



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2003

Mulvihill Premium *Split Share Fund*

MCM Split Share Corp.

Mulvihill Premium *Split Share Fund*

Message to Shareholders

As of July 31, 2003, the net assets of the Fund were \$81.6 million, or \$24.79 per unit, net of distributions of \$1.01 per unit compared with net assets of \$77.3 million, or \$23.48 per unit, on January 31, 2003. Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed the six-month period trading at \$8.25, while preferred shares, listed as MUH.PR.A, closed at \$15.70. A unit is comprised of one Class A share and one Preferred share.

During this period, Class A shareholders received regular quarterly distributions of \$0.30 per share, for a total of \$0.60 per share. Preferred shareholders received quarterly distributions at the rate of \$0.21, for a total of \$0.41 per share.

Towards the end of the first quarter, equity markets in both Canada and the U.S. began a cautious rising trend. This trend also continued through the second quarter. As concerns about the situation in Iraq have eased, market volatility has dropped, while opportunities for market gains have increased. Consequently, the Fund has now increased its invested position, and limited its option-writing activity.

U.S. markets advanced in all sectors, with the strongest gains in the health care, information technology, utilities and consumer discretionary sectors. Returns on U.S. gains, however, were adversely affected by the decline of the U.S. dollar, which lost about 13 percent of its value versus the Canadian dollar during the first half of the year. Foreign exchange losses were reduced in part during the year through the use of forward foreign exchange contracts by the fund.

The market advance in Canada has been more concentrated, with the major gains occurring in the health care and information technology sectors. These sectors make up about 15 percent of the Fund's portfolio. Another 30 percent is invested in the financial services sector, which is also outperforming the broader market. The Fund's portfolio is composed of approximately 80 percent Canadian and 20 percent U.S. equities.

We would like to take this opportunity to thank each of the Fund's shareholders for their continuing support.

September 2003

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Financial Position

	July 31, 2003 (Unaudited)	January 31, 2002 (Audited)
ASSETS		
Investments at market value (average cost - \$49,707,659; January 31, 2003 - \$46,752,229)	\$ 51,675,869	\$ 45,806,304
Short-term investments (average cost - \$30,422,091; January 31, 2003 - \$29,580,790)	30,424,984	29,584,324
Cash	39,793	122,459
Interest, dividends and other receivables	170,037	304,937
Due from brokers	676,020	2,533,940
TOTAL ASSETS	\$ 82,986,703	\$ 78,351,964
LIABILITIES		
Accrued liabilities	115,588	110,876
Due to brokers	1,303,372	913,620
Redemption payable	–	66,913
Redeemable preferred shares	49,358,475	49,358,475
TOTAL LIABILITIES	50,777,435	50,449,884
EQUITY		
Class A and Class B shares	43,591,134	43,591,134
Deficit	(11,381,866)	(15,689,054)
	32,209,268	27,902,080
TOTAL LIABILITIES AND EQUITY	\$ 82,986,703	\$ 78,351,964
Net Asset Value per Class A Share	\$ 9.7881	\$ 8.4791

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2003	2002
REVENUE		
Dividends	\$ 463,815	\$ 563,761
Interest	390,164	228,512
Withholding taxes	(15,203)	(3,846)
	838,776	788,427
Net Realized Gains on Investments and Options	4,480,094	4,764,808
TOTAL REVENUE	5,318,870	5,553,235
EXPENSES		
Management fees	489,342	542,238
Administration fees	110,220	94,695
GST and capital taxes	42,011	42,864
TOTAL EXPENSES	641,573	679,797
Net Realized Income before Income Taxes and Distributions	4,677,297	4,873,438
Income tax recovery	47,655	–
Net Realized Income before Distributions	4,724,952	4,873,438
Preferred share distributions	(1,357,357)	(1,418,984)
Net Realized Income	3,367,595	3,454,454
Change in unrealized appreciation/ depreciation of investments and foreign currency	2,913,933	(12,411,050)
NET INCOME (LOSS)	\$ 6,281,528	\$ (8,956,596)
DEFICIT		
Balance, beginning of period	\$ (15,689,054)	\$ (2,148,339)
Net income (loss)	6,281,528	(8,956,596)
Distributions on Class A Shares	(1,974,340)	(1,976,049)
BALANCE, END OF PERIOD	\$ (11,381,866)	\$ (13,080,984)

