Mulvihill Structured Products

Mulvihill

Hybrid Income Funds

Annual Report 2006

Mulvihill *Top 10 Canadian Financial Fund*

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Dear Unitholder,

I would like to take this opportunity to communicate with you in conjunction with the mailing of the 2006 financial results for Mulvihill Top 10 Canadian Financial Fund, to reiterate our investment objectives and the strategies we employ to achieve them.

This Fund is an income oriented investment vehicle whose investment objectives are to:

(i) provide ongoing distributions to unitholders and,

(ii) provide for the return of the original investment on the termination date of the Fund.

To achieve these investment objectives the Fund has acquired and actively manages a portfolio of equity securities and money market instruments to create income which is then used to Fund the ongoing scheduled distributions.

These distributions are generated through a variety of methods which may include:

(i) dividends received from portfolio holdings

(ii) capital gains realized from stocks

(iii) premiums received from the writing of covered call options against the portfolio

(iv) returning capital in certain instances

You will see from the Fund's investment objectives and the strategies employed, that the Fund is not managed in order to meet or exceed the returns of a broad equity market index. The Fund writes call options to generate additional funds to help pay regular distributions and the Fund does maintain cash positions and purchases put options in an effort to provide greater net asset value stability.

These investment strategies result in a different rate of return and risk profile than a Fund that is a fully invested equity portfolio. During periods of strongly rising markets, the Fund's approach will tend to under-perform a comparable fully invested portfolio of the same stocks as the Fund is not fully invested and the writing of covered call options generally limits portfolio performance to the option premiums received. In periods of declining markets, however, the Fund's defensive cash balances and put options help to protect net asset value, and covered option writing premium income generally provides regular cash returns exceeding those of a conventional portfolio.

I would like to take this opportunity to thank unitholders for their continued support of this Fund.

John P. Mulvihill
President & CEO
Mulvihill Capital Management Inc.

Mulvihill *Top 10 Canadian Financial Fund* [TCT.UN]

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Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended December 31, 2006 of Mulvihill Top 10 Canadian Financial Fund, formerly Digital World Trust (the "Fund"). The annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com.

Investment Objectives and Strategies

On August 2, 2005, a proposal was approved by unitholders resulting in a change of the investment objectives of the Fund. The Fund's investment objectives are to provide unitholders with a stable stream of quarterly cash distributions in an amount targeted to be 7.5 percent of the net asset value per unit and to return the net asset value per unit as of August 2, 2005 (approximately $15.00) to unitholders on the termination date December 31, 2010.

The Fund invests in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization generally investing in not less than 5 percent and not more than 15 percent of the Fund's assets in each company.

To generate additional returns, the Fund may, from time to time, write covered call options in respect of all or part of the securities 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.

Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time, the Fund may hold a portion of its assets in cash equivalents.

Risk

Investors should be aware that the primary risks associated with the Fund relate to the non-diversified nature of the investment universe, and the level of option volatility realized in undertaking the writing of covered call options. The Fund invests exclusively in securities of the (i) six largest Canadian Banks and (ii) the four largest Canadian life insurance companies. In addition, the process of writing covered call options on the securities held in the portfolio will tend to lower the volatility of the net asset value of the portfolio.

In order to generate income the Fund writes covered call options in respect of all or part of the securities held in the portfolio. During the course of this year, volatility has remained at multi-year lows which results in the Fund having to write on a greater portion of the portfolio in order to generate distributable income. Increased option writing resulted in limiting the appreciation of securities in the portfolio during the period, especially since all 10 of the financial equities appreciated strongly during 2006, most notably the Canadian Imperial Bank of Commerce and Industrial Alliance Insurance and Financial Services Inc. However, due to this low volatility, the Fund increased its investment position thereby providing greater income generating capabilities. To offset the risk of added equity exposure the Fund purchased protective put options to mitigate the potential impact of a severe market decline as well as to take advantage of the low cost of this protection.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.mulvihill.com.

Asset Mix

December 31, 2006

	% OF NET ASSETS
Financials	99 %
Cash and Short-Term Investments	10 %
Other Assets (Liabilities)	(9)%
	100 %

