



# 60<sup>PLUS</sup> INCOME TRUST [SIX.UN]

## **Annual Report 1999**

December 31, 1999 and 1998

Managed by Mulvihill Capital Management Inc.



## Investment Highlights

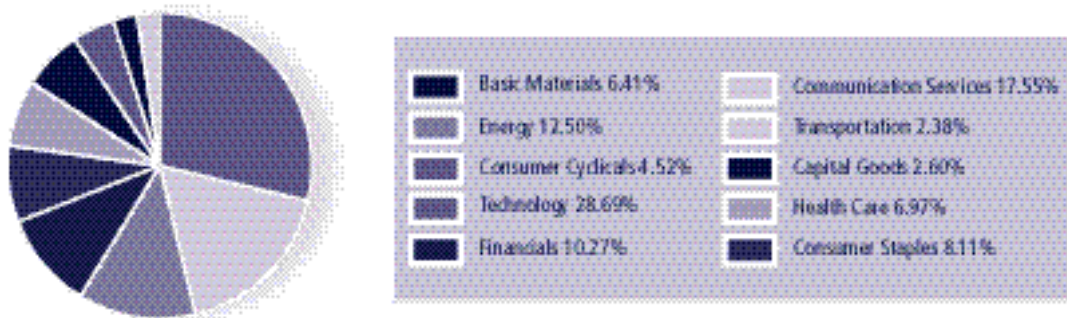
## Investment Objectives

The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning at a minimum the original issue price of the units to unitholders upon termination of the Trust on January 1, 2009.

## Investment Strategy

The Trust intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by corporations selected from the S&P/TSE 60 Index. The Trust may also, from time to time, invest up to 20% of the cost amount of its assets in (i) common shares issued by the top 60 corporations of the S&P 100 Index or (ii) ADR's of the top 60 corporations trading on the New York Stock Exchange or NASDAQ, selected on the basis of market capitalization. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

## Asset Mix



## Distribution History

Inception Date: February 1999	Regular Distribution	Special Distribution	Total Distribution
June 1999	\$ 0.80	\$ 0.00	\$ 0.80
September 1999	0.50		0.50
December 1999	0.50	0.50	1.00
<b>Total for 1999</b>			<b>\$ 2.30</b>
<b>Total Distribution</b>			<b>\$ 2.30</b>

### Top 10 Holdings:

BCE Inc.	The Toronto-Dominion Bank
Nortel Networks Corporation	Alcan Aluminum Ltd.
Philips Electronics N.V. (ADR)	Alcatel S.A. (ADR)
Royal Bank of Canada	The Seagram Company Ltd.
Canadian Imperial Bank of Commerce	Teleglobe Inc.

### Trading History



### Commentary

Sixty Plus Income Trust was launched in February of 1999 at an initial price of \$ 25.00 per unit. With investments in such areas of the market as Technology and Telecommunication, the Trust's assets appreciated to close the year at \$ 115.1 million or \$ 26.3921 per unit.

During 1999 distributions made to unitholders exceeded the minimum distribution target of 8 %. The Trust paid \$ 2.30 that consisted of the regular dividend of \$ 1.80 plus a special dividend of \$ 0.50. Based on the initial unit price of \$ 25.00 these distributions represent a yield of 9.2 percent.

Market conditions around the world were strong during most of 1999 with the Technology sector showing particular leadership in performance. It was Nortel and BCE, as well as the resource stocks that appreciated due to rising commodity prices, which caused the Canadian market's strong performance.

Throughout the second half of 1999 the Federal Reserve Board was raising interest rates in an effort to slow down the strong growth of the US economy. These rate hikes in the US were matched by similar moves from the Bank of Canada. This resulted in wide swings in market valuations. This volatility in prices enabled the Trust to generate high levels of premium income from its covered call and put writing that assisted the performance of the Trust.

Continued investor uncertainty is likely to be a recurrent theme in the equity markets going forward as concerns about the reemergence of inflation could dampen market performance. Accordingly the Trust's underlying investments are conservatively positioned to include high quality stocks as well as a prudent level of cash reserves in order to continue to meet our investment objectives.

