



MULVIHILL HYBRID INCOME FUNDS

Semi-Annual Report 2001

Mulvihill Premium Funds

First Premium Income Trust
First Premium U.S. Income Trust
First Premium Oil & Gas Income Trust
60^{Plus} Income Trust
Global Plus Income Trust

Mulvihill Summit Series

Digital World Trust

Mulvihill Platinum Series

Pro-AMS U.S. Trust
Pro-AMS Trust

August 2001

Most equity markets produced negative returns over the six-month period ended June 30, 2001, primarily due to the slowdown in the U.S. economy. The TSE 300 index recorded a decline of 12.7%, while the S&P/TSE 60 index slipped by 15.1%. Technology, media and telecom stocks have been the hardest hit, as global business conditions in these sectors have deteriorated sharply. This is most evident in the decline of Nortel Networks which now represents an approximate 6% weight in the TSE 300 index from its prior peak capitalization of over 30%. In the U.S., the tech-heavy NASDAQ Composite Index has recovered some of its earlier losses, but still remains 57% below the peak it reached in March of 2000.

The U.S. Federal Reserve has responded to the slowdown with dramatic interest rate cuts totalling 275 basis points. The stimulatory effect of these cuts provides grounds for optimism about a market recovery later this year. Some indications that the U.S. economy is beginning to rebound have already appeared, and consumer spending is holding up well, despite widespread layoffs in manufacturing industries. Lower interest rates, tax cuts and declining energy costs are all factors favoring a stronger second-half performance. However, the timing of a full recovery remains uncertain.

While it has been affected by the U.S. slump, the Canadian economy has retained its fundamental strength. This has prompted the Bank of Canada to make more modest interest rate cuts, totalling 125 basis points. The underlying strength of resource industries, particularly energy, has shifted investor interest to this sector. The market's base has also broadened, with more activity in the shares of small and mid-size companies. While disappointing earnings forecasts and results will continue to produce bouts of volatility, the outlook for Canadian markets later this year is generally positive.

Both Canadian and American markets are expected to remain volatile which provides the funds the ability to generate continuing distributions from its option-writing program.

Message to Unitholders

Pro-AMS Trust was launched on March 2, 2001, with an initial unit price of \$25.00. The Trust's net assets on inception were \$1.067 billion, or \$23.61 per unit. As of June 30, 2001, assets had declined to \$1.002 billion, or \$22.18 per unit. During this period, a total of \$32.46 million, or \$0.7182 per unit, was distributed to unitholders, meeting the Trust's target distribution level of 8.75 percent. Since inception, the Trust's shares have traded on the TSE at prices ranging from a high of \$25.60 to a low of \$24.59.

The managed portion of the Trust has been invested in a diverse portfolio of equities, with approximately 75 percent of the exposure in U.S. markets, and the balance in Canada. This diversification has worked well as the aggregate value of the managed portfolio has declined only a modest amount from its inception date. Most of the decline in the Trust's aggregate net asset value is attributable to the decreasing value of the Trust's forward agreement, resulting from an increase in long-term interest rates since last March.

The Trust remains well-positioned to continue providing unitholders with a steady stream of monthly distributions by pursuing an active option-writing strategy.

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

Pro-AMS Trust

Financial Statements

Interim Statement of Net Assets

June 30, 2001 (Unaudited)

	2001
Assets	
Investments at market value (average cost-\$372,243,554)	\$ 341,755,571
Short-term investments (average cost-\$99,553,232)	99,495,009
Cash	6,858,891
Interest receivable	239,360
Dividends receivable	253,773
Due from broker	1,302,099
Forward Agreement	562,228,233
	1,012,132,936
Liabilities	
Accrued liabilities	1,663,567
Due to broker	8,100,084
	9,763,651
Net Assets, Represented by Unitholders' Equity	\$1,002,369,285
Number of Units Outstanding	45,200,000
Net Asset Value per Unit	\$ 22.1763

Interim Statement of Operations

For the period from inception March 2, 2001 to June 30, 2001 (Unaudited)

