



Hybrid Income Funds



Annual Report 2004

Mulvihill Pro-AMS U.S. Fund

Pro-AMS U.S. Trust



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Message to Unitholders

Equity markets continued the positive performance they established in 2003, outperforming both bonds and cash instruments through 2004. In U.S. dollars, the S&P 500 Index recorded a 10.9 percent return for the year, while the NASDAQ advanced by 9.2 percent. However, the declining value of the U.S. dollar during the year reduced these gains to 2.8 and 1.2 percent respectively in Canadian currency. The S&P/TSX Composite Index rose by 14.5 percent.

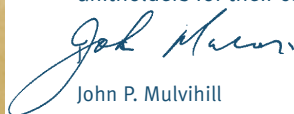
Rising commodity prices and the prospect of higher interest rates depressed markets somewhat during the first half of the year, causing them to hit lows in August. However, conditions improved in the second half as interest rates remained low and oil prices eased down from their peak of US\$56 a barrel, allowing markets in both Canada and the U.S. to rebound strongly. The Canadian economy has performed well despite the rising U.S. dollar, though it is now showing some signs of deceleration.

Huge federal budget and current account deficits are continuing to undermine the foreign exchange value of U.S. currency, making commodities priced in U.S. dollars progressively cheaper in other world markets, such as Japan and Europe. China and India are now major influences on global commodity demand, and pressure is growing for China to revalue its currency, which is now pegged to the declining U.S. dollar.

Energy stocks were the strongest performers in both Canadian and U.S. equity markets, but there were major differences between the two countries in other sectors. In the U.S., utilities, telecommunications and industrial stocks were the next best performers, while in Canada, the leading sectors after energy were financial services, telecommunications and information technology. Health care was the weakest sector in both countries. Volatility declined to an eight year low throughout the year, but remained sufficient to maintain option-writing programs.

Looking ahead, moderate economic growth and continuing low inflation should maintain a positive environment for equities through 2005. Corporate profits will continue to improve, but not by as large a margin as they did in 2004. The Canadian economy will benefit from the strong U.S. recovery, but the relative strength of the Canadian dollar will have a dampening effect in some sectors. Since the positive expectations of investors are already reflected in many stock prices, equity markets are unlikely to make gains in 2005 as large as those of last year. Bond yields will likely head higher in the U.S., where the Federal Reserve is expected to continue gradually raising interest rates. By contrast, the Bank of Canada may have to cut rates here to help moderate the strength of the Canadian dollar.

Financial statements and a summary of the Fund's investments are included in this annual report. We would like to take this opportunity to thank each of the Fund's unitholders for their continuing support.



John P. Mulvihill

Chairman & President

Mulvihill Capital Management Inc.

Investment Objectives

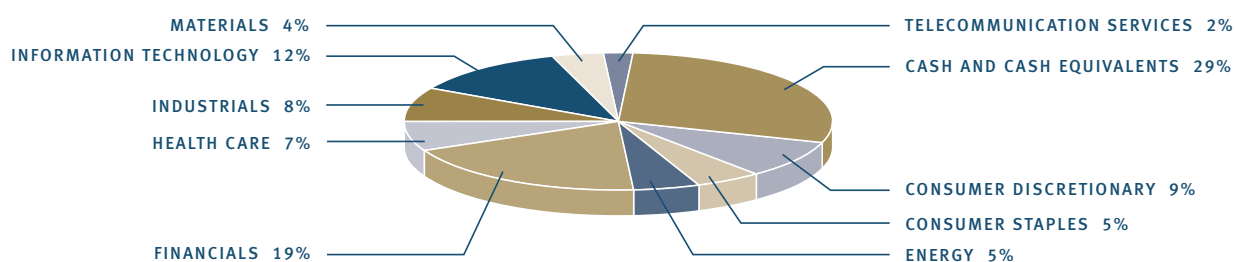
The Fund's investment objectives are to provide unitholders of the Fund with a stable stream of monthly distributions, to return at a minimum the original issue price of the units to unitholders upon termination of the Fund on January 4, 2011, and to preserve the value of the Fund's managed portfolio which will provide Unitholders with capital appreciation above the original issue price.

