



**Mulvihill**

## Hybrid Income Funds



Semi-Annual Report 2003

**Mulvihill Pro-AMS**  
*RSP Split Share Fund*



## **Mulvihill Pro-AMS RSP Split Share Fund**

### **Message to Shareholders**

As of June 30, 2003, the net assets of the Fund were \$84.2 million, or \$24.73 per unit after total distributions of \$1.18 per unit, a decrease from \$24.90 per unit at the end of 2002. Class A shares, listed on the Toronto Stock Exchange as SPL.A, closed on June 30, 2003 trading at \$8.35, while Class B shares, listed as SPL.B, closed at \$15.90.

Distributions during the first two quarters of 2003 amounted to \$0.33 per Class A share, and \$0.85 per Class B share. The Fund has sufficient capital loss carryforward amounts to shelter realized gains in the current period and provide both non-capital and capital loss carryforwards for future periods. As a result, distributions in the current period were non-taxable and will reduce each unitholders cost base.

After revisiting lows in March, equity markets rallied in both Canada and the U.S. during the second quarter. Substantial gains in the managed portfolio were offset by the large depreciation in the U.S. dollar relative to the Canadian dollar. This diminished the value of all investments denominated in U.S. dollars, which comprised about 55 percent of the managed portfolio assets, and any retreat in the Canadian dollar will benefit the U.S. dollar based managed portfolio. The Fund did benefit from being over weighted in the information technology and financial sectors, which rose strongly during the period.

Volatility was high in the first quarter but has moderated since then, as markets have begun to trend upwards. Option writing has reduced and the funds invested position has increased to maximize the potential for capital appreciation. Sufficient volatility remains to allow the Fund to continue generating premium income through its active option-writing programs.

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

August 2003

## Mulvihill Pro-AMS RSP Split Share Fund

### Financial Statements

#### Interim Statements of Financial Position

June 30, 2003 (Unaudited) and December 31, 2002 (Audited)

	2003	2002
<b>ASSETS</b>		
Investments at market value (average cost - \$70,099,782; 2002 - \$79,456,528)	<b>\$ 75,055,845</b>	\$ 77,716,424
Short-term investments (average cost - \$9,992,013; 2002 - \$10,777,020)	<b>9,971,498</b>	10,781,432
Cash	<b>15,170</b>	19,609
Interest receivable	<b>21,140</b>	41,508
Dividends receivable	<b>19,102</b>	35,404
Due from brokers	<b>829,588</b>	—
<b>TOTAL ASSETS</b>	<b>\$ 85,912,343</b>	<b>\$ 88,594,377</b>
<b>LIABILITIES</b>		
Due to brokers	<b>\$ 1,126,081</b>	\$ —
Redemptions payable	<b>415,322</b>	3,201,797
Accounts payable and accrued liabilities	<b>204,724</b>	215,865
Redeemable Class A shares	<b>34,039,900</b>	34,213,900
	<b>35,786,027</b>	<b>37,631,562</b>
<b>EQUITY</b>		
Class B and Class J shares	<b>63,151,075</b>	63,407,303
Deficit	<b>(13,024,759)</b>	(12,444,488)
	<b>50,126,316</b>	<b>50,962,815</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 85,912,343</b>	<b>\$ 88,594,377</b>
<b>Net Asset Value per Class B Share</b>	<b>\$ 14.7258</b>	<b>\$ 14.8954</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Interim Statements of Operations and Deficit

For the six months ended June 30, 2003 and for the period from inception March 18, 2002 to June 30, 2002 (Unaudited)