	2001
Revenue	
Dividends	\$ 943,743
Interest	2,918,906
Withholding tax	(75,470)
	3,787,179
Expenses	
Management fees	5,815,637
Custodian and other fees	250,390
Goods and services tax	424,622
	6,490,649
Net Investment Loss	(2,703,470)
Gain on Sale of Investments and Options	59,457,543
Unrealized Depreciation of Investments	(88,922,148)
Net Loss on Investments	(29,464,605)
Total Results of Financial Operations	\$ (32,168,075)
Net Investment Loss per Unit	\$ (0.0598)
Net Loss on Investment per Unit	(0.6519)
Total Results of Financial Operations per Unit (based on the weighted average number of units outstanding during the period of 45,200,000)	\$ (0.7117)

Pro-AMS Trust

Financial Statements

Interim Statement of Changes in Net Assets

For the period from inception March 2, 2001 to June 30, 2001 (Unaudited)

	2001
Total Results from Financial Operations	\$ (32,168,075)
Unit Transactions	
Proceeds from units issued, net of issue costs	1,067,000,000
Distributions to Unitholders	
From net realized gain on sale of investments	(32,462,640)
Change in Net Assets During the Period	1,002,369,285
Net Assets, Beginning of Period	-
Net Assets, End of Period	\$ 1,002,369,285
Net Asset Value per Unit	\$ 22.1763
Distribution per Unit	
From net realized gain on sale of investments	\$ 0.7182

Statement of Investments

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments - Managed Portfolio			
Canadian Common Stocks			
Metals & Minerals			
Alcan Inc.	135,000	\$ 9,199,575	\$ 8,613,000
Inco Limited	165,000	4,869,431	4,323,000
		14,069,006	12,936,000
Oil & Gas			
Anderson Exploration	185,000	6,566,905	5,670,250
Precision Drilling Corporation	145,000	9,671,503	6,865,750
		16,238,408	12,536,000
Paper & Forest Products			
Abitibi-Consolidated Inc.	85,000	1,022,975	986,000
Consumer Products			
Biovail Corporation	100,000	6,552,000	6,633,000
Utilities			
BCE Inc.	220,000	8,891,525	8,954,000
Technology - Hardware			
Celestica Inc.	160,000	12,973,337	12,467,200
Nortel Networks Corporation	425,000	9,972,138	5,950,000
		22,945,475	18,417,200

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments - Managed Portfolio (continued)			
Financial Services			
Canadian Imperial Bank of Commerce	170,000	8,930,440	8,780,500
Sun Life Financial Services of Canada Inc.	200,000	7,014,200	7,262,000
The Toronto Dominion Bank	220,000	9,031,000	8,500,800
		24,975,640	24,543,300
Total Canadian Common Stocks		94,695,029	85,005,500
Foreign Common Stocks - USA			
Energy Sources			
Apache Corp.	125,000	12,234,359	9,627,204
Dynegy Inc.	130,000	10,540,046	9,173,825
		22,774,405	18,801,029
Forest Products & Paper			
International Paper Co.	115,000	6,685,761	6,230,461
Data Processing & Reproduction			
Cisco Systems	360,000	12,459,329	9,943,242
EMC Corporation	155,000	8,668,771	6,833,323
Honeywell International Inc.	85,000	4,592,221	4,513,537
IBM Corp.	38,000	6,660,981	6,516,527
Microsoft Corp.	110,000	11,124,670	12,186,238
Oracle Corporation	400,000	10,757,505	11,533,675
		54,263,477	51,526,542
Electrical & Electronics			
General Electric Co.	180,000	14,491,794	13,316,842
Electrical Components & Instruments			
Texas Instruments	140,000	6,838,867	6,692,567
Energy Equipment & Services			
Halliburton Co.	32,500	2,183,740	1,755,850
Food & Household Products			
Procter & Gamble Co.	85,000	9,041,773	8,229,884
Health & Personal Care			
Bristol-Myers Squibb Co.	120,000	11,627,089	9,524,388
Medimmune Inc.	150,000	9,555,686	10,744,529
Wellpoint Health Networks	68,000	9,179,000	9,725,195
		30,361,775	29,994,112
Broadcasting & Publishing			
AOL Time Warner Inc.	145,000	10,848,515	11,662,670

