



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2004

Mulvihill Summit *Digital World Fund*

Digital World Trust

Mulvihill Summit *Digital World Fund*

Message to Unitholders

As of June 30, 2004, the net assets of the Fund were \$22.5 million, or \$3.86 per unit, down from \$4.06 per unit, at the end of 2003. The Fund's units, listed on the Toronto Stock Exchange as DWT.UN, closed on June 30 at \$3.73, compared to the closing price of \$3.90 at the end of 2003.

Unitholders received distributions of \$0.20 per unit during the first half of the year, consisting of two quarterly payments of \$0.10 each. The Fund has sufficient capital loss carryforward amounts to shelter realized gains in the current period and provide capital loss carryforwards for future periods. As a result, distributions in the current period were non-taxable and will reduce each unitholders cost base.

After a year of strong recovery in 2003, the information technology sector lost some of its momentum in the U.S., and has trailed the broad market indices through the first half of this year. There has been a gradual slowing of the industry's earnings growth rate, but strong capital spending and software licensing activity provide positive signs that the overall recovery trend will continue. Reports of increases in inventory raise some concerns about earnings improvements in the near term.

The Fund is maintaining its diversified portfolio of hardware and software company stocks, as well as certain e-commerce enterprises, primarily in the United States. Some of the Fund's foreign currency exposure is still being hedged, as the U.S. dollar continues to show intermittent signs of weakness. A prudent level of cash is also being retained for defensive purposes.

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

August 2004

Management's Responsibility for Financial Reporting

This report has been prepared in accordance with the Accounting Standards Board guidelines.

The accompanying financial statements of Digital World Trust (operating as Mulvihill Summit Digital World Fund) (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Mulvihill Capital Management Inc., (the "Manager"), and have been approved by the Board of Advisors (the "Board").

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this 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.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safeguarded and that accounting systems provide timely, accurate and reliable financial information.

The Board meets periodically with management and external auditors to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the external auditors' report. Deloitte & Touche LLP has full and unrestricted access to the Board.



John P. Mulvihill
President
Mulvihill Capital Management Inc.



David N. Middleton
CFO
Mulvihill Capital Management Inc.

August 2004

Mulvihill Summit *Digital World Fund*

Financial Statements

Interim Statements of Net Assets

June 30, 2004 (Unaudited) and December 31, 2003 (Audited)

	2004	2003
ASSETS		
Investments at market value (average cost - \$24,793,707; 2003 - \$32,673,539)	\$ 14,380,608	\$ 19,174,781
Short-term investments (average cost - \$8,213,346; 2003 - \$8,083,549)	8,062,442	7,995,406
Cash	195,786	20,162
Interest receivable	6,694	9,798
Dividends receivable	12,512	7,248
Due from brokers	31,653	21,906
TOTAL ASSETS	22,689,695	27,229,301
LIABILITIES		
Redemptions payable	56,307	2,931,652
Due to brokers	53,406	68,344
Accrued liabilities	35,826	40,578
TOTAL LIABILITIES	145,539	3,040,574
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 22,544,156	\$ 24,188,727
Number of Units Outstanding	5,842,277	5,962,815
Net Asset Value per Unit	\$ 3.8588	\$ 4.0566

Mulvihill Summit *Digital World Fund*

Financial Statements

Interim Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2004	2003
REVENUE		
Dividends	\$ 81,099	\$ 90,349
Interest, net of foreign exchange	241,460	(199,226)
Withholding taxes	(13,619)	(13,225)
TOTAL REVENUE	308,940	(122,102)
EXPENSES		
Management fees	141,403	156,604
Custodian and other expenses	72,213	81,742
Goods and services tax	14,708	16,220
TOTAL EXPENSES	228,324	254,566
Net Investment Income (Loss)	80,616	(376,668)
Loss on sale of investments and options	(3,103,211)	(3,315,928)
Change in unrealized appreciation/ depreciation of investments, options and foreign currency	3,023,129	5,309,406
Net Gain (Loss) on Investments	(80,082)	1,993,478
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ 534	\$ 1,616,810
Net Investment Income (Loss) per Unit	\$ 0.0136	\$ (0.0523)
Net Gain (Loss) on Investment per Unit	(0.0135)	0.2770
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 5,920,870; 2003 - 7,197,017)	\$ 0.0001	\$ 0.2247

