



MULVIHILL HYBRID INCOME FUNDS

Semi-Annual Report 2001

Mulvihill Premium Funds

First Premium Income Trust
First Premium U.S. Income Trust
First Premium Oil & Gas Income Trust
60^{Plus} Income Trust
Global Plus Income Trust

Mulvihill Summit Series

Digital World Trust

Mulvihill Platinum Series

Pro-AMS U.S. Trust
Pro-AMS Trust

August 2001

Most equity markets produced negative returns over the six-month period ended June 30, 2001, primarily due to the slowdown in the U.S. economy. The TSE 300 index recorded a decline of 12.7%, while the S&P/TSE 60 index slipped by 15.1%. Technology, media and telecom stocks have been the hardest hit, as global business conditions in these sectors have deteriorated sharply. This is most evident in the decline of Nortel Networks which now represents an approximate 6% weight in the TSE 300 index from its prior peak capitalization of over 30%. In the U.S., the tech-heavy NASDAQ Composite Index has recovered some of its earlier losses, but still remains 57% below the peak it reached in March of 2000.

The U.S. Federal Reserve has responded to the slowdown with dramatic interest rate cuts totalling 275 basis points. The stimulatory effect of these cuts provides grounds for optimism about a market recovery later this year. Some indications that the U.S. economy is beginning to rebound have already appeared, and consumer spending is holding up well, despite widespread layoffs in manufacturing industries. Lower interest rates, tax cuts and declining energy costs are all factors favoring a stronger second-half performance. However, the timing of a full recovery remains uncertain.

While it has been affected by the U.S. slump, the Canadian economy has retained its fundamental strength. This has prompted the Bank of Canada to make more modest interest rate cuts, totalling 125 basis points. The underlying strength of resource industries, particularly energy, has shifted investor interest to this sector. The market's base has also broadened, with more activity in the shares of small and mid-size companies. While disappointing earnings forecasts and results will continue to produce bouts of volatility, the outlook for Canadian markets later this year is generally positive.

Both Canadian and American markets are expected to remain volatile which provides the funds the ability to generate continuing distributions from its option-writing program.

Message to Unitholders

As of June 30, 2001, the net assets of the Trust were \$158.75 million, or \$23.78 per unit, compared to net assets of \$167.85 million, or \$25.16 per unit, at the end of 2000. Despite this decline, the Trust maintained its regular distributions of \$0.50 per unit for each of the first two quarters. An additional special dividend of \$0.25 per unit was declared at the end of the second quarter, representing total, year to date distributions of \$1.25 per unit.

A significant portion of the decline in the fund's net asset value can be attributed to the impact of the decline in valuation levels for technology stocks. The diversified nature of the Trust's portfolio provided significant benefits however as overweight positions in Energy and Financial Services offsets some of the declines related to technology holdings.

Even in a market showing overall declines, the Trust has still been able to generate income to maintain its targeted returns through option-writing programs. We have now moved to a more diversified market position in order to take advantage of early signs of recovery in cyclical sectors.

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

First Premium Income Trust

Financial Statements

Interim Statements of Net Assets

June 30, 2001 (Unaudited) and December 31, 2000 (Audited)

	2001	2000
Assets		
Investments at market value (average cost-\$125,308,874; 2000-\$100,525,000)	\$ 117,127,783	\$ 107,112,660
Short-term investments	41,232,053	60,615,391
Cash	4,429	3,636
Dividends receivable	372,354	404,181
Interest receivable	186,359	384,108
Subscriptions receivable	43,800	132,514
	158,966,778	168,652,490
Liabilities		
Due to brokers	23,250	573,750
Accrued liabilities	193,443	227,147
	216,693	800,897
Net Assets, Represented by Unitholders' Equity	\$ 158,750,085	\$ 167,851,593
Number of Units Outstanding	6,675,815	6,672,067
Net Asset Value per Unit	\$ 23.7799	\$ 25.1574

First Premium Income Trust

Financial Statements

Interim Statements of Operations

For the six months ended June 30 (Unaudited)

	2001	2000
Revenue		
Dividends	\$ 1,071,629	\$ 1,358,593
Interest	1,297,473	1,413,413
	2,369,102	2,772,006
Expenses		
Management fees	1,019,371	1,095,716
Administrative and other expenses	90,131	114,847
Goods and services tax	77,665	84,738
	1,187,167	1,295,301
Net Investment Income	1,181,935	1,476,705
Gain on Sale of Investments and Options	12,733,540	21,188,169
Change in Unrealized Depreciation of Investments	(14,768,749)	(1,330,172)
Net Loss/Gain on Investments	(2,035,209)	19,857,997
Total Results of Financial Operations	\$ (853,274)	\$ 21,334,702
Net Investment Income per Unit	\$ 0.1771	\$ 0.2217
Net Loss/Gain on Investments per Unit	(0.3049)	2.9808
Total Results of Financial Operations per Unit (based on the weighted average number of units outstanding during the period of 6,673,941; 2000-6,662,049)	\$ (0.1278)	\$ 3.2025