**Auditors' Report****To the Unitholders**

We have audited the statements of net assets and of investments of Sixty Plus Income Trust as at December 31, 1999 and the statements of financial operations, changes in net assets and gain on sale of investments and options for the period then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. 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 presents fairly, in all material respects, the net assets of the Trust and its investments as at December 31, 1999 and the results of its operations, changes in its net assets and gain on sale of investments and options for the period then ended in accordance with accounting principles generally accepted in Canada.

Chartered Accountants

*Deloitte + Touche LLP*

Toronto, Ontario

March 10, 2000

## Statement of Net Assets

December 31, 1999

	1999
<b>Assets</b>	
Investments at Market Value (Average Cost - \$78,099,816)	\$90,020,888
Short-Term Investments (Average Cost - \$27,299,781)	27,184,595
Dividends Receivable	123,134
Interest Receivable	82,077
	<b>117,410,694</b>
<b>Liabilities</b>	
Bank Indebtedness	2,167,887
Accrued Liabilities	146,132
	<b>2,314,019</b>
<b>Net Assets, Represented By Unitholders' Equity</b>	<b>\$ 115,096,675</b>
Number of Units Outstanding (Note 4)	4,361,021
Net Asset Value Per Unit	\$ 26.3921

On behalf of the Manager,  
Mulvihill Fund Services Inc.

  
Director: John P. Mulvihill

  
Director: David N. Middleton

## Statement of Financial Operations

Period ended December 31, 1999

	1999
<b>Income</b>	
Dividends	\$813,199
Interest	1,543,048
Withholding Tax	(19,200)
	<b>2,337,047</b>
<b>Expenses (Note 5)</b>	
Custodian and Other Fees	127,838
Management Fees	1,206,349
Goods and Services Tax	93,393
	<b>1,427,580</b>
<b>Net Investment Income</b>	<b>909,467</b>
<b>Gain on Sale of Investments</b>	<b>9,335,725</b>
<b>Change in Unrealized Appreciation of Investments and Foreign Currency</b>	<b>11,805,786</b>
<b>Net Gain on Investments</b>	<b>21,141,511</b>
<b>Total Results of Financial Operations</b>	<b>\$22,050,978</b>
<b>Net Investment Income Per Unit</b>	<b>\$0.2100</b>
<b>Net Gain on Investments Per Unit</b>	<b>4.8820</b>
<b>Total Results of Financial Operations Per Unit</b> (based on the weighted average number of units outstanding during the period of 4,330,502)	<b>\$5.0920</b>

## Financial Statements

## Statement of Changes in Net Assets

Period ended December 31, 1999

	1999
<b>Net Assets, Beginning of Period</b>	<b>\$ -</b>
<b>Unit Transactions</b>	
Proceeds From Units Issued, Net of Issue Costs	103,050,000
Proceeds From Reinvestment of Distributions	25,008
	<b>103,075,008</b>
<b>Total Results of Financial Operations</b>	<b>22,050,978</b>
<b>Distributions to Unitholders (Note 6)</b>	
From Net Investment Income	(572,149)
From Net Realized Gain on Sale of Investments	(8,538,176)
Non-taxable Distribution	(918,986)
	<b>(10,029,311)</b>
<b>Increase in Net Assets During the Period</b>	<b>115,096,675</b>
<b>Net Assets, End of Period</b>	<b>\$115,096,675</b>

## Statement of Gain on Sale of Investments and Options

Period ended December 31, 1999

	1999
<b>Proceeds From Sale of Investments</b>	<b>\$63,473,049</b>
<b>Cost of Investments Sold</b>	
Cost of Investments, Beginning of Period	-
Cost of Investments Purchased	132,237,140
	<b>132,237,140</b>
<b>Cost of Investments, End of Period</b>	<b>(78,099,816)</b>
	<b>54,137,324</b>
<b>Gain on Sale of Investments of Investments</b>	<b>\$9,335,725</b>