	2003	2002
<b>REVENUE</b>		
Dividends	\$ 220,479	\$ 148,427
Interest, net of foreign exchange	(77,799)	204,955
Withholding tax	(17,668)	(7,246)
	<b>125,012</b>	<b>346,136</b>
Net realized gain (loss) on investments and options	(2,448,003)	2,224,950
<b>TOTAL REVENUE</b>	<b>(2,322,991)</b>	<b>2,571,086</b>
<b>EXPENSES</b>		
Management fees	496,124	328,761
Forward Agreement fee	163,490	143,260
Service fees	63,371	74,844
Custodian and other fees	137,070	40,877
Goods and service tax	48,294	31,114
<b>TOTAL EXPENSES</b>	<b>908,349</b>	<b>618,856</b>
<b>Net Realized Income (Loss) before Distributions</b>	<b>(3,231,340)</b>	<b>1,952,230</b>
Class A distributions	(1,112,020)	(657,531)
<b>Net Realized Gain (Loss)</b>	<b>(4,343,360)</b>	<b>1,294,699</b>
Change in unrealized appreciation/ depreciation of investments and foreign currency	6,671,339	(6,885,991)
<b>NET INCOME (LOSS) FOR THE PERIOD</b>	<b>\$ 2,327,979</b>	<b>\$ (5,591,292)</b>
<b>DEFICIT</b>		
Balance, beginning of period	\$ (12,444,488)	\$ —
Net income (loss) for the period	2,327,979	(5,591,292)
Distributions on Class B shares	(2,908,250)	(1,723,738)
<b>BALANCE, END OF PERIOD</b>	<b>\$ (13,024,759)</b>	<b>\$ (7,315,030)</b>

## Mulvihill Pro-AMS RSP Split Share Fund

### Financial Statements

#### Interim Statements of Changes in Net Assets

For the six months ended June 30, 2003 and for the period from inception March 18, 2002 to June 30, 2002 (Unaudited)

	2003	2002
NET ASSETS, BEGINNING OF PERIOD	\$ 50,962,815	\$ –
<b>Net Realized Income (Loss)</b>		
before Distributions	(3,231,340)	1,952,230
<b>Unit Transactions</b>		
Amount paid for units redeemed	(256,228)	–
Proceeds from units issued, net of issue costs	–	65,323,000
	(256,228)	65,323,000
<b>Distributions</b>		
Class A shares	(1,112,020)	(657,531)
Class B shares	(2,908,250)	(1,723,738)
	(4,020,270)	(2,381,269)
<b>Change in Unrealized Appreciation/ Depreciation of Investments and Foreign Currency</b>	6,671,339	(6,885,991)
<b>Changes in Net Assets During the Period</b>	(836,499)	58,007,970
NET ASSETS, END OF PERIOD	\$ 50,126,316	\$ 58,007,970
<b>Distribution per Class A Share</b>	\$ 0.32502	\$ 0.18522
<b>Distribution per Class B Share</b>	\$ 0.85002	\$ 0.48556

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments

June 30, 2003 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO			
<b>Treasury Bills</b>			
Government of Canada			
- August 14, 2003	675,000	\$ 669,102	\$ 669,102
Government of Canada			
- August 28, 2003	4,160,000	4,127,932	4,127,932
Government of Canada			
- September 25, 2003	4,310,000	4,273,384	4,273,384
Government of Canada			
- October 23, 2003	20,000	19,807	19,806
Government of Canada, USD			
- August 5, 2003	200,000	270,465	271,505
<b>Total Treasury Bills</b>		<b>9,360,690</b>	<b>9,361,729</b>
<b>Discount Commercial Paper</b>			
Canadian Wheat Board, USD			
- August 6, 2003	150,000	210,545	203,230
Canadian Wheat Board, USD			
- August 8, 2003	225,000	312,013	304,924
Province of Ontario, USD - July 22, 2003	75,000	108,765	101,615
<b>Total Discount Commercial Paper</b>		<b>631,323</b>	<b>609,769</b>
		<b>9,992,013</b>	<b>9,971,498</b>
<b>Accrued Interest</b>			<b>21,140</b>
TOTAL SHORT-TERM INVESTMENTS			
- MANAGED PORTFOLIO		<b>\$ 9,992,013</b>	<b>\$ 9,992,638</b>
INVESTMENTS - MANAGED PORTFOLIO			
<b>Canadian Common Shares</b>			
<b>Consumer Discretionary</b>			
Rogers Communications Inc., Class B	38,000	\$ 747,700	\$ 822,700
The Thomson Corporation	20,000	865,836	848,000
<b>Total Consumer Discretionary</b>		<b>1,613,536</b>	<b>1,670,700</b>
<b>Energy</b>			
Petro-Canada	7,500	393,851	404,700
Precision Drilling Corporation	20,000	1,036,800	1,016,400
<b>Total Energy</b>		<b>1,430,651</b>	<b>1,421,100</b>
<b>Financials</b>			
CI Fund Management Inc.	52,000	537,897	596,440
Sun Life Financial Services of Canada Inc.	45,000	1,512,865	1,259,100
The Toronto-Dominion Bank	26,500	980,827	990,040
<b>Total Financials</b>		<b>3,031,589</b>	<b>2,845,580</b>
<b>Health Care</b>			
Biovail Corporation	11,500	780,479	723,810

