Initial Public Offering February 15, 2001

Platinum Pro-AMS Series

Pro-AMS TRUST

$1,250,000,000 (Maximum)

$25.00 per Unit

This prospectus qualifies the issuance of transferable, redeemable units (the ''Units'') of Pro-AMS Trust (the ''Trust''), an investment trust established under the laws of Ontario.

The Trust's investment objectives are: (i) to return at least the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust on December 31, 2012 (the ''Termination Date''); (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1823 per Unit ($2.1875 per annum or 8.75% on the original issue price); and (iii) to preserve the value of the Trust's managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price.

To provide the Trust with the means to return the original issue price of the Units on termination, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with Royal Bank of Canada (''RBC'') pursuant to which RBC will agree to pay to the Trust an amount equal to $25.00 in respect of each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to RBC equity securities which the Trust will acquire with approximately 52.2% of the gross proceeds of the offering (the ''Fixed Portfolio''). The Forward Agreement will be a direct obligation of RBC. The balance of the net proceeds of the offering will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index and of companies with a market capitalization in excess of US$5.0 billion selected from the S&P 500 Index.

To achieve the monthly distribution and preservation objectives, the Trust's Managed Portfolio will be managed by Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. Cash distributions over the life of the Trust will primarily be derived from net realized capital gains from the Trust's Managed Portfolio including premiums from writing covered call options on the securities held in the Managed Portfolio and from writing cash covered put options on securities in which the Trust is permitted to invest as well as from dividends received on the Trust's portfolio. MCM will be responsible for managing all of the Trust's activities including the composition of the Managed Portfolio and the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based on MCM's assessment of market conditions.

The Trust will terminate on the Termination Date and its net assets will be distributed thereafter to Unitholders unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. See ''Termination of the Trust''.

The Toronto Stock Exchange has conditionally approved the listing of the Units, subject to the fulfillment by the Trust of the requirements of such stock exchange on or before April 23, 2001, including distribution of Units to a minimum number of Unitholders.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly basis on the last day of the month (a ''Valuation Date''). Unitholders whose Units are redeemed on the December Valuation Date in each year (commencing with the December 2001 Valuation Date) will be entitled to receive a redemption price per Unit equal to the Net Asset Value (''NAV'') per Unit determined as of such Valuation Date. Unitholders whose Units are redeemed on any other monthly Valuation Date will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of: (i) 4% of such NAV per Unit; and (ii) $1.00. See ''Redemption of Units''. **Unitholders who redeem their Units prior to the Termination Date will receive a redemption price determined with reference to the NAV of the Trust at the time of redemption, which may be more or less than the original issue price of the Units**. The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and the volatility of the Managed Portfolio securities. **There is currently no market through which the Units may be sold.**

In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada), the Units will be qualified investments for trusts governed by registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and, assuming proposed amendments are enacted, registered education savings plans. The Units will not be foreign property under such Act. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.

See ''Risk Factors'' for a discussion of certain factors that should be considered by prospective investors in Units. There is no assurance that the Trust will be able to achieve its capital repayment, distribution or Managed Portfolio preservation objectives.

Price: $25.00 per Unit
Minimum Purchase: 100 Units

	Price to the Public[(1)]	Agents' Fees	Net Proceeds to the Trust[(2)]
Per Unit	$ 25.00	$ 1.375	$ 23.625
Total Minimum Offering[(3)]	$ 750,000,000	$41,250,000	$ 708,750,000
Total Maximum Offering[(4)]	$1,250,000,000	$68,750,000	$1,181,250,000

Notes:

(1) The offering price was established by negotiation between the Agents and the manager of the Trust.

(2) Before deducting the expenses of issue (estimated at $850,000) which, together with the Agents' fees, will be paid out of the proceeds of this offering.

(3) There will be no closing unless a minimum of 30,000,000 Units are sold.

(4) The Trust has granted the Agents an option (the ''Over-Allotment Option''), exercisable for a period of 30 days from the closing of this offering, to offer up to 7,500,000 additional Units on the same terms set forth above, which additional Units are qualified for sale hereunder. If the Over-Allotment Option is exercised in full, the total price to the public under the maximum offering will be $1,437,500,000, the Agents' fees will be $79,062,500 and the net proceeds to the Trust will be $1,358,437,500.

