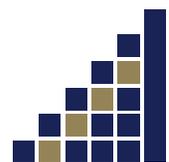


PRO-AMS U.S. TRUST [PAM.UN]

Annual Report 2000

December 31, 2000

Investment Management by Mulvihill Capital Management Inc.



The Mulvihill Premium Funds

Commentary

April, 2001

Equity markets experienced a sharp reversal of long-standing growth trends during 2000. The year began with both Canadian and U.S. economies expanding at an unsustainable pace, and many stocks pushing to record highs, particularly in the technology sector. However, by year-end, a sharp slowdown in economic activity in the U.S. had set in, and technology stocks had undergone a severe correction.

All the major U.S. and foreign market indices recorded negative returns for the year. The strong uptrend of the TSE 300 was also reversed, but the Canadian market was one of the few to record an overall gain, with a total return for 2000 of 7.41 percent. A major factor in both the rise and fall of the TSE was the performance of Nortel Networks shares after the company was spun off by its parent, BCE Inc. Early in the year, Nortel shares soared to a high of \$124.50, accounting for more than one-third of the TSE 300 Index, but began sinking towards year-end, taking the Index with them.

The valuations of many technology stocks were significantly reduced as investors reacted to reduced growth and earnings expectations in a weakening economic environment. Stocks in the e-commerce and telecom sectors were particularly hard-hit, with the tech-heavy NASDAQ exchange losing roughly half its peak value.

Stocks in other sectors fared better, as investors began returning to value-oriented “old economy” companies in sectors such as financial services, oil and gas and health care. The financial sector benefitted from expectations of lower interest rates as the year progressed, and higher world energy prices bolstered stocks of oil, gas, pipeline and utility companies.

The U.S. slowdown reflects reduced capital spending on telecom and information-processing equipment, including personal computers and software, as well as slackening consumer demand for motor vehicles and other durable goods. These trends are spilling over into Canada, particularly in the automotive sector, which exports much of its output to the U.S. However, the overall slowdown is less pronounced in Canada than in the U.S., as other sectors such as energy retain considerable momentum. Governments in both Canada and the U.S. are now in a stimulatory mode, planning or making moves to reverse the slowdown through tax cuts and reduced interest rates. Similar measures are being taken abroad, though latitude for rate reductions in Europe is limited by persistent inflationary concerns. As a result, consensus opinion foresees a shift back to a sustainable growth trend in the latter part of this year.

Uncertainty as to the specific timing of this renewal of growth is generating increased market turbulence and volatility. This market volatility will, however, continue to benefit the Premium Funds as significant amounts of option premiums can be generated in this type of market environment.

John P. Mulvihill
President
Mulvihill Capital Management Inc.

Donald Biggs
Vice President, Structured Finance
Mulvihill Capital Management Inc.

Investment Highlights

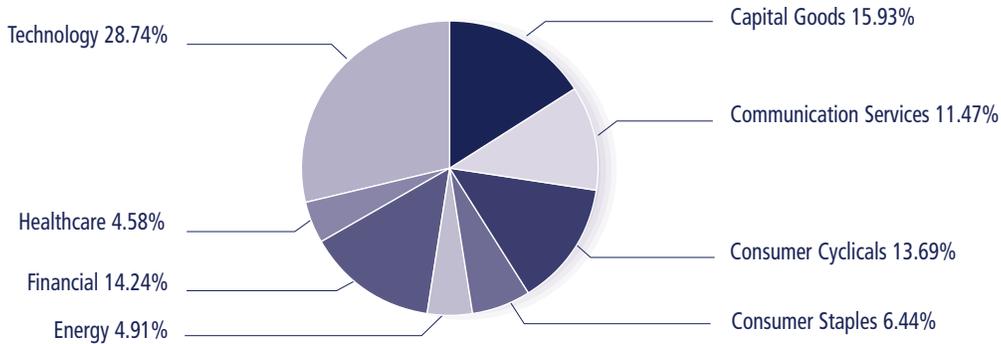
Investment Objectives

The Trust's investment objectives are to return at a minimum the original issue price of the units to unitholders upon termination of the Trust on January 4, 2011, to provide unitholders of the Trust with a stable stream of monthly distributions of at least \$0.1875 (\$2.25 annually) per unit, and to preserve the value of the Trust's Managed Portfolio which will provide unitholders with capital appreciation above the original issue price.