Investment Strategy

To provide the Fund with the means to return the original issue price on termination, the Fund has entered into a "Forward Agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Fund \$25.00 for each unit outstanding on the Termination Date in exchange for delivery of the Fund's fixed portfolio. The Fund achieves its investment objectives by investing in a diversified portfolio consisting primarily of common shares issued by corporations selected from the S&P 500 Index, with a market capitalization in excess of \$5.0 billion. To generate additional returns above the dividend income generated by the portfolio, the Fund may write covered call options in respect of all or part of the securities in the managed portfolio. From time to time, the Fund 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

December 31, 2004



Distribution History

INCEPTION DATE: OCTOBER 2000

REGULAR DISTRIBUTION

Total for 2000	\$ 0.53750
Total for 2001	2.25000
Total for 2002	1.28665
Total for 2003	0.48000
January 2004	0.04000
February 2004	0.04000
March 2004	0.04000
April 2004	0.04000
May 2004	0.04000
June 2004	0.04000
July 2004	0.04000
August 2004	0.04000
September 2004	0.04000
October 2004	0.04000
November 2004	0.04000
December 2004	0.04000
Total for 2004	0.48000
Total Distributions to Date	\$ 5.03415

For complete distribution history and income tax information, please see our website www.mulvihill.com.

Top 10 Holdings

- American Express Company
- Morgan Stanley
- Medtronic Inc.
- Exxon Mobil Corporation
- American International Group Inc.
- Viacom Inc., Class B
- Clear Channel Communications, Inc.
- Barrick Gold Corp.
- HCA Inc.
- Citigroup Inc.

Trading History

October 5, 2000 to December 31, 2004



Commentary

As of December 31, 2004, the net assets of the Fund were \$100.7 million, or \$21.58 per unit, down from net assets of \$ 209.3 million, or \$20.96 per unit, at the end of 2003. The net asset value has declined sharply while unit value has risen marginally due to the redemption of over five million units, including units redeemed under the special retraction privileges. Listed on the Toronto Stock Exchange as PAM.UN, the Fund's units closed on December 31 trading at \$20.70, compared to \$20.00 at the end of the previous year.

During the year, unitholders received monthly distributions totalling \$0.48 per unit, maintaining the Fund's objective of providing a stable income stream. Capital losses from previous years are still being carried forward, and are sufficient to shelter 2004 distributions from current taxation, as well as some future gains. These non-taxable distributions effectively reduce the investment cost base for all unitholders.

The broad market rally that began in 2003 slowed to a standstill in the first half of 2004, but then regained momentum to finish the year with all sectors showing advances except health care. The S&P 500 Index was up 10.9 percent, with most of the gain coming in the latter part of the year.

As new highs were reached in the second half, the Fund reduced its cash and overwritten positions in order to increase its investment position in the rising market. Energy stocks were the best performers, lifting that sector by more than 31 percent in the U.S., followed by an 18 percent advance in industrial stocks. The technology sector, the star performer of 2003, made only a modest overall gain, as strength in software and computers was largely offset by weakness in semiconductors and electronics. The Fund held overweight positions for most of the year in energy and financial stocks, while being underweight in health care. Option volatility declined by more than 25 percent from the previous year's level, but the downward trend is now slowing.

The managed portion of the Fund continues to be invested in a diverse portfolio of U.S. stocks, with an appropriate defensive cash position.

The following table presents the financial highlights of the Fund for the most recent five-year period.

Financial Highlights

Years ended December 31

Unaudited

(In Canadian dollars)

	2004	2003	2002	2001	2000*
DATA PER UNIT					
Net Asset Value, Beginning of Year	\$ 20.96	\$ 20.48	\$ 21.46	\$ 23.02	\$ 23.59**
INCOME (LOSS) FROM INVESTMENT OPERATIONS					
Net investment loss	(0.44)	(0.44)	(0.36)	(0.28)	(0.03)
Net gain on investments	1.54	1.40	0.67	0.97	–
Total from Investment Operations	1.10	0.96	0.31	0.69	(0.03)
DISTRIBUTIONS TO UNITHOLDERS					
From net realized gain on sale of investments	–	–	–	–	(0.54)
Non-taxable distributions	(0.48)	(0.48)	(1.29)	(2.25)	–
Total Distributions	(0.48)	(0.48)	(1.29)	(2.25)	(0.54)
Net Asset Value, End of Year	\$ 21.58	\$ 20.96	\$ 20.48	\$ 21.46	23.02
RATIOS/SUPPLEMENTAL DATA					
Total net assets, end of year (\$millions)	\$ 100.70	\$ 209.31	\$ 307.39	\$ 489.74	\$ 525.41
Average net assets (\$millions)	\$ 192.98	\$ 283.13	\$ 436.01	\$ 504.72	\$ 530.26
Management expense ratio	1.98%	2.00%	2.06%	2.10%	1.85%***
Portfolio turnover rate	17.7%	21.4%	24.0%	82.9%	11.9%
Annual rate of return	5.2%	4.7%	1.4%	3.0%	N/A

* For the period from inception on October 4, 2000 to December 31, 2000.