The Trust is not a trust company and, accordingly, the Trust is not registered under the trust company legislation of any jurisdiction as it does not carry on business as a trust company. The Trust is a mutual fund trust which offers and sells its Units to the public. Units are not ''deposits'' within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under provisions of that Act or any other legislation.

RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Merrill Lynch Canada Inc., Scotia Capital Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Desjardins Securities Inc., Raymond James Ltd. and Yorkton Securities Inc. (collectively, the ''Agents'') conditionally offer the Units, subject to prior sale, on a best efforts basis, if, as and when issued by the Trust and accepted by the Agents in accordance with the conditions contained in the Agency Agreement, and subject to the approval of certain legal matters by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents. See ''Plan of Distribution''.

Subscriptions will be received for the Units offered hereby, subject to rejection or allotment in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this offering is expected to occur on or about March 2, 2001, but no later than April 17, 2001. Registrations and transfers of Units will be effected only through the book-based system administered by The Canadian Depository for Securities Limited (''CDS''). Beneficial owners of Units will not have the right to receive physical certificates evidencing their ownership.

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PROSPECTUS SUMMARY

The following is a summary only and is qualified in its entirety by and should be read in conjunction with the more detailed information appearing elsewhere in this prospectus.

MCM PLATINUM Pro-AMS SERIES

The Pro-AMS Trust is the second trust in the series of the MCM Platinum Pro-AMS Series. The MCM Platinum Pro-AMS Series has been created with a focus on returning the original issue price to Unitholders, providing targeted monthly distributions and preserving the value of the managed portion of the Trust's portfolio in order to provide capital appreciation on the original issue price. The investment objectives of the Pro-AMS Trust are similar to those of the Pro-AMS U.S. Trust which completed its $570.5 million initial public offering on October 5, 2000. However, Units of the Pro-AMS Trust offered hereby will not be foreign property under the *Income Tax Act* (Canada).

THE TRUST

The Pro-AMS Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated as of February 15, 2001. The manager of the Trust is Mulvihill Fund Services Inc. (''Mulvihill'') and the Trust's investment manager is Mulvihill Capital Management Inc. (''MCM''). Mulvihill is a wholly-owned subsidiary of MCM.

THE OFFERING

Offering: The offering consists of transferable, redeemable units (the ''Units'') of the Trust.

Amount: Maximum: $1,250,000,000 (50,000,000 Units)
Minimum: $750,000,000 (30,000,000 Units)

Price: $25.00 per Unit

Minimum Purchase: 100 Units ($2,500.00)

Eligibility for Investment: In the opinion of counsel, provided that the Trust qualifies as a mutual fund trust within the meaning of the *Income Tax Act* (Canada), the Units will be qualified investments for trusts governed by registered retirement savings plans, deferred profit sharing plans, registered retirement income funds and, assuming proposed amendments are enacted, registered education savings plans and the Units will not be foreign property under such Act. See ''Canadian Federal Income Tax Considerations'' and ''Eligibility for Investment''.

As the Trust intends to acquire common shares of Canadian public companies for the Fixed Portfolio (which will be subject to the Forward Agreement described below), and given the foreign property limits now applicable under the *Income Tax Act* (Canada) and the Regulations thereunder, as proposed to be amended, to the Trust's investments, it is expected that up to approximately 67% of the Managed Portfolio initially may be invested in S&P 500 Index companies without rendering the Units foreign property for under the *Income Tax Act* (Canada).

