



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2005

Mulvihill Summit *Digital World Fund*

Digital World Trust

Mulvihill Summit *Digital World Fund*

Message to Unitholders

As of June 30, 2005, the net assets of the Fund were \$15.0 million, or \$3.09 per unit, compared to net assets of \$17.7 million, or \$3.48 per unit, at the end of 2004. The Fund's units, listed on the Toronto Stock Exchange as DWT.UN, closed on June 30 at \$2.98, compared to the closing price of \$3.24 at the end of last year.

Unitholders received distributions of \$0.20 per unit during the six-month period, 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.

The S&P 500 Information Technology Index continued its long decline through the first quarter of the year and into the second, before reversing itself to regain some lost ground. Despite the rebound, however, at the end of June the sector was still down 3.68 percent in Canadian dollar terms. To cope with this situation, the Fund had written options on most of its positions to generate income and cushion the impact of the continuing decline and a portion of the U.S. dollar exposure continues to be hedged against fluctuations in the exchange rate for Canadian dollars. A prudent level of cash is also being maintained for additional defensive purposes.

On August 2, 2005 unitholders approved a proposal to reposition the Fund. The aim of the proposal was to re-establish the Fund on a sustainable basis with a new portfolio, and also increase the assets of the Fund in order to take advantage of significant tax losses. With the changes to the Fund, management believes the Fund could increase net asset value and utilize these losses for the benefit of unitholders.

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

August 2005

Management's Responsibility for Financial Reporting

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 Fund Services 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
Director
Mulvihill Fund Services Inc.



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

August 2005

Mulvihill Summit *Digital World Fund*

Financial Statements

Interim Statements of Net Assets

June 30, 2005 (Unaudited) and December 31, 2004 (Audited)

	2005	2004
ASSETS		
Investments at market value (cost - \$10,334,719; 2004 - \$11,825,265)	\$ 9,336,075	\$ 10,976,009
Short-term investments (cost - \$5,409,740; 2004 - \$7,176,025)	5,326,617	7,055,811
Cash	12,704	89,394
Dividends receivable	7,361	11,052
Interest receivable	19,949	14,540
Due from brokers	1,184,595	3,540,177
TOTAL ASSETS	15,887,301	21,686,983
LIABILITIES		
Due to brokers	860,402	1,355,490
Accrued liabilities	33,803	31,921
Redemptions payable	592	2,580,059
TOTAL LIABILITIES	894,797	3,967,470
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 14,992,504	\$ 17,719,513
Number of Units Outstanding	4,858,670	5,098,619
Net Asset Value per Unit	\$ 3.0857	\$ 3.4754

Financial Statements

Interim Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2005	2004
REVENUE		
Dividends	\$ 61,944	\$ 81,099
Interest, net of foreign exchange	149,155	241,460
Withholding taxes	(8,433)	(13,619)
TOTAL REVENUE	202,666	308,940
EXPENSES		
Management fees	96,427	141,403
Custodian and other expenses	85,883	72,213
Goods and services tax	12,216	14,708
TOTAL EXPENSES	194,526	228,324
Net Investment Income	8,140	80,616
Loss on sale of investments	(882,535)	(3,103,211)
Change in unrealized depreciation of investments	(110,523)	3,023,129
Net Loss on Investments	(993,058)	(80,082)
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ (984,918)	\$ 534
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 5,040,389; 2004 - 5,920,870)	\$ (0.1954)	\$ 0.0001

Mulvihill Summit *Digital World Fund*

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2005	2004
NET ASSETS, BEGINNING OF PERIOD	\$ 17,719,513	\$ 24,188,727
Total Results from Financial Operations	(984,918)	534
Unit Transactions		
Amount paid for units redeemed	(758,323)	(467,456)
Distributions to Unitholders		
Non-taxable distributions	(983,768)	(1,177,649)
Changes in Net Assets during the Period	(2,727,009)	(1,644,571)
NET ASSETS, END OF PERIOD	\$ 14,992,504	\$ 22,544,156
Net Asset Value per Unit	\$ 3.0857	\$ 3.8588
Distribution per Unit		
Non-taxable distributions	\$ 0.2000	\$ 0.2000

Interim Statements of Loss on Sale of Investments

For the six months ended June 30 (Unaudited)

