Mulvihill U.S. Health Care Enhanced Yield ETF

Annual Report 2023

MULVIHILL

Letter to Unitholders

We are pleased to present the 2023 annual report containing the management report of fund performance and the audited financial statements for Mulvihill U.S. Health Care Enhanced Yield ETF (the "Fund").

2023 was a difficult year to manage equity portfolios, unless you went away for the year and did nothing. As expected, the Federal Reserve Board ("FED") and many other central banks continued their tightening policies by raising interest rates through to July and then preached "higher for longer" interest rates. Such policies had historically led to lower stock prices, but not this time as strong performance from a handful of large mega cap stocks (ie. FAANG) carried markets to positive returns in the first half of 2023. The reality is that most other stocks were not performing as well in an environment where inflation and higher interest rates were creating concerns about an eventual recession. All that changed in late October when the FED announced it had finished raising rates. With sources of liquidity reopening, both the bond and stock markets went on the huge run we witnessed in November and December. The total return for the S&P/TSX Composite Index for the year was 11.8 percent and 26.3 percent (23.2 percent in Canadian dollars) for the S&P 500 Index. Sector performance varied significantly in both markets with Information Technology leading the way by a considerable margin in both markets, with a total return of 69.2 percent in Canada and 57.8 percent in the U.S. Meanwhile, defensive interest sensitive stocks underperformed in both markets with Communication Services lagging in Canada, down 3.9 percent, while south of the border, Utility stocks lagged, down 7.1 percent. The Canadian dollar rose 2.3 percent relative to the U.S. dollar during the year.

The net asset value ("NAV") of the Fund decreased 14.5 percent from $10.00 per Unit at February 14, 2022, the Fund's inception date, to $8.55 per Unit at December 31, 2023. The net realized gain on options amounted to $0.39 per Unit in 2023. The return per Unit for the period since the first Net Asset Value date of January 31, 2023 to December 31, 2023, including reinvestment of distributions, was negative 8.1 percent. The Fund declared cash distributions of $0.64 per Unit during the period. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all unitholders for their continued support and encourage unitholders to review the detailed information contained within the annual report.

John Mulvihill
Chairman & CEO
Mulvihill Capital Management Inc.

The Fund

The Fund is a mutual fund investment trust that seeks to provide unitholders with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as "health care" by Standard & Poor's Global Industry Classification Standard and monthly cash distributions.

To accomplish its objectives, the Fund will invest in an actively managed portfolio comprised principally of securities from the S&P 500 Health Care Index. The Fund may also invest up to 25 percent of its net asset value in securities included in the S&P Global 1200 Health Care Index and the S&P/TSX Composite Health Care GICS® Index (that are not included in the S&P 500 Health Care Index). Modest leverage of 25 percent enhances the dividend yields of the underlying stocks and provides additional return potential. The Fund will also utilize option strategies to enhance the portfolio income.

The Fund employs an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the Fund while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

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Management Report of Fund Performance

The management report of fund performance contains the financial highlights for the period ended December 31, 2023 of Mulvihill U.S. Health Care Enhanced Yield ETF (the "Fund"). The audited financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, P.O. Box 113, Toronto, Ontario, M5H 3T9, by email at info@mulvihill.com or by visiting our website at www.mulvihill.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Investment Objectives and Strategies

The Mulvihill U.S. Health Care Enhanced Yield ETF seeks to provide the holders of Units ("Unitholders") with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as "health care" by Standard & Poor's Global Industry Classification Standard and monthly cash distributions.

In order to achieve its investment objectives, the Mulvihill U.S. Health Care Enhanced Yield ETF will invest in an actively managed portfolio comprised principally of securities from the S&P 500 Health Care Index. The Mulvihill ETF may also invest up to 25% of its net asset value in securities included in the S&P Global 1200 Health Care Index and the S&P/TSX Composite Health Care GICS® Index (that are not included in the S&P 500 Health Care Index). The Fund will also write call and put options on a portion of its portfolio to seek to generate investment returns and, in the case of put options, acquire securities at predetermined prices in a manner that reduces acquisition costs.

Risk

Risks associated with an investment in the securities of the Fund are discussed in the Fund's prospectus, which is available on the Fund's website at www.mulvihill.com or on SEDAR at www.sedarplus.ca. There were no changes to the Fund over the year that materially affected the risks associated with an investment in the securities of the Fund.

Results of Operations

Distributions

For the year ended December 31, 2023, cash distributions of $0.64 were paid.

Revenue and Expenses

The Fund commenced operations on January 31, 2023. The Fund's total revenue was $0.09 per Unit and total expenses were $0.42 per Unit for the year ended December 31, 2023. The Fund had a net realized and unrealized loss of $0.41 per Unit for the year ended December 31, 2023.

Net Asset Value

The net asset value of the Fund per Unit decreased 14.5 percent from $10.00 per Unit at December 31, 2022 to $8.55 per Unit at December 31, 2023. The aggregate net asset value of the Fund was $6.4 million at December 31, 2023 reflecting proceeds of $7.3 million, an operating loss of $0.5 million and cash distributions of $0.4 million during the year.