** Net of agent fees.

*** Annualized

Net asset value per unit 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 divided by the number of units then outstanding.

Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the year.

Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.

Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.

Management expense ratio is the ratio of all fees and expenses charged to the Fund to average net assets.

Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, divided by the average value of portfolio securities, excluding short-term investments. 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.

Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of current year distributions. Returns are not reported in the year that the Fund was established.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc., (the "Manager"), and have been reviewed 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 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 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.
February 25, 2005



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Unitholders of Mulvihill Pro-AMS U.S. Fund

We have audited the accompanying statement of investments of Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") as at December 31, 2004, the statements of net assets as at December 31, 2004 and 2003, the statements of financial operations, of changes in net assets, and of gain on sale of investments for the years then ended. These financial statements are the responsibility of the Fund'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 Fund and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, and the gain on sale of investments for years indicated above in accordance with Canadian generally accepted accounting principles.

The signature of Deloitte & Touche LLP is written in a stylized, cursive script.

Chartered Accountants
Toronto, Ontario
February 25, 2005

Statements of Net Assets

December 31, 2004 and 2003

(In Canadian dollars)

	2004	2003
ASSETS		
Investments - Fixed portfolio at market value (cost - \$43,542,755; 2003 - \$130,005,459) (Note 4)	\$ 91,185,155	\$ 213,842,613
Investments - Managed portfolio at market value (cost - \$13,873,827; 2003 - \$36,946,192)	12,363,072	34,212,691
Short-term investments - Managed portfolio (cost - \$5,147,129; 2003 - \$5,779,333)	5,041,923	5,695,585
Cash	37,459	6,708
Interest receivable	5,234	6,233
Dividends receivable	12,294	25,433
Due from brokers	61,789,375	16,345,962
TOTAL ASSETS	170,434,512	270,135,225
LIABILITIES		
Redemptions payable	64,760,596	56,507,301
Accrued management fees (Note 6)	4,690,790	3,921,909
Accrued liabilities	243,572	397,755
Futures margin payable	26,220	—
Due to brokers	12,780	—
TOTAL LIABILITIES	69,733,958	60,826,965
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 100,700,554	\$ 209,308,260
Number of Units Outstanding (Note 5)	4,666,005	9,987,144
Net Asset Value per Unit	\$ 21.5818	\$ 20.9578

On Behalf of the Manager,
Mulvihill Fund Services Inc.



John P. Mulvihill, Director



Sheila S. Szela, Director

Statements of Financial Operations

Years ended December 31, 2004 and 2003

(In Canadian dollars)

	2004	2003
REVENUE		
Dividends	\$ 333,957	\$ 449,512
Interest, net of foreign exchange	(500,315)	(782,176)
Withholding taxes	(46,194)	(65,207)
TOTAL REVENUE	(212,552)	(397,871)
EXPENSES (Note 6)		
Management fees	2,351,432	3,540,211
Forward agreement fee (Note 4)	1,035,646	1,593,351
Custodian and other expenses	255,976	264,870
Goods and services tax	181,406	265,198
TOTAL EXPENSES	3,824,460	5,663,630
Net Investment Loss	(4,037,012)	(6,061,501)
Gain on sale of investments	48,031,474	31,574,473
Change in unrealized appreciation/depreciation of investments	(35,069,267)	(15,137,991)
Net Gain on Investments	12,962,207	16,436,482
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ 8,925,195	\$ 10,374,981
Net Investment Loss per Unit	\$ (0.4445)	\$ (0.4419)
Net Gain on Investments per Unit	1.4271	1.1983
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on weighted average number of units outstanding during the year 9,083,107; 2003 - 13,716,816)	\$ 0.9826	\$ 0.7564

Statements of Changes in Net Assets

Years ended December 31, 2004 and 2003

(In Canadian dollars)

	2004	2003
NET ASSETS, BEGINNING OF YEAR	\$ 209,308,260	\$ 307,392,960
Total Results of Financial Operations	8,925,195	10,374,981
Unit Transactions		
Amount paid for units redeemed (Note 5)	(113,236,030)	(97,790,730)
Normal course issuer bid units purchased and cancelled (Note 5)	–	(4,411,234)
Gain on normal course issuer bid units purchased and cancelled (Note 5)	–	211,305
	(113,236,030)	(101,990,659)
Distributions to Unitholders (Note 7)		
Non-taxable distributions	(4,296,871)	(6,469,022)
Changes in Net Assets during the Year	(108,607,706)	(98,084,700)
NET ASSETS, END OF YEAR	\$ 100,700,554	\$ 209,308,260