Investment Strategy

To provide the Trust with the means to return the original issue price on termination, the Trust will enter into a "forward purchase and sale agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Trust \$25.00 for each unit outstanding on the Termination Date in exchange for delivery of the Trust's fixed portfolio. The Trust intends to achieve its investment objectives by investing the balance of the net assets 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 Trust will write covered call options in respect of all or part of the securities in the Managed Portfolio. From time to time, the Trust 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 of Managed Portfolio



Distribution History

Inception Date: October 2000	Regular Distribution
November 2000	\$ 0.3500
December 2000	0.1875
Total for 2000	0.5375
Total Distribution to Date	\$ 0.5375

Top 10 Holdings:

Tyco International Ltd.
Citigroup Inc.
Merrill Lynch
Bristol-Myers Squibb Company
Bank of America Corp.

General Electric Corporation
Halliburton Co.
Wal-Mart Stores Inc.
United Technologies Corporation
Home Depot Inc.

Trading History



Commentary

Pro-AMS U.S. Trust was launched in October of 2000 with an initial unit price of \$25. At inception, the Trust's assets were \$538.39 million, or \$23.59 per unit. As of December 31, 2000, assets had declined slightly to \$525.41 million, or \$23.02 per unit. During this period, unitholders received distributions totalling \$0.5375 per unit, meeting the Trust's target distribution level of 9 percent.

Though there was a modest reduction in net asset value, the Trust's units on the Toronto Stock Exchange, listed as PAM.UN, closed at \$26 on December 31, 2000, \$1 above the issue price. The Trust's features, combining principal protection and regular monthly distributions, are attractive to investors during periods of market uncertainty.

The last quarter of 2000 was marked by very turbulent market conditions. There was a severe correction in technology stocks as well as a more modest correction in the overall U.S. market. Volatility levels in the market were very high, which enabled the Trust to generate high levels of premium from its option writing program.

U.S. equity markets are likely to remain volatile for some time to come, as the outlook for the U.S. economy remains clouded by uncertainties. Accordingly, the Trust is conservatively positioned and is maintaining a well diversified portfolio and a strong defensive cash position. A summary of the Trust's investments as well as its financial statements are included in this annual report.

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

Auditors' Report

To the Unitholders

We have audited the accompanying statements of net assets and of investments of Pro-AMS U.S. Trust (the "Trust") as at December 31, 2000 and the statements of financial operations, changes in net assets, gain on sale of investments and financial highlights for the period then ended. These financial statements are the responsibility of the Trust's Manager. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 Trust and its investments as at December 31, 2000, and the results of its operations, the changes in its net assets, the gain on sale of investments and the financial highlights for the period then ended, in accordance with Canadian generally accepted accounting principles.

(signed) Deloitte and Touche LLP

Chartered Accountants

Toronto, Ontario

March 10, 2001

Statement of Net Assets

December 31, 2000

	2000
Assets	
Investments at market value (average cost - \$137,928,565)	\$ 116,945,772
Short-term investments (average cost - \$78,321,021)	78,167,042
Cash	1,900,180
Dividends receivable	40,392
Interest receivable	142,543
Due from broker	4,428,492
Forward Agreement (Note 5)	325,103,576
	526,727,997
Liabilities	
Accrued liabilities	1,317,853
Net Assets, Represented by Unitholders' Equity	\$ 525,410,144
Number of Units Outstanding (Note 6)	22,820,753
Net Asset Value Per Unit	\$ 23.0233

On behalf of the Manager,
Mulvihill Fund Services Inc.