Recent Developments

On February 1, 2023, Mulvihill Capital Management Inc. ("Mulvihill") announced that Mulvihill U.S. Health Care Enhanced Yield ETF ("XLVE") closed its initial public offering and its Units began trading on the Toronto Stock Exchange ("TSX") under the symbol XLVE.

Related Party Transactions

Mulvihill Capital Management Inc. ("Mulvihill"), acts as the trustee, manager and portfolio manager of the Fund pursuant to the Declaration of Trust dated February 14, 2022. The Manager has taken the initiative and may be considered to be a promoter of the Mulvihill ETFs. Pursuant to the Declaration of Trust, the Manager is required to provide, or cause to be provided, all necessary or advisable administrative services and facilities including valuation, fund accounting and Unitholder records.

Mulvihill is paid the fees described under the Management Fees section of this report.

During the year, no recommendations or approvals were required to be sought from the Independent Review Committee ("IRC") concerning related party transactions.

Independent Review Committee

National Instrument 81-107 – Independent Review Committee for Investment Funds ("NI 81-107") requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the

Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert G. Bertram, R. Peter Gillin and Dr. Robert Bell.

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 from its inception on February 14, 2022. This information is derived from the Fund's audited financial statements.

For the year ended December 31, 2023 and the period from inception on February 14, 2022 to December 31, 2022	2023	2022(4)
NET ASSETS PER UNIT		
Net Assets, beginning of period(1)	**$ 10.00**	$ 10.00
INCREASE (DECREASE) FROM OPERATIONS		
Total revenue	**0.09**	–
Total expenses	**(0.42)**	–
Realized gain (loss) for the period	**(0.63)**	–
Unrealized gain (loss) for the period	**0.22**	–
Total Increase (Decrease) from Operations(2)	**(0.74)**	–
DISTRIBUTIONS		
Non-taxable distributions	**(0.64)**	–
Total Distributions(3)	**(0.64)**	–
Net Assets, end of period(1)	**$ 8.55**	$ 10.00

(1) All per unit figures are derived from the Fund's audited financial statements for the period ended December 31. Net Assets per unit is the difference between the aggregate value of the assets and the aggregate value of the liabilities, divided by the number of units then outstanding.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), less expenses and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets 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.
(4) For the period from inception on February 14, 2022 to December 31, 2022.

For the year ended December 31, 2023 and the period from inception on February 14, 2022 to December 31, 2022	2023	2022(8)
RATIOS/SUPPLEMENTAL DATA		
Net Asset Value ($millions)(1)	**$ 6.41**	$ 0.00
Number of units outstanding(1)	**750,000**	1
Management expense ratio(2)	**5.16%(6)**	–
Portfolio turnover rate(3)	**195.01%**	–
Trading expense ratio(4)	**0.09%(6)**	–
Net Asset Value per Unit(5)	**$ 8.55**	$ 10.00
Closing market price	**$ 8.53(7)**	

(1) This information is provided as at December 31.
(2) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax but excluding transaction fees, divided by the average net asset value. The management expense ratio excluding the cost of financing also excludes the interest expense related to borrowings. Generally, the MER increases when the Fund becomes smaller in size due to redemptions.
(3) 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. 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.
(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
(5) Net Asset Value per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities divided by the number of units then outstanding.
(6) Annualized
(7) The last date with an executed trade was December 27, 2023.
(8) For the period from inception on February 14, 2022 to December 31, 2022.

Management Fees

Mulvihill, as the Investment Manager and Manager of the Fund, is entitled to fees under the Trust Agreement calculated and accrued daily and paid monthly as 1/12 of 0.65 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund, and providing for or arranging for required administrative services to the Fund. Mulvihill also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

The Manager may, from time to time in its discretion, waive all or a portion of the management fee charged at any given time.

Past Performance

The Fund has been operational for less than one year. No year-by-year returns, annual total return or compound returns have been calculated.

Portfolio Manager Report

2023 was a difficult year to manage equity portfolios unless you went away for the year and did nothing. As expected, the Federal Reserve Board ("FED") and many other central banks continued their tightening policies by raising interest rates through to July and then preached "higher for longer" interest rates. Such policies had historically led to lower stock prices, but not this time as strong performance from a handful of large mega cap stocks (i.e. FAANG) carried markets to positive returns in the first half of 2023. The reality is that most other stocks were not performing as well in an environment where inflation and higher interest rates were creating concerns about an eventual recession. All that changed in late October when the FED announced it had finished raising rates. With sources of liquidity reopening, both the bond and stock markets went on the huge run we witnessed in November and December. The total return for the S&P/TSX Composite Index for the year was 11.8 percent and 26.3 percent (23.2 percent in Canadian dollars) for the S&P 500 Index. Sector performance varied significantly in both markets with Information Technology leading the way by a considerable margin in both markets, with a total return of 69.2 percent in Canada and 57.8 percent in the U.S. Meanwhile, defensive interest sensitive stocks underperformed in both markets with Communication Services lagging in Canada, down 3.9 percent, while south of the border, Utility stocks lagged, down 7.1 percent. The Canadian dollar rose 2.3 percent relative to the U.S. dollar during the year.