Portfolio Holdings

December 31, 2006

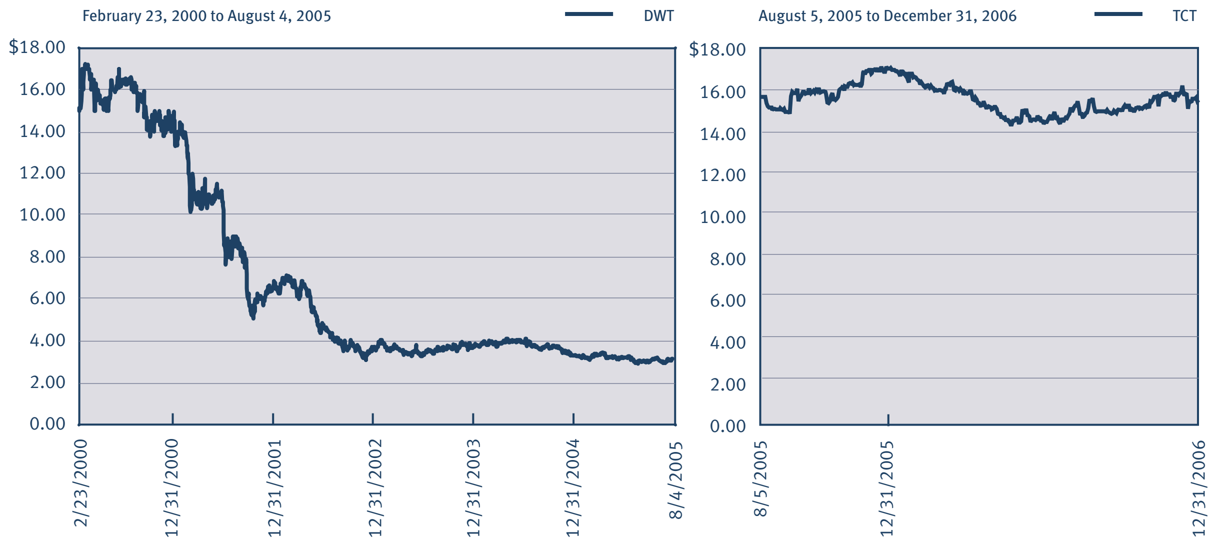
	% OF NET ASSETS		% OF NET ASSETS		% OF NET ASSETS
Royal Bank of Canada	12%	The Bank of Nova Scotia	11%	Sun Life Financial Inc.	8%
The Toronto-Dominion Bank	12%	Cash and Short-Term Investments	10%	Great-West Lifeco Inc.	8%
Manulife Financial Corporation	12%	National Bank of Canada	10%	Industrial Alliance Insurance and Financial Services Inc.	6%
Canadian Imperial Bank of Commerce	11%	Bank of Montreal	9%		

Distribution History

INCEPTION DATE: FEBRUARY 2000	REGULAR DISTRIBUTION
Total for 2000	**$ 2.35**
Total for 2001	**0.95**
Total for 2002	**0.50**
Total for 2003	**0.40**
Total for 2004	**0.40**
Total for 2005	**0.78**
Total for 2006	**1.19**
Total Distributions to Date	**$ 6.57**

For complete distribution history and income tax information, please see our website at www.mulvihill.com.

Trading History



As at August 2, 2005, the Fund amended its investment strategy and changed its name to Mulvihill Top 10 Canadian Financial Fund and consolidated the units on a 5 to 1 basis.

Results of Operations

For the fiscal year ended December 31, 2006, the net asset value of the Fund totalled $145.8 million, or $15.96 per unit, after payment of distributions to unitholders, increasing from $15.73 per unit on December 31, 2005. The Fund's units, listed on the Toronto Stock Exchange as TCT.UN, closed on December 29, 2006, at $15.55 per unit.

Distributions amounting to $1.1897 per unit were made to unitholders during the year. Based on the initial issue price of the units, these distributions represent a 7.4 percent annual yield for unitholders.

Volatility was low throughout the year, but remained sufficient to maintain option writing programs. However, due to this low level of volatility, the Fund increased its invested position thereby providing greater income generating capabilities. To offset the risk of added equity exposure the Fund purchased protective put options to mitigate the potential impact of a severe market decline as well as to take advantage of the low cost of this protection.

The S&P/TSX Financials Index total return during the year was 19.2 percent, which outperformed the broader S&P/TSX Composite Index that gained 17.3 percent. The equal weighted total annual return of the ten different financial services equities that make up the fund was 18.1 percent. Very uneven performance from the ten different financial services equities produced this result with all 10 posting positive total returns during the year. Canadian Imperial Bank of Commerce led the group with a total return of 32.9 percent, while Sun Life Financial Inc. lagged the group with a total return of 8.1 percent. These returns are reflective of the positive market environment for the underlying Financial Portfolio due to continued low interest rates, the higher yield of the group relative to the broad market and the flow of funds out of income trusts into this group post the Federal Governments trust tax decision announced on October 31, 2006.

The return for the Fund during the period, including reinvestment of distributions, was 9.5 percent. This return is reflective of the underweight position in Canadian Imperial Bank of Commerce which was the top performing stock in the universe as well as the average cash position of 10 percent and protective put options purchased in a positive market environment for the underlying Financial Portfolio. For more detailed information on investment returns, please see the Annual Total Return bar graph and the Annual Compound Returns table on page 6 of this report.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

Financial Highlights presented for the year ended December 31, 2005 reflect the restructuring of the Fund and the consolidation of the units on a 5 to 1 basis on August 2, 2005. The net asset value per unit at the beginning of the year is on a pre-consolidation basis while the net asset value per unit at the end of the year is on a post-consolidation basis.