Mulvihill Summit *Digital World Fund*

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2004	2003
NET ASSETS, BEGINNING OF PERIOD	\$ 24,188,727	\$ 27,206,210
Total Results from Financial Operations	534	1,616,810
Unit Transactions		
Amount paid for units redeemed	(467,456)	(1,125,889)
Distributions to Unitholders		
Non-taxable distribution	(1,177,649)	(1,413,271)
Changes in Net Assets during the Period	\$ (1,644,571)	\$ (922,350)
NET ASSETS, END OF PERIOD	\$ 22,544,156	\$ 26,283,860
Net Asset Value per Unit	\$ 3.8588	\$ 3.7835
Distribution per Unit		
Non-taxable distribution	\$ 0.2000	\$ 0.2000

Statement of Investments

June 30, 2004 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS			
Treasury Bills			
Government of Canada, USD			
- September 17, 2004	300,000	\$ 407,852	\$ 400,902
Discount Commercial Paper			
Export Development Corporation, USD			
- July 26, 2004	1,300,000	1,768,740	1,740,240
Export Development Corporation, USD			
- August 3, 2004	400,000	536,784	535,668
Export Development Corporation, USD			
- August 26, 2004	2,400,000	3,287,633	3,209,017
Province of British Columbia, USD			
- July 8, 2004	25,000	33,859	33,449
Province of Ontario, USD			
- July 13, 2004	1,600,000	2,178,478	2,143,166
Total Discount Commercial Paper		7,805,494	7,661,540
		8,213,346	8,062,442
Accrued Interest			6,694
TOTAL SHORT-TERM INVESTMENTS		\$ 8,213,346	\$ 8,069,136

Financial Statements

Statement of Investments

June 30, 2004 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS			
Canadian Common Shares			
Telecommunication Equipment Suppliers			
Celestica Inc.	10,000	\$ 918,025	\$ 266,900
Total Canadian Common Shares		\$ 918,025	\$ 266,900
United States Common Shares			
Cable & Wireless			
Nextel Communications, Inc., Class A	16,000	\$ 587,928	\$ 571,911
Enabling Hardware and Software			
Hewlett-Packard Company	30,000	2,615,045	848,696
IBM Corporation	5,000	623,405	590,937
Intel Corporation	60,000	2,966,050	2,220,286
Microsoft Corporation	25,000	988,306	957,297
Texas Instruments Inc.	50,000	5,162,811	1,620,969
Total Enabling Hardware and Software		12,355,617	6,238,185
Related Digital Commerce, Services and Products			
First Data Corp.	10,000	604,333	596,903
General Electric Company	20,000	1,097,495	868,807
The Charles Schwab Corporation	60,000	1,210,833	773,078
Total Related Digital Commerce, Services and Products		2,912,661	2,238,788
Telecommunication Equipment Suppliers			
Avaya Inc.	15,000	347,330	317,557
Cisco Systems Inc.	50,000	2,652,445	1,588,791
Telecommunication Equipment Suppliers		2,999,775	1,906,348
Total United States Common Shares		\$ 18,855,981	\$ 10,955,232
Non-North American Common Shares			
Cable & Wireless			
Vodafone Group ADR	10,000	\$ 348,218	\$ 296,306
Telecommunication Equipment Suppliers			
Alcatel ADR	15,000	327,317	311,524
Nokia Corp. ADR	50,000	1,845,114	974,727
Total Telecommunication Equipment Suppliers		2,172,431	1,286,251
Telecommunication Services			
BT Group PLC ADR	20,000	1,094,980	981,431
China Mobile HK Ltd. SP ADR	20,000	460,512	406,516
Deutsche Telekom AG ADR	10,000	1,213,503	237,447
Total Telecommunication Services		2,768,995	1,625,394
Total Non-North American Common Shares		\$ 5,289,644	\$ 3,207,951

Mulvihill Summit *Digital World Fund*

Financial Statements

Statement of Investments

June 30, 2004 (Unaudited)

