



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 \$242.72 million, or \$20.42 per unit, a decline of \$17.59 million from \$260.31 million, or \$21.91 per unit, at the end of 2000. During this period, the Trust's units traded on the TSE at prices ranging from a high of \$26.00 to a low of \$22.85. Unitholders received regular distributions for the first two quarters of 2001 totalling \$11.88 million, or \$1.00 per unit, meeting the Trust's target of maintaining an 8% return.

With all U.S. equity markets showing negative returns for the period, the Trust's portfolio also experienced a decline. Hardest hit were the technology and health care sectors, while others, notably consumer cyclicals and basic materials, showed modest gains. The Trust's diversified investments minimize risks by offsetting losses in some sectors against gains in others.

The stimulatory effects of interest rate cuts by the U.S. Federal Reserve are beginning to take hold, and should produce some market recovery by year-end. The Trust is well diversified, and is continuing to generate significant income from writing covered call options.

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

First Premium U.S. 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-\$226,218,794; 2000-\$188,065,526)	\$ 182,894,540	\$ 164,369,507
Short-term investments (average cost-\$60,577,803; 2000-\$95,483,943)	60,395,249	94,887,249
Cash	18,669	253,901
Dividends receivable	29,437	66,907
Interest receivable	99,647	313,600
Subscriptions receivable	-	139,653
Due from broker	296,758	899,253
	243,734,300	260,930,070
Liabilities		
Due to brokers	614,927	142,789
Accrued liabilities	399,620	474,947
	1,014,547	617,736
Net Assets, Represented by Unitholders' Equity	\$ 242,719,753	\$ 260,312,334
Number of Units Outstanding	11,884,231	11,879,597
Net Asset Value per Unit	\$ 20.4237	\$ 21.9126

First Premium U.S. Income Trust

Financial Statements

Interim Statements of Operations

For the six months ended June 30 (Unaudited)

	2001	2000
Revenue		
Dividends	\$ 1,171,206	\$ 1,302,328
Interest	2,755,390	2,202,488
Withholding tax	(164,321)	(152,494)
	3,762,275	3,352,322
Expenses		
Management fees	2,211,117	2,641,398
Custodian and other fees	137,204	151,770
Goods and services tax	164,382	195,522
	2,512,703	2,988,690
Net Investment Income	1,249,572	363,632
Gain on Sale of Investments and Options	12,144,225	25,482,499
Change in Unrealized Depreciation of Investments	(19,213,768)	(18,533,892)
Net Loss/Gain on Investments	(7,069,543)	6,948,607
Total Results of Financial Operations	\$ (5,819,971)	\$ 7,312,239
Net Investment Income per Unit	\$ 0.1052	\$ 0.0306
Net Loss/Gain on Investment per Unit	(0.5950)	0.5856
Total Results of Financial Operations per Unit (based on the weighted average number of units outstanding during the period of 11,881,914; 2000-11,865,462)	\$ (0.4898)	\$ 0.6162

First Premium U.S. 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	\$ (5,819,971)	\$ 7,312,239
Unit Transactions		
Proceeds from reinvestment of distributions	109,304	(1,036)
Distributions to Unitholders		
From net investment income	(1,249,572)	(363,632)
From net realized gain on sale of investments	(10,632,342)	(14,468,217)
	(11,881,914)	(14,831,849)
Change in Net Assets During the Period	(17,592,581)	(7,520,646)
Net Assets, Beginning of Period	260,312,334	306,352,238
Net Assets, End of Period	\$ 242,719,753	\$ 298,831,592
Net Asset Value per Unit	\$ 20.4237	\$ 25.1850
Distribution per Unit		
From net investment income	\$ 0.1052	\$ 0.0306
From net realized gain on sale of investments	0.8948	1.2194
	\$ 1.0000	\$ 1.2500

Statement of Investments

June 30, 2001 (Unaudited)

	No. of Shares/ Par Value	Average Cost	Market Value
Short-term Investments			
Treasury Bills			
Canada Treasury Bills - July 17, 2001 USD	4,925,000	\$ 7,502,842	\$ 7,455,589
Canada Treasury Bills - July 24, 2001 USD	365,000	552,319	552,331
Canada Treasury Bills - August 30, 2001	18,000	17,827	17,827
Government of Canada - July 13, 2001 USD	1,545,000	2,358,791	2,338,984
Government of Canada - July 16, 2001 USD	765,000	1,178,582	1,153,193
Government of Canada - July 19, 2001 USD	2,830,000	4,282,135	4,279,418
Government of Canada - August 1, 2001 USD	9,155,000	13,901,907	13,828,807
Government of Canada - August 15, 2001 USD	10,000	15,135	15,077
Government of Canada - September 27, 2001	6,285,000	6,218,422	6,218,422
Government of the United States - September 13, 2001 USD	12,600,000	18,967,349	18,955,835
Province of Ontario - July 13, 2001	2,000,000	1,980,720	1,980,720
		56,976,029	56,796,203

