

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds

Semi-Annual Report 2001



Mulvihill Premium Global Telecom Fund

Global Telecom Split Share Corp.

Message to Shareholders

Due to challenging conditions in the telecommunications industry world-wide, the Fund has been obliged to reduce its dividends to Class A shareholders. During the six-month period ended December 31, 2001, the Fund paid a total of \$0.45 per unit to Class A shareholders. Preferred shareholders received \$0.44 per unit.

The Fund's dividend policy calls for minimum distributions to Class A shareholders of \$0.30 per quarter, or \$1.20 per annum, which is equivalent to a yield of 8%. For preferred shareholders, the target is \$0.825 per annum, equivalent to a yield of 5.5%.

Continuing weakness in the share performance of the companies held within the Fund's portfolio reflect the depressed economic conditions and reduced demand for telecommunications products and services. These conditions must be weighed against the earlier boom period, when the Fund repeatedly exceeded its target distribution levels to shareholders.

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

February 2002

Mulvihill Premium *Global Telecom Fund*

Financial Statements

Interim Statements of Financial Position

	December 31, 2001 (Unaudited)	June 29, 2001 (Audited)
Assets		
Investments at market value (average cost - \$88,369,124; June 29, 2001 - \$76,189,974)	\$ 51,147,462	\$ 46,516,590
Cash and cash equivalents	9,950,446	26,046,828
Interest, dividends and other receivables	100,586	454,436
Total Assets	\$ 61,198,494	\$ 73,017,854
Liabilities		
Accounts payable and accrued liabilities	\$ 85,632	\$ 1,856,863
Redeemable preferred shares	49,854,675	52,481,175
	49,940,307	54,338,038
Equity		
Class A and Class B shares	41,381,520	42,314,644
Retained earnings	(30,123,333)	(23,634,828)
	\$ 11,258,187	\$ 18,679,816
Total Liabilities and Equity	\$ 61,198,494	\$ 73,017,854
Net Asset Value per Class A Share	\$ 3.39	\$ 5.34

Mulvihill Premium *Global Telecom Fund*

Financial Statements

Interim Statements of Operations and Retained Earnings (Deficit)

For the six months ended December 31 (Unaudited)

	2001	2000
Revenue		
Interest	\$ 574,459	\$ 1,472,275
Dividends	1,836,692	640,968
Withholding taxes	(25,147)	(50,060)
	2,386,004	2,063,183
Net realized gains on investments and options	2,594,348	6,323,108
	4,980,352	8,386,291
Expenses		
Management fees	391,437	620,607
Administrative and other expenses	118,755	121,430
GST and capital taxes	171,705	51,943
	681,897	793,980
Net Realized Income before Distributions and Income Taxes	4,298,455	7,592,311
Income Tax Expense (Note 2)	287,599	–
Net Realized Income before Distributions	4,010,856	7,592,311
Preferred Share Distributions	(1,452,931)	(1,573,968)
Net Realized Income	2,557,925	6,018,343
Change in Net Unrealized Depreciation in Market Value of Investments During the Period	(7,550,789)	(26,679,369)
Net Loss	\$ (4,992,864)	\$ (20,661,026)
Per Class A Share		
Net realized income	\$ 0.77	\$ 1.68
Net loss	\$ (1.50)	\$ (5.76)
Retained Earnings (Deficit)		
Balance, beginning of period	\$ (23,634,828)	\$ 12,604,183
Net loss	(4,992,864)	(20,661,026)
Distributions on Class A shares	(1,495,641)	(3,231,041)
Balance, End of Period	\$ (30,123,333)	\$ (11,287,884)

Mulvihill Premium *Global Telecom Fund*

Financial Statements

Interim Statement of Changes in Net Assets

For the six months ended December 31 (Unaudited)

	2001	2000
Share Capital Transactions		
Class A Shares Redeemed, Net	\$ (933,124)	\$ –
Net Realized Income before Distributions	4,010,856	7,592,311
Distributions		
Preferred shares	(1,452,931)	(1,573,968)
Class A shares	(1,495,641)	(3,231,041)
	(2,948,572)	(4,805,009)
Change in Net Unrealized Depreciation in Market Value of Investments During the Period	(7,550,789)	(26,679,369)
Changes in Net Assets During the Period	(7,421,629)	(23,892,067)
Net Assets, Beginning of Period	18,679,816	55,510,330
Net Assets, End of Period	\$ 11,258,187	\$ 31,618,263

Financial Statements

Statement of Investments

December 31, 2001 (Unaudited)

	PAR VALUE/ NO. OF SHARES	AVERAGE COST	MARKET VALUE
Short-term Investments			
Treasury Bills			
Government of Canada, March 4, 2002 USD	150,000	\$ 234,923	\$ 238,392
Government of Canada, January 8, 2002 USD	20,000	31,858	31,838
Government of Canada, March 14, 2002	7,205,000	7,165,632	7,165,632
Government of Canada, February 22, 2002 USD	205,000	326,725	325,676
		7,759,138	7,761,538
Bankers Acceptance			
Canadian Imperial Bank of Commerce, February 25, 2002	2,000,000	1,988,800	1,988,800
		9,747,938	9,750,338
Accrued Interest		–	15,960
Total Short-term Investments		\$ 9,747,938	\$ 9,766,298
Canadian Common Shares			
Industrial Products			
Nortel Networks Corporation	65,000	\$ 1,857,476	\$ 773,500
Technology-Hardware			
Zarlink Semiconductor	65,000	1,292,400	1,153,750
Utilities			
AT&T Canada Inc.	40,000	2,318,844	1,926,800
BCE Inc.	115,000	4,431,537	4,141,150
Bell Canada International Inc.	45,000	1,255,875	56,250
Bell Canada International Inc. - Rights	45,000	–	8,100
Manitoba Telecom Services Inc.	45,000	1,914,142	1,561,500
		9,920,398	7,693,800
Communications & Media			
Aliant Inc.	60,000	2,301,550	1,798,800
Rogers Communications Inc., Class B, Non-Voting	65,000	1,911,331	1,762,800
Telus Corporation	50,000	2,397,425	1,212,500
Telus Corporation - Non-Voting	50,000	2,280,563	1,162,500
		8,890,869	5,936,600
Total Canadian Common Shares		\$21,961,143	\$15,557,650

