

Mulvihill Structured Products



Mulvihill

Hybrid Income Funds

Semi-Annual Report 2002



Mulvihill Pro-AMS RSP Split Share Fund

## Mulvihill Pro-AMS RSP Split Share Fund

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### Notice To Shareholders

#### Change of Record Date for Regular Distributions

The Corporation 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 month (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.

### Message to Shareholders

This Corporation was launched on March 18, 2002, with an initial price of \$10.00 per Class A share, and \$20.00 per Class B share. As of June 30, 2002, the net assets of the Corporation were \$93.5 million, or \$26.34 per unit, a 7% decline from net assets at inception of \$28.39 per unit. Unitholders received distributions of \$0.1852 per Class A share, and \$0.4856 per Class B share during the first three months of operation. Based on the initial unit prices, these distributions represent a return of 6.5% per Class A share, and 8.5% per Class B share. On June 30, Class A shares, listed on the Toronto Stock Exchange as SPL.A, closed at \$9.54, while Class B shares, listed as SPL.B, closed at \$17.00.

The Corporation has roughly 60% of its managed portfolio invested in Canadian equities, with the balance in U.S. equities. Markets were weak in both countries during the first half of the year, with the U.S. showing the sharpest declines. Corporate accounting scandals and massive bankruptcies have severely shaken investor confidence, and negative market sentiment has been aggravated by the weakening of the U.S. dollar. The Canadian equity market performed better, due to the greater index weight of strong performing sectors such as energy and materials, and the lower index weight of poor performing sectors such as information technology and health care.

Market volatility increased markedly towards the end of the second quarter, creating more favorable conditions for the Corporation to continue earning premium income from option writing programs. At present, the Corporation has its portfolio well diversified by country and by sector, and is maintaining a defensive cash position.

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

*August 2002*

Mulvihill Pro-AMS RSP Split Share Fund

Financial Statements

Interim Statement of Net Assets

	June 30, 2002 (Unaudited)
<b>Assets</b>	
Investments at market value (average cost - \$82,908,215)	\$ 76,032,465
Short-term investments (average cost - \$18,067,028)	18,057,039
Cash	139,512
Interest receivable	48,413
Dividends receivable	64,408
Due from broker	2,382,504
	<b>96,724,341</b>
<b>Liabilities</b>	
Accrued liabilities	279,616
Due to broker	2,936,755
	<b>3,216,371</b>
<b>Net Assets, Represented by Unitholders' Equity</b>	<b>\$ 93,507,970</b>
<b>Number of Units Outstanding</b>	<b>3,550,000</b>
<b>Net Asset Value per Unit</b>	<b>\$ 26.3403</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Interim Statement of Financial Operations

For the period from inception March 18, 2002 to June 30, 2002

	2002
<b>Revenue</b>	
Dividends	\$ 148,427
Interest, net of foreign exchange	204,955
Withholding tax	(7,246)
	<b>346,136</b>
<b>Expenses</b>	
Management fees	328,761
Forward Agreement fee	143,260
Service fees	74,844
Custodian and other fees	40,877
Goods and services tax	31,114
	<b>618,856</b>
<b>Net Investment Loss</b>	<b>(272,720)</b>
<b>Gain on Sale of Investments and Options</b>	<b>2,224,950</b>
<b>Unrealized Depreciation of Investments and Foreign Currency</b>	<b>(6,885,991)</b>
<b>Net Loss on Investments</b>	<b>(4,661,041)</b>
<b>Total Results of Financial Operations</b>	<b>\$ (4,933,761)</b>
<b>Net Investment Loss per Unit</b>	<b>\$ (0.0768)</b>
<b>Net Loss on Investments per Unit</b>	<b>(1.3130)</b>
<b>Total Results of Financial Operations per Unit</b> (based on the weighted average number of units outstanding during the period of 3,550,000)	<b>\$ (1.3898)</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Interim Statement of Changes in Net Assets

*For the period from inception March 18, 2002 to June 30, 2002 (Unaudited)*

	2002
<b>Net Assets, Beginning of Period</b>	<b>\$ –</b>
<b>Total Results of Financial Operations</b>	<b>(4,933,761)</b>
<b>Unit Transactions</b>	
Proceeds from units issued, net of issue costs	100,823,000
<b>Distributions to Unitholders</b>	
From net investment income	(144,804)
From net realized gain on sale of investments and options	(2,161,722)
Non-taxable distribution	(74,743)
	<b>(2,381,269)</b>
<b>Changes in Net Assets During the Period</b>	<b>93,507,970</b>
<b>Net Assets, End of Period</b>	<b>\$ 93,507,970</b>
<b>Net Asset Value per Unit</b>	<b>\$ 26.3403</b>
<b>Distribution per Unit</b>	
From net investment income	\$ 0.0408
From net realized gain on sale of investments and options	0.6089
Non-taxable distribution	0.0211
	<b>\$ 0.6708</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments

June 30, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
<b>Investments - Managed Portfolio</b>			
<b>Short-term Investments</b>			
<b>Treasury Bills</b>			
Government of Canada - August 1, 2002	1,330,000	\$ 1,322,216	\$ 1,322,216
Government of Canada - August 29, 2002	2,960,000	2,942,458	2,942,458
Government of Canada, USD - September 5, 2002	100,000	151,758	151,587
Government of Canada - September 26, 2002	190,000	188,666	188,666
Government of Canada - August 15, 2002	7,170,000	7,123,262	7,123,262
Government of Canada - September 12, 2002	215,000	213,555	213,556
Province of Ontario - July 8, 2002	1,075,000	1,071,850	1,071,850
<b>Total Treasury Bills</b>		<b>13,013,765</b>	<b>13,013,595</b>
<b>Discount Commercial Paper</b>			
Province of British Columbia, USD - September 5, 2002	100,000	153,241	151,482
Canadian Wheat Board - July 3, 2002	2,000,000	1,993,060	1,993,060
Canadian Wheat Board - August 1, 2002	1,000,000	996,090	996,090
Province of Ontario, USD - August 19, 2002	50,000	76,835	75,699
Province of Ontario, USD - August 22, 2002	1,205,000	1,834,037	1,827,113
<b>Total Discount Commercial Paper</b>		<b>5,053,263</b>	<b>5,043,444</b>
		<b>18,067,028</b>	<b>18,057,039</b>
<b>Accrued Interest</b>		<b>-</b>	<b>48,413</b>
<b>Total Short-term Investments</b>		<b>\$18,067,028</b>	<b>\$18,105,452</b>
<b>Canadian Common Shares</b>			
<b>Consumer Discretionary</b>			
Rogers Communications Inc.	25,000	\$ 442,500	\$ 340,000
<b>Energy</b>			
EnCana Corporation	34,000	1,666,680	1,587,800
Precision Drilling Corporation	22,000	1,175,986	1,157,420
<b>Total Energy</b>		<b>2,842,666</b>	<b>2,745,220</b>
<b>Financials</b>			
Canadian Imperial Bank of Commerce	30,000	1,681,800	1,458,000
Investors Group Inc.	50,000	1,492,400	1,387,500
Sun Life Financial Services of Canada Inc.	42,000	1,467,900	1,382,640
The Toronto-Dominion Bank	40,000	1,728,807	1,436,800
<b>Total Financials</b>		<b>6,370,907</b>	<b>5,664,940</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
<b>Investments - Managed Portfolio (continued)</b>			
<b>Canadian Common Shares (continued)</b>			
<b>Health Care</b>			
Biovail Corporation	22,000	1,756,194	982,520
<b>Industrials</b>			
Bombardier Inc., Class B	125,000	1,843,750	1,575,000
Canadian National Railway Company	26,000	2,001,740	2,081,040
Zarlink Semiconductor Inc.	100,000	1,551,260	731,000
<b>Total Industrials</b>		<b>5,396,750</b>	<b>4,387,040</b>
<b>Information Technology</b>			
ATI Technologies Inc.	55,000	862,638	578,600
Celestica Inc.	35,000	1,991,816	1,198,050
<b>Total Information Technology</b>		<b>2,854,454</b>	<b>1,776,650</b>
<b>Materials</b>			
Alcan Inc.	30,000	1,906,500	1,731,000
Domtar Inc.	100,000	1,775,670	1,775,000
Inco Limited	35,000	1,141,700	1,195,250
Placer Dome Inc.	80,000	1,491,079	1,360,000
<b>Total Materials</b>		<b>6,314,949</b>	<b>6,061,250</b>
<b>Telecommunication Services</b>			
BCE Inc.	55,000	1,546,050	1,451,450
<b>Total Canadian Common Shares</b>		<b>\$27,524,470</b>	<b>\$23,409,070</b>
<b>United States Common Shares</b>			
<b>Consumer Discretionary</b>			
AOL Time Warner Inc.	25,000	\$ 988,474	\$ 559,307
The Home Depot Inc.	25,000	1,956,321	1,396,557
Staples Inc.	41,000	1,336,844	1,228,422
<b>Total Consumer Discretionary</b>		<b>4,281,639</b>	<b>3,184,286</b>
<b>Consumer Staples</b>			
The Procter & Gamble Company	12,000	1,633,728	1,629,785
<b>Financials</b>			
J.P. Morgan Chase & Co.	30,000	1,697,934	1,547,657
Merrill Lynch & Co.	20,000	1,752,147	1,231,920
<b>Total Financials</b>		<b>3,450,081</b>	<b>2,779,577</b>
<b>Health Care</b>			
Guidant Corporation	25,000	1,685,148	1,149,412
Pharmacia Corporation	25,000	1,706,849	1,423,933
<b>Total Health Care</b>		<b>3,391,997</b>	<b>2,573,345</b>



# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
<b>Investments - Managed Portfolio (continued)</b>			
<b>United States Common Shares (continued)</b>			
<b>Industrials</b>			
General Electric Company	27,000	1,588,134	1,192,910
<b>Information Technology</b>			
Cisco Systems Inc.	60,000	1,596,754	1,272,984
Honeywell International Inc.	30,000	1,821,259	1,607,428
Microsoft Corporation	18,000	1,591,879	1,481,590
Intel Corporation	46,000	2,140,910	1,278,186
<b>Total Information Technology</b>		<b>7,150,802</b>	<b>5,640,188</b>
<b>Total United States Common Shares</b>		<b>\$21,496,381</b>	<b>\$17,000,091</b>

	NUMBER OF CONTRACTS	PROCEEDS	MARKET VALUE
<b>Options</b>			
<b>Written Covered Put Options (100 shares per contract)</b>			
Placer Dome Inc. - July 2002 @ \$18	(170)	\$ (12,410)	\$ (24,650)
Precision Drilling Corporation - July 2002 @ \$53	(110)	(20,130)	(13,750)
<b>Total Written Covered Put Options</b>		<b>(32,540)</b>	<b>(38,400)</b>

<b>Written Covered Call Options (100 shares per contract)</b>			
Alcan Inc. - July 2002 @ \$58	(300)	(37,200)	(49,500)
AOL Time Warner Inc. - July 2002 @ \$16	(250)	(31,884)	(5,998)
ATI Technologies Inc.. - August 2002 @ \$12	(550)	(33,550)	(34,650)
BCE Inc. - July 2002 @ \$25	(275)	(16,500)	(39,912)
Biovail Corporation - July 2002 @ \$50	(110)	(30,580)	(3,175)
Biovail Corporation - July 2002 @ \$53	(55)	(10,395)	(358)
Bombardier Inc. - July 2002 @ \$14	(600)	(16,800)	(7,982)
Bombardier Inc. - July 2002 @ \$15	(600)	(19,200)	(924)
Canadian Imperial Bank of Commerce - July 2002 @ \$48	(300)	(26,400)	(28,611)
Canadian National Railway Company - July 2002 @ \$80	(260)	(22,880)	(39,000)
Celestica Inc. - July 2002 @ \$16	(110)	(26,070)	-
Cisco Systems Inc. - July 2002 @ \$16	(300)	(33,249)	(11,721)
Domtar Inc. - July 2002 @ \$18	(400)	(15,600)	(13,735)
Domtar Inc. - July 2002 @ \$19	(600)	(23,400)	(7,751)

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2002 (Unaudited)