First Premium Income Trust

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2001	2000
Total Results from Financial Operations	\$ (853,274)	\$ 21,334,702
Unit Transactions		
Proceeds from reinvestment of distributions	94,661	-
Distributions to Unitholders		
From net investment income	(1,181,935)	(1,476,705)
From net realized gain on sale of investments	(7,160,960)	(11,847,393)
	(8,342,895)	(13,324,098)
Change in Net Assets During the Period	(9,101,508)	8,010,604
Net Assets, Beginning of Period	167,851,593	168,752,601
Net Assets, End of Period	\$158,750,085	\$176,763,205
Net Asset Value per Unit	\$ 23.7799	\$ 26.5329
Distribution per Unit		
From net investment income	\$ 0.1771	\$ 0.2217
From net realized gain on sale of investments	1.0729	1.7783
	\$ 1.2500	\$ 2.0000

First Premium Income Trust

Financial Statements

Statement of Investments

June 30, 2001 (Unaudited)

	No. of Shares/ Par Value	Average Cost	Market Value
Short-term Investments			
Treasury Bills			
Canada Treasury Bills - August 2, 2001	22,851,000	\$ 22,645,621	\$ 22,645,621
Canada Treasury Bills - August 30, 2001	538,000	532,714	532,714
Government of Canada - September 27, 2001	2,204,000	2,180,526	2,180,526
Government of Canada - October 25, 2001	39,000	38,297	38,297
Province of Ontario - July 13, 2001	5,000,000	4,951,800	4,951,800
		30,348,958	30,348,958
Discount Commercial Paper			
Alberta Energy Corp. - August 1, 2001	1,500,000	1,482,465	1,482,465
Bearer Deposit Notes			
Alberta Treasury Branches - September 20, 2001	9,500,000	9,400,630	9,400,630
		41,232,053	41,232,053
Accrued Interest			186,359
Total Short-term Investments		\$ 41,232,053	\$ 41,418,412
Investments			
Canadian Common Stocks			
Materials			
Abitibi Consolidated Inc.	257,081	\$ 3,809,766	\$ 2,982,140
Agrium Inc.	138,500	2,586,488	2,078,885
Alcan Inc.	40,000	2,174,213	2,552,000
Anderson Exploration Ltd.	120,000	3,234,500	3,678,000
Dofasco Inc.	70,000	1,868,589	1,708,000
Domtar Inc.	110,000	1,844,645	1,541,100
Ensign Resource Service Group Inc.	75,000	1,370,960	1,128,750
Falconbridge Limited	200,000	3,912,895	3,248,000
Imperial Oil Ltd.	82,500	2,482,252	3,205,125
Noranda Inc.	115,000	2,190,003	1,861,850
Petro-Canada	100,000	3,180,637	3,602,000
Placer Dome Inc.	160,000	2,781,650	2,368,000
Precision Drilling Corporation	15,000	834,994	710,250
Talisman Energy Inc.	35,000	1,630,409	2,021,250
		33,902,001	32,685,350
Biotechnology/Pharmaceuticals			
Biovail Corporation	20,000	1,153,664	1,326,600

First Premium Income Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments (continued)			
Industrials			
Bombardier Inc. Class B	147,100	3,328,412	3,353,880
Canadian National Railway Co.	46,000	2,890,760	2,825,320
Canadian Pacific Ltd.	35,000	1,131,667	2,052,400
Magna International Inc. Class A	35,000	2,992,863	3,263,050
Power Corp.	80,000	2,530,462	2,800,000
		12,874,164	14,294,650
Technology - Hardware			
ATI Technologies Inc.	120,000	3,387,276	1,701,600
CAE Inc.	100,000	2,264,248	2,950,000
Celestica Inc.	42,500	3,811,676	3,311,600
JDS Uniphase Corp.	10,000	1,267,800	212,500
Mitel Corp.	122,300	2,989,571	1,900,542
Nortel Networks Corporation	246,334	11,279,381	3,448,676
		24,999,952	13,524,918
Technology - Software			
BCE Emergis Inc.	52,500	2,929,148	1,995,000
Pipelines			
TransCanada PipeLines Ltd.	155,000	3,309,250	2,906,250
Utilities			
BCE Inc.	110,000	4,118,170	4,477,000
Bell Canada International Inc.	50,000	1,466,965	824,500
Manitoba Telecom Services Inc.	71,394	1,409,902	3,052,093
Transalta Corporation	150,000	3,378,000	4,000,500
		10,373,037	12,354,093
Communications & Media			
TELUS Corporation	68,500	2,823,495	2,342,700
TELUS Corporation - Non Voting	15,273	702,279	503,398
Thomson Corp.	70,000	3,013,380	3,584,000
		6,539,154	6,430,098
Merchandising			
Canadian Tire Corporation	100,000	2,297,000	2,599,000
Hudson's Bay Co.	130,300	2,287,651	2,126,496
		4,584,651	4,725,496
Financial Services			
Bank of Montreal	40,000	1,199,097	1,564,000
Bank of Nova Scotia	100,000	4,259,285	4,540,000
Canadian Imperial Bank of Commerce	55,000	2,348,909	2,840,750
Investors Group Inc.	90,000	1,822,995	1,926,000