Health Care stocks, as a group, ended 2023 roughly where they started despite some swings during the year. Diabetes and weight loss treatments continue to be priorities in the sector and sales of Ely Lily's drug Mounjaro contributed to its best-in-sector rank for the year, with a total return of just under 70% in 2023. The notable laggard was Moderna which is seeing declining revenues from its COVID related drugs. In May, the World Health Organization declared that COVID was no longer a public health emergency. With the pandemic ending, it remains to be seen what the ongoing impact to revenues will be for companies providing COVID-related products as payment coverage transitions to traditional insurance and Medicare. Moderna had a total return of negative 44.6% in 2023.

The net asset value ("NAV") per Unit of the Fund at December 31, 2023 was $8.55 compared to $10.00 at December 31, 2022. The shares, which are listed on the Toronto Stock Exchange as XLVE, were last traded on December 28, 2023 at $8.53. The price represents a $0.02 discount to the NAV per Unit. Distributions of $0.64 per unit were paid to the shareholders during the year. The return per Unit for the period since the first Net Asset Value date of January 31, 2023 to December 31, 2023, including reinvestment of distributions, was negative 8.1 percent.

Volatility of stocks within the industry continued to work lower during 2023. Historical volatility was under 10% for the group by the end of September. The level of call overwriting since February 1, 2023 was as high as 20.6% mid-year and averaged 6.5% over the year. Put-writing ranged from 0% to 21.4% and ended at 5.0%. The level of put-writing has an impact on the cash weight in the fund because cash or short-term notes are required as collateral when short-puts are held.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.mulvihill.com.

Asset Mix

December 31, 2023

	% OF NET ASSET VALUE
Health Care	90.8 %
Cash	7.0 %
Other Assets (Liabilities)	2.2 %
	100.0 %

Top 25 Holdings

December 31, 2023

	% OF NET ASSET VALUE
Cash	7.0 %
Charles River Laboratories International, Inc.	1.8 %
Waters Corporation	1.8 %
AbbVie Inc.	1.7 %
IDEXX Laboratories, Inc.	1.7 %
Intuitive Surgical, Inc.	1.7 %
IQVIA Holdings Inc.	1.7 %
Laboratory Corporation of America Holdings	1.7 %
Universal Health Services, Inc.	1.7 %
Vertex Pharmaceuticals Incorporated	1.7 %
Viatris Inc.	1.7 %
Abbott Laboratories	1.6 %
Agilent Technologies Inc.	1.6 %
Boston Scientific Corporation	1.6 %
Cencora, Inc.	1.6 %
CVS Health Corporation	1.6 %
DexCom, Inc.	1.6 %
Elevance Health, Inc.	1.6 %
GE HealthCare Technologies Inc.	1.6 %
HCA Healthcare, Inc.	1.6 %
Merck & Co., Inc.	1.6 %
Quest Diagnostics Incorporated	1.6 %
Regeneron Pharmaceuticals, Inc.	1.6 %
Stryker Corporation	1.6 %
Teleflex Incorporated	1.6 %

Forward-Looking Statements

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.

Management's Responsibility for Financial Reporting

The accompanying audited financial statements of Mulvihill U.S. Health Care Enhanced Yield ETF (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Capital Management Inc. (the "Manager") and have been approved by the Board of Directors of the Manager (the "Board").

The financial statements have been prepared by management in accordance with International Financial Reporting Standards 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 condensed financial statements.

The Manager is also responsible for maintaining a system of internal controls designed to provide reasonable assurance that assets are safe guarded and that accounting systems provide timely, accurate and reliable financial information.

The Audit Committee meets periodically with management and the independent auditor to discuss internal controls, the financial reporting process, various auditing and financial reporting matters, and to review the annual report and financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Audit Committee and the Board.

John Mulvihill
Director
Mulvihill Capital Management Inc.

March 5, 2024

John D. Germain
Director
Mulvihill Capital Management Inc.

To the Unitholders of Mulvihill U.S. Health Care Enhanced Yield ETF (the "Fund")

Opinion

We have audited the financial statements of the Fund, which comprise the statement of financial position as at December 31, 2023 and 2022, and the statements of comprehensive loss, changes in net assets attributable to holders of units and cash flows for the year ended December 31, 2023 and the period from February 1, 2022 to December 31, 2022, and notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2023 and 2022 and its financial performance and its cash flows for the year ended December 31, 2023 and the period from February 1, 2022 to December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management Report of Fund Performance
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Francesco Quatrale.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 27, 2024

Statements of Financial Position

As at December 31

	Note		2023		2022
ASSETS					
Financial assets at fair value through profit or loss	6	$	**5,817,636**	$	–
Cash			**451,588**		10
Dividends receivable			**3,494**		–
Derivative assets			**225,268**		–
TOTAL ASSETS			**6,497,986**		10
LIABILITIES					
Accrued liabilities			**45,314**		–
Distribution payable			**43,750**		–
TOTAL LIABILITIES			**89,064**		–
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS		**$**	**6,408,922**	$	10
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT		**$**	**8.5452**	$	10.0000

On behalf of the Manager,
Mulvihill Capital Management Inc.

John Mulvihill, Director

John D. Germain, Director

The notes are an integral part of the Financial Statements.

