

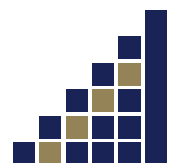


GLOBAL PLUS INCOME TRUST [GIP.UN]

Annual Report 2000

December 31, 2000 and 1999

Investment Management by Mulvihill Capital Management Inc.



The Mulvihill Premium Funds

Commentary

April, 2001

Equity markets experienced a sharp reversal of long-standing growth trends during 2000. The year began with both Canadian and U.S. economies expanding at an unsustainable pace, and many stocks pushing to record highs, particularly in the technology sector. However, by year-end, a sharp slowdown in economic activity in the U.S. had set in, and technology stocks had undergone a severe correction.

All the major U.S. and foreign market indices recorded negative returns for the year. The strong uptrend of the TSE 300 was also reversed, but the Canadian market was one of the few to record an overall gain, with a total return for 2000 of 7.41 percent. A major factor in both the rise and fall of the TSE was the performance of Nortel Networks shares after the company was spun off by its parent, BCE Inc. Early in the year, Nortel shares soared to a high of \$124.50, accounting for more than one-third of the TSE 300 Index, but began sinking towards year-end, taking the Index with them.

The valuations of many technology stocks were significantly reduced as investors reacted to reduced growth and earnings expectations in a weakening economic environment. Stocks in the e-commerce and telecom sectors were particularly hard-hit, with the tech-heavy NASDAQ exchange losing roughly half its peak value.

Stocks in other sectors fared better, as investors began returning to value-oriented “old economy” companies in sectors such as financial services, oil and gas and health care. The financial sector benefitted from expectations of lower interest rates as the year progressed, and higher world energy prices bolstered stocks of oil, gas, pipeline and utility companies.

The U.S. slowdown reflects reduced capital spending on telecom and information-processing equipment, including personal computers and software, as well as slackening consumer demand for motor vehicles and other durable goods. These trends are spilling over into Canada, particularly in the automotive sector, which exports much of its output to the U.S. However, the overall slowdown is less pronounced in Canada than in the U.S., as other sectors such as energy retain considerable momentum. Governments in both Canada and the U.S. are now in a stimulatory mode, planning or making moves to reverse the slowdown through tax cuts and reduced interest rates. Similar measures are being taken abroad, though latitude for rate reductions in Europe is limited by persistent inflationary concerns. As a result, consensus opinion foresees a shift back to a sustainable growth trend in the latter part of this year.

Uncertainty as to the specific timing of this renewal of growth is generating increased market turbulence and volatility. This market volatility will, however, continue to benefit the Premium Funds as significant amounts of option premiums can be generated in this type of market environment.

John P. Mulvihill
President
Mulvihill Capital Management Inc.

Donald Biggs
Vice President, Structured Finance
Mulvihill Capital Management Inc.

Global Plus Income Trust

Investment Highlights

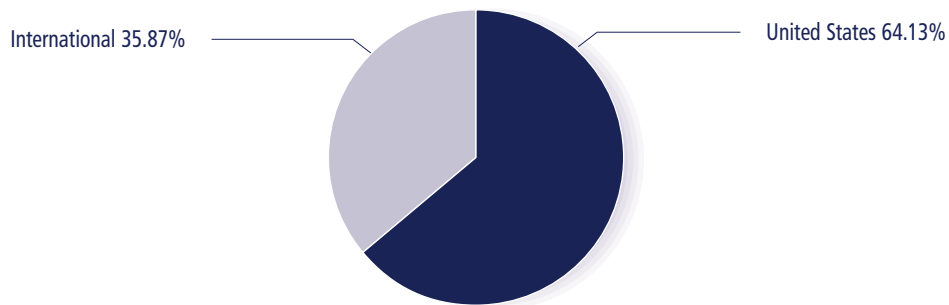
Investment Objectives

The Trust's investment objectives are to provide unitholders of the Trust with a stable stream of quarterly distributions of at least \$0.50 (\$2.00 annually) per unit while returning at a minimum the original issue price of the units to unitholders upon termination of the Trust on December 31, 2009.

