



Hybrid Income Funds



Semi-Annual Report 2006

Mulvihill Pro-AMS U.S. Fund

Pro-AMS U.S. Trust

Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the six months ended June 30, 2006 of Pro-AMS U.S. Trust, which operates as Mulvihill Pro-AMS U.S. Fund (the “Fund”). The June 30, 2006 semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com. You can also get a copy of the annual financial statements at your request and at no cost by using one of these methods.

This report may contain forward-looking statements about the Fund. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as “expects”, “anticipates”, “intends”, “plans”, “believes”, “estimates” or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also forward-looking. Forward-looking statements are based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors.

Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to any divergence between what is anticipated and what actually occurs, including, but not limited to, general economic, political and market factors, interest and foreign exchange rates, global equity and capital markets, business competition, technology change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and you should avoid placing undue reliance on forward-looking statements. While the Fund currently anticipates that subsequent events and developments may cause the Fund’s views to change, the Fund does not undertake to update any forward-looking statements.

Mulvihill Pro-AMS U.S. Fund

Management Report on Fund Performance

Summary of Investment Portfolio

The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.mulvihill.com.

Asset Mix

June 30, 2006

	% of Net Assets
Fixed Portfolio	95%
Cash and Short-Term Investments	8%
Other Net Assets (Liabilities)	(3)%
	100%

Securities in the fixed portfolio have been pledged to the Royal Bank of Canada (“RBC”) as security for the obligation of the Fund under the Forward Agreement. The fixed portfolio effectively has no equity exposure.

Portfolio Holdings

June 30, 2006

	% of Net Assets
Managed Portfolio	
Cash and Short-Term Investments	8%
Fixed Portfolio	
Securities Pledged as Collateral for Forward Agreement	82%
Forward Agreement	13%
	103%

Management Report on Fund Performance

Results of Operations

The net asset value of the Fund at June 30, 2006 was \$21.57 per unit compared to \$21.92 per unit at December 31, 2005. The Fund's units, listed on the Toronto Stock Exchange as PAM.UN, closed on June 30, 2006 at \$20.54 representing a 4.8 percent discount to the net asset value.

No distributions were paid to unitholders during this period. The total return of negative 1.6 percent during this period was primarily due to changes in interest rates, which adversely affected the value of the fixed portfolio. As interest rates rose during the period, the Scotia Capital Universe Bond Index also declined by 1.5 percent

Mulvihill Pro-AMS U.S. Fund

Management Report on Fund Performance

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. The information for the

Six months ended
June 2006

DATA PER UNIT

Net Asset Value, beginning of period⁽¹⁾	\$ 21.92
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.04
Total expenses	(0.25)
Realized gains (losses) for the period	0.03
Unrealized gains (losses) for the period	(0.20)
Total Increase (Decrease) from Operations⁽²⁾	(0.38)
DISTRIBUTIONS	
Non-taxable distributions	—
Total Distributions⁽³⁾	—
Net Asset Value, end of period⁽¹⁾	\$ 21.57

(1) 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 on that date divided by the number of units then outstanding.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), less expenses and is calculated

Six months ended
June 2006

RATIOS/SUPPLEMENTAL DATA

Net Assets (\$millions)	\$ 46.51
Number of units outstanding	2,155,684
Management expense ratio ⁽¹⁾	2.26% ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	0.00%
Trading expense ratio ⁽³⁾	0.00%
Closing market price	\$ 20.54

(1) Management expense ratio is the ratio of all fees and expenses, including goods and services taxes, charged to the Fund to average net assets.

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

Management Report on Fund Performance

years ended December 31 is derived from the Fund's audited annual financial statements.

Information for the period ended June 30, 2006 is derived from the Fund's unaudited semi-annual financial statements.