## Statement of Investments

December 31, 1999

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
<b>Short-term Investments</b>				
<b>Treasury Bills</b>				
Government of Canada, Jan 6, 2000	7,246,000	\$7,232,969	\$7,232,969	
Government of Canada, Mar 2, 2000	5,935,000	5,864,040	5,864,040	
Government of Canada, Mar 16, 2000	3,607,000	3,564,715	3,564,715	
Government of the United States, Jan 13, 2000	3,855,000	5,642,557	5,528,278	
Province of Ontario, Mar 15, 2000	5,000,000	4,937,700	4,937,700	
		<b>27,241,981</b>	<b>27,127,702</b>	<b>99.5%</b>
<b>Discount Commercial Paper</b>				
Export Development Corp., Feb 17, 2000	40,000	57,800	56,893	0.2%
		<b>27,299,781</b>	<b>27,184,595</b>	<b>99.7%</b>
Accrued interest		-	82,077	0.3%
<b>Total Short-term Investments</b>		<b>\$27,299,781</b>	<b>\$27,266,672</b>	<b>100%</b>
<b>Investments</b>				
<b>Canadian Common Stock</b>				
<b>Metal &amp; Minerals</b>				
Alcan Aluminum Ltd.	50,000	\$ 2,459,500	\$ 2,970,000	3.3%
<b>Gold &amp; Precious Metals</b>				
Placer Dome Inc.	50,000	934,100	770,000	0.8%
<b>Oil &amp; Gas</b>				
Alberta Energy Co. Ltd.	45,000	1,948,750	2,025,000	
Canadian Occidental Petroleum Ltd.	80,000	1,814,914	2,280,000	
Imperial Oil Ltd.	45,000	1,407,462	1,395,000	
Petro-Canada	100,000	1,915,000	2,045,000	
Renaissance Energy Ltd.	100,000	1,905,920	1,450,000	
Talisman Energy Inc.	60,000	2,461,950	2,214,000	
<b>Total Oil &amp; Gas</b>		<b>11,453,996</b>	<b>11,409,000</b>	<b>12.7%</b>
<b>Paper &amp; Forest Products</b>				
Abitibi-Consolidated Inc.	125,000	1,994,381	2,112,500	2.3%
<b>Consumer Products</b>				
Biochem Pharma Inc.	80,000	3,035,710	2,496,000	2.8%
<b>Industrial Products</b>				
ATI Technologies Inc.	140,000	2,970,150	2,674,000	
Bombardier Inc. Class B	80,000	1,706,736	2,372,000	
GEAC Computer Limited	60,000	2,053,151	1,680,000	
Nortel Networks	70,000	3,781,487	10,209,500	
<b>Total Industrial Products</b>		<b>10,511,524</b>	<b>16,935,500</b>	<b>18.8%</b>

## Financial Statements

## Statement of Investments (continued)

December 31, 1999

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
<b>Canadian Common Stock (continued)</b>				
<b>Utilities</b>				
BCE Inc.	85,000	5,674,570	11,147,750	
Teleglobe Inc.	83,000	4,373,898	2,730,700	
<b>Total Utilities</b>		<b>10,048,468</b>	<b>13,878,450</b>	<b>15.4%</b>
<b>Communications &amp; Media</b>				
Seagram Co. Ltd.	45,000	2,974,000	2,911,500	
Shaw Communication Inc. Class B	50,000	2,126,000	2,382,500	
<b>Total Communications &amp; Media</b>		<b>5,100,000</b>	<b>5,294,000</b>	<b>5.8%</b>
<b>Merchandising</b>				
Canadian Tire Corp. Ltd. Class A	19,100	781,553	657,040	
Hudsons Bay Co.	57,450	1,023,117	988,140	
Loblaw Cos. Ltd.	60,000	2,271,130	2,115,000	
<b>Total Merchandising</b>		<b>4,075,800</b>	<b>3,760,180</b>	<b>4.1%</b>
<b>Financial Services</b>				
Canadian Imperial Bank of Commerce	90,000	3,361,916	3,105,000	
Royal Bank of Canada	50,000	3,670,459	3,175,000	
Toronto Dominion Bank	80,000	2,695,940	3,100,000	
<b>Total Financial Services</b>		<b>9,728,315</b>	<b>9,380,000</b>	<b>10.5%</b>
<b>Conglomerates</b>				
Canadian Pacific Ltd.	70,000	2,311,066	2,173,500	2.4%
<b>Total Canadian Common Stocks</b>		<b>61,652,860</b>	<b>71,179,130</b>	<b>78.9%</b>
<b>Foreign Common Stocks - (excluding USA)</b>				
<b>United Kingdom</b>				
Vodafone Group	30,000	2,016,525	2,143,290	
Glaxo Welcome PLC	25,000	2,185,443	2,016,100	
<b>Total United Kingdom</b>		<b>4,201,968</b>	<b>4,159,390</b>	<b>4.6%</b>
<b>Netherlands</b>				
Koninklijke Philips Electronics NV	20,000	2,747,864	3,896,891	4.3%
<b>France</b>				
Alcatel Alsthom Sponsored	45,000	1,776,055	2,922,668	3.3%
<b>Mexico</b>				
Telefonos de Mexico SA	15,000	2,187,033	2,435,557	2.7%
<b>Total Foreign Common Stocks - (excluding USA)</b>		<b>10,912,920</b>	<b>13,414,506</b>	<b>14.9%</b>



