

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds

Semi-Annual Report 2002



Mulvihill Premium Split Share Fund

MCM Split Share Corporation

Mulvihill Premium *Split Share Fund*

Notice To Shareholders

Change of Record Date for Regular Distributions

The Fund is hereby providing notice to shareholders that it intends to change the record date for its regular distributions to shareholders. Regular distributions will now be payable to shareholders of record on the fifteenth (15th) day of each quarter (or on the first business day thereafter if the 15th day is not a business day) and will continue to be paid on or about the last business day of each month. As a result the October 31, 2002 distribution, when declared, will be payable to shareholders of record as of October 15, 2002.

Mulvihill Premium *Split Share Fund*

Message to Shareholders

As of July 31, 2002, the net assets of the Fund had declined to \$9.27 per Class A share, from \$12.59 per Class A share, at the end of the last fiscal year, January 31, 2002.

Class A shareholders received regular distributions of \$0.30, despite difficult market conditions in each of the first two quarters, meeting the target of an 8% annual return based on the initial unit price of \$15.00. During the same period, Preferred shareholders received distributions totalling \$0.43, meeting the target return for these investors of 5.5% per year. Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed at \$8.60 on July 31, 2002 and Preferred shares, listed as MUH.PR.A, ended the same period trading at \$15.20.

North American equity markets were extremely weak during most of the current period. The pace of economic recovery, has been slow in the U.S., and has yet to produce the improved earnings anticipated by investors. Instead, investor confidence has been severely shaken by a continuing series of massive bankruptcies and accounting scandals. Further downward pressure has come from the continuing global slump in major technology sectors. A few sectors, notably energy, performed well during the period, but these gains were insufficient to offset declines in other areas.

The Fund is now positioned to capitalize on improving investor sentiment as the North American economic recovery continues in the second half of the year.

September 2002

Mulvihill Premium *Split Share Fund*

Financial Statements

Interim Statements of Financial Position

	July 31, 2002 (Unaudited)	January 31, 2002 (Audited)
Assets		
Investments at market value (average cost - \$84,629,032; January 31, 2002 - \$82,482,745)	\$ 64,304,881	\$ 74,661,932
Short-term investments (average cost - \$16,667,648; January 31, 2002 - \$16,935,151)	16,750,308	16,928,232
Cash	72,666	50,303
Interest, dividends and other receivables	315,921	418,859
Due from broker	33,840	21,811
Total Assets	\$ 81,477,616	\$ 92,081,137
Liabilities		
Accounts payable	\$ 115,130	\$ 123,956
Due to broker	1,426,950	1,089,000
Redeemable preferred shares	49,401,225	49,401,225
	50,943,305	50,614,181
Equity		
Class A and Class B shares	43,615,295	43,615,295
Deficit	(13,080,984)	(2,148,339)
	30,534,311	41,466,956
Total Liabilities and Equity	\$ 81,477,616	\$ 92,081,137
Net Asset Value per Class A Share	\$ 9.2710	\$ 12.5906

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Operations and Retained Earnings (Deficit)

For the six months ended July 31 (Unaudited)

	2002	2001
Revenue		
Dividends	\$ 563,761	\$ 869,528
Interest	228,512	865,177
Withholding tax	(3,846)	(8,144)
	788,427	1,726,561
Net realized gains on investments and options	4,764,808	5,392,235
	5,553,235	7,118,796
Expenses		
Management fees	542,238	583,152
Administration and other expenses	94,695	215,456
Goods and services tax	42,864	55,903
	679,797	854,511
Net Realized Income before Distributions	4,873,438	6,264,285
Preferred Share Distributions	(1,418,984)	(1,420,507)
Net Realized Income	3,454,454	4,843,778
Change in Unrealized Depreciation of Investments and Foreign Currency	(12,411,050)	(6,081,895)
Net Loss	\$ (8,956,596)	\$ (1,238,117)
Retained Earnings (Deficit)		
Balance, beginning of period	\$ (2,148,339)	\$ 4,364,430
Net loss	(8,956,596)	(1,238,117)
Distributions on Class A shares	(1,976,049)	(2,634,731)
Balance, end of period	\$ (13,080,984)	\$ 491,582

Mulvihill Premium *Split Share Fund*

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2002	2001
Net Assets, Beginning of Period	\$ 41,466,956	\$ 47,979,725
Net Realized Income before Distributions	4,873,438	6,264,285
Distributions to Unitholders		
Preferred shares	(1,418,984)	(1,420,507)
Class A shares	(1,976,049)	(2,634,731)
	(3,395,033)	(4,055,238)
Change in Unrealized Depreciation of Investments and Foreign Currency	(12,411,050)	(6,081,895)
Changes in Equity During the Period	(10,932,645)	(3,872,848)
Net Assets, End of Period	\$ 30,534,311	\$ 44,106,877
Distribution per Unit		
Distribution per Preferred share	\$ 0.4309	\$ 0.4313
Distribution per Class A share	0.6000	0.8000
	\$ 1.0309	\$ 1.2313