Investment Strategy

The Trust intends to achieve its investment objectives by investing its net assets in a diversified portfolio consisting primarily of common shares issued by corporations selected from the Standard and Poor's 100 Index and ADRS's of the top 100 corporations trading on the New York Stock Exchange or NASDAQ, selected on the basis of market capitalization. The Trust may also, from time to time, invest up to 25% of its net asset value in World Equity Benchmark Shares (WEBS) compiled by Morgan Stanley Capital International Inc. To generate additional returns above the dividend income generated by the portfolio, the Trust will write covered call options in respect of all or part of the securities in the Portfolio. From time to time, the Trust may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

Asset Mix



Distribution History

Inception Date: September 1999	Regular Distribution	Special Distribution	Total Distribution
Total for 1999	\$ 0.60	\$ 0.15	\$ 0.75
March 2000	0.50	0.25	0.75
June 2000	0.50	0.00	0.50
September 2000	0.50	0.25	0.75
December 2000	0.50	0.25	0.75
Total for 2000	2.00	0.75	2.75
Total Distribution to Date	\$ 2.60	\$ 0.90	\$ 3.50

Global Plus Income Trust

Investment Highlights

Top 10 Holdings:

Bristol-Myers Squibb Co.
Johnson & Johnson Limited
United Technologies Corp.
Procter & Gamble Co.
Merrill Lynch Company Inc.

Vodafone Group PLC
Halliburton Co.
Texas Instruments Inc.
Merck & Co. Inc.
Exxon Mobil Corp.

Trading History



Commentary

As of December 31, 2000, the net assets of the Trust were \$105.12 million, or \$21.71 per unit, compared with net assets of \$120.89 million, or \$24.98 per unit, at the end of 1999. Distributions to unitholders during the year totalled \$2.75 per unit, made up of a regular distribution of \$2 per unit, plus a special distribution of 75 cents per unit. These distributions exceeded the minimum target of eight percent, based on the initial unit price of \$25. The Trust's units, listed on the Toronto Stock as GIP.UN, traded at prices ranging from a high of \$27 to a low of \$23 during the year.

The year 2000 was a difficult one in global equity markets, with many foreign markets showing sharp year-over-year declines. The S&P 500 Index fell by just over 9 percent, the EAFE Index recorded a 10.15 percent downturn, and the NASDAQ plunged nearly 40 percent from its level at the end of 1999, after climbing to a record peak in March.

The Trust has maintained broad diversification in its portfolio, in order to minimize the potential impact of poor performance in any one industry or economic sector. Similar international diversification provides a hedge against negative economic conditions in any one country or region.

Currently, investments are focused primarily in the United States, and in such European countries as Britain, France and the Netherlands. Exposure in Asia and various emerging markets is being kept to low levels, and a prudent level of cash is being maintained for defensive purposes. A summary of the Trust's investments as well as its financial statements are included in this annual report.

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

Auditors' Report

To the Unitholders

We have audited the accompanying statement of investments of Global Plus Income Trust (the "Trust") as at December 31, 2000, the statements of net assets as at December 31, 2000 and 1999, and the statements of financial operations, of changes in net assets, of gain on sale of investments and of financial highlights for the periods (since inception) then ended. These financial statements are the responsibility of the Trust's Manager. 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 the Manager, 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 Trust and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the periods indicated above, in accordance with Canadian generally accepted accounting principles.

(signed) Deloitte and Touche LLP

Chartered Accountants

Toronto, Ontario
March 10, 2001

Global Plus Income Trust

Financial Statements

Statements of Net Assets

December 31, 2000 and 1999

	2000	1999
Assets		
Investments at market value (average cost - \$70,783,739; 1999 - \$80,545,752)	\$ 61,596,496	\$ 86,787,555
Short-term investments (average cost - \$43,838,428; 1999 - \$38,924,726)	43,201,908	38,908,330
Cash	142,986	-
Subscriptions receivable	15,317	5,844
Interest receivable	221,098	126,885
Dividends receivable	36,433	5,605
Due from broker	64,471	-
	105,278,709	125,834,219
Liabilities		
Overdraft	-	2,694,352
Accrued liabilities	156,913	248,274
Due to brokers	-	2,002,080
	156,913	4,944,706
Net Assets, Represented by Unitholders' Equity	\$ 105,121,796	\$ 120,889,513
Number of Units Outstanding (Note 5)	4,841,300	4,840,235
Net Asset Value Per Unit	\$ 21.7135	\$ 24.9760

On behalf of the Manager,
Mulvihill Fund Services Inc.