(signed)

Manager: John P. Mulvihill

(signed)

Manager: David N. Middleton

Statement of Financial Operations

Period ended December 31, 2000

	2000
Income	
Dividends	\$ 289,103
Interest	1,509,402
Withholding tax	(43,111)
	1,755,394
Expenses	
Management fees (Note 7)	1,616,191
Forward agreement fee (Note 5)	624,312
Custodian and other fees (Note 7)	38,336
Goods and services tax	115,817
	2,394,656
Net Investment Loss	(639,262)
Gain on Sale of Investments and Options	10,510,533
Unrealized Depreciation of Investments and Foreign Currency	(10,585,262)
Net Loss on Investments	(74,729)
Total Results of Financial Operations	\$ (713,991)

Financial Statements

Statement of Changes in Net Assets

Period ended December 31, 2000

	2000
Net Assets, Beginning of Period	\$ -
Unit Transactions	
Proceeds from units issued, net of issue costs (Note 6)	538,390,290
Total Results of Financial Operations	(713,991)
Distributions to Unitholders (Note 8)	
From net investment income	(1,697)
From net realized gain on sale of investments	(12,264,458)
	(12,266,155)
Increase in Net Assets During the Period	525,410,144
Net Assets, End of Period	\$ 525,410,144

Statement of Gain on Sale of Investments and Options

Period ended December 31, 2000

	2000
Proceeds from Sale of Investments	\$ 63,223,252
Cost of Investments Sold	
Cost of investments purchased	505,158,309
Cost of investments, end of period	(452,445,590)
	52,712,719
Gain on Sale of Investments of Investments and Options	\$ 10,510,533

Statement of Investments

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments - Managed Portfolio				
Canadian Common Stocks				
Nortel Networks, USD	60,000	\$ 6,280,290	\$ 2,889,468	
Total Canadian Common Stocks		6,280,290	2,889,468	0.5%
Common Stocks - U.S.A.				
Energy Sources				
Apache Corp.	10,000	836,846	1,052,337	0.2%
Data Processing and Reproduction				
Cisco Systems	65,000	5,667,521	3,734,342	
EMC Corporation	35,000	4,680,718	3,495,900	
Hewlett-Packard Co.	70,000	4,695,775	3,318,476	
IBM Corp.	32,500	5,420,361	4,149,269	
Microsoft Corp.	45,000	3,937,696	2,931,712	
Oracle Corporation	90,000	4,396,128	3,928,662	
Total Data Processing and Reproduction		28,798,199	21,558,361	4.1%
Electrical and Electronics				
General Electric Corporation	70,000	5,563,033	5,040,141	
Soletron Corporation	65,000	4,405,466	3,309,652	
Total Electrical and Electronics		9,968,499	8,349,793	1.6%
Electrical Components and Instruments				
Texas Instruments	60,000	4,365,405	4,269,428	0.8%
Energy Equipment and Services				
Halliburton Co.	90,000	6,129,342	4,900,267	0.9%
Automobiles				
Ford Motor Company	120,000	4,591,065	4,224,368	0.8%
Food and Household Products				
Clorox Company	65,000	4,573,696	3,465,860	
McDonald's Corporation	85,000	4,403,521	4,340,773	
Total Food and Household Products		8,977,217	7,806,633	1.5%

Financial Statements

Statement of Investments (continued)

December 31, 2000

	Par Value/ No. of Shares	Average Cost (\$)	Market Value (\$)	% of Portfolio
Investments - Managed Portfolio				
Common Stocks - U.S.A. (continued)				
Health and Personal Care				
Bristol-Myers Squibb Company	50,000	5,112,834	5,552,698	1.1%
Internet Service Provider				
AOL Time Warner Inc.	60,000	4,586,483	3,136,171	0.6%
Merchandising				
Home Depot Inc.	65,000	4,452,681	4,460,464	
Wal-Mart Stores	60,000	4,545,378	4,787,618	
Total Merchandising		8,998,059	9,248,082	1.8%
Telecommunications				
JDS Uniphase Corp.	40,000	4,678,024	2,504,581	
Motorola Inc.	120,000	4,487,973	3,649,854	
Nextel Communications Inc.	75,000	4,421,429	2,788,083	
Qwest Communications International Inc.	65,000	4,519,608	4,002,824	
Verizon Communications	50,000	4,523,675	3,764,382	
WorldCom Inc.	160,000	4,246,794	3,364,475	
Total Telecommunications		26,877,503	20,074,199	3.8%
Banking				
Bank of America Corp.	80,000	5,582,973	5,512,331	1.0%
Financial Services				
Citigroup	80,000	6,043,222	6,135,660	
Merrill Lynch	55,000	5,264,847	5,632,961	
Total Financial Services		11,308,069	11,768,621	2.2%
Multi-Industry				
Tyco International Ltd.	75,000	6,180,625	6,252,065	
United Technologies Corporation	40,000	4,367,064	4,723,783	
Total Multi-Industry		10,547,689	10,975,848	2.1%
Total Common Stocks - U.S.A.		136,680,183	118,429,137	22.5%

