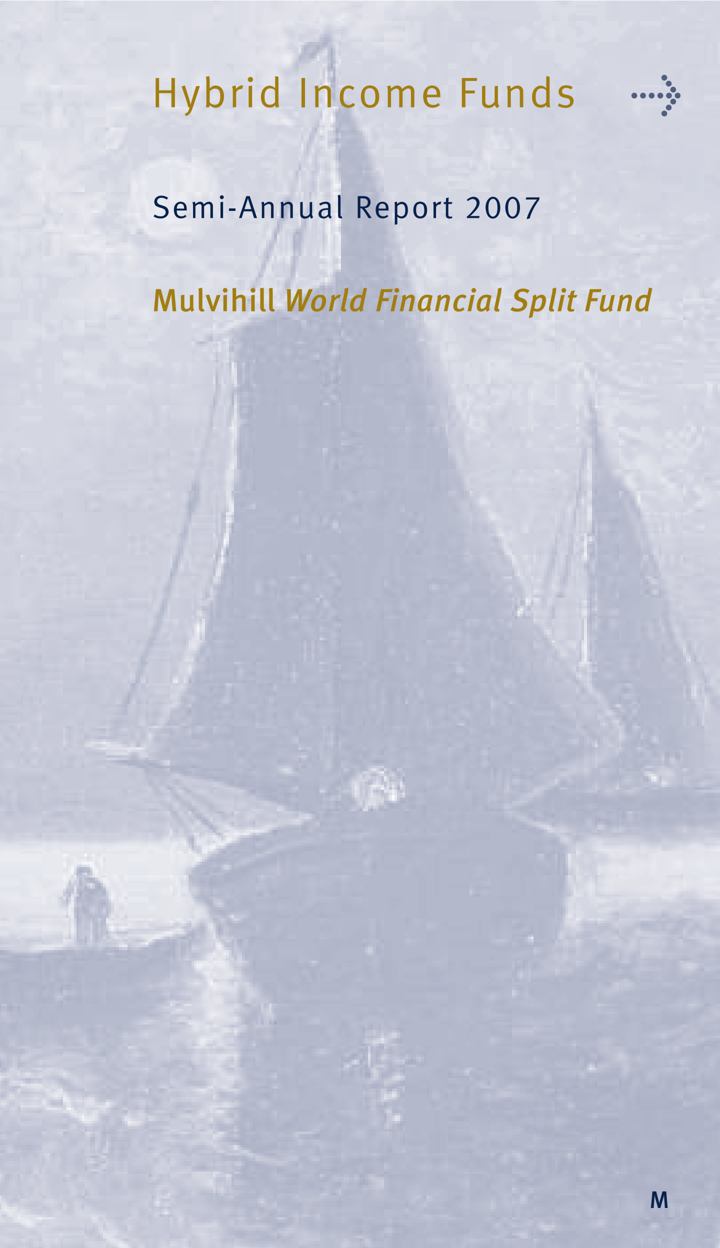
Mulvihill Structured Products

Mulvihill

Hybrid Income Funds

Semi-Annual Report 2007

Mulvihill *World Financial Split Fund*



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 six months ended June 30, 2007 of Mulvihill World Financial Split Corp. (Mulvihill World Financial Split Fund) (the "Fund"). The June 30, 2007 unaudited semi-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. You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

Management Report on Fund Performance

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

June 30, 2007	% of Net Asset Value*
United States	30%
Canada	35%
International	29%
Cash and Short-Term Investments	5%
Other Assets (Liabilities)	1%
	100%

*The Net Asset Value excludes the Preferred share liability.