	2005	2004
Proceeds from Sale of Investments	\$ 5,290,671	\$ 7,348,782
Cost of Investments Sold		
Cost of investments, beginning of period	11,825,265	32,673,539
Cost of investments purchased	4,682,660	2,572,161
	16,507,925	35,245,700
Cost of Investments, End of Period	(10,334,719)	(24,793,707)
	6,173,206	10,451,993
LOSS ON SALE OF INVESTMENTS	\$ (882,535)	\$ (3,103,211)

Financial Statements

Statement of Investments

June 30, 2005 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS			
Treasury Bills			
Government of Canada - September 22, 2005	120,000	\$ 119,172	\$ 119,172
Discount Commercial Paper			
Business Development Corporation, USD - September 20, 2005	425,000	522,471	516,110
Canadian Wheat Board, USD - August 4, 2005	20,000	24,947	24,363
Canadian Wheat Board, USD - August 10, 2005	105,000	130,864	128,002
Export Development Corporation, USD - July 25, 2005	1,920,000	2,371,692	2,333,830
Export Development Corporation, USD - August 30, 2005	500,000	624,403	607,250
Export Development Corporation, USD - September 8, 2005	425,000	519,484	517,161
Export Development Corporation, USD - September 9, 2005	700,000	863,477	850,321
Province of British Columbia, USD - August 8, 2005	190,000	233,230	230,408
Total Discount Commercial Paper		5,290,568	5,207,445
		5,409,740	5,326,617
Accrued Interest			19,949
TOTAL SHORT-TERM INVESTMENTS		\$ 5,409,740	\$ 5,346,566

INVESTMENTS

Canadian Common Shares

Telecommunication Equipment Suppliers

Nortel Networks Corporation	60,000	\$ 215,630	\$ 191,400
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Total Canadian Common Shares		\$ 215,630	\$ 191,400
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United States Common Shares

Cable & Wireless

Nextel Communications, Inc., Class A	16,000	\$ 587,928	\$ 633,172
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Enabling Hardware and Software

Adobe Systems Incorporated	15,000	573,391	525,807
Apple Computer, Inc.	7,000	331,435	315,594
Dell Inc.	11,000	566,111	532,310
Hewlett-Packard Company	15,000	443,098	431,926
Intel Corporation	20,000	625,647	638,366
Microsoft Corporation	17,500	691,814	532,420
Oracle Corporation	25,000	376,070	404,184
Symantec Corporation	10,000	316,656	266,271

Total Enabling Hardware and Software		3,924,222	3,646,878
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Mulvihill Summit Digital World Fund

Financial Statements

Statement of Investments (continued)

June 30, 2005 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS (continued)			
United States Common Shares (continued)			
Related Digital Commerce			
The Charles Schwab Corporation	40,000	807,222	552,630
Telecommunication Equipment Suppliers			
Avaya Inc.	25,000	556,409	254,758
Cisco Systems Inc.	32,000	756,458	748,990
Motorola Inc.	20,000	429,033	447,297
Total Telecommunication Equipment Suppliers		1,741,900	1,451,045
Telecommunication Services			
Sprint Corporation	10,000	289,006	307,302
Total United States Common Shares		\$ 7,350,278	\$ 6,591,027
Non-North American Common Shares			
Cable & Wireless			
Vodafone Group ADR	15,000	515,389	446,807
Telecommunication Equipment Suppliers			
Alcatel ADR	30,000	622,009	400,877
Nokia Corp. ADR	20,000	420,207	407,613
Telefonaktiebolaget LM Ericsson ADR	11,000	432,996	430,456
Total Telecommunication Equipment Suppliers		1,475,212	1,238,946
Telecommunication Services			
China Mobile HK Ltd. SP ADR	25,000	559,340	569,226
Deutsche Telekom AG ADR	15,000	390,973	338,412
Total Telecommunication Services		950,313	907,638
Total Non-North American Common Shares		\$ 2,940,914	\$ 2,593,391
Forward Exchange Contracts			
Sold USD \$499,000, Bought CAD \$622,187 @ 0.802010 - July 6, 2005			\$ 11,094
Sold USD \$343,000, Bought CAD \$425,284 @ 0.806520 - July 13, 2005			5,301
Sold USD \$454,000, Bought CAD \$573,558 @ 0.791550 - July 20, 2005			17,751
Sold USD \$1,196,000, Bought CAD \$1,504,478 @ 0.794960 - July 27, 2005			40,514
Sold USD \$381,000, Bought CAD \$474,725 @ 0.802570 - August 10, 2005			8,528
Sold USD \$104,000, Bought CAD \$129,490 @ 0.803150 - August 10, 2005			2,234
Sold USD \$647,000, Bought CAD \$805,668 @ 0.803060 - August 17, 2005			14,134
Sold USD \$793,000, Bought CAD \$978,167 @ 0.810700 - September 1, 2005			8,409
Sold USD \$1,433,000, Bought CAD \$1,750,956 @ 0.818410 - September 14, 2005			(856)
Total Forward Exchange Contracts			\$ 107,109

