



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2003

Mulvihill Pro-AMS U.S. Fund

Pro-AMS U.S. Trust



Message to Unitholders

As of June 30, 2003, the net assets of the Fund were \$275.5 million, or \$21.07 per unit after distributions of \$0.24 per unit. This represents an increase of 3% over 6 months from the Fund's net asset value of \$20.48 per unit at the end of 2002. The Fund's units, listed on the Toronto Stock Exchange as PAM.UN, closed the period trading at \$19.91.

During the six-month period, unitholders received distributions amounting to \$3.4 million, or \$0.24 per unit. The Fund has sufficient capital loss carryforward amounts to shelter realized gains in the current period and provide both non-capital and 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 gain in net asset value during the period was largely due to the increased value of the fixed portfolio as interest rates fell. Substantial gains in the U.S. based managed portfolio were offset by the large depreciation in the U.S. dollar versus the Canadian dollar and any retreat in the Canadian dollar will benefit the U.S. dollar based managed portfolio. The geopolitical uncertainties that caused markets to retest lows in March 2003 are easing, and with continued low interest rates and an improving corporate profit picture, investor confidence is returning. A strong rebound in the second quarter pushed all U.S. equity market indices to positive levels for the year to date. The sectors recording the largest gains included information technology, consumer discretionary and utilities, while consumer staples and telecommunications experienced the lowest returns. The Fund benefited from being over weighted in information technology, and under weighted in consumer staples.

U.S. economic indicators have been mixed, but are showing increasing signs of recovery. Volatility was high in the first quarter but has moderated since then, while markets have rallied. Sufficient volatility remains, however, to allow the Fund to continue generating premium income through its active option-writing programs.

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

August 2003

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Interim Statements of Net Assets

June 30, 2003 (Unaudited) and December 31, 2002 (Audited)

	2003	2002
ASSETS		
Investments at market value (average cost - \$192,760,161; 2002 - \$289,219,203)	\$ 277,191,544	\$ 385,363,090
Short-term investments (average cost - \$7,733,532; 2002 - \$15,614,962)	7,688,331	15,628,459
Cash	54,023	31,470
Interest receivable	6,836	48,914
Dividends receivable	26,974	53,176
Due from brokers	74,617	371,312
TOTAL ASSETS	285,042,325	401,496,421
LIABILITIES		
Redemptions payable	5,879,163	91,504,373
Accrued liabilities	3,650,935	2,599,088
Due to brokers	23,489	-
TOTAL LIABILITIES	9,553,587	94,103,461
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 275,488,738	\$ 307,392,960
Number of Units Outstanding	13,075,802	15,007,420
Net Asset Value per Unit	\$ 21.0686	\$ 20.4827

Financial Statements

Interim Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2003	2002
REVENUE		
Dividends	\$ 245,283	\$ 447,926
Interest, net of foreign exchange	(479,360)	179,440
Withholding tax	(35,958)	(63,549)
TOTAL REVENUE	(270,035)	563,817
EXPENSES		
Management fees	1,860,870	2,512,222
Forward Agreement fee	844,586	1,505,204
Custodian and other fees	169,904	190,577
Goods and services tax	141,689	189,196
TOTAL EXPENSES	3,017,049	4,397,199
Net Investment Loss	(3,287,084)	(3,833,382)
Gain (loss) on sale of investments and options	24,476,475	(7,844,854)
Change in unrealized appreciation of investments and foreign currency	(11,771,339)	(6,053,917)
Net Gain (Loss) on Investments	12,705,136	(13,898,771)
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ 9,418,052	\$ (17,732,153)
Net Investment Loss per Unit	\$ (0.2250)	\$ (0.1722)
Net Gain (Loss) on Investments per Unit	0.8696	(0.6242)
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 14,610,973; 2002 - 22,266,102)		
	\$ 0.6446	\$ (0.7964)

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2003	2002
NET ASSETS, BEGINNING OF PERIOD	\$ 307,392,960	\$ 489,737,346
Total Results of Financial Operations	9,418,052	(17,732,153)
Unit Transactions		
Amount paid for units redeemed	(33,966,156)	(36,920,255)
Normal course issuer bid purchase	(3,955,622)	–
	(37,921,778)	(36,920,255)
Distributions to Unitholders		
Non-taxable distribution	(3,400,496)	(20,802,421)
Changes in Net Assets during the Period	(31,904,222)	(75,454,829)
NET ASSETS, END OF PERIOD	\$ 275,488,738	\$ 414,282,517
Net Asset Value per Unit	\$ 21.0686	\$ 19.8313
Distribution per Unit		
Non-taxable distribution	\$ 0.2400	\$ 0.9167