Top 25 Holdings

June 30, 2007	% of Net Asset Value*
Cash and Short-Term Investments	5%
Morgan Stanley	4%
Goldman Sachs Group, Inc.	4%
The Toronto-Dominion Bank	4%
Great-West Lifeco Inc.	4%
Sun Life Financial Inc.	4%
Royal Bank of Canada	4%
Manulife Financial Corporation	4%
Canadian Imperial Bank of Commerce	4%
JPMorgan Chase & Co.	4%
National Bank of Canada	4%
The Bank of Nova Scotia	4%
Banco Bilbao Vizcaya Argentaria, S.A. ADR	3%
UBS AG ADR	3%
AXA ADR	3%
Lehman Brothers Holdings Inc.	3%
Credit Suisse Group ADR	3%
ING Groep N.V. ADR	3%
Barclays PLC ADR	3%
The Hartford Financial Services Group, Inc.	3%
The Chubb Corporation	3%
Citigroup Inc.	3%
AFLAC Incorporated	3%
American International Group, Inc.	2%
Bank of Montreal	2%
	86%

*The Net Asset Value excludes the Preferred share liability.

Management Report on Fund Performance

Results of Operations

For the semi-annual period ended June 30, 2007, the net asset value for pricing purposes of the Fund totalled $313.98 million or $22.17 per unit compared to $23.31 per unit at December 31, 2006. The Fund's Preferred Shares, listed on the Toronto Stock Exchange as WFS.PR.A, closed on June 29, 2007 at $10.35. The Fund's Class A Shares, listed on the Toronto Stock Exchange as WFS.A, closed on June 29, 2007, at $11.24. Each Unit consists of one Preferred Share and one Class A Share together.

Distributions totaling $0.26250 per share were made to the Preferred Shareholders during the period while Class A Shareholders received $0.60 per share.

Volatility was low throughout the period, but remained sufficient to maintain option writing programs. However, due to this low level of volatility, the Fund increased it's invested position thereby providing greater income 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 six-month return for the Fund, including reinvestment of distributions, was negative 1.2 percent. This return is reflective of the Fund being overweight the Canadian Financial Services equities that had the strongest returns for the period and underweight the U.S. and Rest of World Financial services which had negative returns during the period. It is also reflective of the Fund actively hedging it's U.S. dollar exposure during the period as well as the tough operating environment for the underlying securities during the period due to increasing interest rates, a flattening yield curve and volatile capital markets.

In Canada, the S&P/TSX Financial Services Index rose 3.4 percent while in the U.S., the S&P 500 Financials Index declined by 9.7 percent. During the period the international MSCI EAFE Financials Index also declined by 3.6 percent. The U.S. dollar also weakened vs. the Canadian dollar during the period by approximately 8.9 percent. The aggregate total return for the MSCI World Financial Services Index in Canadian dollar terms declined to 5.9 percent.

During the course of the year the Fund had varying exposures to the U.S. dollar due to the investments in U.S. Financial Services equities along with International Financial Services equities through the ADR market. The U.S. dollar exposure was actively hedged back into Canadian dollars throughout the semi-annual period and ended June 30, 2007 approximately 100 percent hedged.

World Financial Split Corp. ended 2006 with a regional asset mix of 35 percent invested in Canada, 30 percent invested in the United States, and 30 percent invested in the Rest of World. During the six-month period ending June 30, 2007 the regional asset mix was mainly unchanged with an emphasis on maintaining an overweight exposure to Canada and an underweight exposure to the U.S. and the International areas. The Fund ended June 30, 2007 with a regional asset mix of 35 percent in Canada, 30 percent in the United States and 29 percent in the Rest of World.

Mulvihill *World Financial Split Fund*

Management Report on Fund Performance

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 from its inception date on February 17, 2004.