Mulvihill Premium *Global Telecom Fund*

Financial Statements

Statement of Investments (continued)

December 31, 2001 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
Foreign Common Shares			
Britain			
BT Group PLC - ADR	15,000	\$ 1,004,178	\$ 879,959
Cable & Wireless PLC - ADR	25,000	1,953,478	591,029
Colt Telecom Group PLC - ADR	12,000	1,835,564	131,407
MMO2 PLC - ADR	15,000	3,548,053	301,700
Vodafone Group PLC - ADR	47,500	2,770,007	1,947,162
		11,111,280	3,851,257
Denmark			
TDC A/S - ADR	45,000	1,258,892	1,264,267
Finland			
Nokia Corp. - ADR	45,000	1,756,994	1,762,072
France			
Alcatel SA - ADR	20,000	1,277,167	528,374
France Telecom SA - ADR	15,000	2,218,525	957,539
		3,495,692	1,485,913
Germany			
Deutsche Telekom AG - ADR	40,000	3,110,325	1,079,097
Italy			
Telecom Italia SPA - ADR	12,000	2,388,117	1,637,800
Japan			
Nippon Telegraph & Telephone Corp. - ADR	30,000	1,210,767	775,800
Mexico			
America Movil - SA de CV	30,000	923,875	932,876
Telefonos de Mexico - SA ADR	30,000	2,286,345	1,677,069
		3,210,220	2,609,945
New Zealand			
Telecom Corporation of New Zealand Limited - ADR	20,000	556,474	534,759
Spain			
Telefonica de Espana SA - ADR	26,010	1,833,521	1,664,109
Sweden			
L M Ericsson Telephone Co. - ADR	200,000	1,620,127	1,666,534
Total Foreign Common Shares		\$31,552,409	\$18,331,553

Mulvihill Premium *Global Telecom Fund*

Financial Statements

Statement of Investments (continued)

December 31, 2001 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
Foreign Common Shares-USA			
Telecommunications			
Alltel Corp.	20,000	\$ 2,012,698	\$ 1,970,788
AT&T Corp.	60,000	3,694,258	1,737,409
Bellsouth Corp.	30,000	1,917,053	1,826,961
Cisco Systems Inc.	30,000	1,188,589	867,268
Lucent Technologies Inc	55,000	4,021,647	552,239
Motorola Inc.	61,000	4,061,853	1,462,559
Nextel Communications Inc.	30,000	1,895,415	524,862
Qwest Communications International Inc.	45,000	2,786,318	1,015,005
SBC Communications Inc.	30,000	2,075,184	1,875,808
Sprint Corporation	55,000	3,982,083	1,762,950
Verizon Communications Inc.	21,000	1,737,980	1,590,965
WorldCom Inc. - WorldCom Group	65,000	4,247,049	1,460,931
WorldCom Inc. - MCI Group	2,600	177,885	52,710
		33,798,012	16,700,455
Multi-Industry			
Corning Inc.	70,000	1,326,717	996,727
Total Foreign Common Shares-USA		\$35,124,729	\$17,697,182
	NO. OF CONTRACTS	PROCEEDS	MARKET VALUE
Written Call Options (100 shares per contract)			
BCE Inc. - March 2002 @ \$39	(400)	\$ (37,400)	\$ (33,470)
Corning Inc. - March 2002 @\$12	(500)	(68,721)	(69,439)
L M Ericsson Telephone Co. - March 2002 @ \$5	(2,000)	(163,036)	(336,014)
Total Written Call Options		\$ (269,157)	\$ (438,923)
Total Investments		\$88,369,124	\$51,147,462

Notes to the Financial Statements

1. Basis of Presentation

Not all disclosures required by Canadian generally accepted accounting principles 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, 2001.

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, 2001.

2. Income Taxes

In the period ended December 31, 2001, the Fund incurred income taxes as a result of a foreign spin-off by Telefonos de Mexico, ADR which, consistent with current rulings of the Canada Customs and Revenue Agency, the Fund is required to treat as a taxable foreign dividend rather than as a capital gain.

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Premium Global Telecom Fund for the period ended December 31, 2001 may be obtained without charge by writing to:

Investor Relations
121 King Street West
Suite 2600
Toronto, Ontario
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**Visit our website at www.mulvihill.com
for additional information on all
Mulvihill Hybrid Income Funds.**

Other Hybrid Income Funds Managed by Mulvihill Structured Products

Mulvihill Premium Funds

Mulvihill Premium *Canadian Fund*
Mulvihill Premium *U.S. Fund*
Mulvihill Premium *Oil & Gas Fund*
Mulvihill Premium *Sixty Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Split Share Fund*

Mulvihill Summit Fund

Mulvihill Summit *Digital World Fund*

Mulvihill Platinum Funds

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*

Mutual Funds Managed by Mulvihill Capital Management

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

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