Financial Statements

Statement of Investments

June 30, 2003 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO			
Treasury Bills			
Government of Canada - September 25, 2003	3,745,000	\$ 3,716,313	\$ 3,716,313
Government of Canada - October 23, 2003	1,295,000	1,280,431	1,280,431
Government of Canada, USD - August 5, 2003	725,000	979,314	984,183
Government of Canada, USD - September 19, 2003	400,000	539,910	542,126
Total Treasury Bills		6,515,968	6,523,053
Discount Commercial Paper			
Canadian Wheat Board, USD - August 8, 2003	125,000	173,235	169,417
Province of Ontario, USD - July 16, 2003	200,000	289,937	270,992
Province of Ontario, USD - July 22, 2003	335,000	484,992	453,869
Province of British Columbia, USD - September 3, 2003	200,000	269,400	271,000
Total Discount Commercial Paper		1,217,564	1,165,278
		7,733,532	7,688,331
Accrued Interest			6,836
TOTAL SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO		\$ 7,733,532	\$ 7,695,167

INVESTMENTS - MANAGED PORTFOLIO

Canadian Common Shares

Materials

Barrick Gold Corporation	30,000	\$ 930,418	\$ 729,649
Total Canadian Common Shares		\$ 930,418	\$ 729,649

United States Common Shares

Consumer Discretionary

Clear Channel Communications, Inc.	21,000	\$ 1,346,841	\$ 1,209,547
eBay Inc.	4,500	573,340	636,996
Staples Inc.	40,000	1,304,238	997,323
The Walt Disney Co.	46,000	1,432,815	1,234,425
Viacom Inc., Class B	12,000	685,928	711,877
Total Consumer Discretionary		5,343,162	4,790,168

Consumer Staples

CVS Corporation	26,000	1,738,865	990,231
The Coca-Cola Co.	18,000	1,349,064	1,135,073
Total Consumer Staples		3,087,929	2,125,304

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
United States Common Shares (continued)			
Energy			
Apache Corporation	14,000	1,182,339	1,237,605
Baker Hughes Incorporated	21,500	1,223,667	980,685
Total Energy		2,406,006	2,218,290
Financials			
American Express Company	22,000	1,369,886	1,249,806
American International Group Inc.	7,500	713,045	562,319
Citigroup Inc.	26,500	2,007,435	1,541,095
Merrill Lynch & Co.	22,000	1,137,821	1,395,383
Morgan Stanley	19,500	1,280,989	1,132,689
U.S. Bancorp	39,500	1,486,942	1,314,931
Total Financials		7,996,118	7,196,223
Health Care			
Amgen Inc.	14,600	1,285,379	1,308,102
Johnson & Johnson Inc.	11,000	855,744	772,722
Pfizer Inc.	26,900	1,392,855	1,248,196
Total Health Care		3,533,978	3,329,020
Industrials			
General Electric Company	32,500	2,582,837	1,266,492
Illinois Tool Works	13,000	1,370,142	1,163,159
Tyco International Ltd.	20,000	506,409	515,782
Union Pacific Corp.	8,000	759,186	630,678
Total Industrials		5,218,574	3,576,111
Information Technology			
Applied Materials Inc.	33,000	626,938	711,143
Cisco Systems Inc.	67,000	1,924,314	1,510,293
Dell Computer Corporation	29,500	1,340,920	1,281,058
EMC Corporation	98,000	1,122,527	1,394,160
Intel Corporation	47,000	2,409,196	1,327,293
Microsoft Corporation	34,000	1,349,449	1,183,119
Oracle Corporation	72,000	1,218,212	1,175,918
Total Information Technology		9,991,556	8,582,984
Materials			
Alcan Inc.	16,500	1,004,624	701,503
Telecommunication Services			
Nextel Communications, Inc., Class A	24,000	447,225	589,589
SBC Communications Inc.	23,000	966,749	798,470
Verizon Communications Inc.	12,000	761,894	643,233
Total Telecommunication Services		2,175,868	2,031,292
Total United States Common Shares		\$40,757,815	\$34,550,895

Financial Statements

Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
United States Common Shares (continued)			
Forward Exchange Contracts			
Sold USD \$3,485,000, Bought CAD \$5,072,042 @ 0.68710 - July 23, 2003			\$ 329,513
Total Forward Exchange Contracts			\$ 329,513

	Number of Contracts	Proceeds	Market Value
OPTIONS			
Written Cash Covered Put Options (100 shares per contract)			
American International Group Inc. - July 2003 @ \$57	60	\$ (12,887)	\$ (17,563)
The Procter & Gamble Company - July 2003 @ \$91	70	(14,384)	(19,352)
Total Written Cash Covered Put Options		(27,271)	(36,915)