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
<b>Canadian Common Shares</b> (continued)			
<b>Information Technology</b>			
Celestica Inc.	28,000	1,458,869	<b>591,360</b>
Nortel Networks Corporation	234,000	1,480,449	<b>851,760</b>
Zarlink Semiconductor Inc.	60,000	941,470	<b>420,000</b>
<b>Total Information Technology</b>		<b>3,880,788</b>	<b>1,863,120</b>
<b>Materials</b>			
Alcan Inc.	15,000	953,250	<b>630,150</b>
Barrick Gold Corporation	25,000	664,250	<b>599,750</b>
Domtar Inc.	21,100	374,666	<b>312,280</b>
Inco Limited	27,000	852,560	<b>770,310</b>
Placer Dome Inc.	37,000	673,422	<b>610,500</b>
<b>Total Materials</b>		<b>3,518,148</b>	<b>2,922,990</b>
<b>Telecommunication Services</b>			
TELUS Corporation	17,000	399,881	<b>406,470</b>
<b>Utilities</b>			
TransCanada Corp.	25,000	598,000	<b>593,750</b>
<b>Total Canadian Common Shares</b>		<b>\$15,253,072</b>	<b>\$12,447,520</b>
<b>United States Common Shares</b>			
<b>Consumer Discretionary</b>			
Clear Channel Communications, Inc.	15,500	\$ 830,158	<b>\$ 892,761</b>
Staples Inc.	35,000	1,141,209	<b>872,658</b>
The Walt Disney Co.	15,000	467,222	<b>402,530</b>
<b>Total Consumer Discretionary</b>		<b>2,438,589</b>	<b>2,167,949</b>
<b>Consumer Staples</b>			
CVS Corporation	28,000	1,350,755	<b>1,066,402</b>
<b>Energy</b>			
Apache Corporation	13,500	1,192,338	<b>1,193,405</b>
<b>Financials</b>			
American Express Company	15,700	917,378	<b>891,907</b>
American International Group Inc.	7,000	666,387	<b>524,831</b>
Citigroup Inc.	21,000	1,149,126	<b>1,221,245</b>
Merrill Lynch & Co.	14,500	873,297	<b>919,684</b>
Morgan Stanley	22,200	1,399,203	<b>1,289,523</b>
<b>Total Financials</b>		<b>5,005,391</b>	<b>4,847,190</b>
<b>Health Care</b>			
Pfizer Inc.	31,000	1,605,149	<b>1,438,442</b>
<b>Industrials</b>			
General Electric Company	20,800	932,986	<b>810,555</b>
Illinois Tool Works	9,500	1,001,258	<b>850,001</b>
Tyco International Ltd.	35,000	886,215	<b>902,618</b>
<b>Total Industrials</b>		<b>2,820,459</b>	<b>2,563,174</b>



# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
<b>United States Common Shares (continued)</b>			
<b>Information Technology</b>			
Applied Materials Inc.	31,500	599,682	678,818
Cisco Systems Inc.	60,000	1,542,277	1,352,501
Intel Corporation	42,700	1,834,395	1,205,860
Microsoft Corporation	32,400	1,402,418	1,127,443
<b>Total Information Technology</b>		<b>5,378,772</b>	<b>4,364,622</b>
<b>Telecommunication Services</b>			
SBC Communications Inc.	26,000	1,025,988	902,618
<b>Total United States Common Shares</b>		<b>\$20,817,441</b>	<b>\$18,543,802</b>