	NUMBER OF CONTRACTS	PROCEEDS	MARKET VALUE
<b>Options (continued)</b>			
<b>Written Covered Put Options (100 shares per contract) (continued)</b>			
General Electric Company - July 2002 @ \$30	(250)	(37,564)	(12,127)
Guidant Corporation - July 2002 @ \$33	(125)	(37,604)	(13,821)
Guidant Corporation - July 2002 @ \$39	(125)	(26,176)	–
The Home Depot Inc. - July 2002 @ \$38	(250)	(42,161)	(28,517)
Honeywell International Inc. - July 2002 @ \$37	(300)	(53,362)	(15,682)
Inco Limited - July 2002 @ \$33	(350)	(26,950)	(69,300)
Intel Corporation - July 2002 @ \$22	(340)	(54,305)	(2,953)
J.P. Morgan Chase & Co. - July 2002 @ \$35	(105)	(17,283)	(10,220)
J.P. Morgan Chase & Co. - July 2002 @ \$36	(95)	(13,818)	(4,860)
Merrill Lynch & Co. - July 2002 @ \$40	(100)	(19,691)	(28,205)
Merrill Lynch & Co. - July 2002 @ \$41	(100)	(20,319)	(19,790)
Microsoft Corporation - July 2002 @ \$55	(180)	(65,115)	(64,334)
Pharmacia Corporation - July 2002 @ \$41	(200)	(32,098)	(110)
Placer Dome Inc. - July 2002 @ \$20	(500)	(41,500)	(7,500)
Precision Drilling Corporation - July 2002 @ \$56	(110)	(14,575)	(14,575)
Precision Drilling Corporation - July 2002 @ \$57	(110)	(19,690)	(2,292)
The Procter & Gamble Company - July 2002 @ \$91	(120)	(33,557)	(18,566)
Staples Inc. - July 2002 @ \$20	(410)	(40,231)	(20,981)
Sun Life Financial Services of Canada Inc. - July 2002 @ \$35	(420)	(21,840)	(3)
The Toronto-Dominion Bank Inc. - July 2002 @ \$38	(400)	(23,000)	(23,000)
Zarlink Semiconductor Inc. - July 2002 @ \$8	(500)	(16,000)	(14,120)
Zarlink Semiconductor Inc. - July 2002 @ \$8	(400)	(10,400)	(10,400)
<b>Total Written Covered Call Options</b>		<b>(1,010,947)</b>	<b>(624,673)</b>
<b>Total Options</b>		<b>\$ (1,043,487)</b>	<b>\$ (663,073)</b>
<b>Total Investments - Managed Portfolio</b>		<b>\$47,977,364</b>	<b>\$39,746,088</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2002 (Unaudited)

	NO. OF SHARES	AVERAGE COST	MARKET VALUE
<b>Investments - Fixed Portfolio</b>			
<b>Canadian Common Shares</b>			
<b>Health Care</b>			
Biovail Corporation	58,340	\$ 4,779,213	\$ 2,605,464
<b>Industrials</b>			
Royal Group Technologies Limited	50,541	1,485,905	1,591,031
Zarlink Semiconductors Inc.	303,443	4,779,227	2,218,168
<b>Total Industrials</b>		<b>6,265,132</b>	<b>3,809,199</b>
<b>Information Technology</b>			
ATI Technologies Inc.	230,325	4,779,244	2,423,019
Celestica Inc.	81,906	4,779,215	2,803,642
Nortel Networks Corporation	649,358	4,779,275	1,428,588
<b>Total Information Technology</b>		<b>14,337,734</b>	<b>6,655,249</b>
<b>Materials</b>			
Inco Limited	152,205	4,769,547	5,197,801
Meridian Gold Inc.	241,375	4,779,225	5,961,963
<b>Total Materials</b>		<b>9,548,772</b>	<b>11,159,764</b>
<b>Total Canadian Common Shares</b>		<b>\$34,930,851</b>	<b>\$24,229,676</b>
<b>Total Investments - Fixed Portfolio</b>		<b>\$34,930,851</b>	<b>\$24,229,676</b>
<b>Forward Agreement</b>			<b>12,056,701</b>
<b>Total Investments</b>		<b>\$82,908,215</b>	<b>\$76,032,465</b>
<b>Short-term Investments</b>			<b>18,057,039</b>
<b>Other Assets Less Liabilities</b>			<b>(581,534)</b>
<b>Net Assets</b>			<b>\$93,507,970</b>

# Mulvihill Pro-AMS RSP Split Share Fund

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## Notes to the Financial Statements

*June 30, 2002 (Unaudited)*

### 1. Basis of Presentation

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 those of the other Mulvihill Hybrid Income Funds.

### 2. Establishment of the Fund

Mulvihill Pro-AMS RSP Split Share Fund (the "Fund") is a mutual fund corporation established under the laws of the Province of Ontario on January 8, 2002. The Fund began operations on March 18, 2002 and will terminate on December 31, 2013.

The manager of the Fund is Mulvihill Fund Services Inc. and the Fund's investment manager is Mulvihill Capital Management Inc. The Royal Trust Company is the custodian of the assets of the Fund.

## **Statement of Portfolio Transactions**

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A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Pro-AMS RSP Split Share Fund for the period ended June 30, 2002 may be obtained without charge by writing to:

Mulvihill Pro-AMS RSP Split Share Fund  
Investor Relations  
121 King Street West, Suite 2600  
Toronto, Ontario M5H 3T9

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

### Other Hybrid Income Funds Managed by Mulvihill Structured Products

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#### 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 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

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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*

#### Head Office:

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# Mulvihill

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