The information for the years ended December 31 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2007 is derived from the

DATA PER UNIT
Net Assets, beginning of period[(1)]
INCREASE (DECREASE) FROM OPERATIONS
Total revenue
Total expenses
Realized gains (losses) for the period
Unrealized gains (losses) for the period
Total Increase (Decrease) from Operations[(2)]
DISTRIBUTIONS
Class A Share
From capital gains
Non-taxable distributions
Total Class A Distributions
Preferred Share
From taxable income
From capital gains
Non-taxable distributions
Total Preferred Share Distributions
Total Distributions[(3)]
Net Assets, end of period[(1)]

(1) Net Assets is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities of the Fund excluding the liability for the Redeemable Preferred shares of the Fund on that date and including the valuation of securities at bid prices 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, excluding Preferred share distributions, and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

RATIOS/SUPPLEMENTAL DATA
Net Asset Value, excluding liability for Redeemable Preferred shares ($millions)[(6)]
Net Asset Value ($millions)[(6)]
Number of units outstanding
Management expense ratio[(1)]
Portfolio turnover rate[(2)]
Trading expense ratio[(3)]
Net Asset Value, per Unit
Closing market price - Preferred
Closing market price - Class A

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes and capital taxes but excluding transaction fees and income taxes and Preferred share distributions, charged to the Fund to the average net asset value, excluding the liability for the Redeemable Preferred shares.

(2) 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.

Management Report on Fund Performance

Fund's unaudited semi-annual financial statements.

For June 30, 2007, the Net Assets included in the Data per Unit table is from the Fund's unaudited financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 2 and 3 to the Financial Statements).

Six months ended June 2007	Years ended December 31 2006	2005	2004[4]
$ 23.29[6]	$ 22.60	$ 22.96	$ 23.87[5]
0.26	0.61	0.59	0.49
(0.20)	(0.34)	(0.34)	(0.30)
1.38	1.25	0.68	0.65
(1.72)	0.80	0.31	(0.24)
(0.28)	**2.32**	**1.24**	**0.60**
(0.60)	(0.39)	(0.86)	(0.34)
–	(0.81)	(0.34)	(0.70)
(0.60)	**(1.20)**	**(1.20)**	**(1.04)**
(0.15)	(0.19)	(0.19)	(0.11)
(0.11)	(0.34)	(0.28)	(0.35)
–	–	(0.06)	–
(0.26)	**(0.53)**	**(0.53)**	**(0.46)**
(0.86)	**(1.73)**	**(1.73)**	**(1.50)**
$ 22.16	**$ 23.31**	**$ 22.60**	**$ 22.96**

(3) Distributions to shareholders are based on the number of shares outstanding on the record date for each distribution and were paid in cash.
(4) For the period from inception on February 17, 2004 to December 31, 2004.
(5) Net of agent fees.
(6) Net Assets has been adjusted for the Transition Adjustment - New Accounting Standards (see Note 2 to the Financial Statements).

Six months ended June 2007	Years ended December 31 2006	2005	2004[5]
$ 313.98	$ 337.41	$ 369.99	$ 432.80
$ 172.33	$ 192.66	$ 206.30	$ 244.30
14,164,284	14,474,579	16,368,811	18,850,000
1.53%[4]	1.51%	1.48%	1.51%[4]
77.46%	189.55%	165.51%	73.63%
0.17%[4]	0.23%	0.16%	0.17%[4]
$ 22.17	$ 23.31	$ 22.60	$ 22.96
$ 10.35	$ 10.86	$ 11.05	$ 10.75
$ 11.24	$ 11.50	$ 11.07	$ 12.03

(3) Trading expense ratio represents total commissions expressed as an annualized percentage of the daily average net asset value during the period.
(4) Annualized.
(5) For the period from inception on February 17, 2004 to December 31, 2004.
(6) Net Asset Value 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 and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Report on Fund Performance

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 asset value of the Fund at each month end, excluding the Redeemable Preferred shares. 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 asset value of the Fund at each month end, excluding the Redeemable Preferred shares. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

The Global Financial Services sector continues to demonstrate strong fundamentals and profitability with strong capital positions, high return on equity and low balance sheet risk. The high dividend yield on the Global Banks relative to 10-year Government bond yields in the 5.0 percent range is at a very compelling valuation and the price earnings multiple of the financials relative to the broad market is still attractive.