## Statement of Investments (continued)

December 31, 1999

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
<b>Foreign Common Stocks - USA</b>				
<b>Electrical Components and Instruments</b>				
Intel Corporation	20,000	1,981,584	2,376,021	2.7%
<b>Health and Personal Care</b>				
Bristol-Myers Squibb Co.	20,000	2,018,744	1,852,827	2.1%
<b>Merchandising</b>				
Home Depot Inc.	15,000	1,226,499	1,484,337	
Wal-Mart Stores	10,000	645,562	997,678	
<b>Total Merchandising</b>		<b>1,872,061</b>	<b>2,482,015</b>	<b>2.8%</b>
<b>Total Foreign Common Stocks - USA</b>		<b>5,872,389</b>	<b>6,710,863</b>	<b>7.6%</b>
	Number of Contracts	Proceeds	Market Value	% of Portfolio
<b>Options</b>				
<b>Written Call Options</b>				
<b>Number of Contracts (100 Shares per Contract)</b>				
Alcan Aluminum Ltd., February @ \$60	(250)	(34,500)	(67,500)	
Canadian Pacific, January @ \$35	(350)	(43,925)	(4,550)	
Home Depot Inc., February @ \$85	(150)	(75,128)	(289,561)	
Nortel Networks Co., January @ \$100	(200)	(184,800)	(922,000)	
<b>Total Written Call Options</b>		<b>(338,353)</b>	<b>(1,283,611)</b>	<b>(1.4%)</b>
<b>Total Investments</b>		<b>78,099,816</b>	<b>90,020,888</b>	<b>100%</b>

## Notes to the Financial Statements

### 1. Establishment of the Trust

Sixty Plus Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on January 27, 1999. The Trust began operations on February 8, 1999 and will terminate on January 1, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. ("Mulvihill") and the Trust'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 Trust.

### 2. Investment Objectives and Strategy

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by corporations selected from the S&P/TSE 60 Index. The Trust may also, from time to time, invest up to 20% of the cost amount of its assets in (i) common shares issued by the top 60 corporations selected on the basis of market capitalization from the S&P 100 Index or (ii) American Depositary Receipts ("ADRs") of the top 60 corporations selected on the basis of market capitalization whose ADRs are trading on the New York Stock Exchange or NASDAQ.

To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of all of the securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time, the Trust 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.

#### *Investment transactions and income*

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Options fees paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

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. Unitholders' Equity**

The Trust 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 Trust.

All units have equal rights and privileges. 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 Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

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% of such net assets value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchases for any units tendered for redemption.

On February 8, 1999, the Trust issued 4,000,000 units at \$25.00 per unit for total gross cash proceeds of \$100,000,000. On February 25, 1999, the Trust issued 360,000 units at \$25 per unit for total gross

cash proceeds of \$9,000,000. Costs of \$5,950,000 were incurred in connection with these offerings and the establishment of the Trust.