Statements of Comprehensive Income

For the year ended December 31, 2023 and the period from inception on February 14, 2022 to December 31, 2022

	Note		2023		2022
INCOME					
Dividend income		$	55,017	$	–
Interest income			5,750		–
Net realized gain/(loss) on investments at fair value through profit or loss			(495,170)		–
Net realized gain/(loss) on options at fair value through profit or loss			267,092		–
Net realized gain/(loss) on forward exchange contracts at fair value through profit or loss			(198,555)		–
Net change in unrealized gain/(loss) on investments at fair value through profit or loss			148,384		–
TOTAL LOSS, NET			(217,482)		–
EXPENSES					
Administrative and other expenses			115,385		–
Transaction fees	10		4,888		–
Custodian fees			54,323		–
Audit fees	13		32,757		–
Independent review committee fees	9		10,220		–
Legal fees			31,994		–
Unitholder reporting costs			11,721		–
Harmonized sales tax			19,543		–
Withholding taxes			9,057		–
TOTAL EXPENSES			289,888		–
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS	11	$	(507,370)	$	–
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT	11	$	(0.7434)	$	–

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets Attributable to Holders of Units

For the year ended December 31, 2023 and the period from inception on February 14, 2022 to December 31, 2022

		2023		2022
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, BEGINNING OF YEAR/PERIOD	$	10	$	–
Decrease in Net Assets Attributable to Holders of Units		(507,370)		–
Unit Transactions				
Proceeds from redeemable units issued		7,362,529		10
Distributions				
Non-taxable distributions		(446,247)		–
Changes in Net Assets Attributable to Holders of Units		6,408,912		10
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, END OF YEAR/PERIOD	$	6,408,922	$	10

Statements of Cash Flows

For the year ended December 31, 2023 and the period from inception on February 14, 2022 to December 31, 2022

		2023		2022
CASH, BEGINNING OF YEAR/PERIOD	$	10	$	–
Cash Flows Provided By (Used In) Operating Activities				
Decrease in Net Assets Attributable to Holders of Units		(507,370)		–
Adjustments to Reconcile Net Cash Provided By (Used In) Operating Activities				
Net realized (gain)/loss on investments at fair value through profit or loss		495,170		–
Net realized (gain)/loss on options at fair value through profit or loss		(267,092)		–
Net realized (gain)/loss on forward exchange contracts at fair value through profit and loss		198,555		–
Net change in unrealized (gain)/loss on investments at fair value through profit or loss		(148,384)		–
Net change in unrealized (gain)/loss on foreign cash		(7,046)		–
Increase in dividends receivable		(3,494)		–
Increase in accrued liabilities		45,314		–
Purchase of investment securities		(16,629,844)		–
Proceeds from disposition of investment securities		10,315,737		–
		(6,001,084)		–
Cash Flows Provided By (Used In) Financing Activities				
Proceeds from Units issued		7,362,529		10
Unit distributions		(402,497)		–
		6,960,032		10
Net Increase in Cash during the Year/Period		451,578		10
CASH, END OF YEAR/PERIOD	$	451,588	$	10

Dividends received	$	42,466	$	–
Interest received	$	5,750	$	–

The notes are an integral part of the Financial Statements.

Schedule of Investments

As at December 31, 2023

	Number of Shares	Average Cost	Fair Value	% of Net Assets Attributable to Holders of Units
INVESTMENTS				
United States Common Shares				
Health Care				
Abbott Laboratories	711	$ 105,965	$ 103,193	
AbbVie Inc.	518	103,272	105,850	
Agilent Technologies Inc.	572	97,497	104,862	
Align Technology, Inc.	12	5,884	4,336	
Amgen Inc.	259	79,642	98,364	
Baxter International Inc.	1,754	102,824	89,414	
Becton, Dickinson and Company	279	102,855	89,702	
Biogen Inc.	285	103,287	97,246	
Bio-Rad Laboratories, Inc.	191	102,913	81,321	
Bio-Techne Corporation	949	108,392	96,554	
Boston Scientific Corporation	1,322	86,439	100,774	
Bristol-Myers Squibb Company	1,249	102,954	84,504	
Cardinal Health, Inc.	732	83,123	97,294	
Cencora, Inc.	371	94,784	100,472	
Centene Corporation	1,003	90,172	98,147	
Charles River Laboratories International, Inc.	375	103,102	116,893	
The Cigna Group	235	93,897	92,791	
The Cooper Companies, Inc.	198	100,046	98,804	
CVS Health Corporation	1,012	103,216	105,366	
Danaher Corporation	300	91,650	91,513	
DaVita Inc.	54	7,435	7,459	
DENTSPLY SIRONA Inc.	1,888	102,516	88,602	
DexCom, Inc.	625	100,328	102,266	
Edwards Lifesciences Corporation	955	116,243	96,019	
Elevance Health, Inc.	163	102,611	101,353	
Eli Lilly and Company	123	68,096	94,543	
GE HealthCare Technologies Inc.	1,012	103,459	103,178	
Gilead Sciences, Inc.	918	92,735	98,061	
HCA Healthcare, Inc.	287	100,090	102,436	
Henry Schein, Inc.	975	103,736	97,335	
Hologic, Inc.	1,017	113,313	95,816	
Humana Inc.	139	89,734	83,910	
IDEXX Laboratories, Inc.	150	108,050	109,783	
Illumina, Inc.	8	2,024	1,469	
Incyte Corporation	1,182	103,630	97,864	
Insulet Corporation	88	31,561	25,178	
Intuitive Surgical, Inc.	246	103,042	109,430	
IQVIA Holdings Inc.	353	103,214	107,699	
Johnson & Johnson	454	102,339	93,832	
Laboratory Corporation of America Holdings	359	102,981	107,594	
McKesson Corporation	160	88,200	97,678	
Merck & Co., Inc.	733	105,500	105,372	
Molina Healthcare, Inc.	204	82,926	97,190	
Organon & Co.	3,575	104,144	67,976	
Pfizer Inc.	2,164	102,140	82,151	
Quest Diagnostics Incorporated	577	103,778	104,904	
Regeneron Pharmaceuticals, Inc.	89	86,954	103,072	
ResMed Inc.	347	109,355	78,708	
Revvity, Inc.	617	103,035	88,932	
Stryker Corporation	259	101,520	102,271	
Teleflex Incorporated	312	105,848	102,579	
Thermo Fisher Scientific Inc.	139	102,720	97,286	