Statements of Gain on Sale of Investments

Years ended December 31, 2004 and 2003

(In Canadian dollars)

	2004	2003
Proceeds from Sale of Investments	\$ 171,827,120	\$ 180,418,936
Cost of Investments Sold		
Cost of investments, beginning of year	166,951,651	289,219,203
Cost of investments purchased	14,260,577	26,576,911
	181,212,228	315,796,114
Cost of Investments, End of Year	(57,416,582)	(166,951,651)
	123,795,646	148,844,463
GAIN ON SALE OF INVESTMENTS	\$ 48,031,474	\$ 31,574,473

Statement of Investments

December 31, 2004

(In Canadian dollars)

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO				
Treasury Bills				
Government of Canada - February 24, 2005*		150,000	\$ 149,105	\$ 149,105
Government of Canada - April 7, 2005		340,000	337,555	337,555
Total Treasury Bills	9.6 %		486,660	486,660
Discount Commercial Paper				
Canadian Wheat Board, USD - February 22, 2005		225,000	269,150	268,311
Canadian Wheat Board, USD - April 18, 2005		400,000	487,155	475,412
Export Development Corporation, USD - January 21, 2005		200,000	247,191	239,206
Export Development Corporation, USD - March 17, 2005		200,000	244,385	238,259
Province of British Columbia, USD - April 12, 2005		2,200,000	2,682,421	2,615,185
Total Discount Commercial Paper	85.6 %		3,930,302	3,836,373
Term Deposit				
Royal Bank of Canada Term Deposit 2.25%, USD - January 5, 2005	14.3 %	600,000	730,167	718,890
	99.9 %		5,147,129	5,041,923
Accrued Interest	0.1 %			5,234
TOTAL SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO	100.0 %		\$ 5,147,129	\$ 5,047,157

*\$146,000 par value of this short-term debt investment has been segregated and is pledged as collateral for the futures contracts sold by the Fund.

INVESTMENTS - MANAGED PORTFOLIO

Canadian Common Shares

Materials

Barrick Gold Corp.	0.5 %	18,500	\$ 573,758	\$ 536,855
Total Canadian Common Shares	0.5 %		\$ 573,758	\$ 536,855

United States Common Shares

Consumer Discretionary

Clear Channel Communications, Inc.		14,500	\$ 819,316	\$ 581,828
Viacom Inc., Class B		13,500	707,259	588,609
Wal-Mart Stores, Inc.		5,200	410,651	329,089
Total Consumer Discretionary	1.5 %		1,937,226	1,499,526

Consumer Staples

PepsiCo Inc.		6,800	500,445	425,295
Procter & Gamble Co.		6,500	456,234	428,962
Total Consumer Staples	0.8 %		956,679	854,257

Statement of Investments

December 31, 2004

(In Canadian dollars)

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)				
United States Common Shares (continued)				
Energy				
Baker Hughes Incorporated		8,900	506,541	455,013
Exxon Mobil Corporation		11,000	667,705	675,589
Total Energy	1.1 %		1,174,246	1,130,602
Financials				
American Express Company		13,700	853,065	925,294
American International Group Inc.		8,500	829,034	668,801
Citigroup Inc.		8,700	659,045	502,224
Morgan Stanley		10,800	752,524	718,430
The Hartford Financial Services Group, Inc.		5,000	401,741	415,219
Total Financials	3.1 %		3,495,409	3,229,968
Health Care				
HCA Inc.		11,000	614,959	526,659
Medtronic Inc.		12,000	807,466	714,145
Total Health Care	1.2 %		1,422,425	1,240,804
Industrials				
General Electric Company		10,700	850,349	467,938
Honeywell International Inc.		9,800	465,832	415,780
Northrop Grumman Corp.		5,600	389,319	364,736
Tyco International Ltd.		3,400	141,309	145,595
Total Industrials	1.4 %		1,846,809	1,394,049
Information Technology				
Cisco Systems Inc.		18,000	517,843	416,237
Dell Inc.		8,000	363,639	403,920
Intel Corporation		13,300	364,715	372,728
Microsoft Corporation		13,000	515,966	416,034
Oracle Corporation		24,700	367,151	406,034
Total Information Technology	2.0 %		2,129,314	2,014,953
Materials				
Alcoa Inc.	0.1 %	3,300	141,976	124,231
Telecommunication Services				
Verizon Communications Inc.	0.3 %	6,600	323,566	320,345
Total United States Common Shares	11.5 %		\$ 13,427,650	\$ 11,808,735