Financial Statements

Statement of Investments (continued)

June 30, 2005 (Unaudited)

	Number of Contracts	Proceeds	Market Value
INVESTMENTS (continued)			
OPTIONS			
Written Covered Call Options (100 shares per contract)			
Alcatel ADR - July 2005 @ \$11	(150)	\$ (6,772)	\$ (1,842)
Apple Computer, Inc. - July 2005 @ \$38	(70)	(19,229)	(6,708)
China Mobile HK Ltd. SP ADR August 2005 @ \$19	(125)	(7,632)	(6,969)
Cisco Systems Inc. - July 2005 @ \$18	(160)	(13,265)	(14,265)
Dell Inc. - July 2005 @ \$41	(110)	(5,030)	(459)
Deutsche Telekom AG ADR - July 2005 @ \$18	(75)	(1,634)	(1,536)
General Electric Company - July 2005 @ \$36	(200)	(17,809)	(41,942)
Hewlett-Packard Company - July 2005 @ \$24	(150)	(8,555)	(5,933)
Intel Corporation - July 2005 @ \$27	(200)	(12,459)	(1,081)
Motorola Inc. - July 2005 @ \$19	(200)	(10,309)	(4,534)
Nextel Communications, Inc., Class A - July 2005 @ \$31	(160)	(10,164)	(26,405)
Nokia Corp. ADR - July 2005 @ \$17	(200)	(9,483)	(3,009)
Nortel Networks Corporation - July 2005 @ \$4	(600)	(10,800)	(1,760)
Oracle Corporation - July 2005 @ \$13	(250)	(7,184)	(12,740)
Sprint Corporation - July 2005 @ \$25	(100)	(3,362)	(4,731)
Telefonaktiebolaget LM Ericsson ADR - July 2005 @ \$32	(110)	(9,124)	(5,110)
The Charles Schwab Corporation - July 2005 @ \$11	(400)	(19,292)	(7,828)
Total Written Covered Call Options		(172,103)	(146,852)
TOTAL OPTIONS		\$ (172,103)	\$ (146,852)
TOTAL INVESTMENTS		\$10,334,719	\$ 9,336,075

Mulvihill Summit *Digital World Fund*

Notes to Financial Statements

June 30, 2005

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, 2004.

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, 2004.

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 489,360 units, 10 percent 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, 2006 or until the Fund has purchased the maximum number of units permitted under the bid. As at June 30, 2005, 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: 121 King St. W., Suite 2600, Toronto, Ontario, M5H 3T9.

3. Special Resolution

On August 2, 2005, unitholders of the Fund approved a proposal to:

- (i) amend the investment strategy and investment restrictions of the Fund. The Fund will invest exclusively in the six largest Canadian banks and the four largest Canadian life insurance companies by market capitalization;
- (ii) amend the investment objectives of the Fund. The Fund’s new investment objectives will be to provide unitholders with a stable stream of quarterly cash distributions targeted to be 7.5 percent per annum on the net asset value of the Fund and

to return the net asset value per unit as of the date the Special Resolution is adopted upon termination of the Fund on December 31, 2010;

- (iii) extend the termination date of the Fund to December 31, 2010 from December 31, 2009;
- (iv) consolidate the remaining units of the Fund immediately following the effective date of the Special Resolution on a 5 to 1 basis;
- (v) add a one-time redemption right to permit unitholders to redeem their units at 100 percent of net asset value for the August 31, 2005 redemption;
- (vi) permit the Fund to issue additional units on a non-dilutive basis and provide for the payment of an annual service fee of 0.30 percent of net asset value if the Fund completes a public offering of additional units after the Special Resolution has been approved.

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, 2005 may be obtained without charge by writing to the Fund at 121 King St. W., Suite 2600, Toronto, Ontario, M5H 3T9.

Mulvihill Summit *Digital World Fund*

Notes

Mulvihill Summit *Digital World Fund*

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 Global *Equity Fund*

Premium *Global Income Fund*

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Mulvihill Structured Products

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