Statement of Investments (continued)

December 31, 2000

	Number of Contracts	Proceeds (\$)	Market Value (\$)	% of Portfolio
Options				
Written Covered Call Options				
Number of Contracts (100 Shares per Contract)				
AOL Time Warner Inc. - January 2001 @ \$50	(500)	(210,967)	(11,265)	
Bank of America - January 2001 @ \$42	(700)	(130,103)	(413,988)	
Bristol-Myers Squibb Company - January 2001 @ \$67	(500)	(215,729)	(544,474)	
Cisco Systems - January 2001 @ \$58	(500)	(208,729)	(4,694)	
Citigroup - January 2001 @ \$50	(550)	(217,333)	(258,156)	
Clorox Company - January 2001 @ \$33	(650)	(144,343)	(341,704)	
Ford Motor Company - January 2001 @ \$25	(1,200)	(132,049)	(22,530)	
Halliburton Co. - January 2001 @ \$38	(500)	(116,859)	(28,162)	
Hewlett-Packard Co. - January 2001 @ \$33	(300)	(81,386)	(78,855)	
Hewlett-Packard Co. - January 2001 @ \$38	(300)	(120,003)	(22,530)	
Home Depot Inc. - January 2001 @ \$45	(650)	(231,965)	(164,750)	
IBM Corp. - January 2001 @ \$110	(200)	(116,068)	(5,632)	
McDonald's Corporation - January 2001 @ \$33	(850)	(147,346)	(239,381)	
Merrill Lynch - January 2001 @ \$63	(500)	(338,949)	(384,887)	
Microsoft Corp. - January 2001 @ \$58	(450)	(288,106)	(8,449)	
Motorola Inc. - January 2001 @ \$22	(600)	(66,684)	(90,120)	
Motorola Inc. - January 2001 @ \$23	(600)	(88,186)	(39,427)	
Nextel Communications Inc. - January 2001 @ \$33	(375)	(58,928)	(35,203)	
Nextel Communications Inc. - January 2001 @ \$40	(375)	(140,586)	(7,041)	
Nortel Networks USD - January 2001 @ \$43	(300)	(102,208)	(5,632)	
Oracle Corporation - January 2001 @ \$33	(750)	(181,560)	(112,650)	
Qwest Communications International Inc. - January 2001 @ \$44	(325)	(85,794)	(36,611)	
Qwest Communications International Inc. - January 2001 @ \$45	(325)	(79,044)	(27,458)	
Soletron Corporation - January 2001 @ \$33	(350)	(106,428)	(178,738)	
Texas Instruments - January 2001 @ \$50	(400)	(180,166)	(135,180)	
Tyco International Ltd. - January 2001 @ \$55	(500)	(206,413)	(197,137)	
United Technology Corp. - January 2001 @ \$72	(400)	(180,010)	(424,314)	
Verizon Communications - January 2001 @ \$59	(500)	(183,215)	(9,391)	
Wal-Mart Stores - January 2001 @ \$50	(600)	(224,712)	(439,334)	
WorldCom Inc. - January 2001 @ \$18	(1,600)	(448,039)	(105,140)	
Total Written Covered Call Options		(5,031,908)	(4,372,833)	(0.8)%
Total Investments		\$ 137,928,565	\$ 116,945,772	22.2%
Short-term Investments			78,167,042	14.9%
Other Assets Less Liabilities			5,193,754	1.0%
Total Managed Portfolio			200,306,568	38.1%
Forward Agreement			325,103,576	61.9%
Net Assets			\$ 525,410,144	100.0%

Financial Statements

Statement of Financial Highlights

Period ended December 31

	2000*
Data Per Unit	
Net Asset Value, Beginning of Period	\$ 23.59**
Income from Investment Operations	
Net investment loss	(0.03)
Total from investment operations	(0.03)
Distributions to Unitholders	
From net realized gain on sale of investments	(0.54)
Total distributions	(0.54)
Net Asset Value, End of Period	\$ 23.02
Ratios/Supplemental Data	
Total net assets, end of period (\$millions)	\$ 525.41
Average net assets (\$millions)	\$ 530.26
Management expense ratio	1.85%
Portfolio turnover rate	11.92%
Annual rate of return	N/A

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

** Net of agent fees.

1. Establishment of the Trust

Pro-AMS U.S. Trust (the "Trust") is an investment trust established under the laws of the Province of Ontario on September 27, 2000. The Trust 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 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.