First Premium Income Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments (continued)			
Financial Services (continued)			
Manulife Financial Corporation	65,000	2,635,107	2,752,750
National Bank of Canada	100,000	2,846,058	2,900,000
Royal Bank of Canada	85,000	3,856,979	4,128,450
Sun Life Financial Services of Canada Inc.	100,000	3,251,520	3,631,000
The Toronto-Dominion Bank	100,000	3,866,663	3,864,000
		26,086,613	28,146,950
Total Canadian Common Stocks		126,751,634	118,389,405
	Number of Contracts	Proceeds	Market Value
Options			
Written Put Options (100 shares per contract)			
Precision Drilling Corporation - August 2001 @ \$50	(300)	(101,400)	(141,338)
Total Written Put Options		(101,400)	(141,338)
Written Call Options (100 shares per contract)			
Agrium Inc. - July 2001 @ \$20	(435)	(46,110)	(5)
Alcan Inc. - August 2001 @ \$71	(200)	(88,800)	(22,270)
Anderson Explorations Ltd. - August 2001 @ \$37	(300)	(57,600)	(6,943)
Bank of Nova Scotia - August 2001 @ \$44	(200)	(30,600)	(76,720)
BCE Inc. - September 2001 @ \$42	(300)	(43,800)	(48,463)
CAE Inc. - July 2001 @ \$27	(600)	(61,800)	(168,393)
Canadian Imperial Bank of Commerce - August 2001 @ \$53	(200)	(43,000)	(42,938)
Canadian National Railway Co. - August 2001 @ \$65	(150)	(48,300)	(18,983)
Canadian Tire Corporation - August 2001 @ \$24	(300)	(31,500)	(75,684)
Celestica Inc. - July 2001 @ \$90	(250)	(197,625)	(27,500)
Falconbridge Limited - August 2001 @ \$20	(500)	(41,250)	(3,506)
Imperial Oil Ltd. - August 2001 @ \$45	(400)	(49,200)	(10,000)
Magna International Inc. - August 2001 @ \$90	(200)	(86,600)	(125,000)
Nortel Networks Corporation - September 2001 @ \$20	(500)	(134,000)	(335,000)
Petro-Canada - August 2001 @ \$43	(500)	(91,000)	(3,193)
Placer Dome Inc. - July 2001 @ \$18	(400)	(41,200)	(7,000)
Precision Drilling Corporation - July 2001 @ \$68	(150)	(67,950)	(3,750)
Royal Bank of Canada - August 2001 @ \$51	(200)	(40,200)	(27,688)
Sun Life Financial Services of Canada Inc. - August 2001 @ \$36	(500)	(64,250)	(87,315)
Talisman Energy Inc. - September 2001 @ \$65	(150)	(36,075)	(20,625)
The Toronto-Dominion Bank - July 2001 @ \$42	(300)	(40,500)	(9,308)
Total Written Call Options		(1,341,360)	(1,120,284)
Total Options		(1,442,760)	(1,261,622)
Total Investments		\$166,540,927	\$158,546,195

First Premium Income Trust

Notes to the Financial Statements

1. Basis of Presentation

Not all disclosures required by Canadian generally accepted accounting principles 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, 2000.

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, 2000.

Mulvihill Hybrid Income Funds

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for any of the Mulvihill Hybrid Income Funds for the period ended June 30, 2001 may be obtained without charge by writing to:

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

Other Hybrid Income Funds Managed by Mulvihill Structured Products

Mulvihill Premium Funds

Global Telecom Split Share Corp.
MCM Split Share Corp.
Premium Income Corporation

Mutual Funds Managed by Mulvihill Wealth Management

Mulvihill Canadian Money Market Fund
Mulvihill Canadian Equity Fund
Mulvihill Canadian Bond Fund
Mulvihill Global Equity Fund

Mulvihill U.S. Equity Fund
Premium Global Income Fund
Premium Canadian Income Fund

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



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