Statement of Investments

December 31, 2004

(In Canadian dollars)

	% of Portfolio			Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)				
Forward Exchange Contracts				
Sold USD \$965,000, Bought CAD \$1,223,905 @ 0.788460 - January 5, 2005			\$	67,648
Sold USD \$755,000, Bought CAD \$922,047 @ 0.818830 - January 12, 2005				17,368
Sold USD \$95,000, Bought CAD \$118,703 @ 0.800320 - January 19, 2005				4,863
Sold USD \$1,615,000, Bought CAD \$1,959,951 @ 0.824000 - January 26, 2005				24,591
Sold USD \$788,000, Bought CAD \$942,629 @ 0.835960 - February 2, 2005				(1,717)
Sold USD \$1,230,000, Bought CAD \$1,478,330 @ 0.832020 - February 9, 2005				4,270
Sold USD \$1,870,000, Bought CAD \$2,210,611 @ 0.845920 - February 16, 2005				(30,467)
Sold USD \$1,157,000, Bought CAD \$1,377,217 @ 0.840100 - February 23, 2005				(9,408)
Sold USD \$930,000, Bought CAD \$1,105,038 @ 0.841600 - March 2, 2005				(9,549)
Sold USD \$663,000, Bought CAD \$815,468 @ 0.813030 - March 9, 2005				20,876
Sold USD \$1,011,000, Bought CAD \$1,243,007 @ 0.813350 - March 9, 2005				31,344
Sold USD \$54,000, Bought CAD \$66,725 @ 0.809290 - March 16, 2005				2,008
Total Forward Exchange Contracts	0.1 %		\$	121,827
	% of Portfolio	Number of Contracts	Proceeds	Market Value
OPTIONS				
Written Cash Covered Put Options (100 shares per contract)				
Verizon Communications Inc. - January 2005 @ \$41	0.0%	(34)	\$ (1,481)	\$ (1,989)
Written Covered Call Options (100 shares per contract)				
Alcoa Inc. - January 2005 @ \$32		(17)	(1,548)	(652)
American Express Company - January 2005 @ \$56		(102)	(7,757)	(2,882)
American International Group Inc. - January 2005 @ \$67		(42)	(3,892)	(2,629)
Baker Hughes Incorporated - January 2005 @ \$43		(89)	(11,075)	(3,228)
Barrick Gold Corp. - January 2005 @ \$24		(93)	(6,641)	(1,113)
Citigroup Inc. - January 2005 @ \$47		(56)	(4,129)	(11,646)
Clear Channel Communications, Inc. - January 2005 @ \$34		(73)	(6,807)	(688)
Exxon Mobil Corporation - January 2005 @ \$50		(110)	(11,238)	(2,582)
General Electric Company - January 2005 @ \$37		(53)	(3,131)	(2,194)
HCA Inc. - January 2005 @ \$42		(110)	(10,933)	(53)
Honeywell International Inc. - January 2005 @ \$37		(98)	(8,386)	(626)
Medtronic Inc. - January 2005 @ \$49		(120)	(11,607)	(18,294)
Microsoft Corporation - January 2005 @ \$27		(65)	(2,258)	(1,303)
Morgan Stanley - January 2005 @ \$53		(54)	(6,494)	(17,757)
Northrop Grumman Corp. - January 2005 @ \$57		(56)	(4,878)	(92)
PepsiCo Inc. - January 2005 @ \$53		(48)	(3,031)	(1,962)
Procter & Gamble Co. - January 2005 @ \$56		(45)	(3,548)	(1,754)
The Hartford Financial Services Group, Inc. - January 2005 @ \$66		(50)	(7,240)	(18,556)
Viacom Inc., Class B - January 2005 @ \$37		(67)	(5,218)	(6,198)
Wal-Mart Stores, Inc. - January 2005 @ \$53		(52)	(6,289)	(8,147)
Total Written Covered Call Options	(0.1)%		(126,100)	(102,356)
TOTAL OPTIONS	(0.1)%		\$ (127,581)	\$ (104,345)
TOTAL INVESTMENTS - MANAGED PORTFOLIO	12.0 %		\$ 13,873,827	\$ 12,363,072