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments

July 31, 2002 (Unaudited)

	PAR VALUE/ NO. OF SHARES	AVERAGE COST	MARKET VALUE
Short-term Investments			
Treasury Bills			
Government of Canada - September 26, 2002	3,000,000	\$ 2,981,294	\$ 2,981,294
Government of Canada - October 24, 2002	6,630,000	6,582,341	6,582,341
Government of Canada - September 12, 2002	875,000	870,091	870,091
Government of Canada - October 10, 2002	1,155,000	1,147,480	1,147,480
Province of Ontario - October 21, 2002	3,000,000	2,979,050	2,979,050
Total Treasury Bills		14,560,256	14,560,256
Discount Commercial Paper			
Province of British Columbia, USD - September 5, 2002	50,000	76,565	78,880
Canadian Wheat Board, USD - August 2, 2002	50,000	76,198	78,995
Canadian Wheat Board, USD - September 17, 2002	950,000	1,436,066	1,499,088
Export Development Corp., USD - September 26, 2002	50,000	75,729	78,887
Farm Credit Corp. - September 12, 2002	100,000	99,317	99,317
Province of Ontario, USD - August 19, 2002	75,000	115,252	118,284
Province of Ontario, USD - September 3, 2002	150,000	228,265	236,601
Total Discount Commercial Paper		2,107,392	2,190,052
		16,667,648	16,750,308
Accrued Interest		-	22,969
Total Short-term Investments		\$16,667,648	\$16,773,277
Investments			
Canadian Bonds			
Federal Bonds			
Canada Mortgage & Housing Corp., 5.500% - September 3, 2002	11,500,000	\$11,534,654	\$11,524,258
Total Canadian Bonds		\$11,534,654	\$11,524,258

Mulvihill Premium *Split Share Fund*

Financial Statements

Statement of Investments (continued)

July 31, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
Investments (continued)			
Canadian Common Shares			
Consumer Discretionary			
Canadian Tire Corporation Limited, Class A	45,000	\$ 1,316,749	\$ 1,354,500
The Thomson Corporation	40,000	2,135,700	1,732,000
Total Consumer Discretionary		3,452,449	3,086,500
Consumer Staples			
Loblaw Companies Limited	40,000	2,169,723	2,260,000
Molson Inc.	50,000	1,515,261	1,447,000
Total Consumer Staples		3,684,984	3,707,000
Energy			
EnCana Corporation	41,000	1,829,081	1,832,700
Imperial Oil Ltd.	27,500	1,054,387	1,185,250
Petro-Canada	50,000	1,976,000	2,200,000
Precision Drilling Corporation	20,000	1,004,291	939,800
Suncor Energy Inc.	74,000	1,859,875	1,953,600
Total Energy		7,723,634	8,111,350
Financials			
Bank of Montreal	67,000	2,436,197	2,362,420
Bank of Nova Scotia	55,000	2,494,725	2,708,750
Brascan Corporation	45,000	1,414,671	1,481,850
Canadian Imperial Bank of Commerce	24,000	1,202,880	1,082,400
Manulife Financial Corporation	40,000	1,678,416	1,527,600
Royal Bank of Canada	27,000	1,395,630	1,443,150
Sun Life Financial Services of Canada Inc.	50,000	1,673,612	1,413,500
The Toronto-Dominion Bank	50,000	1,847,516	1,650,000
Total Financials		14,143,647	13,669,670
Health Care			
Biovail Corporation	7,500	337,957	287,250
MDS Inc.	52,500	1,189,125	1,197,525
Total Health Care		1,527,082	1,484,775
Industrials			
ATI Technologies Inc.	52,400	916,652	505,660
Bombardier Inc., Class B	150,000	1,929,430	1,797,000
CAE Inc.	100,000	1,209,504	1,030,000
Canadian National Railway Company	20,000	1,545,908	1,521,600
Canadian Pacific Railway Limited	25,000	754,250	867,500
Total Industrials		6,355,744	5,721,760
Information Technology			
Celestica Inc.	22,500	1,618,540	749,250
Nortel Networks Corporation	202,000	4,655,803	313,100
Zarlink Semiconductor Inc.	100,000	2,042,752	670,000
Total Information Technology		8,317,095	1,732,350