Years ended December 31

	2006	2005	2004	2003	2002
THE FUND'S NET ASSET VALUE PER UNIT					
Net Asset Value, beginning of year(1)	**$ 15.73(4)**	**$ 3.48**	**$ 4.06**	**$ 3.75**	**$ 6.47**
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.45**	0.40	(0.04)	(0.03)	0.04
Total expenses	**(0.26)**	(0.29)	(0.07)	(0.07)	(0.08)
Realized gains (losses) for the period	**0.94**	(0.32)	(2.21)	(1.53)	(2.83)
Unrealized gains (losses) for the period	**0.28**	2.75	2.14	2.32	0.61
Total Increase (Decrease) from Operations(2)	**1.41**	**2.54**	**(0.18)**	**0.69**	**(2.26)**
DISTRIBUTIONS					
Non-taxable distributions	**(1.19)**	(0.78)	(0.40)	(0.40)	(0.50)
Total Annual Distributions(3)	**(1.19)**	**(0.78)**	**(0.40)**	**(0.40)**	**(0.50)**
Net Asset Value, as at December 31(1)	**$ 15.96**	**$ 15.73(4)**	**$ 3.48**	**$ 4.06**	**$ 3.75**

(1) Net asset value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities of the Fund on that date divided by the number of units then outstanding.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), less expenses, and is calculated based on the weighted average number of units outstanding during the year. The schedule is not intended to total to the ending net asset value as calculations are based on the weighted average number of units outstanding during the year.
(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.
(4) As at August 2, 2005, the Fund amended its investment strategy and changed its name to Mulvihill Top 10 Canadian Financial Fund and consolidated the units on a 5 to 1 basis.

RATIOS/SUPPLEMENTAL DATA	2006	2005	2004	2003	2002
Net Assets ($millions)(1)(5)	**$ 145.77**	$ 157.84	$ 17.72	$ 24.19	$ 27.21
Number of units outstanding(1)(5)	**9,131,373**	10,035,145	5,098,619	5,962,815	7,261,933
Management expense ratio(2)	**1.69%**	1.88%	1.85%	1.76%	1.65%
Portfolio turnover rate(3)	**135.44%**	221.14%	57.16%	61.06%	39.54%
Trading expense ratio(4)	**0.10%**	0.41%	0.20%	0.25%	0.29%
Closing market price(5)	**$ 15.55**	$ 17.00	$ 3.24	$ 3.90	$ 3.56

(1) This information is provided as at December 31.
(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes and capital taxes but excluding income taxes, charged to the Fund to average net assets. The management expense ratio for 2005 includes the special resolution expense. The management expense ratio for 2005 excluding the special resolution expense is 1.83%.
(3) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
(4) Trading expense ratio represents total commissions expressed as an annualized percentage of daily average net assets during the period.
(5) As at August 2, 2005, the Fund amended its investment strategy and changed its name to Mulvihill Top 10 Canadian Financial Fund and consolidated the units on a 5 to 1 basis.

Management Fees

Mulvihill Capital Management ("MCM") is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.00 percent of the net assets of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and the writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and the execution of all portfolio and other transactions.

Mulvihill Fund Services is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net assets of the Fund at each month end. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

The Canadian banks and life insurance companies continue to demonstrate strong fundamentals and profitability characterized by strong capital positions, high returns on equity and low balance sheet risk. The Canadian banks produced better than expected fiscal fourth quarter earnings growth of 18 percent year-over-year with an average return on equity of nearly 22 percent. The Canadian life insurance companies also produced strong third quarter earnings with year-over-year growth of 11 percent. The high dividend yield on these companies relative to the 10-year Government of Canada bond which ended 2006 at a 4.1 percent yield continues to produce a compelling valuation and the price/earnings multiple of the banks and life insurers relative to the broad market is still attractive.

The rate of earnings growth could be impacted by a slowdown in economic growth during 2007. However, several positive factors may offset the growth slowdown, including the stabilization of the Banks net interest margins, improving mutual fund sales due to stronger capital market conditions and growth in the wealth management operations.

Going forward we continue to view the bank and life insurance companies fundamentals as very strong with high profitability demonstrated by record returns on equity, high asset quality and strong balance sheets providing the ability to make further acquisitions and continue to return some of their excess capital to shareholders in the form of increased dividends and share repurchases.