Statement of Investments

December 31, 2004

(In Canadian dollars)

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS - FIXED PORTFOLIO				
Canadian Common Shares				
Energy				
Precision Drilling Corporation	7.4 %	101,039	\$ 5,087,313	\$ 7,630,465
Health Care				
Biovail Corporation		125,906	5,388,777	2,491,680
QLT Inc.		113,714	3,088,472	2,186,720
Total Health Care	4.5 %		8,477,249	4,678,400
Information Technology				
ATI Technologies Inc.		413,562	5,190,203	9,619,452
Celestica Inc.		127,145	11,156,974	2,148,751
Nortel Networks Corporation		333,175	4,835,939	1,386,008
Zarlink Semiconductor Inc.		175,501	5,291,355	537,033
Total Information Technology	13.2 %		26,474,471	13,691,244
Materials				
Inco Limited	5.9 %	139,313	3,503,722	6,129,772
Total Canadian Common Shares	31.0 %		\$ 43,542,775	\$ 32,129,881
Forward Agreement (Note 4)	57.0 %			59,055,274
TOTAL INVESTMENTS - FIXED PORTFOLIO	88.0 %		\$ 43,542,755	\$ 91,185,155
TOTAL INVESTMENTS	100.0 %		\$ 57,416,582	\$ 103,548,227
Short-Term Investments - Managed Portfolio				5,041,923
Futures Margin Payable (Schedule 1)				(26,220)
Other Assets Less Liabilities				(7,863,376)
NET ASSETS				\$ 100,700,554
TOTAL MANAGED PORTFOLIO			\$ 19,020,956	\$ 17,404,995
TOTAL FIXED PORTFOLIO			43,542,755	91,185,155
TOTAL INVESTMENT PORTFOLIO			\$ 62,563,711	\$ 108,590,150

SCHEDULE 1

FUTURES CONTRACTS

	Number of Contracts	Notional Average Cost	Market Value	Futures Margin Payable
Ten-Year Government of Canada Bond Futures	(69)	\$ (7,663,920)	\$ (7,739,040)	\$ (75,120)
Cash withdrawn from (held as) margin				48,900
FUTURES MARGIN PAYABLE				\$ (26,220)

1. Establishment of the Fund

Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") is an investment trust established under the laws of the Province of Ontario on September 27, 2000. The Fund began operations on October 4, 2000 and will terminate on January 4, 2011 and its assets will be distributed to unitholders unless unitholders determine to continue the Fund by a majority vote at a meeting called for such purpose.

The manager of the Fund is Mulvihill Fund Services Inc. (the "Manager") and the Fund'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 Fund.

The Fund operates under the registered name Mulvihill Pro-AMS U.S. Fund.

2. Investment Objectives of the Fund

The Fund's investment objectives are (i) to return at least the original issue price of \$25.00 per unit to the unitholders upon termination of the Fund and (ii) to provide unitholders with a stable stream of monthly distributions. To achieve the first objective, the Fund has entered into a forward purchase and sale agreement (the "Forward Agreement") pursuant to which the counterparty will pay to the Fund an amount equal to the original issue price for each unit outstanding on the termination date in exchange for the Fund delivering to the counterparty certain equity securities which it purchased with approximately 55 percent of the gross proceeds from the initial offering of units (the "Fixed Portfolio"). The balance of the net proceeds of the initial offering has been invested in a diversified portfolio (the "Managed Portfolio") consisting principally of equity securities of companies with a market capitalization in excess of U.S. \$5.0 billion selected from the S&P 500 Index.

To generate additional returns, the Fund may, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time the Fund 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 accounting principles generally accepted in Canada, which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates. The significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair market value at the end of the period, determined as follows:

Securities are valued at fair 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 average of the bid and the asked 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.

The value of a forward contract (including the Forward Agreement) shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract were to be closed out. The valuation of the Forward Agreement may be postponed for up to five business days if trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such time.

Futures contracts are valued at the gain or loss that would be realized if the positions was closed on the valuation date.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

- (i) Expiration of written options whereby realized gains are equivalent to the premium received;
- (ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and
- (iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of investments.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments. Premiums received on put options that are exercised are included in the cost of the security purchased.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

Unrealized gains or losses on open futures contracts are included in change in unrealized appreciation (depreciation) of investments. Gains or losses realized upon closure of futures contracts are included in gain (loss) on sale of investments.

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.