Pro-AMS Trust

Financial Statements

Statement of Investments (continued)

Junr 30, 2001 (Unaudited)

	No. of Shares	Average Cost	Market Value
Investments - Managed Portfolio (continued)			
Merchandising			
Best Buy Co. Inc.	70,000	6,786,556	6,747,807
CVS Corp.	95,000	6,682,600	5,564,998
Home Depot Inc.	135,000	10,441,231	9,536,908
Wal-Mart Stores Inc.	115,000	9,401,889	8,516,709
		33,312,276	30,366,422
Telecommunications			
Motorola Inc.	340,000	9,210,119	8,544,632
Nextel Communications Inc.	370,000	11,706,030	9,826,388
WorldCom Inc.-WorldCom Group	350,000	9,565,124	7,946,095
WorldCom Inc.-MCI Group	14,000	383,300	342,065
		30,864,573	26,659,180
Financial Services			
American Express Company	150,000	9,831,116	8,832,367
Citigroup	180,000	13,835,117	14,434,091
J.P. Morgan Chase & Co.	120,000	9,016,311	8,122,136
Merrill Lynch & Co.	140,000	14,330,410	12,588,400
		47,012,954	43,976,994
Multi-Industry			
Tyco International Ltd.	150,000	12,823,898	12,406,289
United Techs Corp.	75,000	9,369,723	8,338,392
		22,193,621	20,744,681
Total Foreign Common Stocks - USA		290,873,531	269,957,234
	Number of Contracts	Average Cost	Market Value
Options			
Written Call Options			
Alcan Inc. - July 2001 @ \$69	(1,100)	(370,700)	(23,278)
American Express Company - July 2001 @ \$41	(1,500)	(331,446)	(52,554)
Anderson Exploration Ltd. - July 2001 @ \$36	(1,550)	(207,700)	(696)
AOL Time Warner Inc. - July 2001 @ \$52	(1,300)	(342,241)	(480,599)
Apache Corp. - July 2001 @ \$62	(1,250)	(399,240)	(2,648)
BCE Inc. - July 2001 @ \$39	(2,000)	(224,000)	(411,679)
Best Buy Co. Inc - July 2001 @ \$64	(700)	(364,989)	(330,620)
Biovail Corporation - August 2001 @ \$65	(1,000)	(337,000)	(336,988)
Bristol-Myers Squibb Co. - July 2001 @ \$53	(1,200)	(220,354)	(342,430)

Pro-AMS Trust

Financial Statements

Statement of Investments (continued)

June 30, 2001 (Unaudited)

