



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2004

Mulvihill Premium *Split Share Fund*

MCM Split Share Corp.

Mulvihill Premium *Split Share Fund*

Message to Shareholders

As of July 31, 2004, the net assets of the Fund were \$79.6 million including Preferred shares, or \$24.20 per unit, compared with net assets of \$83.8 million including Preferred shares, or \$25.46 per unit, on January 31, 2004. Class A shares, listed on the Toronto Stock Exchange as MUH.A, closed on July 31 trading at \$10.30, while Preferred shares, listed as MUH.PR.A, closed at \$15.50.

During the first two quarters of the fiscal year, Class A shareholders received regular distributions totaling \$0.60 per share, while Preferred shareholders received distributions totaling \$0.42 per share.

Equity markets were essentially flat during the six-month period, with the S&P/TSX 60 Index remaining virtually unchanged from where it was at the beginning of the period. Several sectors, however, experienced substantial changes that offset each other. Information technology started strongly, and then faded to lose about 25 percent of its value by the end of July. Health care also slumped by more than 18 percent, but the energy sector surged forward, recording a gain of over 16 percent.

Investor confidence is now improving, as employment and capital spending are both showing generally favorable trends in North America, and a global economic recovery led by China is improving the outlook for resource and commodity exporters. Some concerns remain regarding Middle East tensions and the ever-growing U.S. federal budget and foreign trade deficits. The Fund continues to be invested in a portfolio of Canadian and U.S. equities, widely diversified across various economic sectors. A prudent level of cash is also being maintained for defensive purposes.

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

September 2004

Management's Responsibility for Financial Reporting

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

The accompanying financial statements of MCM Split Share Corp. (operating as Mulvihill Premium Split Share Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Capital Management Inc., (the "Manager"), and have been approved by the Board of Directors (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 semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 2 of the annual financial statements.

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 Audit Committee 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 Audit Committee and the Board.



John P. Mulvihill
President
Mulvihill Capital Management Inc.



David N. Middleton
CFO
Mulvihill Capital Management Inc.

September 2004

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Financial Position

	July 31, 2004 (Unaudited)	January 31, 2004 (Audited)
ASSETS		
Investments at market value (average cost - \$59,122,546; January 31, 2004 - \$53,732,815)	\$ 58,560,812	\$ 58,889,434
Short-term investments (average cost - \$22,933,459; January 31, 2004 - \$24,658,697)	22,873,725	24,702,207
Cash	274,911	51,640
Interest, dividends and other receivables	212,950	270,700
Due from brokers	1,636,875	—
TOTAL ASSETS	\$ 83,559,273	\$ 83,913,981
LIABILITIES		
Accrued liabilities	103,282	110,071
Due to brokers	3,813,525	—
Redeemable preferred shares	49,358,475	49,358,475
TOTAL LIABILITIES	53,275,282	49,468,546
EQUITY		
Class A and Class B shares	43,591,134	43,591,134
Deficit	(13,307,143)	(9,145,699)
	30,283,991	34,445,435
TOTAL LIABILITIES AND EQUITY	\$ 83,559,273	\$ 83,913,981
Number of Units Outstanding	3,290,565	3,290,565
Net Asset Value per Unit		
Preferred share	\$ 15.0000	\$ 15.0000
Class A share	9.2033	10.4679
	\$ 24.2033	\$ 25.4679

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Operations and Deficit

For the six months ended July 31 (Unaudited)

