realized capital gains and options on the last day of March, June, September and December in each year. Unitholders may elect to reinvest distributions received from the Fund in additional units.

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

8. Income Taxes

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable is recoverable by the Fund to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any appreciable non-refundable income tax.

No amount is payable on account of income taxes in 2003 or 2002.

Accumulated non-capital losses of approximately \$4.0 million (2002 - \$1.8 million) and capital losses of approximately \$57.6 million (2002 - \$46.3 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2010 and capital losses can be carried forward indefinitely.

Issue costs of approximately \$1.7 million (2002 - \$3.1 million) remain undeducted for tax purposes at year end.

9. Commission Charges

Total commissions paid in 2003 in connection with portfolio transactions were \$66,998 (2002 - \$111,126).

10. Comparative Figures

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

11. Financial Instruments and Risk Management

The Fund's financial statements consist of cash, investments, and certain derivative contracts (options and forward exchange contracts).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in currency, stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Fund manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other instruments are carried at cost, which approximates fair value.

12. Statement of Portfolio Transactions

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

Mulvihill Capital Management Inc.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than \$3.3 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	\$ 20.81	\$ 18.79
Mulvihill Pro-AMS RSP Fund	PR.UN	\$ 19.78	\$ 18.15
Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund	PRC.UN	\$ 20.70	\$ 17.45
Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund	PRU.U	\$ 19.90 USD	\$ 15.40 USD
Mulvihill Pro-AMS RSP Split Share Fund	SPL.A/SPL.B	\$ 9.50/\$ 17.24	\$ 7.78/\$ 14.30
MULVIHILL PREMIUM			
Mulvihill Premium Canadian Fund	FPI.UN	\$ 20.55	\$ 17.70
Mulvihill Premium U.S. Fund	FPU.UN	\$ 14.25	\$ 12.36
Mulvihill Premium Oil & Gas Fund	FPG.UN	\$ 9.50	\$ 8.13
Mulvihill Premium 60 Plus Fund	SIX.UN	\$ 20.60	\$ 17.91
Mulvihill Premium Global Plus Fund	GIP.UN	\$ 13.89	\$ 11.82
Mulvihill Premium Canadian Bank Fund	PIC.A/PIC.PR.A	\$ 12.65/\$ 17.00	\$ 9.22/\$ 15.00
Mulvihill Premium Split Share Fund	MUH.A/MUH.PR.A	\$ 11.19/\$ 16.00	\$ 7.71/\$ 15.00
Mulvihill Premium Global Telecom Fund	GT.A/GT.PR.A	\$ 2.35/\$ 11.66	\$ 1.00/\$ 9.60
MULVIHILL SUMMIT			
Mulvihill Summit Digital World Fund	DWT.UN	\$ 4.00	\$ 3.25

Board of Advisors

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.

Information

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trading under
DWT.UN

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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*

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