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2003	2002
NET ASSETS, BEGINNING OF PERIOD	\$ 27,902,080	\$ 41,466,956
Net Realized Income before Distributions	4,724,952	4,873,438
Distributions		
Preferred shares	(1,357,357)	(1,418,984)
Class A shares	(1,974,340)	(1,976,049)
	(3,331,697)	(3,395,033)
Change in net unrealized appreciation/ depreciation of investments and foreign currency	2,913,933	(12,411,050)
Changes in Net Assets during the Period	4,307,188	(10,932,645)
NET ASSETS, END OF PERIOD	\$ 32,209,268	\$ 30,534,311
Distribution per Unit		
Distribution per Preferred share	\$ 0.4125	\$ 0.4309
Distribution per Class A share	0.6000	0.6000
	\$ 1.0125	\$ 1.0309

Statement of Investments

July 31, 2003 (Unaudited)

	Par Value	Average Cost	Market Value
SHORT-TERM INVESTMENTS			
Treasury Bills			
Government of Canada - August 28, 2003	690,000	\$ 683,859	\$ 683,859
Government of Canada - September 25, 2003	20,320,000	20,128,645	20,128,645
Government of Canada - October 23, 2003	6,045,000	6,002,150	6,002,150
Government of Canada - November 6, 2003	1,450,000	1,438,994	1,438,994
Government of Canada, USD - August 5, 2003	40,000	53,883	56,274
Total Treasury Bills		28,307,531	28,309,922

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2003 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS (continued)			
Discount Commercial Paper			
Canadian Wheat Board, USD - August 6, 2003	750,000	1,052,724	1,053,169
Export Development Corporation, USD - October 8, 2003	50,000	70,216	70,273
Total Discount Commercial Paper		1,122,940	1,123,442
Promissory Note			
Province of Nova Scotia - September 9, 2003	1,000,000	991,620	991,620
		30,422,091	30,424,984
Accrued Interest			112,943
TOTAL SHORT-TERM INVESTMENTS		\$30,422,091	\$ 30,537,927

INVESTMENTS

Canadian Common Shares

Consumer Discretionary

Canadian Tire Corporation	50,000	\$ 1,673,598	\$ 1,682,500
Rogers Communications Inc., Class B	95,000	1,866,680	2,058,650
The Thomson Corporation	40,000	1,573,600	1,686,000

Total Consumer Discretionary **5,113,878** **5,427,150**

Energy

EnCana Corporation	58,500	2,861,505	2,843,685
Petro-Canada	50,000	2,658,270	2,699,000
Suncor Energy Inc.	90,000	2,251,058	2,308,500

Total Energy **7,770,833** **7,851,185**

Financials

Bank of Montreal	16,500	689,321	736,725
Canadian Imperial Bank of Commerce	24,000	1,303,226	1,308,480
Manulife Financial Corporation	60,000	2,239,182	2,475,000
National Bank of Canada	52,000	1,777,077	1,839,760
Royal Bank of Canada	27,000	1,550,040	1,590,300
Sun Life Financial Services of Canada Inc.	75,000	2,159,280	2,250,000
The Bank of Nova Scotia	14,000	635,021	846,580
The Toronto-Dominion Bank	75,000	2,668,391	2,811,750

Total Financials **13,021,538** **13,858,595**

Health Care

Biovail Corporation	19,000	1,110,616	1,026,000
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Industrials

Canadian National Railway Company	20,000	1,234,200	1,463,000
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Information Technology

Celestica Inc.	33,000	717,889	712,800
Nortel Networks Corporation	680,000	2,290,988	2,828,800

Total Information Technology **3,008,877** **3,541,600**

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)			
Canadian Common Shares (continued)			
Materials			
Alcan Inc.	40,000	1,888,400	1,957,600
Inco Limited	60,000	2,035,134	1,965,600
Placer Dome Inc.	80,000	1,470,018	1,380,000
Total Materials		5,393,552	5,303,200
Telecommunication Services			
BCE Inc.	45,000	1,272,025	1,406,250
TELUS Corporation	31,000	729,194	798,250
Total Telecommunication Services		2,001,219	2,204,500
Total Canadian Common Shares		\$38,654,713	\$40,675,230

United States Common Shares

Financials

Citigroup Inc.	28,000	\$ 1,618,956	\$ 1,766,512
U.S. Bancorp	46,000	1,565,603	1,588,396
Total Financials		3,184,559	3,354,908

Health Care

Pfizer Inc.	34,000	1,592,094	1,597,296
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Industrials

United Technologies Corporation	12,000	1,173,298	1,271,314
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Information Technology

Microsoft Corporation	63,000	2,612,016	2,342,205
Intel Corporation	70,000	1,825,409	2,459,513

Total Information Technology		4,437,425	4,801,718
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Telecommunication Services

SBC Communications Inc.	31,000	1,409,049	1,019,800
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Total United States Common Shares		\$11,796,425	\$12,045,036
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	Number of Contracts	Proceeds	Market Value
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OPTIONS