	Number of Contracts	Average Cost	Market Value
Options (continued)			
Written Call Options			
Canadian Imperial Bank of Commerce - July 2001 @ \$52	(1,700)	(232,900)	(224,479)
Celestica Intl. - July 2001 @ \$52	(1,520)	(376,746)	(1,267,567)
Cisco Systems - July 2001 @ \$23	(3,600)	(453,400)	(183,863)
Citigroup - July 2001 @ \$50	(1,800)	(464,329)	(1,120,222)
CVS Corp. - July 2001 @ \$46	(950)	(330,793)	(25,413)
Dynegy Inc. - July 2001 @ \$48	(1,300)	(291,351)	(307,096)
EMC Corporation - July 2001 @ \$35	(390)	(78,085)	(4,762)
EMC Corporation - July 2001 @ \$36	(650)	(184,438)	(4,334)
General Electric Co. - July 2001 @ \$52	(1,800)	(538,799)	(186,685)
Halliburton Co. - July 2001 @ \$39	(325)	(48,335)	(31,663)
Home Depot Inc. - July 2001 @ \$50	(1,350)	(370,987)	(6,296)
Honeywell International - August 2001 @ \$36	(850)	(441,659)	(528,279)
IBM Corp. - July 2001 @ \$115	(380)	(290,103)	(170,307)
Inco Ltd. - July 2001 @ \$26	(1,650)	(125,400)	(156,138)
International Paper Co. - July 2001 @ \$38	(1,150)	(254,045)	(26,531)
J.P. Morgan Chase & Co. - July 2001 @ \$45	(1,200)	(231,281)	(303,966)
Medimmune Inc. - July 2001 @ \$42	(1,500)	(951,068)	(1,511,350)
Merrill Lynch & Co. - July 2001 @ \$66	(1,250)	(484,888)	(74,321)
Microsoft Corp. - July 2001 @ \$71	(850)	(398,236)	(320,372)
Motorola Inc. - July 2001 @ \$16	(3,400)	(278,465)	(555,182)
Nextel Communications Inc. - July 2001 @ \$15	(2,250)	(281,677)	(921,935)
Nortel Networks Corporation - July 2001 @ \$23	(4,250)	(391,000)	(22)
Oracle Corporation - July 2001 @ \$18	(4,000)	(414,462)	(1,547,941)
Procter & Gamble Co. - July 2001 @ \$64	(850)	(251,618)	(122,472)
Sun Life Financial Services Inc. - July 2001 @ \$35	(2,000)	(230,000)	(342,169)
Texas Instruments - July 2001 @ \$32	(1,050)	(347,214)	(262,394)
The Toronto-Dominion Bank - July 2001 @ \$41	(2,200)	(217,800)	(2,308)
Tyco International Ltd. - July 2001 @ \$57	(1,400)	(513,894)	(223,294)
United Techs Corp. - July 2001 @ \$82	(750)	(285,245)	(11)
Wal-Mart Stores Inc. - July 2001 @ \$50	(1,150)	(233,586)	(107,356)
Wellpoint Health Networks - July 2001 @ \$92	(680)	(264,046)	(425,332)
WorldCom Inc. - July 2001 @ \$15	(1,625)	(125,696)	(137,184)
WorldCom Inc. - July 2001 @ \$16	(1,875)	(145,790)	(124,427)
Total Written Call Options		(13,325,006)	(13,207,163)
Total Investments		372,243,554	341,755,571
Short-term Investments			99,495,009
Other Assets Less Liabilities			(1,109,528)
Total Managed Portfolio			440,141,052
Forward Agreement			562,228,233
Net Assets			\$1,002,369,285

Notes to the Financial Statements

1. Basis of Presentation

Not all disclosures required by Canadian generally accepted accounting principles for annual financial statements have been presented.

These interim financial statements follow the same accounting policies and method of application as those of the other Mulvihill Hybrid Income Funds.

2. Establishment of the Trust

Pro-AMS Trust (the “Trust”) is an investment trust established under the laws of the Province of Ontario on February 15, 2001. The Trust began operations on March 2, 2001 and will terminate on December 31, 2012 and its assets will be distributed to unitholders unless unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose.

The manager of the Trust is Mulvihill Fund Services Inc. (the “Manager”) and the Trust’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 Trust.

Mulvihill Hybrid Income Funds

Statement of Portfolio Transactions

A copy of the Statement of Portfolio Transactions (unaudited) for any of the Mulvihill Hybrid Income Funds for the period ended June 30, 2001 may be obtained without charge by writing to:

Investor Relations
121 King Street West
Suite 2600
Toronto, Ontario
M5H 3T9

Other Hybrid Income Funds Managed by Mulvihill Structured Products

Mulvihill Premium Funds

Global Telecom Split Share Corp.
MCM Split Share Corp.
Premium Income Corporation

Mutual Funds Managed by Mulvihill Wealth Management

Mulvihill Canadian Money Market Fund
Mulvihill Canadian Equity Fund
Mulvihill Canadian Bond Fund
Mulvihill Global Equity Fund

Mulvihill U.S. Equity Fund
Premium Global Income Fund
Premium Canadian Income Fund

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**Visit our website at www.mulvihill.com for additional information on all
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