Schedule of Investments

As at December 31, 2023

	Number of Shares/ Contracts	Average Cost/Proceeds	Fair Value	% of Net Assets Attributable to Holders of Units
UnitedHealth Group Incorporated	137	93,433	95,106	
Universal Health Services, Inc.	532	96,984	106,936	
Vertex Pharmaceuticals Incorporated	198	94,702	106,232	
Viatris Inc	7,413	103,375	105,861	
Waters Corporation	261	101,628	113,305	
West Pharmaceutical Services, Inc.	193	94,017	89,611	
Zimmer Biomet Holdings, Inc.	601	104,267	96,445	
Zoetis Inc.	400	93,090	104,101	
Total Health Care		5,596,667	5,526,943	86.3 %
Total United States Common Shares		$ 5,596,667	$ 5,526,943	86.3 %
Non-North American Common Shares				
Health Care				
Medtronic Public Limited Company	900	$ 106,499	$ 97,764	
Mettler-Toledo International Inc.	59	101,716	94,365	
STERIS plc	340	96,606	98,564	
Total Health Care		304,821	290,693	4.5 %
Total Non-North American Common Shares		$ 304,821	$ 290,693	4.5 %
Forward Exchange Contracts				
Bought USD $300,000 Sold CAD $414,291 @0.72413 – January 24, 2024			$ (18,784)	
Sold USD $4,600,000 Bought CAD $6,315,064 @0.72842 – January 24, 2024			250,764	
Total Forward Exchange Contracts			$ 231,980	3.6 %
Options				
Written Covered Put Options (100 shares per contract)				
Align Technology, Inc. – January 2024 @ $260	(2)	$ (2,674)	$ (976)	
Catalent, Inc. – January 2024 @ $40	(11)	(1,817)	(435)	
DaVita Inc. – January 2024 @ $105	(4)	(1,436)	(1,490)	
Illumina, Inc. – January 2024 @ $128	(4)	(3,633)	(1,213)	
Insulet Corporation – January 2024 @ $200	(1)	(841)	(369)	
Moderna, Inc. – January 2024 @ $98	(4)	(2,499)	(2,229)	
Total Written Covered Put Options		(12,900)	(6,712)	(0.1)%
Total Options		$ (12,900)	$ (6,712)	(0.1)%
Adjustment for transaction fees		(1,114)		
TOTAL INVESTMENTS		$ 5,887,474	$ 6,042,904	94.3 %
OTHER NET ASSETS			366,018	5.7 %
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS			$ 6,408,922	100.0 %

1. Fund Information

Mulvihill U.S. Health Care Enhanced Yield (the "Fund") is an investment trust established under the laws of the Province of Ontario on February 14, 2022. The Fund changed its name from Mulvihill Premium Yield Plus ETF ("MPYY") and amended its investment objectives on December 16, 2022. These financial statements are for the year ended December 31, 2023 with comparative information for the period from February 14, 2022 to December 31, 2022. The address of the Fund's registered office is 121 King Street West, Suite 2600, Standard Life Centre, P.O. Box 113, Toronto, Ontario. Mulvihill Capital Management Inc. ("Mulvihill") is the trustee and manager of the Fund. RBC Investor Services Trust is the Custodian of the Fund.

The Fund seeks to provide unitholders with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as "health care" by Standard & Poor's Global Industry Classification Standard and monthly cash distributions. The Units are listed on the Toronto Stock Exchange ("TSX") under the ticker symbol XLVE.

To accomplish its objectives, the Fund will invest in an actively managed portfolio comprised principally of securities from the S&P 500 Health Care Index. The Fund may also invest up to 25 percent of its net asset value in securities included in the S&P Global 1200 Health Care Index and the S&P/TSX Composite Health Care GICS® Index (that are not included in the S&P 500 Health Care Index). The Fund may use modest leverage of up to 25 percent of net assets to enhance the dividend yields of the underlying stocks and provides additional return potential. The Fund will also utilize option strategies to enhance the portfolio income. In addition, the Fund may purchase public investment funds including exchange-traded funds and other Mulvihill Funds (provided that no more than 15 percent of the Net Asset Value ("NAV") of the Fund may be invested in securities of other Mulvihill Funds) that provide exposure to such common shares.