Years ended December 31				
2005	2004	2003	2002	2001
\$ 21.58	\$ 20.96	\$ 20.48	\$ 21.46	\$ 23.02
0.13	(0.02)	(0.03)	0.07	0.18
(0.43)	(0.42)	(0.41)	(0.42)	(0.47)
10.04	5.28	2.30	(3.54)	—
(9.30)	(3.86)	(1.10)	3.96	0.97
0.44	0.98	0.76	0.07	0.68
(0.12)	(0.48)	(0.48)	(1.29)	(2.25)
(0.12)	(0.48)	(0.48)	(1.29)	(2.25)
\$ 21.92	\$ 21.58	\$ 20.96	\$ 20.48	\$ 21.46

based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net asset value as calculations are based on the weighted average number of units outstanding during the period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

Years ended December 31				
2005	2004	2003	2002	2001
\$ 49.03	\$ 100.70	\$ 209.31	\$ 307.39	\$ 489.74
2,236,435	4,666,005	9,987,144	15,007,420	22,820,753
1.96%	1.98%	2.00%	2.06%	2.10%
198.72%	17.71%	21.40%	24.02%	82.90%
0.02%	0.03%	0.04%	0.06%	0.16%
\$ 21.46	\$ 20.70	\$ 20.00	\$ 19.05	\$ 24.12

(3) Trading expense ratio represents total commissions expressed as an annualized percentage of daily average net assets during the period.

(4) Annualized.

Mulvihill Pro-AMS U.S. Fund

Management Report on Fund Performance

Management Fees

Mulvihill Capital Management (“MCM”) is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.15 percent of the net assets of the Fund at each month end. The Investment Manager voluntarily agreed to defer payment of a portion of its management fees. These deferrals in the management fees represent decreases 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 any time to require payment of its full investment management fees and all or any portion of those in arrears. Management fees for the period were paid at an annual rate of 0.50 percent of the Fund’s net asset value. Services received under the Investment Management Agreement include the making of all investment decisions and the writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund’s portfolio and the execution of all portfolio and other transactions.

Mulvihill Fund Services is entitled to fees under the Management Agreement calculated monthly as 1/12 of 0.10 percent of the net assets of the Fund at each month end. Services received under the Management Agreement include providing or arranging for required administrative services to the Fund.

Recent Developments

The primary investment objective is to maintain the redemption value of \$25.00 per unit at the termination of the Fund on January 4, 2011. To provide greater certainty to the principal protection objective, the Fund has eliminated its exposure to equity securities with the managed portfolio now comprised entirely of cash and cash equivalents. The fixed portfolio has retained forward agreements with the Royal Bank of Canada sufficient to fund payment of \$25.00 per unit on the termination date for each unit currently outstanding.

The central banks in Canada and the U.S. continued with the rate increases that began in mid-2004. There were four rate hikes during the first six months of this year. Yield curves remained predominately flat in both countries with very little differential between short- and long-term interest rates. It seems likely that the tightening cycle will draw to a close during the remainder of the year, but this is by no means a certainty.

The strong Canadian dollar has provided some support to bond prices in Canada during this period, however, it has not been sufficient to offset the impact of rising short-term rates. The Fund remains sensitive to changes in interest rates and the shape the yield curve.

Management Report on Fund Performance

Past Performance

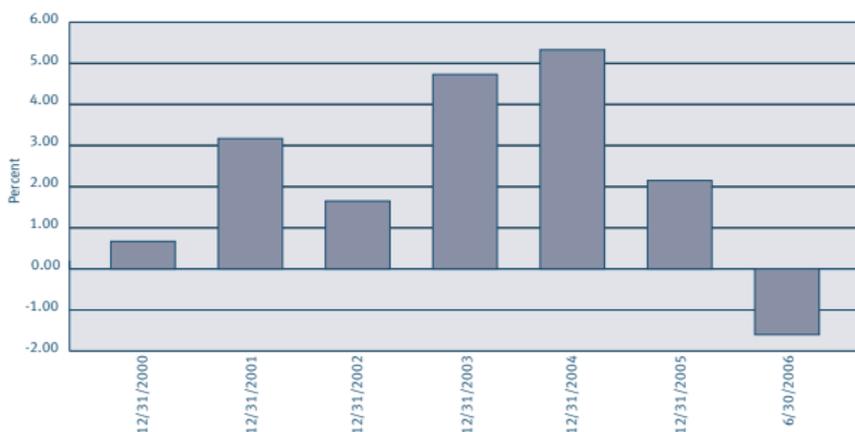
The chart below sets out the Fund’s year-by-year past performance. It is important to note that:

- (1) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,
- (2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) the past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The bar chart below illustrates how the Fund’s total return for each of the past six years as well as for the six month period ended June 30, 2006 has varied from period to period. The chart also shows, in percentage terms, how much an investment made on December 31 in each year or the date of inception in 2000 would have increased or decreased by the end of that fiscal year, or June 30, 2006 for the six months then ended.