	2004	2003
REVENUE		
Dividends	\$ 440,560	\$ 463,815
Interest	347,893	390,164
Withholding taxes	(11,291)	(15,203)
	777,162	838,776
Net realized gain on investments and options	4,919,207	4,480,094
TOTAL REVENUE	5,696,369	5,318,870
EXPENSES		
Management fees	508,632	489,342
Administrative and other expenses	117,967	110,220
GST and capital taxes	43,399	42,011
TOTAL EXPENSES	669,998	641,573
Net Realized Income before Income Taxes and Distributions	5,026,371	4,677,297
Income tax recovery	–	47,655
Net Realized Income before Distributions	5,026,371	4,724,952
Preferred share distributions	(1,391,845)	(1,357,357)
Net Realized Income	3,634,526	3,367,595
Change in unrealized appreciation/depreciation of investments, options and foreign currency	(5,821,631)	2,913,933
NET INCOME (LOSS)	\$ (2,187,105)	\$ 6,281,528
NET INCOME (LOSS) PER UNIT (based on average number of units outstanding during the period of 3,290,565; 2003 - 3,290,565)		
	\$ (0.6647)	\$ 1.9090
DEFICIT		
Balance, beginning of period	\$ (9,145,699)	\$ (15,689,054)
Net income (loss)	(2,187,105)	6,281,528
Distributions on Class A shares	(1,974,339)	(1,974,340)
BALANCE, END OF PERIOD	\$ (13,307,143)	\$ (11,381,866)

Mulvihill Premium Split Share Fund

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended July 31 (Unaudited)

	2004	2003
NET ASSETS, BEGINNING OF PERIOD	\$ 34,445,435	\$ 27,902,080
Net Realized Income before Distributions	5,026,371	4,724,952
Distributions		
Preferred shares	(1,391,845)	(1,357,357)
Class A shares	(1,974,339)	(1,974,340)
	(3,366,184)	(3,331,697)
Change in Unrealized Appreciation/ Depreciation of Investments, Options and Foreign Currency	(5,821,631)	2,913,933
Changes in Net Assets during the Period	(4,161,444)	4,307,188
NET ASSETS, END OF PERIOD	\$ 30,283,991	\$ 32,209,268
Distribution per Preferred Share	\$ 0.4230	\$ 0.4125
Distribution per Class A Share	\$ 0.6000	\$ 0.6000

Statement of Investments

July 31, 2004 (Unaudited)

	Par Value	Average Cost	Market Value
SHORT-TERM INVESTMENTS			
Treasury Bills			
Government of Canada - November 4, 2004	3,520,000	\$ 3,499,623	\$ 3,499,623
Discount Commercial Paper			
Export Development Corporation, USD - August 3, 2004	1,250,000	1,677,449	1,659,280
Export Development Corporation, USD - September 10, 2004	500,000	679,076	662,642
Province of Ontario, USD - August 31, 2004	500,000	682,610	662,589
Total Discount Commercial Paper		3,039,135	2,984,511
Canadian Bonds			
Canada Mortgage & Housing Corp. - December 1, 2004	16,200,000	16,394,701	16,389,591
		22,933,459	22,873,725
Accrued Interest			5,662
TOTAL SHORT-TERM INVESTMENTS		\$22,933,459	\$22,879,387

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2004 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS			
Canadian Common Shares			
Consumer Discretionary			
Canadian Tire Corporation Ltd.	40,000	\$ 1,854,572	\$ 1,842,800
Rogers Communications Inc., Class B	60,000	1,501,570	1,427,400
The Thomson Corporation	40,000	1,807,716	1,804,000
Total Consumer Discretionary		5,163,858	5,074,200
Consumer Staples			
Cott Corporation	25,000	1,041,845	929,500
Loblaw Companies Ltd.	30,000	1,940,010	1,869,000
Total Consumer Staples		2,981,855	2,798,500
Energy			
EnCana Corporation	45,000	2,622,200	2,650,500
Imperial Oil Ltd.	45,000	2,774,892	2,961,000
Nexen Inc.	30,000	1,576,761	1,534,500
Petro-Canada	44,000	2,884,930	2,730,200
Precision Drilling Corporation	15,000	981,194	990,000
Suncor Energy Inc.	60,000	2,185,208	2,302,800
Total Energy		13,025,185	13,169,000
Financials			
Bank of Montreal	30,000	1,656,597	1,662,000
Canadian Imperial Bank of Commerce	30,000	1,955,231	1,988,400
Manulife Financial Corporation	30,000	1,521,759	1,596,000
National Bank of Canada	30,000	1,352,100	1,342,800
Royal Bank of Canada	30,000	1,914,318	1,845,000
Sun Life Financial Services of Canada Inc.	65,000	2,275,107	2,398,500
The Bank of Nova Scotia	68,000	2,203,313	2,488,800
The Toronto-Dominion Bank	56,000	1,992,398	2,480,800
Total Financials		14,870,823	15,802,300
Health Care			
MDS Inc.	45,000	977,631	901,350
Industrials			
Canadian National Railway Co.	25,000	1,489,178	1,490,500
CP Railway Limited	30,000	974,070	1,011,000
Total Industrials		2,463,248	2,501,500
Information Technology			
ATI Technologies Inc.	50,000	1,200,440	1,062,500
Cognos Inc.	25,000	1,216,012	1,124,000
Total Information Technology		2,416,452	2,186,500