Investment Objectives: The Trust's investment objectives are (i) to return at least the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust; (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1823 per Unit ($2.1875 per annum or 8.75% on the original issue price); and (iii) to preserve the value of the Trust's managed portfolio (the Managed Portfolio described below), 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 of the Units on or about the Termination Date, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with Royal Bank of Canada (''RBC'') pursuant to which RBC will agree to pay to the Trust an amount equal to $25.00 in respect of each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to RBC equity securities which the Trust will acquire with approximately 52.2% of the gross proceeds of the offering (the ''Fixed Portfolio''). The settlement obligations of each of the Trust and RBC under the Forward Agreement with respect to Fixed Portfolio securities, may be discharged by physical delivery or by the making of a net cash payment to the appropriate party at the election of the Trust. In order to achieve the monthly distribution and preservation objectives, the balance of the net proceeds of the Offering will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index and of companies with a market capitalization in excess of US$5.0 billion selected from the S&P 500 Index. 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. The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. MCM, the Trust's investment manager, will manage the Managed Portfolio. The composition of the Managed Portfolio, the securities which may be subject to call options and put options and the terms of such options will vary, from time to time, based on MCM's assessment of market conditions. After the Trust has returned the original issue price to Unitholders as a result of the Forward Agreement, to the extent that the value of the Managed Portfolio is greater than zero on the Termination Date, capital appreciation in the value of the Units above their original issue price will have occurred. See ''Investments of the Trust – Investment Objectives'', ''Investments of the Trust – Investment Strategy'', and ''Covered Call Option Writing''.
Capital Repayment:	Upon or within 30 days of the closing of the Offering, the Trust will enter into the Forward Agreement, which is intended to enable the Trust to meet the objective of returning the original issue price per Unit to Unitholders on the Termination Date. As a result, on the Termination Date, Unitholders are expected to receive an amount per Unit equal to the original issue price, plus any capital appreciation above the original issue price generated through management of the Managed Portfolio. However, the Trust's ability to pay the original issue price to Unitholders may be affected by the credit risk of the Forward Agreement counterparty and the extent to which it satisfies its obligations thereunder. See ''Investments of the Trust – Capital Repayment'', ''Termination of the Trust'' and ''Risk Factors – Counterparty Credit Risk''. The Fixed Portfolio will be segregated from the Managed Portfolio. In connection with the Forward Agreement, Fixed Portfolio securities, cash or other acceptable cash equivalents or securities will be pledged to RBC as security for the obligations of the Trust thereunder.
Monthly Distributions:	The Trust will endeavour to make monthly cash distributions of net income, net realized capital gains and option premiums to Unitholders on the last day of each month targeted to be at least $0.1823 per Unit ($2.1875 per annum or 8.75% on the original issue price). The initial cash distribution is anticipated to be payable

on April 30, 2001. The Trust may also, in the discretion of the Manager, make other distributions at any time in addition to monthly cash distributions if it considers it appropriate. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Trust will make any distributions in any particular month or months. See ''Monthly Distributions'' and ''Investments of the Trust – Investment Strategy''.

Monthly cash distributions over the life of the Trust will primarily be derived from net realized capital gains from the Trust's Managed Portfolio including premiums from writing covered call options on the securities held in the Managed Portfolio and from writing cash covered put options on securities in which the Trust is permitted to invest as well as from dividends received on the Trust's portfolio and, in certain circumstances, by returning capital.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends after December 14 but on or before December 31 of that year, to distribute such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under the *Income Tax Act* (Canada). See ''Canadian Federal Income Tax Considerations''.

Representative Universe: The following are the names of corporations whose securities have been selected by MCM as being representative of securities in the Representative Universe:

From the S&P/TSE 60 Index

NORTEL NETWORKS CORPORATION
THE THOMSON CORPORATION
BCE INC.
BOMBARDIER INC. (CLASS B)
ROYAL BANK OF CANADA
MANULIFE FINANCIAL CORPORATION
CELESTICA INC.
ALCAN ALUMINIUM LIMITED
CANADIAN PACIFIC LIMITED
PETRO-CANADA
TALISMAN ENERGY INC.
ABITIBI-CONSOLIDATED INC.