Past Performance

The chart below sets out the Fund's year-by-year past performance. It is important to note that:

(a) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,

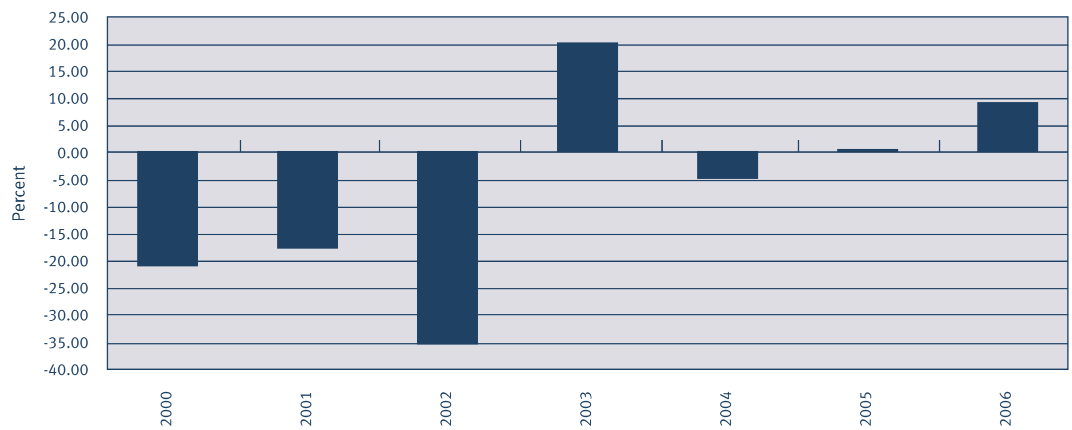
(b) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

(c) the past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates how the Fund's total annual return in each of the past seven years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2000 would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended December 31 as compared to the performance of the NASDAQ and S&P/TSX Financials Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Since Inception*
Top 10 Canadian Financial Fund	**9.47%**	1.50%	(3.98)%	(8.77)%
In order to meet regulatory requirements, the performance of two broader based market indices have been included below.				
NASDAQ**	**n/a**	2.82%	(1.95)%	(11.55)%
S&P/TSX Financials Index***	**19.20%**	20.99%	17.19%	20.31%

* From date of inception on February 23, 2000.
** The NASDAQ is a broad-based capitalization-weighted index of all NASDAQ National Market & Small Cap Stocks.
*** The S&P/TSX Financials Index is a subset of the constituents of the S&P/TSX Composite Index that have been classified according to the Global Industry Classification Standard.

The performance of the Fund in the above table from the period of inception to August 1, 2005 was based on the investment objectives and strategy of the Fund as Mulvihill Summit Digital World Fund investing in common shares issued by leading "digitally based" companies listed on a major North American stock exchange or quoted on NASDAQ with a market capitalization in excess of U.S. $5 billion and which operate within the sectors of telecommunication services, telecommunications equipment suppliers, enabling hardware and software and related digital commerce, services and products. On August 2, 2005 unitholders of the Fund approved a special resolution resulting in a change in the investment objectives and strategy of the Fund. After August 2, 2005, the Fund invests in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization.

The equity performance benchmarks shown here provides an approximate indication of how the Fund's returns compare to a public market index for similar securities. It is important to note that the Fund is not managed in order to match or exceed these indices; rather, its objectives are to pay out quarterly dividends and return the original invested amount at the termination date. As a result, the Fund has, from time to time, maintained cash balances in an effort to provide greater net asset value stability and employs a covered option writing strategy to generate the distributions.

These investment strategies result in a rate of return for the Fund that differs from that of a conventional, fully-invested portfolio. During periods of strongly rising markets, the Fund's approach will tend to underperform a comparable fully-invested portfolio of the same stocks as the Fund is not fully invested and writing covered call options generally limits portfolio performance to the option premium received. In periods of declining markets, however, the Fund's defensive cash balances help to protect net asset value, and covered option writing income generally provides returns exceeding those of a conventional portfolio.

Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") manages the Fund's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated February 15, 2000 amended as of August 2, 2005.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 15, 2000 amended as of August 2, 2005 and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Mulvihill Top 10 Canadian Financial Fund (formerly Digital World Trust) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc., (the "Manager"), and have been reviewed by the Board of Advisors (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 annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the 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 Board 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 Board.

John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 22, 2007

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Unitholders of Mulvihill Top 10 Canadian Financial Fund

We have audited the accompanying statement of investments of Mulvihill Top 10 Canadian Financial Fund (formerly Digital World Trust) (the "Fund") as at December 31, 2006, the statements of net assets as at December 31, 2006 and 2005, and the statements of financial operations, of changes in net assets and of gain (loss) on sale of investments for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, and the gain (loss) on sale of investments for the years indicated above in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Toronto, Ontario
February 22, 2007

Statements of Net Assets

December 31, 2006 and 2005

	2006	2005
ASSETS		
Investments at market value (cost - $134,657,346; 2005 - $133,605,453)	**$ 144,235,097**	$ 140,347,756
Short-term investments (cost - $14,210,617; 2005 - $19,259,612)	**14,210,617**	19,259,612
Cash	**2,430**	776
Interest receivable	**51,559**	34,543
Dividends receivable	**422,167**	357,890
Due from brokers - investments	**–**	3,116,400
TOTAL ASSETS	**158,921,870**	**163,116,977**
LIABILITIES		
Redemptions payable	**12,861,122**	–
Accrued liabilities	**291,016**	258,125
Due to brokers - investments	**–**	5,022,569
TOTAL LIABILITIES	**13,152,138**	**5,280,694**
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	**$ 145,769,732**	**$ 157,836,283**
Number of Units Outstanding (Note 4)	**9,131,373**	**10,035,145**
Net Asset Value per Unit	**$ 15.9636**	**$ 15.7284**

On Behalf of the Manager,
Mulvihill Fund Services Inc.