The Fund employs an active covered call writing strategy to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

These financial statements were approved by the Board of Directors of the Manager on March 5, 2024.

2. Basis of Presentation

The financial statements for the Fund have been prepared in compliance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB").

3. Summary of Material Accounting Policy Information

Effective January 1, 2023, the Fund adopted the IAS 1 – Presentation of Financial Statements ("IAS 1") amendment with regards to disclosure of material accounting policies. This amendment did not have a material impact on these financial statements. There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2023, that have a material effect on the financial statements of the Fund. The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise indicated.

Functional and Presentation Currency

Items included in the financial statements of the Fund are measured in the currency of the primary economic environment in which the Fund operates (the "functional currency"). The functional currency is the Canadian dollar, which is also the Fund's presentation currency.

Financial Instruments

IFRS 9: Financial Instruments ("IFRS 9") requires assets to be carried at amortized cost or fair value, with changes in fair value recognized in profit or loss or other comprehensive income, based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

The Fund recognizes financial instruments at fair value upon initial recognition. Purchases and sales of financial assets are recognized at their trade date. The Fund's investments are classified at fair value through profit or loss ("FVTPL"). The Fund's obligation for net assets attributable to holders of Units is presented at the redemption amount as of the date of the statement of financial position. All other financial assets and liabilities are measured at amortized cost. The Fund's accounting policies for measuring the fair value of its investments are identical to those used in measuring its NAV for transactions with unitholders.

Financial Assets and Financial Liabilities at Fair Value Through Profit or Loss

Classification

Financial Assets

The Fund classifies its investments in equity securities based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets.

These financial assets are managed and their performance is evaluated on a fair value basis. The Fund also manages these financial assets with the objective of realizing cash flows through sales. Further, an option to irrevocably designate any equity securities at fair value through other comprehensive income ("FVOCI") has not been taken.

Consequently, these financial assets are mandatorily measured at FVTPL.

Held for Trading

Financial assets or financial liabilities held for trading are those acquired or incurred principally for the purpose of selling or repurchasing in the near future or on initial recognition they are a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short term profit-taking.

All derivatives are included in this category and mandatorily measured at FVTPL.

The Fund does not apply general hedge accounting to any of its derivatives positions.

Financial Assets and Financial Liabilities at Amortized Cost

The financial assets and liabilities measured at amortized cost may include cash, dividends receivable, due from brokers – investments, due to brokers – investments, accrued liabilities, accrued management fees, redemptions payable and the Fund's obligation for net assets attributable to holders of Units.

IFRS 9 requires the expected credit loss model ("ECL") as the impairment model for financial assets carried at amortized cost. At each reporting date, the Fund measures the loss allowance on cash collateral held, amounts due from broker, accrued income and other short-term receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund measures the loss allowance at an amount equal to the 12 month expected credit losses. Given the short-term nature of the receivables and their high credit quality, the Fund has determined that no expected credit loss allowance is required.

Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund uses the last traded market price as its valuation input for financial assets and liabilities if the last traded price falls within the bid-ask spread. In other circumstances where the last traded price is not within the bid-ask spread, the Manager determines the point within the bid-ask spread that is most representative of fair value for financial reporting purposes.

The fair value of financial assets and liabilities that are not traded in an active market is determined by valuation techniques as described in Note 4.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Net realized gain/(loss) on investments at fair value through profit or loss and net change in unrealized gain/(loss) on investments at fair value through profit or loss are determined on an average cost basis. Realized gains and losses related to options are included in net realized gain/(loss) on options at fair value through profit or loss. 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 relating to purchased put options may arise from:

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid,

(ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid, and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

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 the net change in unrealized gain/(loss) on investments at fair value through profit or loss. The premiums received on written 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 measured using the effective interest method and recorded on a daily basis.

Classification of Units

IAS 32, Financial Instruments: Presentation ("IAS 32") requires that the Fund Units (which are puttable instruments) be classified as financial liabilities.

Increase/(Decrease) in Net Assets Attributable to Holders of Units per Unit

The increase/(decrease) in net assets attributable to holders of Units per Unit is calculated by dividing the increase/(decrease) in net assets attributable to holders of Units by the weighted average number of Units outstanding during the year. Please refer to Note 11 for the calculation.

Taxation

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax 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 to unitholders 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 non-refundable income tax.

IAS 7 Statement of Cash Flows

IAS 7 Statement of Cash Flows ("IAS 7") requires disclosures related to changes in liabilities arising from financing activities. Units issued by the Fund are classified as financial liabilities. A reconciliation between the opening and closing balances of the Units of the Fund is presented in the Statement of Changes in Net Assets Attributable to Holders of Units, including changes from cash flows and non-cash changes.

4. Critical Accounting Estimates and Judgments

The preparation of financial statements requires the Manager to use judgment in applying accounting policies and to make estimates and assumptions about the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The following discusses the most significant accounting judgments and estimates that the Fund has made in preparing the financial statements.