	Number of Contracts	Proceeds	Market Value
OPTIONS			
<b>Written Cash Covered Put Options (100 shares per contract)</b>			
American International Group Inc.			
- July 2003 @ \$57	52	\$ (11,168)	\$ (15,221)
Biovail Corporation - July 2003 @ \$65	40	(9,360)	(8,465)
Domtar Inc. - July 2003 @ \$15	139	(4,031)	(7,308)
Royal Bank of Canada - July 2003 @ \$59	120	(7,380)	(23,498)
TELUS Corporation - July 2003 @ \$23	170	(11,050)	(2,239)
The Procter & Gamble Company			
- July 2003 @ \$91	53	(10,764)	(14,652)
<b>Total Written Cash Covered Put Options</b>		<b>(53,753)</b>	<b>(71,383)</b>

<b>Written Covered Call Options (100 shares per contract)</b>			
Alcan Inc. - July 2003 @ \$42	100	(8,800)	(12,466)
American Express Company - July 2003 @ \$44	104	(15,097)	(431)
Apache Corporation - July 2003 @ \$67	100	(21,400)	(3,042)
Applied Materials Inc. - July 2003 @ \$16	250	(23,168)	(23,414)
Barrick Gold Corporation - July 2003 @ \$24	187	(13,183)	(13,496)
Biovail Corporation - July 2003 @ \$67	60	(16,620)	(117)
Cisco Systems Inc.- July 2003 @ \$18	300	(19,943)	(3,126)
Citigroup Inc.- July 2003 @ \$44	49	(5,637)	(2,832)
Citigroup Inc.- July 2003 @ \$45	55	(6,398)	(3,121)
Clear Channel Communications, Inc.			
- July 2003 @ \$43	116	(20,568)	(17,745)
CVS Corporation - July 2003 @ \$28	280	(31,730)	(40,367)
Domtar Inc. - July 2003 @ \$15	87	(2,262)	(3,555)
Domtar Inc. - July 2003 @ \$15	36	(1,152)	(1,440)
Domtar Inc. - July 2003 @ \$15	88	(2,640)	(1,402)
General Electric Company			
- July 2003 @ \$29	104	(8,479)	(6,481)
Illinois Tool Works - July 2003 @ \$67	95	(17,740)	(8,555)
Inco Limited - July 2003 @ \$28	180	(9,720)	(12,112)
Intel Corporation - July 2003 @ \$22	213	(20,854)	(3,757)
Merrill Lynch & Co. - July 2003 @ \$48	110	(21,429)	(12,188)
Microsoft Corporation - July 2003 @ \$25	162	(17,732)	(15,384)

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Contracts	Proceeds	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
OPTIONS (continued)			
<b>Written Covered Call Options</b> (100 shares per contract) (continued)			
Morgan Stanley - July 2003 @ \$49	167	(33,819)	—
Nortel Networks Corporation - August 2003 @ \$4	585	(18,720)	(1,644)
Nortel Networks Corporation - August 2003 @ \$4	585	(19,890)	(2,060)
Petro-Canada - July 2003 @ \$53	75	(6,900)	(11,542)
Pfizer Inc. - July 2003 @ \$33	210	(20,745)	(34,458)
Placer Dome Inc. - July 2003 @ \$16	185	(8,880)	(11,400)
Precision Drilling Corporation - July 2003 @ \$52	150	(18,000)	(6,843)
Rogers Communications Inc., Class B - July 2003 @ \$22	250	(18,250)	(11,772)
SBC Communications Inc. - July 2003 @ \$26	130	(10,582)	(783)
Staples Inc. - July 2003 @ \$20	350	(23,309)	—
Sun Life Financial Services of Canada Inc. - July 2003 @ \$29	225	(12,150)	(1,712)
Sun Life Financial Services of Canada Inc. - July 2003 @ \$29	225	(11,925)	(2,246)
TELUS Corporation - July 2003 @ \$24	170	(12,240)	(8,649)
The Thomson Corporation - July 2003 @ \$43	150	(10,800)	(4,744)
The Toronto-Dominion Bank - July 2003 @ \$37	190	(6,270)	(6,204)
TransCanada Corp. - July 2003 @ \$24	250	(4,425)	(6,045)
Tyco International Ltd. - July 2003 @ \$18	350	(25,317)	(31,998)
<b>Total Written Covered Call Options</b>		<b>(546,774)</b>	<b>(327,131)</b>
TOTAL OPTIONS			
		<b>\$ (600,527)</b>	<b>\$ (398,514)</b>
TOTAL INVESTMENTS - MANAGED PORTFOLIO			
		<b>\$35,469,986</b>	<b>\$30,592,808</b>