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2004 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)			
Canadian Common Shares (continued)			
Materials			
Abitibi-Consolidated Inc.	125,000	1,211,500	1,087,500
Barrick Gold Corp.	50,000	1,331,275	1,271,000
Inco Ltd.	20,000	907,995	881,600
Total Materials		3,450,770	3,240,100
Total Canadian Common Shares		\$45,349,822	\$ 45,673,450
United States Common Shares			
Consumer Discretionary			
Wal-Mart Stores Inc.	20,000	\$ 1,555,621	\$ 1,408,997
Financials			
Merrill Lynch & Co.	25,000	1,915,452	1,651,937
Health Care			
Pfizer Inc.	30,000	1,477,033	1,274,237
Industrials			
General Electric Company	30,000	1,265,025	1,325,669
Information Technology			
Honeywell International Inc.	35,000	1,772,890	1,749,419
IBM Corporation	15,000	1,870,215	1,735,730
Microsoft Corporation	40,000	1,609,276	1,512,924
Total Information Technology		5,252,381	4,998,073
Materials			
Alcoa Inc.	40,000	1,743,132	1,702,705
The Dow Chemical Company	20,000	1,140,312	1,060,270
Total Materials		2,883,444	2,762,975
Total United States Common Shares		\$14,348,956	\$ 13,421,888
Forward Exchange Contracts			
Sold USD \$185,400, Bought CAD \$255,777 @ 0.724850 - August 4, 2004			\$ 9,382
Sold USD \$517,000, Bought CAD \$709,892 @ 0.728280 - August 4, 2004			22,803
Sold USD \$1,228,300, Bought CAD \$1,696,219 @ 0.724140 - August 18, 2004			63,818
Sold USD \$630,000, Bought CAD \$859,458 @ 0.733020 - September 2, 2004			22,193
Sold USD \$27,500, Bought CAD \$36,449 @ 0.754480 - September 9, 2004			(98)
Sold USD \$905,000, Bought CAD \$1,235,276 @ 0.732630 - September 15, 2004			32,538
Sold USD \$737,000, Bought CAD \$974,906 @ 0.755970 - September 29, 2004			(4,561)
Sold USD \$675,000, Bought CAD \$893,554 @ 0.755410 - October 13, 2004			(3,515)
Sold USD \$27,500, Bought CAD \$36,471 @ 0.754030 - October 27, 2004			(77)
Total Forward Exchange Contracts			\$ 142,483

Mulvihill Premium Split Share Fund

Financial Statements

Statement of Investments (continued)

July 31, 2004 (Unaudited)