Annual Total Return



Related Party Transactions

Mulvihill Capital Management Inc. (“MCM”) manages the Fund’s investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and MCM dated September 27, 2000.

Mulvihill Fund Services Inc. (“Mulvihill”) is the Manager of the Fund pursuant to a Management Agreement made between the Fund and Mulvihill dated September 27, 2000, and, as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

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 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 for the year ended December 31, 2005.

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, the Fund's independent auditors, has full and unrestricted access to the Board.

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.



John P. Mulvihill
Director
Mulvihill Fund Services Inc.



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

August 2006

Financial Statements

Interim Statements of Net Assets

June 30, 2006 (Unaudited) and December 31, 2005 (Audited)

	2006	2005
ASSETS		
Investments - Fixed portfolio at market value (cost - \$42,530,331; 2005 - \$44,048,702)	\$ 43,946,413	\$ 45,907,433
Short-term investments - Managed portfolio (cost - \$3,782,913; 2005 - \$8,212,903)	3,782,690	8,212,603
Cash	2,176	6,672
Interest receivable	7,821	16,174
Due from brokers - derivatives	-	47,957,765
TOTAL ASSETS	47,739,100	102,100,647
LIABILITIES		
Accrued liabilities	17,998	7,011
Redemptions payable	165,684	51,263,793
Accrued management fees	989,943	1,671,395
Accrued forward agreement fees	60,037	124,985
TOTAL LIABILITIES	1,233,662	53,067,184
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 46,505,438	\$ 49,033,463
Number of Units Outstanding	2,155,684	2,236,435
Net Asset Value per Unit	\$ 21.5734	\$ 21.9248

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Interim Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2006	2005
REVENUE		
Dividends	\$ -	\$ 37,798
Interest, net of foreign exchange	93,599	455,685
Withholding taxes	-	(5,668)
TOTAL REVENUE	93,599	487,815
EXPENSES		
Management fees	298,152	628,273
Forward agreement fees	122,607	270,102
Administrative and other expenses	38,879	46,171
Custodian fees	14,246	26,429
Audit fees	25,178	19,400
Advisory board fees	10,363	10,063
Legal fees	799	6,306
Shareholder reporting costs	10,131	19,050
Goods and services tax	26,347	52,377
TOTAL EXPENSES	546,702	1,078,171
Net Investment Loss	(453,103)	(590,356)
Gain (loss) on sale of investments	37	(1,783,558)
Gain on sale of derivatives	60,232	2,285,229
Change in unrealized appreciation/ depreciation of investments	(442,487)	4,258,075
Net Gain (Loss) on Investments	(382,218)	4,759,746
TOTAL RESULTS OF FINANCIAL OPERATIONS	\$ (835,321)	\$ 4,169,390
TOTAL RESULTS OF FINANCIAL OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 2,226,756; 2005 - 4,898,723)	\$ (0.3751)	\$ 0.8511

Financial Statements

Interim Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2006	2005
NET ASSETS, BEGINNING OF PERIOD	\$ 49,033,463	\$100,700,554
Total Results of Financial Operations	(835,321)	4,169,390
Unit Transactions		
Amount paid for units redeemed	(1,692,704)	(1,648,784)
Distributions to Unitholders		
Non-taxable distributions	-	(559,374)
Changes in Net Assets during the Period	(2,528,025)	1,961,232
NET ASSETS, END OF PERIOD	\$ 46,505,438	\$102,661,786
Net Asset Value per Unit	\$ 21.5734	\$ 22.3807

Interim Statements of Gain on Sale of Investments

For the six months ended June 30 (Unaudited)

	2006	2005
Proceeds from Sale of Investments	\$ 1,578,640	\$ 20,521,341
Cost of Investments Sold		
Cost of investments, beginning of period	44,048,702	57,416,582
Cost of investments purchased	-	7,054,547
Cost of Investments, End of Period	(42,530,331)	(64,471,129)
	1,518,371	20,019,670
GAIN ON SALE OF INVESTMENTS	\$ 60,269	\$ 501,671