John P. Mulvihill, Director

Sheila S. Szela, Director

Statements of Financial Operations

Years ended December 31, 2006 and 2005

	2006	2005
REVENUE		
Dividends	$ 3,823,731	$ 865,497
Interest, net of foreign exchange	623,894	276,580
Withholding taxes	–	(8,469)
TOTAL REVENUE	4,447,625	1,133,608
EXPENSES (Note 5)		
Management fees	1,720,381	569,633
Service fees	527,971	35,555
Administrative and other expenses	119,223	40,052
Custodian fees	51,682	42,095
Audit fees	23,588	13,899
Advisory board fees	20,427	21,056
Legal fees	6,240	1,340
Unitholder reporting costs	44,010	20,408
Goods and services tax	123,973	50,112
TOTAL EXPENSES	2,637,495	794,150
Net Investment Income	1,810,130	339,458
Net gain (loss) on sale of investments	7,813,591	(1,614,603)
Net gain on sale of derivatives	1,583,366	718,309
Net change in unrealized appreciation/depreciation of investments	2,835,448	7,713,768
Net Gain on Investments	12,232,405	6,817,474
Special Resolution Expense	–	(22,712)
TOTAL RESULTS OF FINANCIAL OPERATIONS	$ 14,042,535	$ 7,134,220
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the year of 9,981,907; 2005 - 2,810,845*)	$ 1.4068	$ 2.5381

* As at August 2, 2005, units were consolidated on a 5 to 1 basis and an additional offering of 9,400,000 units was completed in October 2005.

Statements of Changes in Net Assets

Years ended December 31, 2006 and 2005

	2006	2005
NET ASSETS, BEGINNING OF YEAR	$ 157,836,283	$ 17,719,513
Total Results of Financial Operations	14,042,535	7,134,220
Unit Transactions		
Proceeds from units issued, net of issue costs (Note 4)	–	143,023,000
Proceeds from reinvestment of distributions	30,396	1,506
Amount paid for units redeemed	(14,277,433)	(5,864,496)
	(14,247,037)	137,160,010
Distributions to Unitholders (Note 6)		
Non-taxable distributions	(11,862,049)	(4,177,460)
Changes in Net Assets during the Year	(12,066,551)	140,116,770
NET ASSETS, END OF YEAR	$ 145,769,732	$ 157,836,283

Statements of Net Gain (Loss) on Sale of Investments

Years ended December 31, 2006 and 2005

	2006	2005
Proceeds from Sale of Investments	$ 198,291,197	$ 73,521,655
Cost of Investments		
Cost of investments, beginning of year	133,605,453	11,825,265
Cost of investments, purchased	189,946,133	196,198,137
	323,551,586	208,023,402
Cost of Investments, End of Year	(134,657,346)	(133,605,453)
	188,894,240	74,417,949
NET GAIN (LOSS) ON SALE OF INVESTMENTS	$ 9,396,957	$ (896,294)

Statement of Investments

December 31, 2006

	Par Value/ Number of Shares	Average Cost	Market Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 4.16% - February 22, 2007	13,215,000	$ 13,086,314	**$ 13,086,314**	
Government of Canada, 4.15% - March 22, 2007	1,135,000	1,124,303	**1,124,303**	
Total Treasury Bills		**14,210,617**	**14,210,617**	**99.6%**
Accrued Interest			**51,559**	**0.4%**
TOTAL SHORT-TERM INVESTMENTS		**$ 14,210,617**	**$ 14,262,176**	**100.0%**
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	188,700	$ 12,902,003	**$ 13,020,300**	
Canadian Imperial Bank of Commerce	158,800	14,020,046	**15,610,040**	
Great-West Lifeco Inc.	359,500	11,679,066	**12,151,100**	
Industrial Alliance Insurance and Financial Services Inc.	253,100	8,026,417	**9,147,034**	
Manulife Financial Corporation	438,500	15,904,779	**17,254,975**	
National Bank of Canada	208,100	12,803,398	**13,701,304**	
Royal Bank of Canada	322,750	15,780,222	**17,912,625**	
Sun Life Financial Inc.	247,500	11,609,897	**12,206,700**	
The Bank of Nova Scotia	296,150	14,478,211	**15,429,415**	
The Toronto-Dominion Bank	254,500	16,076,102	**17,743,740**	
Total Financials		**133,280,141**	**144,177,233**	**100.0%**
Total Canadian Common Shares		**$133,280,141**	**$144,177,233**	**100.0%**