	Number of Shares	Average Cost	Market Value
INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO			
<b>Canadian Common Shares</b>			
<b>Industrials</b>			
Royal Group Technologies Limited	253,456	\$ 3,702,885	\$ 2,440,781
TOTAL INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO			
		<b>\$ 3,702,885</b>	<b>\$ 2,440,781</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Financial Statements

### Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - CLASS B SHARE FIXED PORTFOLIO			
<b>Canadian Common Shares</b>			
<b>Health Care</b>			
Biovail Corporation	58,340	\$ 3,959,401	\$ 3,671,920
<b>Industrials</b>			
Royal Group Technologies Limited	50,541	738,383	486,710
<b>Information Technology</b>			
ATI Technologies Inc.	230,325	4,779,244	3,086,355
Celestica Inc.	81,906	4,267,505	1,729,855
Nortel Networks Corporation	649,358	4,108,295	2,363,663
Zarlink Semiconductor Inc.	303,443	4,761,372	2,124,101
<b>Total Information Technology</b>		<b>17,916,416</b>	<b>9,303,974</b>
<b>Materials</b>			
Inco Limited	111,903	3,533,486	3,192,592
Meridian Gold Inc.	241,375	4,779,225	3,717,175
<b>Total Materials</b>		<b>8,312,711</b>	<b>6,909,767</b>
TOTAL INVESTMENTS - CLASS B SHARE FIXED PORTFOLIO			
		<b>\$30,926,911</b>	<b>\$20,372,371</b>
Class A Share Forward Agreement			<b>805,193</b>
Class B Share Forward Agreement			<b>20,844,692</b>
TOTAL INVESTMENTS			
		<b>\$70,099,782</b>	<b>\$75,055,845</b>
Redeemable Class A Shares			<b>(34,039,900)</b>
Short-Term Investments - Managed Portfolio			<b>9,971,498</b>
Other Assets Less Liabilities			<b>(861,127)</b>
NET ASSETS			
			<b>\$50,126,316</b>
TOTAL MANAGED PORTFOLIO			
		<b>\$45,461,999</b>	<b>\$40,564,306</b>
TOTAL CLASS A FIXED PORTFOLIO			
		<b>3,702,885</b>	<b>3,245,974</b>
TOTAL CLASS B FIXED PORTFOLIO			
		<b>30,926,911</b>	<b>41,217,063</b>
TOTAL INVESTMENT PORTFOLIO			
		<b>\$80,091,795</b>	<b>\$85,027,343</b>

# Mulvihill Pro-AMS RSP Split Share Fund

## Notes to Financial Statements

### 1. Basis of Presentation

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The interim financial statements for Mulvihill Pro-AMS RSP Split Share Fund (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 December 31, 2002.

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

### 2. Establishment of the Fund

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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.

### 3. Comparative Figures

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

### Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Pro-AMS RSP Split Share Fund for the period ended June 30, 2003 may be obtained without charge by writing to the Fund at 121 King St. W., Suite 2600, Toronto ON M5H 3T9.

## Mulvihill Hybrid Income Funds

### Hybrid Income Funds

#### Managed by Mulvihill Structured Products

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#### 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

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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 *Global Income Fund*  
Premium *Canadian Income Fund*

### Head Office

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Mulvihill Capital Management Inc.  
121 King St. W., Suite 2600  
Toronto ON  
M5H 3T9

Tel: 416 681-3966  
1 800 725-7172  
Fax: 416 681-3901  
e-mail: [hybrid@mulvihill.com](mailto:hybrid@mulvihill.com)

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

# Mulvihill Pro-AMS RSP Split Share Fund

## Notes





# Mulvihill

[www.mulvihill.com](http://www.mulvihill.com)

**Mulvihill Structured Products**

Investor Relations

121 King St. W., Suite 2600

Toronto ON

M5H 3T9

Tel: 416 681-3966

1 800 725-7172

Fax: 416 681-3901

e-mail: [hybrid@mulvihill.com](mailto:hybrid@mulvihill.com)

Mulvihill Capital Management Inc.

*Please contact your broker directly  
for address changes.*