(signed)

Manager: John P. Mulvihill

(signed)

Manager: David N. Middleton

Statements of Financial Operations

Periods ended December 31, 2000 and 1999

	2000	1999
Income		(Note 1)
Dividends	\$ 994,472	\$ 115,951
Interest	3,345,943	842,984
Withholding tax	(135,115)	(15,647)
	4,205,300	943,288
Expenses (Note 6)		
Management fees	1,461,064	438,634
Custodian and other fees	255,022	56,897
Goods and services tax	120,126	34,687
	1,836,212	530,218
Net Investment Income	2,369,088	413,070
Gain on Sale of Investments and Options	11,215,006	3,410,391
Change in Unrealized (Depreciation)/Appreciation of Investments and Foreign Currency	(16,066,302)	6,240,184
Net (Loss) Gain on Investments	(4,851,296)	9,650,575
Total Results of Financial Operations	\$ (2,482,208)	\$ 10,063,645

Global Plus Income Trust

Financial Statements

Statements of Changes in Net Assets

Periods ended December 31, 2000 and 1999

	2000	1999
		(Note 1)
Net Assets, Beginning of Period	\$ 120,889,513	\$ -
Unit Transactions		
Proceeds from units issued, net of issue costs	-	114,450,024
Proceeds from reinvestment of distributions	25,776	5,844
	25,776	114,455,868
Total Results of Financial Operations	(2,482,208)	10,063,645
Distributions to Unitholders (Note 7)		
From net investment income	(1,028,259)	(12,669)
From net realized gain on sale of investments	(11,880,468)	(3,410,392)
Non-taxable distribution	(402,558)	(206,939)
	(13,311,285)	(3,630,000)
Changes in Net Assets During the Period	(15,767,717)	120,889,513
Net Assets, End of Period	\$ 105,121,796	\$ 120,889,513

Statements of Gain on Sale of Investments and Options

Periods ended December 31, 2000 and 1999

	2000	1999
		(Note 1)
Proceeds From Sale of Investments	\$ 72,800,995	\$ 33,219,056
Cost of Investments Sold		
Cost of investments, beginning of period	80,545,752	-
Cost of investments purchased	51,823,976	110,354,417
	132,369,728	110,354,417
Cost of Investments, End of Period	(70,783,739)	(80,545,752)
	61,585,989	29,808,665
Gain on Sale of Investments and Options	\$ 11,215,006	\$ 3,410,391

Global Plus Income Trust

Financial Statements

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Short-term Investments				
Treasury Bills				
Government of Canada, USD - February 14, 2001	70,000	\$ 104,303	\$ 104,303	
Government of Canada, USD - February 22, 2001	50,000	75,843	73,898	
Government of Canada, USD - January 8, 2001	117,000	177,965	173,683	
Government of Canada, USD - January 8, 2001	149,000	146,984	146,984	
Government of Ontario - March 19, 2001	1,800,000	1,775,178	1,775,178	
Government of United States - March 22, 2001	5,400,000	8,100,616	7,994,154	
Total Treasury Bills		10,380,889	10,268,200	23.6 %
Discount Commercial Paper				
Canadian Wheat Board USD Deposit Note - January 25, 2001	2,560,000	3,825,187	3,782,922	
Canadian Wheat Board USD Deposit Note - March 5, 2001	335,000	506,135	495,310	
Export Development Corp USD Deposit Note - January 16, 2001	8,625,000	13,169,296	12,810,285	
Export Development Corp USD Deposit Note - January 26, 2001	7,400,000	11,153,589	11,046,204	
Total Discount Commercial Paper		28,654,207	28,134,721	64.9 %
Bearer Deposit Notes				
Alberta Treasury Branch - January 25, 2001	1,800,000	1,774,728	1,774,728	
Alberta Treasury Branch - March 22, 2001	2,000,000	1,972,860	1,972,860	
Total Bearer Deposit Notes		3,747,588	3,747,588	8.6 %
Interest Bearing Notes				
Royal Bank of Canada, 6.625% - January 3, 2001	700,000	1,055,744	1,051,399	2.4 %
		43,838,428	43,201,908	99.5 %
Accrued Interest		-	221,098	0.5 %
Total Short-term Investments		\$ 43,838,428	\$ 43,423,006	100.0 %
Investments				
Canadian Common Stocks				
Industrial Products				
Nortel Networks Corp.	40,000	\$ 2,365,904	\$ 1,926,312	3.1 %
Total Canadian Common Stocks		2,365,904	1,926,312	3.1 %
Foreign Common Stocks (excluding U.S.A.)				
Australia				
News Corporation Ltd., ADR	25,000	1,194,677	1,210,986	2.0 %
Britain				
BP Amoco PLC, ADR	20,000	1,574,784	1,438,163	
British Telecommunications PLC, ADR	10,000	2,428,503	1,302,983	
COLT Telecom Group PLC, ADR	10,000	1,710,086	1,318,003	
Reuters Group PLC	10,000	1,255,737	1,479,468	
Vodafone Group PLC, ADR	45,000	3,386,948	2,420,597	
Total Britain		10,356,058	7,959,214	12.9 %
Japan				
Bank of Tokyo-Mitsubishi Ltd., ADR	100,000	2,369,961	1,455,135	2.4 %