Statement of Investments (continued)

December 31, 2006

	Number of Contracts	Average Cost/ Proceeds	Market Value	% of Portfolio
INVESTMENTS (continued)				
OPTIONS				
Purchased Put Options (100 shares per contract)				
S&P/TSX Capped Financials Index (iUnits) - January 2007 @ $47	2,300	$ 279,900	$ –	
S&P/TSX Capped Financials Index (iUnits) - January 2007 @ $48	4,000	208,000	**18,000**	
S&P/TSX Capped Financials Index (iUnits) - February 2007 @ $47	2,200	167,200	**653**	
S&P/TSX Capped Financials Index (iUnits) - February 2007 @ $50	1,920	119,040	**23,040**	
S&P/TSX Capped Financials Index (iUnits) - March 2007 @ $50	6,000	423,430	**125,250**	
S&P/TSX Capped Financials Index (iUnits) - April 2007 @ $51	5,462	484,798	**317,022**	
Total Purchased Put Options		**1,682,368**	**483,965**	0.3 %
Written Covered Call Options (100 shares per contract)				
Bank of Montreal - January 2007 @ $71	(350)	(24,500)	**(6,800)**	
Canadian Imperial Bank of Commerce - January 2007 @ $91	(140)	(15,470)	**(102,051)**	
Canadian Imperial Bank of Commerce - January 2007 @ $94	(140)	(12,670)	**(69,022)**	
Great-West Lifeco Inc. - January 2007 @ $34	(600)	(20,400)	**(8,311)**	
Great-West Lifeco Inc. - February 2007 @ $35	(435)	(25,013)	**(14,905)**	
Industrial Alliance Insurance and Financial Services Inc. - February 2007 @ $36	(517)	(26,884)	**(40,173)**	
Manulife Financial Corporation - January 2007 @ $40	(914)	(45,700)	**(40,454)**	
National Bank of Canada - January 2007 @ $67	(328)	(15,580)	**(24,381)**	
Royal Bank of Canada - January 2007 @ $56	(495)	(31,185)	**(22,773)**	
Sun Life Financial Services Inc. - January 2007 @ $50	(825)	(45,375)	**(22,564)**	
The Bank of Nova Scotia - January 2007 @ $53	(115)	(3,105)	**(2,038)**	
The Toronto-Dominion Bank - January 2007 @ $69	(261)	(18,923)	**(24,504)**	
The Toronto-Dominion Bank - February 2007 @ $68	(261)	(20,358)	**(48,125)**	
Total Written Covered Call Options		**(305,163)**	**(426,101)**	(0.3)%
TOTAL OPTIONS		**$ 1,377,205**	**$ 57,864**	**0.0 %**
TOTAL INVESTMENTS		**$134,657,346**	**$144,235,097**	**100.0 %**

1. Establishment and Restructuring of the Fund

Top 10 Canadian Financial Fund (formerly Digital World Trust) (the "Fund") was originally established as an investment trust under the laws of the Province of Ontario on February 15, 2000 under the name Digital World Trust. The Fund began operations on February 23, 2000.

The manager of the Fund is Mulvihill Fund Services Inc. (the "Manager") and the Fund's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). RBC Dexia Investor Services (the "Trustee") is the trustee and acts as custodian of the assets of the Fund.

On August 2, 2005, unitholders voted in favour of a proposal (the "Proposal") to:

- amend the investment strategy and investment restrictions of the Fund to invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- amend the investment objectives of the Fund. The Fund's investment objectives are to provide unitholders with a stable stream of quarterly cash distributions targeted to be 7.5 percent per annum on the net asset value ("NAV") of the Fund and to return the NAV per unit as of the date the proposal, August 2, 2005 (approximately $15.00), upon termination of the Fund on December 31, 2010;
- in connection with the proposal, the Fund changed its name to Top 10 Canadian Financial Fund to reflect better its new investment strategy and Mulvihill Fund Services Inc., as manager, and Mulvihill Capital Management Inc., as investment manager, agreed to reduce their fees from a total of 1.20 percent to 1.10 percent of the Fund's NAV from and after the effective date of the proposal;
- extend the termination date of the Fund to December 31, 2010 from December 31, 2009;
- consolidate the remaining units of the Fund immediately following the effective date of the proposal on a 5 to 1 basis;
- add a one-time redemption right to permit unitholders to redeem their units at 100 percent of NAV for the August 31, 2005 redemption. The annual redemption right available in December of each year at 100 percent of the NAV per unit will remain in place and will not be affected;
- permit the Fund to issue additional units on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.30 percent of NAV if the Fund completes a public offering of additional units after the proposal has been approved.