Following are the unit transactions for the period:

	1999
Units outstanding, beginning of period	-
Units issued for cash	4,360,000
Units issued on reinvestment of distribution	1,021
Units outstanding, end of period	4,361,021

**5. Management Fees and Expenses**

The Trust 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 Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust 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% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

Charges to the Trust for the period were as follows:

	Expenses	Expenses as a percent of average net assets
1999	\$1,427,580	1.48%

Average net assets are calculated to be the average of the net assets determined at each valuation date of the Trust.

## Notes to the Financial Statements

## 6. Distributions

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

Distributions for the period were as follows:

Distribution per unit:	1999
Taxable dividends	\$0.1312
Net realized gain on sale of investment	1.9581
Non-taxable distribution	0.2107
	<b>\$ 2.300</b>

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

## 7. Income Taxes

The Trust is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Trust 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 Trust on any net realized capital gains not paid or payable is recoverable by the Trust to the extent and in the circumstances provided in the Act.

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

No amount is payable on account of income taxes in 1999.

## 8. Commission Charges

Total commissions paid in 1999 in connection with portfolio transactions were \$232,841.

## 9. Uncertainty Due to the Year 2000 Issue

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Trust, including those related to investees, suppliers, or other third parties, have been fully resolved.

## 10. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

121 King Street West, Suite 2600,  
Toronto, Ontario, M5H 3T9.

"Standard & Poor's", "S&P" and "S&P 100" are trademarks of The McGraw-Hill Companies, Inc. "TSE" is a trademark of The Toronto Stock Exchange. The Units are not sponsored, endorsed, sold or promoted by Standard & Poor's or The Toronto Stock Exchange and neither party makes any representation regarding the advisability of investing in Units.

# Mulvihill Capital Management Inc.

---

Mulvihill Capital Management Inc. is a leading Canadian investment counselor responsible for the care of institutional and personal assets. The company manages corporate, pension, insurance, endowment, trust and mutual funds under a wide variety of investment mandates. Founded in 1985 as CT Investment Counsel Inc., the investment arm of Canada Trust, the company emerged in 1995 as an independent company operated by a cohesive team of senior managers and owners who have been together for more than a decade. The company's scale and independent structure allow it to provide clients with a uniquely customized approach to asset management.

The Mulvihill Funds are managed by Mulvihill Capital's structured finance group. This area of the company concentrates exclusively on creating and managing products tailored to meet very specific investment objectives. Assets are generally managed to meet specific absolute return levels rather than taking on the additional risk of targeting relative returns. This methodology allows the company to make investment decisions that meet the client's needs rather than to make investments to rival the competition.

Mulvihill's personal asset management division, Mulvihill Wealth Management, offers a comprehensive specialized approach tailored to clients' personal strategies. This not only relieves the client's burden of day-to-day investment decisions but also provides financial peace of mind for today and tomorrow. The company's personalized service and customized reporting assure that its powerful team of professionals is always working toward your current objectives and that you are fully aware of the progress you are making.

Mulvihill's reputation has been built on its ability to provide customized portfolios that meet the stated needs of its clients. The Premium Income investments are prime examples of that customized approach to asset management.

Other Premium Income products within the Mulvihill Group include Premium Income Corporation, MCM Split Share Corp., and Global Telecom Split Share Corp.

These funds are Mutual Fund Corporations and traded on the Toronto Stock Exchange over the past year as follows:

	Symbol	High	Low
First Premium Income Trust	FPI.UN	\$ 28.20	\$ 25.00
First Premium U.S. Income Trust	FPU.UN	\$ 27.75	\$ 24.75
First Premium Oil & Gas Income Trust	FPG.UN	\$ 9.90	\$ 5.75
60 Plus Income Trust	SIX.UN	\$ 27.25	\$ 24.80
Global Plus Income Trust	GIP.UN	\$ 25.50	\$ 24.25
Premium Income Corporation	PIC.A/PIC.PR.A	\$ 13.85/15.65	\$ 10.25/14.40
MCM Split Share Corp.	MUH.A/MUH.PR.A	\$ 15.10/15.35	\$ 11.00/14.40
Global Telecom Split Share Corp.	GT.A/GT.PR.A	\$ 20.65/16.60	\$ 14.00/14.40

## YEAR 2000

The year 2000 concern originates from the use in computer applications of a two-digit field to denote the year (for example, “99” for 1999) rather than a four-digit field. As a result, when entering the year 2000, the two-digit field will read “00” and affected computers may assume the year is 1900. The Trusts could be adversely affected by this problem if the computer systems used by MCM, Mulvihill and other service providers do not properly process and calculate date-related information from and after January 1, 2000.