Global Plus Income Trust

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Foreign Common Stocks - excluding U.S.A. (continued)				
Netherlands				
Equant N.V.	45,000	5,083,300	1,761,562	
Koninklijke (Royal) Philips Electronics N.V.	25,000	954,467	1,361,185	
Royal Dutch Petroleum Co.	15,000	1,310,976	1,364,482	
Total Netherlands		7,348,743	4,487,229	7.2%
Finland				
Nokia Corp., ADR	25,000	1,503,218	1,633,422	2.7%
France				
Alcatel Alstrom, ADR	20,000	1,254,399	1,680,375	
Aventis S.A., ADR	15,000	1,351,384	1,898,150	
Total France		2,605,783	3,578,525	5.8%
Mexico				
Telefonos de Mexico S.A., ADR	30,000	2,399,148	2,033,329	3.3%
Total Foreign Common Stocks (excluding U.S.A.)		27,777,588	22,357,840	36.3%
Common Stocks - U.S.A.				
Energy Sources				
Exxon Mobil Corp.	16,000	2,188,106	2,089,279	3.4%
Data Processing and Reproduction				
Hewlett-Packard Co.	25,000	1,720,318	1,185,170	
International Business Machines Corp.	10,000	1,640,385	1,276,698	
Total Data Processing and Reproduction		3,360,703	2,461,868	4.0%
Electrical and Electronics				
General Electric Co.	20,000	1,671,138	1,440,040	2.3%
Electrical Components and Instruments				
Texas Instruments Inc.	30,000	2,572,387	2,134,714	3.5%
Energy Equipment and Services				
Halliburton Co.	40,000	2,738,424	2,177,897	3.5%
Food and Household Products				
McDonald's Corp.	21,000	1,060,806	1,072,426	
Procter & Gamble Co.	25,000	3,152,811	2,945,324	
Total Food and Household Products		4,213,617	4,017,750	6.5%
Health and Personal Care				
Bristol-Myers Squibb Co.	30,000	3,210,078	3,331,619	
Gillette Co.	30,000	1,514,771	1,627,790	
Johnson & Johnson	20,000	2,773,603	3,156,073	
Merck & Co. Inc.	15,000	1,786,963	2,109,368	
Total Health and Personal Care		9,285,415	10,224,850	16.6%