2. Investment Objectives and Strategy

Until August 2, 2005, the Fund invested in a diversified portfolio consisting principally of common shares issued by leading "digitally based" companies listed on a major North American Stock Exchange or quoted on NASDAQ with a market capitalization in excess of U.S. $5.0 billion and which operate within the sectors of telecommunication services, telecommunication equipment suppliers, enabling hardware and software and related digital commerce, services and products.

On August 2, 2005, a proposal was approved by unitholders resulting in a change of the investment objectives of the Fund. The Fund's investment objectives are to provide unitholders with a stable stream of quarterly cash distributions in an amount targeted to be 7.5 percent of the net asset value per unit and to return the net asset value per unit as of August 2, 2005 (approximately $15.00) to unitholders on the termination date.

The Fund invests in (i) the six largest Canadian banks and (ii) the four largest Canadian life insurance companies by market capitalization generally investing in not less than 5 percent and not more than 15 percent of the Fund's assets in each company.

To generate additional returns, the Fund may, from time to time, write covered call options in respect of all or part of the securities 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.

Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time, the Fund 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, which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair market value at the end of the period which is determined as follows:

Securities are valued at fair 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.

The value of a forward contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract was to be closed out.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

(i) Expiration of written options whereby realized gains are equivalent to the premium received;

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of derivatives.

Realized gains and losses relating to purchased put options may arise from:

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid;

(ii) Settlement of purchased put options whereby realized gains are equivalent to the difference between the exercise price of the option less the premium paid; and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments. Premiums received on written put options that are exercised are included in the cost of the security purchased.

The following are credit ratings for the counterparties to derivative instruments the Fund deals with during the year, based on Standard & Poor's credit rating:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Bank of Montreal	AA-	A-1+
Canadian Imperial Bank of Commerce/CA	A+	A-1
Citigroup Inc.	AA-	A-1+
National Bank of Canada	A	A-1
Royal Bank of Canada	AA-	A-1+
The Toronto-Dominion Bank	A+	A-1

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.

Foreign exchange gains (losses) on short-term investments are reflected as interest income (loss). Other foreign exchange gains (losses) are recorded as realized or unrealized gain (loss) on investments, as appropriate.

New Accounting Standards

The Canadian Institute of Chartered Accountants issued new accounting standards relating to Financial Instruments which will be effective for the Fund from January 1, 2007. These new standards will impact certain financial statement accounting and disclosure including the valuation of securities at bid price and accounting for transaction costs.

However, as a result of regulatory relief received from the Canadian Securities Administrators, on implementation of the new standards, the above changes will not impact the net asset value per unit used to transact units of the Fund which will continue to be based upon securities valued at the last sale price.

4. Unitholders' Equity

On August 2, 2005, unitholders voted in favour of a proposal to restructure the Fund resulting in the consolidation of units on a 5 to 1 basis.

The Fund 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 Fund.

On October 18, 2005, the Fund issued 9,000,000 units at a price of $16.10 per unit for gross proceeds of $144,900,000. On October 28, 2005 an additional 400,000 units were issued for additional gross proceeds of $6,440,000 pursuant to the exercise of the overallotment. Costs of $8,317,000 were incurred in connection with these offerings and have been charged to equity.

All units have equal rights and privileges, except that units issued to a trust managed by the Manager or an affiliate of the Manager all or part of whose investment strategy is to track performance of the units of the Fund (a "Related Trust"), a counterparty to a forward agreement entered into with a Related Trust (a "Counterparty") or an entity designated by a Counterparty (a "Designated Party") may be redeemed at the net asset value on any valuation date. No units have been issued to either a Related Trust, Counterparty or Designated Party. 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 Fund. Fractional units are not entitled to voting privileges.

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 percent of such net asset value per unit and (ii) $0.60, except units held by a Related Trust, Counterparty or a Designated Party, which may be redeemed at the net asset value per unit on any valuation date. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Following are the unit transactions for the year:

	2006	2005
Units outstanding, beginning of year	**10,035,145**	5,098,619
Units redeemed, pre-consolidation	**–**	(239,949)
	10,035,145	4,858,670
Consolidation adjustment	**–**	(3,886,936)
	10,035,145	971,734
Units purchased and reinvested, post-consolidation	**–**	9,400,098
Units issued on reinvestment of distributions	**1,881**	–
Units redeemed, post-consolidation	**(905,653)**	(336,687)
Units, end of year	**9,131,373**	**10,035,145**

Under the terms of the normal course issuer bid, the Fund proposes to purchase, if considered advisable, up to a maximum of 1,003,102 units representing approximately 10% of its public float as determined in accordance with the rules of the Exchange. The normal course issuer bid will remain in effect until the earlier of May 8, 2007 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2006, no units have been purchased by the Fund. Shareholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Mulvihill Investors Services at: Mulvihill Top 10 Canadian Financial Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

5. Management Fees and Expenses

The Fund 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 Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund 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. Until August 2, 2005, the fees were payable at annual rates of 0.10 percent and 1.10 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes. The fee of 0.10 percent is not payable on the value of units held by Related Trusts. After August 2, 2005, the fees are payable at annual rates of 0.10 percent and 1.00 percent respectively of the Fund's net asset value, calculated and payable monthly, plus applicable taxes.