First Premium U.S. Income Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares/ Par Value	Average Cost	Market Value
Short-term Investments (continued)			
Discount Commercial Paper			
Canadian Wheat Board - July 17, 2001 USD	90,000	138,384	135,656
Bearer Deposit Notes			
Alberta Treasury Branches - September 20, 2001	3,500,000	3,463,390	3,463,390
		60,577,803	60,395,249
Accrued Interest		-	99,647
Total Short-term Investments		\$ 60,577,803	\$ 60,494,896
Investments			
Canadian Common Stocks			
Technology - Hardware			
Nortel Networks Corporation USD	170,000	\$ 8,635,922	\$ 2,345,130
Total Canadian Common Stocks		8,635,922	2,345,130
Foreign Common Stocks - USA			
Energy Sources			
Exxon Mobil Corporation	89,110	10,056,512	11,812,545
Forest Products & Paper			
International Paper Company	80,000	6,413,967	4,334,234
Metals - Steel			
Alcoa Inc.	100,000	4,702,959	5,979,300
Aerospace & Military Technology			
Raytheon Co.	24,500	2,508,007	987,154
Data Processing & Reproduction			
Cisco Systems Inc.	160,000	9,835,019	4,419,219
EMC Corporation	67,500	5,150,682	2,975,802
International Business Machines Corp.	32,500	5,405,118	5,573,345
Microsoft Corp.	90,000	11,564,906	9,970,559
Oracle Corporation	140,000	4,162,424	4,036,786
		36,118,149	26,975,711
Electrical & Electronics			
General Electric Co.	135,000	9,046,398	9,987,632
Electrical Components & Instruments			
Intel Corp.	110,000	6,845,833	4,882,842
Texas Instruments Inc.	80,000	6,813,913	3,824,324
		13,659,746	8,707,166

First Premium U.S. Income Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments (continued)			
Energy Equipment & Services			
Schlumberger Ltd.	60,000	6,458,948	4,794,063
Automobiles			
Ford Motor Company	139,854	6,536,091	5,210,513
Food & Household Products			
McDonald's Corporation	60,000	3,016,333	2,463,957
Procter & Gamble Co.	40,000	5,943,289	3,872,887
		8,959,622	6,336,844
Health & Personal Care			
Bristol-Myers Squibb Co.	90,000	9,138,642	7,143,291
Johnson & Johnson	85,000	5,963,546	6,449,753
Pharmacia Corporation	70,000	5,626,749	4,881,324
		20,728,937	18,474,368
Broadcasting & Publishing			
AOL Time Warner Inc.	85,000	5,477,491	6,836,738
Merchandising			
Home Depot Inc.	80,000	6,030,810	5,651,501
Wal-Mart Stores, Inc.	85,000	6,412,562	6,294,958
		12,443,372	11,946,459
Telecommunications			
AT&T Corp.	70,000	5,375,188	2,337,087
Lucent Technologies Inc.	114,900	10,661,731	1,081,100
Verizon Communications Inc.	70,000	5,136,666	5,683,370
WorldCom Inc.-Worldcom Group	90,000	4,522,265	2,043,282
WorldCom Inc.-MCI Group	3,600	185,375	87,959
		25,881,225	11,232,798
Banking			
Bank of America Corp.	135,528	15,513,743	12,346,717
Financial Services			
American Express Company	42,500	2,585,340	2,502,504
Citigroup Inc.	116,816	8,787,776	9,367,404
J.P. Morgan Chase & Co.	40,000	2,685,960	2,707,379
Merrill Lynch & Co.	55,000	5,370,505	4,945,443
		19,429,581	19,522,730
Insurance			
American International Group Inc.	35,000	4,130,019	4,567,942

First Premium U.S. Income Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments (continued)			
Multi-Industry			
United Techs Corp.	53,500	5,400,705	5,948,053
Tyco International Ltd.	82,500	6,717,177	6,823,459
		12,117,882	12,771,512
Total Foreign Common Stocks - USA		220,182,649	182,824,426
	Number of Contracts	Average Cost	Market Value
Options			
Written Put Options (100 shares per contract)			
Nortel Networks USD - July 2001 @ \$13	(200)	(19,325)	(112,301)
Total Written Put Options		(19,325)	(112,301)
Written Call Options (100 shares per contract)			
Alcoa Inc. - August 2001 @ \$40	(250)	(89,535)	(45,528)
Alcoa Inc. - July 2001 @ \$35	(300)	(172,186)	(245,849)
American Express Company - September 2001 @ \$40	(425)	(212,971)	(149,563)
AOL Time Warner Inc. - July 2001 @ \$43	(400)	(296,015)	(643,458)
AOL Time Warner Inc. - July 2001 @ \$50	(150)	(69,925)	(81,949)
Citigroup Inc. - August 2001 @ \$53	(350)	(80,467)	(155,415)
Citigroup Inc. - September 2001 @ \$55	(250)	(69,367)	(66,395)
EMC Corporation - July 2001 @ \$50	(425)	(88,175)	(3,225)
Exxon Mobil Corporation. - July 2001 @ \$90	(300)	(130,491)	(34,146)
General Electric Co. - July 2001 @ \$50	(350)	(75,731)	(53,116)
Home Depot Inc. - August 2001 @ \$50	(400)	(99,569)	(69,810)
International Business Machines Corp. - July 2001 @ \$120	(200)	(233,966)	(45,528)
J.P. Morgan Chase & Co. - September 2001 @ \$45	(400)	(176,550)	(151,759)
Johnson & Johnson - July 2001 @ \$53	(250)	(42,306)	(13,279)
Merrill Lynch & Co. - July 2001 @ \$70	(250)	(141,812)	(3,794)
Oracle Corporation - September 2001 @ \$20	(400)	(53,950)	(115,337)
Pharmacia Corporation - September 2001 @ \$55	(350)	(80,713)	(41,119)
Schlumberger Ltd. - August 2001 @ \$75	(150)	(54,299)	(2,276)
Tyco International - August 2001 @ \$60	(425)	(102,148)	(64,497)
United Techs Corp. - August 2001 @ \$80	(250)	(105,630)	(38,888)
Verizon Communications Inc. - July 2001 @ \$55	(350)	(108,139)	(34,525)
Wal-Mart Stores, Inc. - September 2001 @ \$52	(300)	(96,507)	(103,259)
Total Written Call Options		(2,580,452)	(2,162,715)
Total Options		(2,599,777)	(2,275,016)
Total Investments		\$286,796,597	\$243,389,436

First Premium U.S. 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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