Mulvihill Pro-AMS U.S. Fund

Financial Statements

Statement of Investments

June 30, 2006 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO			
Treasury Bills			
Government of Canada - September 7, 2006	3,680,000	\$ 3,645,000	\$ 3,645,000
Province of British Columbia, USD - July 10, 2006	125,000	137,913	137,690
Total Treasury Bills		3,782,913	3,782,690
Accrued Interest			7,821
TOTAL SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO			
		\$ 3,782,913	\$ 3,790,511
INVESTMENTS - FIXED PORTFOLIO			
Canadian Common Shares			
Consumer Staples			
Cott Corporation	233,656	\$ 3,838,968	\$ 3,411,378
Energy			
Western Oil Sands Inc.	138,692	3,838,995	4,291,130
Industrials			
Bombardier Inc. "B"	905,991	2,400,876	2,817,632
Westjet Airlines Ltd.	308,847	3,838,968	3,391,140
Total Industrials		6,239,844	6,208,772
Information Technology			
ATI Technologies Inc.	191,775	2,406,776	3,110,591
Celestica Inc.	351,118	8,860,713	3,711,317
Nortel Networks Corporation	154,497	2,242,479	383,152
Cognos Inc.	94,163	3,839,026	2,957,660
Total Information Technology		17,348,994	10,162,720
Materials			
Kinross Gold Corporation	407,105	3,839,000	4,954,468
Meridian Gold Inc.	162,462	3,838,977	5,721,912
Total Materials		7,677,977	10,676,380

Financial Statements

Statement of Investments (continued)

June 30, 2006 (Unaudited)

	Number of Shares	Average Cost	Market Value
INVESTMENTS - FIXED PORTFOLIO (continued)			
Canadian Common Shares (continued)			
Telecommunications Services			
Research in Motion	39,946	3,585,553	3,107,799
Total Canadian Common Shares		\$ 42,530,331	\$ 37,858,179
TOTAL INVESTMENTS - FIXED PORTFOLIO		\$ 42,530,331	\$ 37,858,179
Forward Agreement			6,088,234
TOTAL INVESTMENTS - FIXED PORTFOLIO		\$ 42,530,331	\$ 43,946,413
TOTAL INVESTMENTS		\$ 42,530,331	\$ 43,946,413
Short-Term Investments - Managed Portfolio			3,782,690
Other Assets Less Liabilities			(1,223,665)
NET ASSETS			\$ 46,505,438
TOTAL MANAGED PORTFOLIO		\$ 3,782,913	\$ 3,782,690
TOTAL FIXED PORTFOLIO		42,530,331	43,946,413
TOTAL INVESTMENT PORTFOLIO		\$ 46,313,244	\$ 47,729,103

Notes to Financial Statements

June 30, 2006

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, 2005.

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, 2005.

2. Investment Management Fees

The Investment Manager has voluntarily agreed to defer payment of a portion of its management fees since 2002 and as a result, management fees are paid at an annual rate of 0.50 percent. This deferral in the management fees represents 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.

Since the Investment Manager voluntarily agreed to defer a portion of Management fees, the Fund has experienced retractions of units reducing the number of units outstanding in the Fund. Therefore, the Investment Manager collected the portion of the accrued management fee in respect to units that have been retracted and cancelled from the Fund and which are no longer outstanding. This amounted to \$813,891 of the previously accrued investment management fee that had been voluntarily deferred. The remaining portion of the accrued investment management fee relates to units currently outstanding and continues to be voluntarily deferred.

3. Normal Course Issuer Bid

Subsequent to June 30, 2006, the Toronto Stock Exchange 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 215,368 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 July 4, 2007 or until the Fund has purchased the maximum number of units permitted under the bid.

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 Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

4. Comparative Figures

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

Mulvihill Pro-AMS U.S. Fund

Hybrid Income Funds

Managed by Mulvihill Structured Products

Mulvihill Platinum

Mulvihill *Government Strip Bond Fund*

Mulvihill *Pro-AMS U.S. 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 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 *Top 10 Canadian Financial Fund*

Mulvihill *Top 10 Split Fund*

Mutual Funds Managed by

Mulvihill Capital Management

Mulvihill *Canadian Money Market Fund*

Mulvihill *Canadian Bond Fund*

Mulvihill *Global Equity Fund*

Mulvihill *Premium Global Income Fund*

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Mulvihill

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Mulvihill Structured Products

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