The Fund will pay a service fee which will be paid to each dealer whose clients hold Units. The service fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.30% annually of the net asset value of the Units held by clients of the dealer.

6. Distributions

The Fund will endeavour to make quarterly cash distributions to unitholders of 7.5 percent per annum on the Fund's net asset value.

Unitholders may elect to reinvest distributions received from the Fund in additional units.

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

7. Income Taxes

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

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

No amount is payable on account of income taxes in 2006 or 2005.

Accumulated non-capital losses of approximately $4.8 million (2005 - $6.6 million) and capital losses of approximately $62.1 million (2005 - $70.7 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2015 and capital losses can be carried forward indefinitely.

Issue costs of approximately $6.3 million (2005 - $8.0 million) remain undeducted for tax purposes at year end.

8. Commission Charges

Total commissions paid in 2006 in connection with portfolio transactions were $159,677 (2005 - $176,142). Of this amount $23,241 (2005 - $31,364) was directed for payment of trading related goods and services.

9. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, investments, and certain derivative contracts (options).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Fund manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other financial instruments are carried at cost, which approximates fair value.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than $2.8 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management ⇢ provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management ⇢ offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products ⇢ is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
		For the period to January 1, 2006 to December 31, 2006	
MULVIHILL PLATINUM			
Mulvihill *Government Strip Bond Fund*	GSB.UN	$ 21.44	$ 19.20
Mulvihill Pro-AMS *U.S. Fund*	PAM.UN	$ 22.44	$ 20.44
Mulvihill Pro-AMS *100 Plus (Cdn $) Fund*	PRC.UN	$ 19.20	$ 16.05
Mulvihill Pro-AMS *100 Plus (U.S. $) Fund*	PRU.U	$ 15.57	$ 13.35
Mulvihill Pro-AMS *RSP Split Share Fund*	SPL.A/SPL.B	$ 10.10/$15.60	$ 8.80/$13.07
MULVIHILL PREMIUM			
Mulvihill Core *Canadian Dividend Fund*	CDD.UN	$ 10.90	$ 9.70
Mulvihill Premium *Canadian Fund*	FPI.UN	$ 19.99	$ 16.60
Mulvihill Premium *Oil & Gas Fund*	FPG.UN	$ 14.21	$ 10.95
Mulvihill Premium *60 Plus Fund*	SIX.UN	$ 18.75	$ 16.15
Mulvihill Premium *Global Plus Fund*	GIP.UN	$ 11.80	$ 10.48
Mulvihill Premium *Canadian Bank Fund*	PIC.A/PIC.PR.A	$ 11.70/$16.94	$ 9.82/$15.51
Mulvihill Premium *Split Share Fund*	MUH.A/MUH.PR.A	$ 8.65/$16.00	$ 6.87/$15.14
Mulvihill Premium *Global Telecom Fund*	GT.A/GT.PR.A	$ 0.28/$12.70	$ 0.08/$10.75
Mulvihill *Top 10 Canadian Financial Fund*	TCT.UN	$ 17.08	$ 14.28
Mulvihill *Top 10 Split Fund*	TXT.UN/TXT.PR.A	$ 12.74/$13.75	$ 8.45/$12.42
Mulvihill *World Financial Split Fund*	WFS/WFS.PR.A	$ 12.25/$11.30	$ 10.40/$10.41

Board of Advisors

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

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Corporate Director

Robert W. Korthals
Corporate Director

C. Edward Medland
President, Beauwood Investments Inc.

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Visit our website at www.mulvihill.com for additional information on all Mulvihill Hybrid Income Funds.

Hybrid Income Funds Managed by Mulvihill Structured Products

Mulvihill Platinum

Mulvihill *Government Strip Bond Fund*
Mulvihill Pro-AMS *U.S. 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 *Core Canadian Dividend Fund*
Mulvihill Premium *Canadian Fund*
Mulvihill Premium *Oil & Gas Fund*
Mulvihill Premium *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill Premium *Global Telecom Fund*
Mulvihill *Top 10 Canadian Financial Fund*
Mulvihill *Top 10 Split Fund*
Mulvihill *World Financial Split Fund*

Mutual Funds Managed by Mulvihill Capital Management

Mulvihill Canadian *Money Market Fund*
Mulvihill Canadian *Bond Fund*
Mulvihill Global *Equity Fund*
Premium Global *Income Fund*

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