In conducting their respective businesses, the Trusts will rely on information generated by the computer systems of third party service providers, including MCM, Mulvihill, The Royal Trust Company, Montreal Trust Company of Canada, banks, stock exchanges, utilities and other third parties for critical services. MCM and Mulvihill have advised the Trusts that they have put in place Year 2000 plans in an effort to ensure that their information systems are Year 2000 compliant and have, where necessary, modified and tested their mission critical systems. MCM and Mulvihill do not believe that there would be any material impact on the Trusts if their respective systems were not Year 2000 compliant, given that the assets of the Trusts and records relating to those assets, as well as accounting and other financial data, are maintained by The Royal Trust Company as trustee and custodian, and that certain Unitholder records are maintained by Montreal Trust Company of Canada as registrar and transfer agent or by CDS through the book-based system. MCM and Mulvihill have paid the costs associated with their Year 2000 plans. To prepare for the possibility that adequate steps have not been taken, MCM and Mulvihill also prepared and approved formal Year 2000 contingency plans. To date, neither MCM nor Mulvihill has reported any problems relating to their computer systems arising out of year 2000 concerns which would adversely affect the Trusts.

Mulvihill also made enquires of The Royal Trust Company and Montreal Trust Company of Canada in order to assess the status of their information systems with respect to year 2000 readiness issues. In response, Mulvihill received assurances from such service providers that all internal testing and any required adjustments were completed well in advance of January 1, 2000. There can be no assurance, however, that any of the Trusts’ third party service providers have, or will have, information systems that are Year 2000 compliant and that the NAV of the Trusts will not be adversely affected. In addition, while MCM considers the Year 2000 readiness of the issuers of Trusts’ securities in making investment decisions, there is no assurance that such issuers are Year 2000 compliant. If any such issuers are not Year 2000 compliant, the NAV of the Trust could be adversely affected.

## Board of Advisors

---

**John P. Mulvihill**

Chairman & President,  
Mulvihill Capital Management Inc.

**David N. Middleton**

Vice President, Finance & CFO,  
Mulvihill Capital Management Inc.

**Robert W. Korthals**

Corporate Director

**C. Edward Medland**

President, Beauwood Investments Inc.

## Information

---

**Auditors:**

Deloitte & Touche LLP  
BCE Place  
181 Bay Street, Suite 1400  
Toronto, Ontario M5J 2V1

**Transfer Agent:**

Montreal Trust  
151 Front Street, 8th Floor  
Toronto, Ontario M5J 2N1

**Shares Listed:**

Toronto Stock Exchange  
trading under  
FPI.UN, FPU.UN, FPG.UN, SIX.UN, GIP.UN

**Trustee:**

Royal Trust  
Royal Trust Tower  
77 King Street West, 11th Floor  
Toronto, Ontario M5W 1P9

## Head Office

---

The Mulvihill Premium Funds  
121 King Street West, Suite 2600  
Toronto, Ontario M5H 3T9  
fax: (416) 681-3901  
tel: (416) 681-3966 or (800) 725-7172  
email: [premium@mulvihill.com](mailto:premium@mulvihill.com)

Visit our website at [www.mulvihill.com](http://www.mulvihill.com) for additional information on all Premium Income Funds.



**Mulvihill Capital Management Inc.**

121 King Street West, Suite 2600  
Toronto, Ontario M5H 3T9

Tel: 416-681-3966 800-725-7172

Fax: 416-681-3901

E-mail: [premium@mulvihill.com](mailto:premium@mulvihill.com)  
[www.mulvihill.com](http://www.mulvihill.com)