The Fund may, from time to time, hold financial instruments that are not quoted in active markets. Fair values of such instruments are determined by using valuation models and techniques generally recognized as standard within the investment industry. These valuation methods use observable data wherever possible. Observable market data are readily available and supplied by independent sources actively involved in the relevant market. However, areas such as credit risk (both own and counterparty) and its correlations require the Manager to make estimates. Significant changes in assumptions about these factors could adversely affect the reported fair values of financial instruments. Please refer to Note 6 for a further analysis of risks associated with financial instruments.

5. Capital Disclosures

IAS 1, Presentation of Financial Statements ("IAS 1"), requires the disclosure of: (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with external capital requirements, if any; and (iv) if it has not complied, the consequences of such noncompliance. The Fund's objectives, policies and processes are described in Note 1, information on the Fund's units is described in Note 7 and the Fund does not have any externally imposed capital requirements.

6. Risks Associated with Financial Instruments

The Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which the Fund invests. These risks include credit risk, liquidity risk, market risk (including currency risk, interest rate risk and price risk), concentration risk and capital risk management.

Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange-traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

The Fund measures credit risk and lifetime ECLs related to the receivables using historical analysis and forward-looking information in determining the ECL.

The Fund is also exposed to counterparty credit risk on derivative financial instruments. The counterparty credit risk for derivative financial instruments is managed by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102 – Investment Funds ("NI 81-102"). During the year ended December 31, 2023 and the period ended December 31, 2022, the counterparties to the Fund's derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor's Ratings Services.

The Fund's derivative instruments are subject to offsetting, enforceable netting arrangements and similar agreements. The Fund and its counterparty have elected to settle all transactions on a gross basis; however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. All outstanding derivatives have been presented on a gross basis on the Statement of Financial Position as derivative assets or derivative liabilities, as they do not meet the criteria for offsetting in IAS 32 paragraph 42.

Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and which can be easily disposed. In addition, the Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due.

Cash is required to fund redemptions. The Fund has a maximum of three business days to generate sufficient cash to fund redemptions.

The amounts in the table are the contractual undiscounted cash flows:

	As at December 31, 2023 Financial Liabilities On Demand	< 3 months	Total
Accrued liabilities	$ –	$ 45,314	$ 45,314
Distribution payable	–	43,750	43,750
Units	6,408,922	–	6,408,922
	$ 6,408,922	$ 89,064	$ 6,497,986

	As at December 31, 2022 Financial Liabilities On Demand	< 3 months	Total
Units	$ 10	$ –	$ 10

Market Risk

The Fund's investments are subject to market risk which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The following include sensitivity analyses that show how the net assets attributable to holders of Units would have been affected by a reasonably possible change in the relevant risk variable at each reporting date. In practice, the actual results may differ and the differences could be material.

(a) Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the net assets attributable to holders of Units. The Fund is exposed to this risk due to its borrowings, if any, and manages the risk by monitoring interest rates and returns.

(b) Price Risk

Price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to price risk arises from its investments in equity securities. Net assets per unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund, including factors that affect all the companies in the health care industry.

The Fund's price risk is managed by taking a long-term perspective and utilizing an option writing program, as well as by the use of purchased put options. The Fund had no exposure to price risk as at December 31, 2022. Approximately 91 percent of the Fund's net assets attributable to holders of Units, held at December 31, 2023 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at December 31, 2023, the net assets attributable to holders of Units would have increased or decreased by $0.3 million or 4.5 percent of the net assets attributable to holders of Units with all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Manager believes that a portfolio that is subject to covered call option writing or purchased put options should provide a degree of protection against falling share prices in a downward trending market.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk as at December 31, 2023:

	Dec. 31, 2023
Health Care	100.0 %

Fair Value Measurement

The Fund classifies fair value measurement within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities,

Level 2: Inputs, other than quoted prices in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

Level 3: Inputs that are based on unobservable market data.

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognized in the period they occur.

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2023.

As at December 31, 2023	Level 1	Level 2	Level 3	Total
United States Common Shares	$ 5,526,943	$ –	$ –	$ 5,526,943
Non-North American Common shares	290,693	–	–	290,693
Forward Exchange Contracts	–	231,980	–	231,980
Options	(6,712)	–	–	(6,712)
	$ 5,810,924	$ 231,980	$ –	$ 6,042,904

The carrying values of cash, dividends receivable, accrued liabilities, accrued management fees, and the Fund's obligation for net assets attributable to Units approximate their fair values due to their short-term nature.

(a) Equities

The Fund's equity positions are classified as Level 1 as equity securities are actively traded and a reliable quoted price is observable.

(b) Derivative Assets and Liabilities

Derivative assets and liabilities consist of option contracts and forward exchange contracts.

Listed options are classified as Level 1 as the security is traded in a recognized exchange and a reliable price is readily observable. Fair value of over-the-counter options is determined using the Black-Scholes Model with observable market data as inputs.

Forward exchange contracts are valued as the gain or loss that would be realized if, on the valuation date, the position in the forward exchange contract, as the case may be, was to be closed out. Over-the-counter option and forward exchange contracts for which the credit risks are determined not to be significant to fair value have been classified as Level 2.

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during 2023 and 2022.