	Number of Contracts	Proceeds	Market Value
INVESTMENTS (continued)			
OPTIONS			
Written Cash Covered Put Options (100 shares per contract)			
Inco Limited - August 2004 @ \$46	(200)	\$ (27,086)	\$ (40,944)
Manulife Financial Corporation - August 2004 @ \$51	(150)	(7,125)	(207)
Total Written Cash Covered Put Options		(34,211)	(41,151)
Written Covered Call Options (100 shares per contract)			
Abitibi-Consolidated Inc. - August 2004 @ \$9	(1,000)	(10,500)	(12,720)
Alcoa Inc. - August 2004 @ \$33	(400)	(44,425)	(2,497)
ATI Technologies Inc. - August 2004 @ \$25	(500)	(25,000)	(23)
Bank of Montreal - August 2004 @ \$56	(300)	(8,250)	(19,550)
Canadian Imperial Bank of Commerce - August 2004 @ \$66	(300)	(12,150)	(35,225)
Canadian National Railway Co. - August 2004 @ \$61	(250)	(13,000)	(23,499)
Canadian Tire Corporation Ltd. - August 2004 @ \$50	(200)	(9,600)	(55)
Cognos Inc. - August 2004 @ \$45	(125)	(10,625)	(17,398)
Cott Corporation - August 2004 @ \$41	(250)	(9,000)	(967)
CP Railway Limited - August 2004 @ \$33	(180)	(7,290)	(13,832)
EnCana Corporation - August 2004 @ \$59	(360)	(33,300)	(39,343)
General Electric Company - August 2004 @ \$32	(300)	(17,501)	(40,041)
Honeywell International Inc. - August 2004 @ \$36	(350)	(35,734)	(78,213)
Inco Ltd. - August 2004 @ \$47	(200)	(21,514)	(3,143)
Loblaw Companies Ltd. - August 2004 @ \$63	(150)	(7,875)	(8,891)
Manulife Financial Corporation - August 2004 @ \$53	(112)	(4,592)	(7,530)
Manulife Financial Corporation - August 2004 @ \$54	(75)	(4,425)	(2,047)
MDS Inc. - August 2004 @ \$20	(450)	(6,750)	(11,681)
Merrill Lynch & Co. - August 2004 @ \$52	(250)	(31,318)	(2,699)
Microsoft Corporation - August 2004 @ \$28	(400)	(36,428)	(35,075)
National Bank of Canada - August 2004 @ \$44	(200)	(8,500)	(16,939)
Petro-Canada - August 2004 @ \$63	(440)	(23,320)	(39,314)
Pfizer Inc. - August 2004 @ \$35	(300)	(16,659)	(3)
Precision Drilling Corporation - August 2004 @ \$67	(120)	(12,840)	(4,256)
Rogers Communications Inc., Class B - August 2004 @ \$25	(300)	(16,650)	(4,338)
Sun Life Financial Services of Canada Inc. - August 2004 @ \$37	(280)	(12,460)	(9,053)
Sun Life Financial Services of Canada Inc. - August 2004 @ \$39	(370)	(20,572)	(1,135)
Suncor Energy Inc. - August 2004 @ \$36	(300)	(19,500)	(68,360)
The Bank of Nova Scotia - August 2004 @ \$36	(680)	(17,680)	(39,083)
The Dow Chemical Company - August 2004 @ \$40	(200)	(22,563)	(25,403)
The Thomson Corporation - August 2004 @ \$44	(400)	(10,000)	(58,383)
The Toronto-Dominion Bank - August 2004 @ \$44	(400)	(12,000)	(15,162)
Total Written Covered Call Options		(542,021)	(635,858)
TOTAL OPTIONS		\$ (576,232)	\$ (677,009)
TOTAL INVESTMENTS		\$59,122,546	\$ 58,560,812

Mulvihill Premium Split Share Fund

Notes to Financial Statements

July 31, 2004

1. 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, 2004.

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, 2004.

2. Management Expense Ratio

The management expense ratio is the ratio of all fees and expenses to the Fund to average net assets. The following are the management expense ratios for the years ended January 31:

	2004	2003	2002	2001	2000
Management expense ratio	1.56%	1.65%	1.69%	1.54%	1.43%

3. Generally Accepted Accounting Principles

The Canadian Institute of Chartered Accountants ("CICA") issued Section 1100, "Generally Accepted Accounting Principles ("GAAP")" of the *CICA Handbook - Accounting*, which establishes standards for financial reporting. Section 1100 applies to all entities, with the exception of rate-regulated operations, for fiscal years beginning on or after October 1, 2003. As a result, certain disclosures previously considered GAAP by virtue of general use in the investment funds industry, are no longer considered GAAP. This section primarily impacts the disclosure of an investment fund's financial statements, and accordingly, has no impact on the valuation of a fund or in the calculation of the net asset value per unit of a fund. The Funds, in conjunction with other investment industry funds, continue to assess the impact of Section 1100 on their financial statements.

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for the Mulvihill Premium Split Share Fund for the period ended July 31, 2004 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 *World Financial Split Corp.*

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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