Global Plus Income Trust

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments				
Common Stocks - U.S.A. (continued)				
Telecommunications				
Lucent Technologies Inc.	45,000	3,647,015	912,464	
Verizon Communications	20,000	1,699,835	1,505,749	
Total Telecommunications		5,346,850	2,418,213	3.9 %
Banking				
Bank of America Corp.	25,000	1,774,590	1,722,604	2.8 %
Financial Services				
Citigroup Inc.	25,000	1,828,573	1,917,394	
Merrill Lynch & Company Inc.	25,000	2,060,209	2,560,437	
Total Financial Services		3,888,782	4,477,831	7.3 %
Multi-Industry				
Tyco International Ltd.	25,000	2,007,070	2,084,022	
United Technologies Corp.	25,000	2,258,629	2,952,364	
Total Multi-Industry		4,265,699	5,036,386	8.2 %
Total Common Stocks - U.S.A.		41,305,711	38,201,432	62.0 %
	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Call Options				
Number of Contracts (100 Shares per Contract)				
Alcatel Alsthom - February 2001 @ USD \$55	(100)	(79,446)	(90,120)	
Exxon Mobil Corp. - January 2001 @ USD \$90	(120)	(34,748)	(14,644)	
Gillette Co. - February 2001 @ USD \$35	(150)	(27,852)	(61,253)	
Johnson & Johnson Limited - January 2001 @ USD \$100	(200)	(94,605)	(199,015)	
Koninklijke (Royal) Philips Electronics - February 2001 @ USD \$40	(125)	(37,200)	(43,417)	
Merck & Co. Ltd. - February 2001 @ USD \$95	(100)	(68,054)	(67,590)	
Nortel Networks Corp. - March 2001 @ USD \$40	(200)	(65,368)	(73,222)	
Royal Dutch Petroleum Co. - January 2001 @ USD \$60	(150)	(52,313)	(56,325)	
Tyco International Ltd. - February 2001 @ USD \$55	(125)	(66,049)	(84,487)	
United Technologies Corp. - February 2001 @ USD \$75	(200)	(139,829)	(199,015)	
Total Written Call Options		(665,464)	(889,088)	(1.4) %
Total Investments		\$ 70,783,739	\$ 61,596,496	100.0 %

Global Plus Income Trust

Financial Statements

Statements of Financial Highlights

Years ended December 31

	2000	1999*
Data Per Unit		
Net Asset Value, Beginning of Year	\$ 24.98	\$ 23.75**
Income from Investment Operations		
Net investment income	0.49	0.09
Net gain (loss) on investments	(1.01)	1.89
Total from investment operations	(0.52)	1.98
Distributions to Unitholders		
From net investment income	(0.22)	-
From net realized gain on sale of investment	(2.45)	(0.71)
Non-taxable distribution	(0.08)	(0.04)
Total distributions	(2.75)	(0.75)
Net Asset Value, End of Year	\$ 21.71	\$ 24.98
Ratios/Supplemental Data		
Total net assets, end of year (\$millions)	\$ 105.12	\$ 120.89
Average net assets (\$millions)	\$ 116.89	\$ 116.44
Management expense ratio	1.57%	1.51%
Portfolio turnover rate	44.34%	28.53%
Annual rate of return	(2.08)%	N/A

* For the period from inception on September 13, 1999 to December 31, 1999.

** Net of agent fees.

1. Establishment of the Trust

Global Plus Income Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on August 30, 1999. The Trust began operations on September 13, 1999 and will terminate on December 31, 2009 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

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

2. Investment Objectives of the Trust

The Trust intends to achieve its investment objectives by investing in a diversified portfolio consisting principally of common shares issued by corporations selected from the Standard & Poor's 100 Index and American Depositary Receipts ("ADRs") of the top 100 corporations selected on the basis of market capitalization whose ADRs are trading on the New York Stock Exchange or NASDAQ. In addition, in order to provide further global investment opportunities, the Trust may, from time to time, invest up to a maximum of 25% of its net asset value in World Equity Benchmark Shares ("WEBS") that seek to provide investment results that track the performance of a specific country index compiled by Morgan Stanley Capital International Inc.

To generate additional returns above the dividend income earned on the portfolio, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter

into trades to close out positions in such permitted derivatives.

From time to time the Trust 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 Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at 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.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

Notes to the Financial Statements

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.

4. Statements of Financial Highlights

The following explanatory notes pertain to the Statements of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the year.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Unitholders' Equity

The Trust 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 Trust.

All units have equal rights and privileges. 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 Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

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% of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust 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 period:

	2000	1999
Units outstanding, beginning of year	4,840,235	-
Units issued for cash	-	4,840,000
Units issued on reinvestment of distributions	1,065	235
Units outstanding, end of year	4,841,300	4,840,235

6. Management Fees And Expenses

The Trust 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 Trust's operations. The Trust is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust 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. The fees are payable at annual rates of 0.10% and 1.15%, respectively, of the Trust's net asset value calculated and payable monthly, plus applicable taxes.