			Market Value
INVESTMENTS (continued)			
Forward Exchange Contracts			
Sold USD \$987,000, Bought CAD \$1,294,324 @ 0.762560 - July 7, 2004		\$	(29,193)
Sold USD \$994,000, Bought CAD \$1,338,126 @ 0.742830 - July 14, 2004			5,043
Sold USD \$347,000, Bought CAD \$471,621 @ 0.735760 - July 21, 2004			6,180
Sold USD \$719,000, Bought CAD \$991,287 @ 0.725320 - July 21, 2004			26,872
Sold USD \$647,000, Bought CAD \$888,395 @ 0.728280 - August 4, 2004			20,346
Sold USD \$781,000, Bought CAD \$1,078,521 @ 0.724140 - August 18, 2004			30,508
Sold USD \$1,473,000, Bought CAD \$2,009,495 @ 0.733020 - September 2, 2004			32,553
Sold USD \$839,000, Bought CAD \$1,145,189 @ 0.732630 - September 15, 2004			18,984
Total Forward Exchange Contracts		\$	111,293
	Number of Contracts	Proceeds	Market Value
OPTIONS			
Written Cash Covered Put Options (100 shares per contract)			
SAP AG ADR - July 2004 @ \$39	(100)	\$ (13,359)	\$ (3,742)
Written Covered Call Options (100 shares per contract)			
Alcatel ADR - July 2004 @ \$14	(150)	(6,818)	(16,974)
Avaya Inc. - July 2004 @ \$16	(150)	(12,494)	(8,674)
BT Group PLC ADR - July 2004 @ \$36	(200)	(18,318)	(17,272)
China Mobile HK Ltd. SP ADR - July 2004 @ \$15	(200)	(13,265)	(10,230)
Cisco Systems Inc. - July 2004 @ \$24	(500)	(31,653)	(23,957)
General Electric Company - July 2004 @ \$33	(200)	(12,115)	(3,445)
IBM Corporation - July 2004 @ \$92	(50)	(6,955)	(59)
Intel Corporation - July 2004 @ \$29	(400)	(35,236)	(3,353)
Microsoft Corporation - July 2004 @ \$29	(125)	(6,820)	(5,693)
Nextel Communications, Inc., Class A - July 2004 @ \$24	(160)	(14,788)	(43,797)
Nokia Corp. ADR - July 15, 2004 @ \$15	(500)	(37,001)	(13,108)
The Charles Schwab Corporation - July 2004 @ \$10	(300)	(10,293)	(1,997)
Texas Instruments Inc. - July 2004 @ \$25	(500)	(48,557)	(8,441)
Vodafone Group ADR - July 2004 @ \$24	(50)	(2,271)	(26)
Total Written Covered Call Options		(256,584)	(157,026)
TOTAL OPTIONS		\$ (269,943)	\$ (160,768)
TOTAL INVESTMENTS		\$ 24,793,707	\$ 14,380,608

Mulvihill Summit *Digital World Fund*

Notes to Financial Statements

June 30, 2004

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, 2003.

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, 2003.

2. Normal Course Issuer Bid

The Toronto Stock Exchange recently accepted a normal course issuer bid filed by the Fund. Under the terms of the normal course issuer bid, the Fund proposes to purchase, if considered advisable, up to a maximum of 588,701 units, 10% of its public float as determined in accordance with the rules of the Exchange. The purchases would be made in the open market through facilities of the Exchange. The normal course issuer bid will remain in effect until the earlier of April 27, 2005 or until the Fund has purchased the maximum number of units permitted under the bid. As at June 30, 2004, no units have been purchased by the Fund.

Unitholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Mulvihill Investors Services at the address below (on next page).

3. Management Expense Ratio

The management expense ratio is the ratio of all fees and expenses charged to the Fund to average net assets. The following are the management expense ratios for the years ended December 31:

	2003	2002	2001	2000*
Management expense ratio	1.76%	1.65%	1.61%	1.50%**

* For the period from inception on February 23, 2000 to December 31, 2000.

** Annualized

Mulvihill Summit *Digital World Fund*

Notes to Financial Statements

June 30, 2004

4. Generally Accepted Accounting Principles

The Canadian Institute of Chartered Accountants ("CICA") issued Section 1100, "Generally Accepted Accounting Principles ("GAAP")" of the *CICA Handbook - Accounting*, which establishes standards for financial reporting. Section 1100 applies to all entities, with the exception of rate-regulated operations, for fiscal years beginning on or after October 1, 2003. As a result, certain disclosures previously considered GAAP by virtue of general use in the investment funds industry, are no longer considered GAAP. This section primarily impacts the disclosure of an investment fund's financial statements, and accordingly, has no impact on the valuation of a fund or in the calculation of the net asset value per unit of a fund. The Funds, in conjunction with other investment industry funds, continue to assess the impact of Section 1100 on their financial statements.

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Summit Digital World Fund for the period ended June 30, 2004 may be obtained without charge by writing to the Fund at 121 King St. W., Suite 2600, Toronto ON M5H 3T9.

Mulvihill Hybrid Income Funds

Hybrid Income Funds

Managed by Mulvihill Structured Products

Mulvihill Platinum

Mulvihill Pro-AMS *U.S. Fund*
Mulvihill Pro-AMS *RSP 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 Premium *Canadian Fund*
Mulvihill Premium *U.S. Fund*
Mulvihill Premium *Oil & Gas 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 *World Financial Split Fund*

Mulvihill Summit

Mulvihill Summit *Digital World Fund*

Mutual Funds Managed by Mulvihill Capital Management

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*

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Mulvihill

www.mulvihill.com

Mulvihill Structured Products

Investor Relations

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