Foreign exchange gains (losses) on short-term investments are reflected as interest income (loss). Other foreign exchange gains (losses) are recorded as realized or unrealized gain (loss) on investments, as appropriate.

Generally Accepted Accounting Principles

The Canadian Institute of Chartered Accountants ("CICA") issued Section 1100, "Generally Accepted Accounting Principles ("GAAP")", which describes what constitutes GAAP and its sources. Since Section 1100 applies for fiscal years beginning on or after October 1, 2003, 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 presentation of financial highlights and net income per unit. These disclosures have no impact on the valuation of the Fund or in the calculation of the net asset value per unit of the Fund.

4. Forward Agreement

The Fund has entered into a Forward Agreement with Royal Bank of Canada ("RBC") pursuant to which RBC will pay the Fund an amount equal to \$25.00 for each unit outstanding on the termination date in exchange for the Fund delivering to RBC the equity securities included in the Fixed Portfolio.

Securities in the Fixed Portfolio have been pledged to RBC as security for the obligations of the Fund under the Forward Agreement. The Forward Agreement is a direct obligation of RBC, a company with a credit rating of Moody's-Aa2 and DBRS-AA (low). The Forward Agreement may be physically or cash settled at the option of the Fund. In order to permit the Fund to fund periodic redemptions of units, the Forward Agreement may be settled in whole or in part in respect of any valuation date by the Fund tendering to RBC securities of the Fixed Portfolio at a price equal to the current market value of the tendered securities and the value of the portion of the Forward Agreement attributable to such securities.

In entering into the Forward Agreement, the Fund will be exposed to the credit risk associated with the counterparty (RBC) and as well as the risk that the counterparty (RBC) will not satisfy its obligations under the Forward Agreement on a timely basis or at all. Since, depending upon the performance of the Fixed Portfolio, the mark-to-market value of the Forward Agreement may represent a significant portion of the value of the assets of the Fund, the Fund's exposure to the credit risk associated with the counterparty (RBC) is significant.

The Fund's NAV may be highly sensitive to interest rate fluctuations because the value of the Forward Agreement will fluctuate based on interest rates. In addition, any decrease in the NAV of the Fund resulting from an increase in interest rates may also negatively affect the market price of the Units. Unitholders who wish to redeem or sell their Units

prior to the Termination Date will therefore be exposed to the risk that NAV per Unit or the market price of the Units will be negatively affected by interest rate fluctuations. The remaining term to maturity of the forward agreement is 6 years.

A yearly fee of 0.465 percent (0.538 percent until October 31, 2002) is payable by the Fund on the guaranteed value of the Forward Agreement. Fees are accrued and payable every quarter.

5. Unitholders' Equity

The Fund 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 Fund.

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 Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. 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 percent of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

On April 2, 2004, the unitholders approved a special resolution to: (i) permit unitholders to switch to other Mulvihill Funds from time to time by adding further retractions rights at 100% of the net asset value per unit; and (ii) to provide the Fund the ability to use interest rate hedging strategies in order to reduce some of the impact of rising interest rates on the net asset value. Costs of the special resolution were borne by the Investment Manager

Unitholders were provided with two special retraction privileges via switches into capital of Premium Income Corp. in September 2004 and into MCM Split Share Corp. in November 2004. 1,324,546 Units valued at \$28,106,543 were switched out of the Fund under these special retraction privileges.

Following are the unit transactions for the year:

	2004	2003
Units outstanding, beginning of year	9,987,144	15,007,420
Units redeemed	(5,321,139)	(4,801,076)
Units purchased for cancellation	–	(219,200)
Units outstanding, end of year	4,666,005	9,987,144

Under the terms of the Fund's normal course issuer bid that was renewed in June 2004, the Fund proposes to purchase, if considered advisable, up to a maximum of 909,058 units (2003 - 1,331,327 units), 10 percent of its public float as determined in accordance with the rules of the Toronto Stock Exchange. Purchases would be made in the open market through the facilities of the Exchange. The normal course issuer bid will remain in effect until the earlier of June 27, 2005 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2004, no units (2003 - 219,200) 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 Investor Relations at: Mulvihill Pro-AMS U.S. Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario M5H 3T9.

Net Asset Value

Net asset value per unit 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 divided by the number of units then outstanding. The following are the net asset values of a unit at December 31 for the most recent five-years:

	2004	2003	2002	2001	2000
	\$ 21.58	\$ 20.96	\$ 20.48	\$ 21.46	\$ 23.02

On December 31, 2004 units on the TSX closed at \$20.70 (2003 - \$20.00).