7. Borrowings

The Fund is an "alternative mutual fund", as defined in NI 81-102 and is therefore permitted to lever its assets per the restrictions outlined in NI 81-102. The Fund measures leverage in terms of the total underlying notional value of the securities as a ratio of the total assets held. Although NI 81-102 allows the use of leverage of up to three times NAV, the maximum aggregate exposure of the Fund to cash borrowing, short selling and specified derivatives will not exceed approximately 25 percent of the Fund's NAV. In order to ensure that a unitholder's risk is limited to the capital invested, the Fund's leverage is rebalanced in certain circumstances and when the leverage breaches certain bands. The Fund did not lever its assets during either period presented.

8. Units

The Fund is authorized to issue an unlimited number of Units, each of which represents an undivided interest in the assets of the Fund.

Units are redeemable for cash equal to the lesser of 95 percent of the market price of units on the Toronto Stock Exchange ("TSX") on the effective date and the NAV per Unit on the redemption effective date. Distributions are made to unitholders in the Manager's sole discretion and are intended to equal, on an annual basis, the total of the Fund's income and realized capital gains to ensure that the Fund will not be liable for income tax.

During the year ended December 31, 2023, 749,999 Units (period ended December 31, 2022 – 1 Unit) were issued for proceeds of $7,362,529 (period ended December 31, 2022 – $10).

During the year ended December 31, 2023, cash distributions paid to unitholders were $446,247 (period ended December 31, 2022 – nil), representing a payment of $0.64 per Unit.

9. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

(a) Management Fees

Mulvihill, as Manager under the terms of the Management Agreement and as Investment Manager under the terms of the Investment Management Agreement, receives a management fee payable at an annual rate of 0.65 percent of the Fund's net asset value, calculated monthly, plus applicable taxes. The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the Manager in the ordinary course of business relating to the Fund's operations. The Manager has waived management fees until assets under management reach a discretionary threshold.

(b) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the year ended December 31, 2023 was $10,220 (period ended December 31, 2022 – nil).

10. Brokerage Commissions and Soft Dollars

The Manager may select brokerages who charge a commission in soft dollars if they determine in good faith that the commission is reasonable in relation to the order execution and research services utilized. The ascertainable soft dollar value received as a percentage of total transaction fees paid during the year ended December 31, 2023 is disclosed below:

	Dec. 31, 2023
Soft Dollars	$ 682
Percentage of Total Transaction Fees	14.0 %

11. Decrease in Net Assets Attributable to Holders of Units

The decrease in net assets attributable to holders of Units per Unit for the year ended December 31, 2023 is calculated as follows:

	Dec. 31, 2023
Decrease in Net Assets Attributable to Holders of Units	$ (507,370)
Weighted Average Number of Units Outstanding during the Year	682,530
Decrease in Net Assets Attributable to Holders of Units per Unit	$ (0.7434)

12. Income Taxes

No amount is payable on account of income taxes in 2023 and 2022.

Accumulated non-capital losses of approximately $0.2 million (2022 – nil) and accumulated capital losses of approximately $0.4 million (2022 – nil) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire in 2043.

13. Audit Fees

During the year, fees paid or payable to Deloitte LLP for the audit of the financial statements of the Fund were $15,000 and fees for other services were $37,204.

Directors and Independent Review Committee

John Mulvihill
Director
Chairman & CEO
Mulvihill Capital Management Inc.

John P. Mulvihill
Director
President
Mulvihill Capital Management Inc.

John D. Germain
Director
Senior Vice-President & Chief Financial Officer
Mulvihill Capital Management Inc.

Dr. Robert Bell
Independent Review Committee Member

Robert G. Bertram
Independent Review Committee Member

R. Peter Gillin
Independent Review Committee Member

Information

Independent Auditor:
Deloitte LLP
Bay Adelaide Centre, East Tower
8 Adelaide Street West, Suite 200
Toronto, Ontario
M5H 0A9

Registrar:
TSX Trust Company
301-100 Adelaide Street West
Toronto, Ontario
M5H 4H1

Custodian:
RBC Investor Services Trust
RBC Centre
155 Wellington Street West, 2nd Floor
Toronto, Ontario
M5V 3L3

Visit our website at www.mulvihill.com for additional information on all Mulvihill Investment Funds.

Investment Funds Managed by Mulvihill Capital Management Inc.

EXCHANGE-TRADED FUNDS

Mulvihill Canadian Bank Enhanced Yield ETF (CBNK)
Mulvihill Premium Yield Fund ETF (MPY)
Mulvihill U.S. Health Care Enhanced Yield ETF (XLVE)

MUTUAL FUNDS

Mulvihill Premium Yield Fund

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)
S Split Corp. (SBN.PR.A/SBN)
Top 10 Split Trust (TXT.PR.A/TXT.UN)
World Financial Split Corp. (WFS.PR.A/WFS)

Head Office:

Mulvihill Capital Management Inc.
121 King Street West, Suite 2600
P.O. Box 113
Toronto, Ontario
M5H 3T9

Tel: 416-681-3966
Toll Free: 1-800-725-7172
Fax: 416-681-3901
Email: info@mulvihill.com

Contact your broker directly for address changes.

Mulvihill Capital Management Inc.
Investor Relations
121 King Street West, Suite 2600
P.O. Box 113
Toronto, Ontario
M5H 3T9

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www.mulvihill.com