2. Investment Objectives and Strategy

The Trust's investment objectives are (i) to return at least the original issue price of \$25 per unit to the unitholders upon termination of the Trust and (ii) to provide unitholders with a stable stream of monthly distributions. To achieve the first objective, the Trust has entered into a forward purchase and sale agreement (the "Forward Agreement") pursuant to which the counterparty will pay to the Trust an amount equal to the original issue price for each unit outstanding on the termination date in exchange for the Trust delivering to the counterparty certain equity securities which it purchased with approximately 55% of the gross proceeds from the initial offering of units (the "Fixed Portfolio"). The balance of the net proceeds of the initial offering will be invested in a diversified portfolio (the "Managed Portfolio") consisting principally of equity securities of companies with a market capitalization in excess of US \$5.0 billion selected from the S&P 500 Index.

To generate additional returns, the Trust will, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Trust may write cash covered put options in respect of securities in which the Trust is permitted to invest. Additionally, the Trust may purchase call options with the effect of closing out existing call

options written by the Trust and may also purchase put options to preserve the value of the portfolio where appropriate. The Trust may enter into trades to close out positions in such permitted derivatives.

From time to time the Trust 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 Canadian generally accepted accounting principles. The following is a summary of significant accounting policies.

Valuation of investments

Securities are valued at 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 the Forward Agreement is the market value of securities in the Fixed Portfolio and the gain or loss that would be realized if the positions are closed out on the valuation date unless "daily limits" are in effect, in which case fair value shall be based on the current market value of the underlying interest provided that valuation of the Forward Agreement may be postponed for up to five business days if the trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such times.

Investment transactions and income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and unrealized appreciation or depreciation of investments are determined on an average cost basis.

Notes to the Financial Statements

Option premiums paid or received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in unrealized appreciation or depreciation in investments.

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

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.

4. Statement Of Financial Highlights

The following explanatory notes pertain to the Statement of Financial Highlights:

- (a) Net investment income (loss) per unit is calculated based on the weighted average number of units outstanding during the period.
- (b) Net gain (loss) on investments per unit includes the impact of timing of unitholder transactions.
- (c) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.
- (d) Management expense ratio is the ratio of all fees and expenses charged to the Trust to average net assets.
- (e) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by average net assets during the period.
- (f) Annual rate of return represents the historical annual total rate of return of an investment in a unit for the year, assuming reinvestment of distributions. Returns are not reported in the year that the Trust was established.

5. Forward Agreement

The Trust has entered into a Forward Agreement with Royal Bank of Canada ("RBC") pursuant to which RBC will pay the Trust an amount equal to \$25.00 for each unit outstanding on the termination date in exchange for the Trust delivering to RBC the equity securities included in the Fixed Portfolio. The securities in the Fixed Portfolio had a cost of \$314,517,024 and are comprised of common shares of Air Canada Inc., Anderson Exploration Ltd., ATI Technologies Inc., Canadian Natural Resources Ltd., Mitel Corporation, Inco Ltd., Talisman Energy Inc., Precision Drilling Corporation and BioChem Pharma.

Securities in the Fixed Portfolio have been pledged to RBC as security for the obligations of the Trust under the Forward Agreement. The market value of securities in the Fixed Portfolio of \$281,656,368 at December 31, 2000 is reflected in the market value of the Forward Agreement. The Forward Agreement is a direct obligation of RBC, a company with a credit rating of Moodys-Aa2 and DBRS-AA (low). The Forward Agreement may be physically or cash settled at the option of the Trust. In order to permit the Trust 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 Trust 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.

A yearly fee of 0.538% is payable by the Trust on the guaranteed value of the Forward Agreement. Fees are accrued and payable every quarter.

6. Unitholders' Equity

The Trust 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 Trust.