Going forward we continue to view financial services companies fundamentals as very strong with high profitability demonstrated by record return 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:

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

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

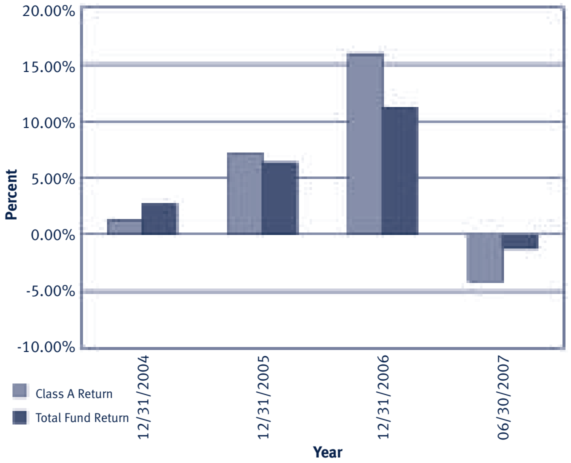
(3) the past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates how the Fund's total return for each of the past three years including the six months period June 30, 2007 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2004 would have increased or decreased by the end of that fiscal year, or June 30, 2007 for the six months then ended.

Management Report on Fund Performance

Annual Total Return



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 17, 2004.

Mulvihill Fund Services Inc. ("Mulvihill") is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated February 17, 2004, 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.

Forward-Looking Statements

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund's views to change, the Fund does not undertake to update any forward-looking statements.

Management's Responsibility for Financial Reporting

The accompanying financial statements of World Financial Split Corp. (operating as Mulvihill World Financial Split Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager") and have been approved by the Board of Directors (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 semi-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 annual financial statements for the year ended December 31, 2006.

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 Audit Committee 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, the Fund's independent auditors, has full and unrestricted access to the Audit Committee and the Board.

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by Canadian Institute of Chartered Accountants.

John P. Mulvihill
Director
Mulvihill Fund Services Inc.

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

August 2007

Statements of Financial Positiion

June 30, 2007 (Unaudited) and December 31, 2006 (Audited)

	2007	2006
ASSETS		
Investments at fair value (cost - $313,189,532; 2006 - $305,495,247)	**$ 301,514,062**	$ 318,986,426
Short-term investments (cost - $14,723,145; 2006 - $18,654,612)	**14,721,432**	18,617,669
Cash	**4,630**	3,474
Interest receivable	**36,017**	63,608
Dividends receivable	**596,729**	718,461
Due from brokers - investments	**3,724,392**	–
TOTAL ASSETS	**$ 320,597,262**	**$ 338,389,638**
LIABILITIES		
Redemptions payable	**6,259,830**	409,960
Accrued management fees	**289,965**	316,117
Accounts payable and accrued liabilities	**218,996**	255,728
Redeemable Preferred shares	**141,642,840**	144,745,790
	148,411,631	**145,727,595**
EQUITY		
Class A shares	**196,356,628**	200,658,185
Deficit	**(24,170,997)**	(7,996,142)
	172,185,631	**192,662,043**
TOTAL LIABILITIES AND EQUITY	**$ 320,597,262**	**$ 338,389,638**
Number of Units Outstanding	**14,164,284**	**14,474,579**
Net Assets per Unit		
Preferred share	**$ 10.0000**	**$ 10.0000**
Class A share	**12.1563**	**13.3104**
	$ 22.1563	**$ 23.3104**

Financial Statements

Statements of Operations and Deficit

For the six months ended June 30 (Unaudited)