6. Management Fees, Expenses and Management Expense Ratios

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and the Manager in the ordinary course of business relating to the Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund 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 percent and 1.15 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes.

The Investment Manager voluntarily agreed to defer payment of a portion its management fees. Management fees for the year were paid at an annual rate of 0.50 percent. These deferrals in the management fees represent a decrease in direct proportion to the decline in targeted distribution rates, to a minimum annual management fee rate of 0.50 percent of the Fund's net asset value. The Investment Manager may choose at anytime to require payment of its full investment management fees and all or any portion of those in arrears.

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 for the most recent five years:

	2004	2003	2002	2001	2000
	1.98%	2.00%	2.06%	2.10%	1.85%*

* Annualized

7. Distributions

The Fund endeavours to make monthly cash distributions to unitholders of net income and net realized capital gains and option premiums on the last day of each month in each year.

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

Distributions per unit paid during the year were allocated as follows:

	2004	2003
Non-taxable distributions	\$ 0.48	\$ 0.48

8. Income Taxes

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

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

No amount is payable on account of income taxes in 2004 or 2003.

Accumulated non-capital losses of approximately \$20.4 million (2003 - \$20.4 million) and capital losses of approximately \$79.4 million (2003 - \$69.8 million) are available for utilization against net investment income and realized gain on sales of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2009 and capital losses can be carried forward indefinitely.

Issue costs of approximately \$4.9 million (2003 - \$11.3 million) remain undeducted for tax purposes at year end.

9. Commission Charges

Total commissions paid in 2004 in connection with portfolio transactions were \$63,038 (2003 - \$99,751).

10. Comparative Figures

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

11. Financial Instruments and Risk Management

The Fund's financial statements consist of cash, investments and certain derivative contracts (options, forward exchange contracts, futures contracts and forward agreement).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in currency, stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Fund manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other instruments are carried at cost, which approximates fair value.

Refer to Note 4 for the interest rate and credit risks relating to the Forward Agreement.

12. Statement of Portfolio Transactions

The Fund will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Fund at 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

Mulvihill Capital Management Inc.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than \$3.3 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management — provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management — offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products — is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
For the year ended December 31, 2004			
MULVIHILL PLATINUM			
Mulvihill Pro-AMS U.S. Fund	PAM.UN	\$ 21.52	\$ 19.65
Mulvihill Pro-AMS RSP Fund	PR.UN	\$ 20.03	\$ 18.36
Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund	PRC.UN	\$ 19.93	\$ 15.56
Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund	PRU.U	\$ 18.25 USD	\$ 13.60 USD
Mulvihill Pro-AMS RSP Split Share Fund	SPL.A/SPL.B	\$ 10.03/\$ 17.49	\$ 8.98/\$ 12.00
MULVIHILL PREMIUM			
Mulvihill Premium Canadian Fund	FPI.UN	\$ 22.25	\$ 18.55
Mulvihill Premium U.S. Fund	FPU.UN	\$ 16.00	\$ 10.10
Mulvihill Premium Oil & Gas Fund	FPG.UN	\$ 10.85	\$ 9.18
Mulvihill Premium 60 Plus Fund	SIX.UN	\$ 23.00	\$ 18.35
Mulvihill Premium Global Plus Fund	GIP.UN	\$ 14.24	\$ 11.50
Mulvihill Premium Canadian Bank Fund	PIC.A/PIC.PR.A	\$ 13.75/\$ 17.12	\$ 11.23/\$ 15.65
Mulvihill Premium Split Share Fund	MUH.A/MUH.PR.A	\$ 12.30/\$ 16.75	\$ 9.15/\$ 15.43
Mulvihill Premium Global Telecom Fund	GT.A/GT.PR.A	\$ 1.90/\$ 12.60	\$ 0.32/\$ 11.00
Mulvihill World Financial Split Fund	WFS/WFS.PR.A	\$ 15.00/\$ 11.09	\$ 10.83/\$ 10.00
MULVIHILL SUMMIT			
Mulvihill Summit Digital World Fund	DWT.UN	\$ 4.20	\$ 3.08

Board of Advisors

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela
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.

Information

Auditors:

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

Transfer Agent:

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Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange
trading under PAM.UN

Trustee:

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

Visit our website at www.mulvihill.com for additional
information on all 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 Global Plus Fund
Mulvihill Premium Canadian Bank 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

Head Office:

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Contact your broker directly for address changes.





www.mulvihill.com

Mulvihill Structured Products

Investor Relations

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