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
Investments (continued)			
Canadian Common Shares (continued)			
Materials			
Abitibi-Consolidated Inc.	100,000	1,320,451	1,183,000
Alcan Inc.	40,000	2,450,817	1,775,600
Domtar Inc.	110,000	1,986,685	1,760,000
Placer Dome Inc.	80,000	1,470,018	1,069,600
Total Materials		7,227,971	5,788,200
Telecommunication Services			
BCE Inc.	75,000	2,132,906	1,980,000
Utilities			
Transcanada Pipelines Ltd.	35,000	929,200	789,250
TransAlta Corporation	60,000	1,492,800	1,125,000
Total Utilities		2,422,000	1,914,250
Total Canadian Common Shares		\$56,987,512	\$47,195,855
United States Common Shares			
Consumer Discretionary			
The Home Depot Inc.	14,000	\$ 1,098,608	\$ 684,928
Energy			
Halliburton Company	26,000	1,768,325	543,735
Health Care			
Amgen Inc.	10,000	941,461	723,079
Industrials			
General Electric Company	10,000	711,463	510,148
Information Technology			
Lucent Technologies Inc., Class B	39,000	2,787,414	108,129
Microsoft Corp.	25,000	3,440,963	1,900,379
Oracle Corporation	36,000	1,362,544	570,865
Texas Instruments Inc.	5,000	477,847	183,384
Total Information Technology		8,068,768	2,762,757
Telecommunications Services			
AT&T Corp.	45,000	2,577,102	725,772
Nextel Communications, Inc., Class A	48,000	1,868,106	435,748
Total Telecommunications Services		4,445,208	1,161,520
Total United States Common Shares		\$ 17,033,833	\$ 6,386,167

Mulvihill Premium Split Share Fund

Statement of Investments (continued)

July 31, 2002 (Unaudited)

	NUMBER OF CONTRACTS	PROCEEDS	MARKET VALUE
Investments (continued)			
Options			
Written Covered Put Options (100 shares per contract)			
Barrick Gold Corp. - August 2002 @ \$21	(520)	\$ (60,580)	\$ (24,326)
Celestica Inc. - August 2002 @ \$31	(225)	(51,750)	(36,320)
Precision Drilling Corporation - August 2002 @ \$47	(180)	(28,350)	(23,169)
The Toronto-Dominion Bank - August 2002 @ \$35	(250)	(24,875)	(76,649)
Total Written Covered Put Options		(165,555)	(160,464)
Written Covered Call Options (100 shares per contract)			
Abitibi-Consolidated Inc. - August 2002 @ \$15	(500)	(20,750)	(70)
Bank of Montreal - September 2002 @ \$37	(110)	(11,605)	(2,798)
Bank of Nova Scotia - August 2002 @ \$55	(275)	(31,900)	(47)
Bank of Nova Scotia - September 2002 @ \$49	(275)	(34,512)	(43,112)
BCE Inc. - September 2002 @ \$29	(350)	(38,850)	(20,199)
Bombardier Inc., Class B - August 2002 @ \$12	(500)	(15,500)	(31,490)
Brascan Corporation - September 2002 @ \$34	(290)	(22,620)	(28,040)
CAE Inc. - September 2002 @ \$13	(500)	(28,000)	(6,250)
Canadian Bank of Commerce - August 2002 @ \$52	(120)	(14,040)	(10)
Canadian National Railway Company - August 2002 @ \$81	(50)	(10,750)	(1,006)
Canadian National Railway Company - September 2002 @ \$80	(50)	(11,000)	(7,436)
Canadian Tire Corporation Limited, Class A - September 2002 @ \$34	(450)	(49,050)	(17,618)
Canadian Pacific Railway Limited - August 2002 @ \$36	(250)	(33,125)	(14,524)
Domtar Inc. - August 2002 @ \$18	(550)	(34,650)	(2,524)
EnCana Corporation - September 2002 @ \$45	(205)	(37,515)	(46,814)
Imperial Oil Ltd. - August 2002 @ \$45	(235)	(28,905)	(316)
Loblaw Companies Limited - September 2002 @ \$61	(200)	(33,800)	(5,373)
Manulife Financial Corporation - September 2002 @ \$45	(200)	(26,600)	(2,188)
MDS Inc. - September 2002 @ \$23	(525)	(53,025)	(55,393)
Molson Inc. - September 2002 @ \$32	(250)	(28,875)	(2,099)
Petro-Canada - September 2002 @ \$40	(500)	(78,000)	(219,170)
Placer Dome Inc. - August 2002 @ \$20	(200)	(17,900)	(45)
Royal Bank of Canada - September 2002 @ \$54	(180)	(33,840)	(35,656)
Suncor Energy Inc. - September 2002 @ \$26	(555)	(66,600)	(98,757)
Total Written Covered Call Options		(761,412)	(640,935)
Total Options		\$ (926,967)	\$ (801,399)
Total Investments		\$ 84,629,032	\$64,304,881

Notes to the Financial Statements

July 31, 2002 (Unaudited)

1. Basis of Presentation

These interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended January 31, 2002 as not all disclosures required by Canadian generally accepted accounting principles for annual financial statements have been presented.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended January 31, 2002.

2. Comparative Figures

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

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Premium Split Share Fund for the period ended July 31, 2002 may be obtained without charge by writing to:

Mulvihill Premium Split Share Fund
Investor Relations
121 King Street West, Suite 2600
Toronto, Ontario M5H 3T9

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 *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Global Telecom 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*
Mulvihill Pro-AMS *RSP Split Share 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*
Premium Canadian *Income Fund*
Premium Global *Income Fund*

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Notes



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