	2007	2006
REVENUE		
Interest, net of foreign exchange	**$ (384,342)**	$ 543,815
Dividends	**4,775,112**	4,989,411
Withholding taxes	**(563,402)**	(497,911)
	3,827,368	5,035,315
Net realized gains (losses) on short-term investments	**82,367**	(13,788)
Net realized gains on derivatives	**6,355,500**	14,379,187
Net realized gains on investments	**13,467,039**	3,061,726
Total Net Realized Gains	**19,904,906**	**17,427,125**
TOTAL REVENUE	**23,732,274**	**22,462,440**
EXPENSES		
Management fees	**1,815,100**	2,039,540
Service fees	**356,931**	410,322
Administration and other expenses	**134,963**	123,786
Transaction fees (Note 2)	**279,240**	–
Custodian fees	**39,857**	51,223
Audit fees	**33,549**	29,948
Director fees	**10,363**	10,363
Legal fees	**6,082**	914
Shareholder reporting costs	**49,806**	49,988
Goods and services tax	**119,246**	160,992
TOTAL EXPENSES	**2,845,137**	**2,877,076**
Net Realized Income before Distributions	**20,887,137**	**19,585,364**
Preferred share distributions	**(3,792,436)**	(4,275,518)
Net Realized Income	**17,094,701**	**15,309,846**
Unrealized appreciation/depreciation of short-term investments during the period	**36,194**	(46,833)
Unrealized appreciation/depreciation of investments during the period	**(24,864,821)**	(14,017,208)
Total Change Unrealized Appreciation/Depreciation	**(24,828,627)**	**(14,064,041)**
NET GAIN (LOSS) FOR THE PERIOD	**$ (7,733,926)**	**$ 1,245,805**
NET GAIN (LOSS) PER CLASS A SHARE (based on the weighted average number of Class A shares outstanding during the period of 14,456,270; 2006 - 16,308,136)	**$ (0.5350)**	**$ 0.0764**
DEFICIT		
Balance, beginning of period	**$ (7,996,142)**	**$ (20,617,886)**
Transition Adjustment - New Accounting Standards (Note 2)	**(302,804)**	**–**
Net allocations on retractions	**530,303**	**3,102,141**
Net income (loss) for the period	**(7,733,926)**	**1,245,805**
Distributions on Class A shares	**(8,668,428)**	**(9,772,613)**
BALANCE, END OF PERIOD	**$ (24,170,997)**	**$ (26,042,553)**

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2007	2006
NET ASSETS, BEGINNING OF PERIOD	**$ 192,662,043**	$ 206,299,658
Transition Adjustment - New Accounting Standards (Note 2)	**(302,804)**	–
Net Realized Income before Distributions	**20,887,137**	19,585,364
Share Capital Transactions		
Amount paid for Class A shares redeemed	**(3,771,254)**	(21,214,485)
Distributions		
Class A Shares		
From capital gains	**(8,668,428)**	(2,995,676)
Non-taxable distributions	**–**	(6,776,936)
Preferred Shares		
From taxable income	**(2,197,699)**	(1,493,368)
From capital gains	**(1,594,737)**	(2,782,151)
Total Distributions	**(12,460,864)**	(14,048,131)
Change in Unrealized Depreciation of Investmens During the Period	**(24,828,627)**	(14,064,041)
Changes in Net Assets during the Period	**(20,476,412)**	(29,741,293)
NET ASSETS, END OF PERIOD	**$ 172,185,631**	$ 176,558,365

The statement of changes in net assets excludes cash flows pertaining to the Preferred Shares as they are reflected as liabilities. During the period, amounts paid for the redemption of Preferred Shares 310,925 (2006 - 1,754,092) totalled $3,102,950 (2006 - $17,540,920).