Written Cash Covered Put Options (100 shares per contract)

Canadian Imperial Bank of Commerce			
- August 2003 @ \$54	240	\$ (14,640)	\$ (12,672)
TELUS Corporation - September 2003 @ \$23	310	(20,150)	(44,865)
The Bank of Nova Scotia - August 2003 @ \$62	135	(9,585)	(18,104)
Total Written Cash Covered Put Options		(44,375)	(75,641)

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2003 (Unaudited)

	Number of Contracts	Proceeds	Market Value
INVESTMENTS (continued)			
OPTIONS (continued)			
Written Covered Call Options (100 shares per contract)			
Alcan Inc. - August 2002 @ \$48	300	(23,400)	(62,450)
Biovail Corporation - August 2003 @ \$63	142	(35,926)	-
Canadian Imperial Bank of Commerce - August 2003 @ \$55	240	(16,800)	(22,013)
Canadian National Railway Company - August 2003 @ \$66	200	(31,400)	(145,313)
Canadian Tire Corporation - August 2003 @ \$34	375	(19,875)	(25,660)
Citigroup Inc. - August 2003 @ \$46	210	(21,352)	(17,270)
EnCana Corporation - August 2003 @ \$49	390	(22,620)	(24,725)
Inco Limited - August 2003 @ \$29	400	(36,000)	(163,741)
Manulife Financial Corporation - August 2003 @ \$39	450	(26,550)	(113,366)
Microsoft Corporation - August 2003 @ \$27	315	(30,963)	(8,374)
National Bank of Canada - August 2003 @ \$37	400	(13,200)	(199)
Nortel Networks Corporation - August 2003 @ \$4	3,400	(112,200)	(22,135)
Petro-Canada - August 2003 @ \$54	500	(41,000)	(30,966)
Pfizer Inc. - August 2003 @ \$35	255	(27,731)	(2,347)
Placer Dome Inc. - August 2003 @ \$17	600	(27,000)	(47,118)
Rogers Communications Inc., Class B - August 2003 @ \$22	630	(31,500)	(27,616)
Royal Bank of Canada - August 2003 @ \$59	135	(8,910)	(9,335)
Sun Life Financial Services of Canada Inc. - August 2003 @ \$28	750	(39,000)	(127,441)
Suncor Energy Inc. - August 2003 @ \$25	900	(35,100)	(37,742)
The Bank of Nova Scotia - August 2003 @ \$63	140	(10,920)	(1,400)
TELUS Corporation - August 2003 @ \$24	310	(12,090)	(46,001)
The Thomson Corporation - August 2003 @ \$43	200	(12,600)	(2,885)
The Toronto-Dominion Bank - August 2003 @ \$37	560	(26,320)	(19,869)
United Technologies Corporation - August 2003 @ \$78	120	(21,150)	(10,211)
U.S. Bancorp - August 2003 @ \$25	345	(15,497)	(579)
Total Written Covered Call Options		(699,104)	(968,756)
TOTAL OPTIONS		\$ (743,479)	\$ (1,044,397)
TOTAL INVESTMENTS		\$49,707,659	\$ 51,675,869

Mulvihill Premium Split Share Fund

Notes to Financial Statements

1. Corporate Information

MCM Split Share Corporation (the "Fund") is a mutual fund corporation incorporated under the laws of the Province of Ontario on December 5, 1997. The Fund was inactive prior to the initial public offering of Preferred shares and Class A shares on February 12, 1998. All shares outstanding on February 1, 2008 will be redeemed by the Fund on that date, unless otherwise determined by a majority vote of each class of shareholders.

The Fund operates under the registered name Mulvihill Premium Split Share Fund.

The Fund invests in a diversified portfolio consisting principally of common shares issued by some or all of the group of corporations selected from S&P/TSX Composite. The Fund may invest up to 20% of the cost amount of its assets in common shares issued by some or all of a group of corporations selected from the Standard & Poor's 100 Index.

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. In addition the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. The Fund may also use put options to preserve the value of the portfolio where appropriate. 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 or short-term commercial paper with a rating of at least R-1(mid).

2. Basis of Presentation

The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting standards ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended January 31, 2003.

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, 2003.

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for the Fund for the period ended July 31, 2003 may be obtained without charge by writing to the Fund at 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

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 *Canadian Bank Fund*
Mulvihill Premium *Global Plus 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 *Bond Fund*
Mulvihill Canadian *Equity Fund*
Mulvihill Global *Equity Fund*
Mulvihill U.S. *Equity Fund*
Premium *Global Income Fund*
Premium *Canadian Income Fund*

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Mulvihill

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Mulvihill Structured Products

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