Written Covered Call Options (100 shares per contract)			
Alcan Inc. - July 2003 @ \$33	123	(13,630)	(2,151)
American Express Company - July 2003 @ \$44	147	(21,339)	(610)
Amgen Inc. - July 2003 @ \$65	110	(29,296)	(31,001)
Apache Corporation - July 2003 @ \$64	105	(24,552)	(30,588)
Applied Materials Inc. - July 2003 @ \$16	248	(22,982)	(23,227)
Baker Hughes Incorporated - July 2003 @ \$34	143	(17,084)	(3,945)
Barrick Gold Corporation - July 2003 @ \$18	225	(15,025)	(21,074)
Cisco Systems Inc. - July 2003 @ \$18	335	(22,269)	(3,490)
Citigroup Inc. - July 2003 @ \$45	200	(23,266)	(11,350)
Clear Channel Communications, Inc. - July 2003 @ \$42	158	(31,865)	(28,532)
CVS Corporation - July 2003 @ \$28	260	(29,463)	(37,483)
Dell Computer Corporation - July 2003 @ \$32	150	(20,496)	(11,910)
eBay Inc. - July 2003 @ \$104	45	(19,195)	(19,470)
EMC Corporation - July 2003 @ \$11	490	(29,830)	(18,611)
General Electric Company - July 2003 @ \$29	163	(13,289)	(10,158)
Illinois Tool Works - July 2003 @ \$67	130	(24,276)	(11,706)
Intel Corporation - July 2003 @ \$22	235	(23,008)	(4,145)
Johnson & Johnson Inc. - July 2003 @ \$54	40	(6,826)	(558)
Johnson & Johnson Inc. - July 2003 @ \$56	70	(7,623)	(488)
Merrill Lynch & Co. - July 2003 @ \$48	165	(32,144)	(18,282)
Microsoft Corporation - July 2003 @ \$25	170	(18,608)	(16,143)

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Contracts	Proceeds	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)			
OPTIONS (continued)			
Written Covered Call Options (100 shares per contract) (continued)			
Morgan Stanley - July 2003 @ \$49	145	(29,363)	-
Nextel Communications, Inc., Class A - July 2003 @ \$18	180	(22,504)	(24,725)
Oracle Corporation - July 2003 @ \$14	360	(27,741)	(3,406)
Pfizer Inc. - July 2003 @ \$33	180	(17,781)	(29,535)
SBC Communications Inc. - July 2003 @ \$26	115	(9,361)	(692)
Staples Inc. - July 2003 @ \$20	400	(26,638)	-
The Coca-Cola Co. - July 2003 @ \$47	180	(18,670)	(6,526)
The Walt Disney Co. - July 2003 @ \$21	230	(21,912)	(4,000)
Tyco International Ltd. - July 2003 @ \$18	200	(14,467)	(18,285)
U.S. Bancorp - July 2003 @ \$25	296	(15,351)	(11,895)
Union Pacific Corp. - July 2003 @ \$62	60	(8,351)	(50)
Verizon Communications Inc. - July 2003 @ \$40	40	(3,675)	(2,579)
Viacom Inc., Class B - July 2003 @ \$45	120	(22,349)	(8,286)
Total Written Covered Call Options		(684,229)	(414,901)
TOTAL OPTIONS		\$ (711,500)	\$ (451,816)
TOTAL INVESTMENTS - MANAGED PORTFOLIO		\$40,976,733	\$35,158,241

Financial Statements

Statement of Investments (continued)

June 30, 2003 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - FIXED PORTFOLIO			
Canadian Common Shares			
Energy			
Precision Drilling Corporation	171,358	\$ 8,627,875	\$ 8,708,414
Health Care			
Biovail Corporation	213,532	9,139,170	13,439,704
QLT Inc.	192,855	5,237,942	3,293,963
Total Health Care		14,377,112	16,733,667
Information Technology			
ATI Technologies Inc.	2,936,825	36,857,154	39,353,455
Celestica Inc.	419,739	36,832,097	8,864,888
Nortel Networks Corporation	565,052	8,201,567	2,056,789
Zarlink Semiconductor Inc.	1,255,458	37,852,058	8,788,206
Total Information Technology		119,742,876	59,063,338
Materials			
Inco Limited	359,267	9,035,565	10,249,888
TOTAL INVESTMENTS - FIXED PORTFOLIO		\$151,783,428	\$94,755,307
Forward Agreement			147,277,996
TOTAL INVESTMENTS		\$192,760,161	\$277,191,544
Short-Term Investments - Managed Portfolio			7,688,331
Other Assets Less Liabilities			(9,391,137)
NET ASSETS			\$275,488,738
TOTAL MANAGED PORTFOLIO		\$ 48,710,265	\$ 42,846,572
TOTAL FIXED PORTFOLIO		151,783,428	242,033,303
TOTAL INVESTMENT PORTFOLIO		\$200,493,693	\$284,879,875

Mulvihill Pro-AMS U.S. Fund

Notes to Financial Statements

1. Basis of Presentation

The interim financial statements for Pro-AMS U.S. Trust (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, 2002.

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, 2002.

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 1,331,327 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 June 26, 2004 or until the Fund has purchased the maximum number of units permitted under the bid. The Fund has purchased 207,200 units pursuant to a normal course issuer bid during the period.

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.

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for Mulvihill Pro-AMS U.S. Fund for the period ended June 30, 2003 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 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 Pro-AMS U.S. Fund

Notes





Mulvihill

www.mulvihill.com

Mulvihill Structured Products

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