Statements of Changes in Investments

For the six months ended June 30 (Unaudited)

	2007	2006
INVESTMENTS AT FAIR VALUE, BEGINNING OF PERIOD	**$ 318,986,426**	$ 341,631,240
Unrealized appreciation of investments, beginning of period	**(13,491,179)**	(1,141,276)
Investments at Cost, Beginning of Period	**305,495,247**	340,489,964
Cost of Investments Purchased during the Period	**247,101,896**	217,231,853
Cost of investments Sold during the Period		
Proceeds from sales	**259,230,150**	256,261,454
Net realized gains on sales	**19,822,539**	17,440,913
	239,407,611	238,820,541
Investments at Cost, End of Period	**313,189,532**	318,901,276
Unrealized Depreciation of Investments, End of Period	**(11,675,470)**	(12,875,932)
INVESTMENTS AT FAIR VALUE END OF PERIOD	**$ 301,514,062**	$ 306,025,344

Financial Statements

Statement of Investments

June 30, 2007 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 4.18% - August 9, 2007	225,000	$ 223,135	$ **223,135**	
Government of Canada, 4.29% - September 6, 2007	14,190,000	14,045,684	**14,045,684**	
Total Treasury Bills		**14,268,819**	**14,268,819**	96.7%
Discount Comerical Paper				
Export Development Corporation, USD, 5.26% - September 7, 2007	350,000	370,146	**368,433**	
Export Development Corporation, USD, 5.25% - September 13, 2007	80,000	84,180	**84,180**	
Total Discount Commercial Paper		**454,326**	**452,613**	3.1%
		14,723,145	**14,721,432**	**99.8%**
Accrued Interest			**36,017**	0.2%
TOTAL SHORT-TERM INVESTMENTS		**$ 14,723,145**	**$ 14,757,449**	**100.0%**
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	108,300	$ 7,651,508	$ **7,407,720**	
Canadian Imperial Bank of Commerce	120,000	11,660,875	**11,491,200**	
Great-West Lifeco Inc.	364,500	12,091,689	**12,593,475**	
IGM Financial Inc.	112,000	5,411,555	**5,798,240**	
Manulife Financial Corporation	292,000	11,238,138	**11,612,840**	
National Bank of Canada	183,000	11,550,543	**11,230,710**	
Royal Bank of Canada	215,000	11,482,934	**12,173,300**	
Sun Life Financial Inc.	240,000	12,060,140	**12,182,400**	
The Bank of Nova Scotia	215,000	10,971,128	**11,154,200**	
The Toronto-Dominion Bank	176,165	12,211,555	**12,835,382**	
Total Financials		**106,330,065**	**108,479,467**	36.0%
Total Canadian Common Shares		**$106,330,065**	**$108,479,467**	**36.0%**
Non-North American Common Shares				
Financials				
Allianz SE ADR	150,000	$ 3,584,935	$ **3,669,940**	
Allied Irish Banks PLC (AIB) ADR	100,000	6,526,424	**5,841,054**	
Australia and New Zealand Banking Group Limited ADR	27,645	3,482,779	**3,620,931**	
AXA ADR	220,000	10,567,319	**10,065,421**	
Banco Bilbao Vizcaya Argentaria, S.A. ADR	420,000	11,692,975	**10,887,913**	
Barclays PLC ADR	150,000	10,450,650	**8,898,805**	
Credit Suisse Group ADR	128,800	10,882,743	**9,722,306**	
Deutsche Bank AG ADR	42,000	6,580,871	**6,458,136**	
ING Groep N.V. ADR	198,000	9,866,753	**9,261,076**	
Kookmin Bank ADR	75,000	7,759,790	**6,985,650**	
Mitsubishi UFJ Financial Group, Inc. (MUFG) ADR	500,000	7,974,239	**5,855,947**	
UBS AG ADR	170,000	12,124,471	**10,850,256**	
Total Financials		**101,493,949**	**92,117,435**	30.6%
Total Non-North American Common Shares		**$101,493,949**	**$ 92,117,435**	**30.6%**

Statement of Investments (continued)