7. Distributions

The Trust endeavours to make quarterly distributions to unitholders of net income and net realized capital gains and option premiums on the last day of March, June, September and December in each year.

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

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

8. Income Taxes

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

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

No amount is payable on account of income taxes in 2000 and 1999.

9. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$183,621 (1999 - \$148,231).

10. Statement Of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

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

Mulvihill Capital Management Inc.

Mulvihill Capital Management Inc. is a leading Canadian investment counselor responsible for the care of institutional and personal assets. The company manages corporate, pension, insurance, endowment, trust and mutual funds under a wide variety of investment mandates. Founded in 1985 as CT Investment Counsel Inc., the investment arm of Canada Trust, the company emerged in 1995 as an independent company operated by a cohesive team of senior managers and owners who have been together for more than a decade. The company's scale and independent structure allow it to provide clients with a uniquely customized approach to asset management.

The Mulvihill Funds are managed by Mulvihill Capital's structured finance group. This area of the company concentrates exclusively on creating and managing products tailored to meet very specific investment objectives. Assets are generally managed to meet specific absolute return levels rather than taking on the additional risk of targeting relative returns. This methodology allows the company to make investment decisions that meet the client's needs rather than to make investments to rival the competition.

Mulvihill's personal asset management division, Mulvihill Wealth Management, offers a comprehensive specialized approach tailored to clients' personal strategies. This not only relieves the client's burden of day-to-day investment decisions but also provides financial peace of mind for today and tomorrow. The company's personalized service and customized reporting assure that its powerful team of professionals is always working toward your current objectives and that you are fully aware of the progress you are making.

Mulvihill's reputation has been built on its ability to provide customized portfolios that meet the stated needs of its clients. The Premium Income investments are prime examples of that customized approach to asset management.

Other Premium Income products within the Mulvihill Group which traded on the Toronto Stock Exchange over the past year are as follows:

	Symbol	High	Low
First Premium Income Trust	FPI.UN	\$ 28.95	\$ 25.00
First Premium U.S. Income Trust	FPU.UN	\$ 27.15	\$ 24.20
First Premium Oil & Gas Income Trust	FPG.UN	\$ 10.30	\$ 7.25
60 Plus Income Trust	SIX.UN	\$ 29.50	\$ 25.50
Global Plus Income Trust	GIP.UN	\$ 27.00	\$ 23.00
Digital World Trust	DWT.UN	\$ 17.25	\$ 13.75
Pro-AMS U.S. Trust	PAM.UN	\$ 26.50	\$ 24.95
Premium Income Corporation	PIC.A/PIC.PR.A	\$ 12.00/15.90	\$ 10.00/14.15
MCM Split Share Corp.	MUH.A/MUH.PR.A	\$ 18.45/15.10	\$ 14.00/13.25
Global Telecom Split Share Corp.	GT.A/GT.PR.A	\$ 22.90/14.75	\$ 14.90/13.25

Board of Directors¹/Advisors²

John P. Mulvihill*

Chairman & President,
Mulvihill Capital Management Inc.

David N. Middleton

Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner*

Corporate Director

Robert W. Korthals*

Corporate Director

C. Edward Medland*

President, Beauwood Investments Inc.

* Audit Committee

¹ Corporation

² Trusts

Information

Auditors:

Deloitte & Touche LLP
BCE Place
181 Bay Street, Suite 1400
Toronto, Ontario M5J 2V1

Transfer Agent:

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100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange trading under
FPI.UN, FPU.UN, FPG.UN, SIX.UN, GIP.UN,
DWT.UN, PAM.UN, MUH.A, MUH.PR.A

Trustee:

Royal Trust
Royal Trust Tower
77 King Street West, 11th Floor
Toronto, Ontario M5W 1P9

Other Premium Funds Managed by Mulvihill Capital Management Inc.

Mulvihill First 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
Global Telecom Split Share Corp
MCM Split Share Corp.

Mulvihill Summit Series

Digital World Trust

Mulvihill Mutual Funds

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

Mulvihill Platinum Series

Pro-AMS U.S. Trust

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



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