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 Trust, including distributions of net income and net realized capital gains, and distributions upon the termination of the Trust. 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% of such net asset value per unit and (ii) \$1.00. Under the terms of a Recirculation Agreement, the Trust 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 October 4, 2000, the Trust issued 21,000,000 units at \$25.00 per unit for total gross cash proceeds of \$525,000,000. On October 23, 2000, the Trust issued 1,820,753 units at \$25 per unit for total gross cash proceeds of \$45,518,825. Costs of \$32,128,535 were incurred in connection with these offerings and the establishment of the Trust.

7. Management Fees and Expenses

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

8. Distributions

The Trust 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.

9. Income Taxes

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

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

No amount is payable on account of income taxes in 2000.

10. Commission Charges

Total commissions paid in 2000 in connection with portfolio transactions were \$512,614.

11. Statement of Portfolio Transactions

The Trust will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any unitholder to the Trust at:

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

Mulvihill Capital Management Inc.

Mulvihill Capital Management Inc. is a leading Canadian investment counselor responsible for the care of institutional and personal assets. The company manages corporate, pension, insurance, endowment, trust and mutual funds under a wide variety of investment mandates. Founded in 1985 as CT Investment Counsel Inc., the investment arm of Canada Trust, the company emerged in 1995 as an independent company operated by a cohesive team of senior managers and owners who have been together for more than a decade. The company's scale and independent structure allow it to provide clients with a uniquely customized approach to asset management.

The Mulvihill Funds are managed by Mulvihill Capital's structured finance group. This area of the company concentrates exclusively on creating and managing products tailored to meet very specific investment objectives. Assets are generally managed to meet specific absolute return levels rather than taking on the additional risk of targeting relative returns. This methodology allows the company to make investment decisions that meet the client's needs rather than to make investments to rival the competition.

Mulvihill's personal asset management division, Mulvihill Wealth Management, offers a comprehensive specialized approach tailored to clients' personal strategies. This not only relieves the client's burden of day-to-day investment decisions but also provides financial peace of mind for today and tomorrow. The company's personalized service and customized reporting assure that its powerful team of professionals is always working toward your current objectives and that you are fully aware of the progress you are making.

Mulvihill's reputation has been built on its ability to provide customized portfolios that meet the stated needs of its clients. The Premium Income investments are prime examples of that customized approach to asset management.

Other Premium Income products within the Mulvihill Group which traded on the Toronto Stock Exchange over the past year are as follows:

	Symbol	High	Low
First Premium Income Trust	FPI.UN	\$ 28.95	\$ 25.00
First Premium U.S. Income Trust	FPU.UN	\$ 27.15	\$ 24.20
First Premium Oil & Gas Income Trust	FPG.UN	\$ 10.30	\$ 7.25
60 Plus Income Trust	SIX.UN	\$ 29.50	\$ 25.50
Global Plus Income Trust	GIP.UN	\$ 27.00	\$ 23.00
Digital World Trust	DWT.UN	\$ 17.25	\$ 13.75
Pro-AMS U.S. Trust	PAM.UN	\$ 26.50	\$ 24.95
Premium Income Corporation	PIC.A/PIC.PR.A	\$ 12.00/15.90	\$ 10.00/14.15
MCM Split Share Corp.	MUH.A/MUH.PR.A	\$ 18.45/15.10	\$ 14.00/13.25
Global Telecom Split Share Corp.	GT.A/GT.PR.A	\$ 22.90/14.75	\$ 14.90/13.25

Board of Directors¹/Advisors²

John P. Mulvihill*

Chairman & President,
Mulvihill Capital Management Inc.

David N. Middleton

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.

* Audit Committee
1 Corporation
2 Trusts

Information

Auditors:

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

Transfer Agent:

Computershare
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange trading under
FPI.UN, FPU.UN, FPG.UN, SIX.UN, GIP.UN,
DWT.UN, PAM.UN, MUH.A, MUH.PR.A

Trustee:

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

Other Premium Funds Managed by Mulvihill Capital Management Inc.

Mulvihill First 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
Global Telecom Split Share Corp
MCM Split Share Corp.

Mulvihill Summit Series

Digital World Trust

Mulvihill Mutual Funds

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

Mulvihill Platinum Series

Pro-AMS U.S. Trust

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Visit our website at www.mulvihill.com for additional information on all Premium Income Funds.



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