June 30, 2007 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Portfolio
INVESTMENTS (continued)				
United States Common Shares				
Financials				
AFLAC Incorporated	149,000	$ 8,355,011	**$ 8,146,840**	
American International Group, Inc.	100,500	8,123,722	**7,483,485**	
Citigroup Inc.	152,000	9,575,470	**8,285,000**	
Goldman Sachs Group, Inc.	56,000	13,927,718	**12,908,826**	
JPMorgan Chase & Co.	222,000	13,272,753	**11,425,064**	
Lehman Brothers Holdings Inc.	125,900	11,686,644	**9,972,145**	
Morgan Stanley	152,200	13,945,264	**13,580,410**	
Northern Trust Corp.	100,000	7,136,672	**6,827,151**	
The Chubb Corporation	146,000	8,891,526	**8,408,353**	
The Hartford Financial Services Group, Inc.	84,000	9,371,196	**8,794,324**	
Total Financials		**104,285,976**	**95,831,598**	31.8%
Total United States Common Shares		**$ 104,285,976**	**$ 95,831,598**	**31.8%**
Forward Exchange Contracts				
Sold USD $4,988,000, Bought CAD $5,270,443 @ 0.94641 - July 11, 2007			**$ (34,078)**	
Sold USD $4,988,000, Bought CAD $5,274,456 @ 0.94569 - July 11, 2007			**(30,065)**	
Sold USD $6,000,000, Bought CAD $6,399,454 @ 0.93758 - July 11, 2007			**18,715**	
Sold USD $13,750,000, Bought CAD $15,357,294 @ 0.89534 - July 18, 2007			**737,256**	
Sold USD $9,390,000, Bought CAD $10,477,806 @ 0.89618 - July 18, 2007			**493,649**	
Sold USD $17,130,000, Bought CAD $18,853,596 @ 0.90858 - August 1, 2007			**645,881**	
Sold USD $25,630,000, Bought CAD $28,128,978 @ 0.91116 - August 8, 2007			**891,128**	
Sold USD $18,070,000, Bought CAD $19,524,581 @ 0.92550 - August 15, 2007			**324,258**	
Sold USD $17,725,000, Bought CAD $19,160,712 @ 0.92507 - August 22, 2007			**329,971**	
Sold USD $19,680,000, Bought CAD $21,024,518 @ 0.93605 - August 29, 2007			**120,371**	
Sold USD $19,680,000, Bought CAD $21,020,925 @ 0.93621 - September 5, 2007			**119,664**	
Sold USD $14,138,000, Bought CAD $14,977,329 @ 0.94396 - September 19, 2007			**(33,872)**	
Sold USD $14,137,000, Bought CAD $14,966,915 @ 0.94455 - September 26, 2007			**(41,153)**	
Total Forward Exchange Contracts			**$ 3,541,725**	**1.2%**

Financial Statements

Statement of Investments (continued)

June 30, 2007 (Unaudited)

	Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Portfolio
INVESTMENTS (continued)				
OPTIONS				
Purchased Put Options				
Financial Select Sector SPDR - July 2007 @ $35 (1 share per contract)	750,000	$ 434,753	$ **383,612**	
Financial Select Sector SPDR - August 2007 @ $34 (1 share per contract)	469,600	399,537	**199,675**	
Financial Select Sector SPDR - August 2007 @ $35 (1 share per contract)	430,000	344,303	**348,951**	
Financial Select Sector SPDR - September 2007 @ $36 (1 share per contract)	490,000	288,810	**583,009**	
S&P/TSX Capped Financials Index (iUnits) - August 2007 @ $53 (100 shares per contract)	4,555	389,707	**235,531**	
S&P/TSX Capped Financials Index (iUnits) - September 2007 @ $53 (100 shares per contract)	1,500	114,000	**113,455**	
Total Purchased Put Options		**1,971,110**	**1,864,233**	0.6%
Written Covered Call Options (100 shares per contract)				
AXA ADR - August 2007 @ $45	(733)	(93,564)	**(77,973)**	
Deutsche Bank AG ADR - July 2007 @ $150	(420)	(146,152)	**–**	
Goldman Sachs Group, Inc. - August 2007 @ $227	(286)	(206,043)	**(97,506)**	
Great-West Lifeco Inc. - July 2007 @ $35	(340)	(12,580)	**(7,363)**	
ING Groep N.V. ADR - July 2007 @ $45	(650)	(56,399)	**(13,117)**	
Kookmin Bank ADR - July 2007 @ $100	(375)	(80,358)	**(21,940)**	
Manulife Financial Corporation - July 2007 @ $40	(292)	(11,826)	**(7,728)**	
Northern Trust Corp. - July 2007 @ $65	(500)	(48,970)	**(31,509)**	
Royal Bank of Canada - July 2007 @ $58	(215)	(11,072)	**(10,461)**	
The Bank of Nova Scotia - July 2007 @ $53	(228)	(9,804)	**(4,481)**	
The Hartford Financial Services Group, Inc. - July 2007 @ $100	(420)	(67,777)	**(47,316)**	
The Toronto-Dominion Bank - July 2007 @ $76	(202)	(10,605)	**(1,002)**	
Total Written Covered Call Options		**(755,150)**	**(320,396)**	(0.1)%
TOTAL OPTIONS		**$ 1, 215,960**	**$ 1,543,837**	**0.5%**
Adjustment for transaction fees		**(136,418)**		
TOTAL INVESTMENTS		**$ 313,189,532**	**$ 301,514,062**	**100.0%**

Notes to Financial Statements

June 30, 2007

1. Basis of Presentation

The interim financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting standards ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2006.

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, 2006, with the exception of CICA handbook section 3855 which was adopted beginning January 1, 2007, as discussed below in Note 2.

2. New Accounting Standards

The Canadian Institute of Chartered Accountants issued new accounting standards relating to Financial Instruments which became effective for the Fund from January 1, 2007. The new standards require that the fair value of securities which are traded in active markets be measured based on bid price and transaction fees, such as brokerage commissions, incurred in the purchase or sale of securities by the Fund be charged to net income in the period incurred. These new standards have been adopted prospectively with no restatement of prior periods' comparative amounts.

As a result of the adoption of these new standards, the Fund recorded a transition adjustment to the opening deficit and net assets in the amount of $302,804 which is reflected in the Statement of Operations and Deficit and of Changes in Net Assets, respectively. This transition adjustment represents the adjustment to fair value of investments from the closing sale price to the closing bid price as of December 31, 2006.

For financial reporting purposes, the investments have been valued using closing bid prices, and transaction fees have been expensed as incurred and presented as a separate line item in the Statement of Operations and Deficit for the period ended June 30, 2007. Prior to adoption of CICA handbook section 3855, transaction fees were capitalized and included in the cost of purchases or proceeds from sale of investments. There is no impact on net assets or results of operations as a result of this change in accounting policy for the transaction fees.

Notes to Financial Statements

June 30, 2007

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.

3. Net Asset Value and Net Assets

For financial statement reporting purposes, the Fund applies Canadian generally accepted accounting principles requiring the Fund to value its securities using bid price. However, pursuant to a temporary exemption provided by the Canadian securities regulatory authorities, the Fund can calculate its net asset value using last sale price.

The difference between the net asset value and the net assets reflected in the financial statements is as follows:

	June 30, 2007
Net Asset Value (for pricing purposes)	$ 22.17
Difference	(0.01)
Net Assets (for financial statement purposes)	$ 22.16

4. Comparative Figures

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

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 *60 Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill Premium *Global Telecom Fund*
Mulvihill *S Split 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*

Head Office

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

Tel: 416 681-3966
1 800 725-7172
Fax: 416 681-3901
e-mail: hybrid@mulvihill.com

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

Mulvihill

www.mulvihill.com

Mulvihill Structured Products
Investor Relations
121 King St. W., Suite 2600
Toronto, Ontario
M5H 3T9

Tel: 416 681-3966
1 800 725-7172
Fax: 416 681-3901
e-mail: hybrid@mulvihill.com

Mulvihill Capital Management Inc.

Please contact your broker directly for address changes.