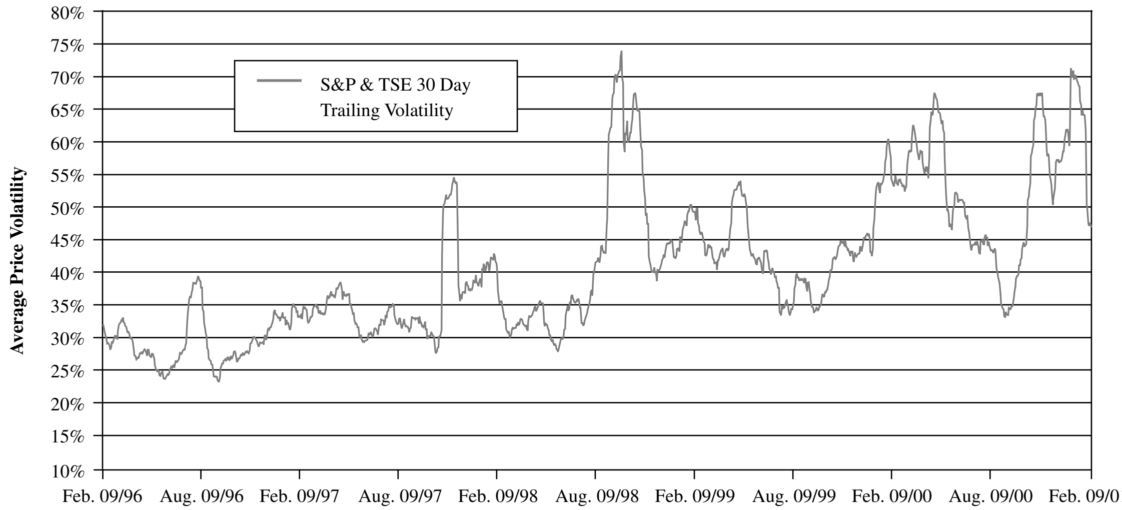
From the S&P 500 Index

GENERAL ELECTRIC COMPANY
MICROSOFT CORPORATION
CITIGROUP INC.
WAL-MART STORES, INC.
AOL TIME WARNER, INC.
CISCO SYSTEMS, INC.
INTERNATIONAL BUSINESS MACHINES CORPORATION
ORACLE CORPORATION
BRISTOL-MYERS SQUIBB COMPANY
EMC CORPORATION
TYCO INTERNATIONAL LTD.
THE HOME DEPOT, INC.
THE PROCTER & GAMBLE COMPANY
PHARMACIA CORPORATION
PEPSICO, INC.
THE WALT DISNEY COMPANY
TEXAS INSTRUMENTS INCORPORATED
AMERICAN EXPRESS COMPANY
MERRILL LYNCH & CO., INC.
WORLDCOM, INC.
FORD MOTOR COMPANY
JDS UNIPHASE CORPORATION
NEXTEL COMMUNICATIONS, INC. (CLASS A)
HALLIBURTON COMPANY

Covered Call Option Writing:

The historical average of the trailing 30-day volatility (expressed in percentage terms on an annualized basis) of all common shares included in the Representative Universe (described below) for a period of five years to February 9, 2001 ranged from a low of 22.1% to a high of 78.0% with an average of 40.3%.

Average 30-Day Price Volatility of All Securities in the Representative Universe



After the acquisition of the Fixed Portfolio and payment of issue expenses, approximately 42.2% of the gross proceeds of the offering will be available for investment in the Managed Portfolio. The following table illustrates the cash distributions per $25.00 Unit (net of expenses) expressed as an annualized percentage that could be derived from covered call option writing and dividends from the Managed Portfolio, assuming different volatility levels, when writing 30-day covered call options that are 2% out-of-the-money and 0% out-of-the-money. The option premiums have been calculated using a Black-Scholes Model (modified to include dividends) based on the assumptions set out under the heading ''Covered Call Option Writing – Sensitivity Analysis.''

ILLUSTRATIVE DISTRIBUTIONS PER $25.00 UNIT (ANNUALIZED %, NET OF EXPENSES)

% Out-Of-The-Money	AVERAGE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE PORTFOLIO (30-day)									
	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
2%	6.4%	9.2%	12.1%	14.9%	17.8%	20.7%	23.5%	26.4%	29.3%	32.2%
0%	10.9%	13.8%	16.7%	19.6%	22.4%	25.3%	28.2%	31.0%	33.9%	36.8%

The information set forth above is for illustrative purposes only and should not be construed as a forecast or projection. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and no assurance can be given that the returns shown in this sensitivity analysis would ever be available or realized.

Use of Proceeds: The Trust will use the proceeds from the sale of Units as follows:

	Maximum Offering	Minimum Offering
Gross proceeds to the Trust	$1,250,000,000	$750,000,000
Agents' fees	$ 68,750,000	$ 41,250,000
Expenses of issue	$ 850,000	$ 850,000
Net proceeds to the Trust	$1,180,400,000	$707,900,000

The Trust will use the net proceeds of the offering (including any net proceeds from the exercise of the Over-Allotment Option) to (i) invest in the Fixed Portfolio which will be subject to the Forward Agreement with RBC, (ii) invest in securities in accordance with the investment objectives, strategy and restrictions of the Managed Portfolio as described herein (see ''Investments of the Trust – Investment Criteria''); and (iii) fund the ongoing fees and expenses of the Trust as described herein (see ''Fees and Expenses'').

Investment Manager: MCM has been retained to act as investment manager of the Trust. MCM is also the investment manager of the Mulvihill First Premium family of funds, the MCM Summit Series of funds and the MCM Platinum Pro-AMS Series of funds which have, in the aggregate, completed prospectus offerings of shares or units of approximately $1.8 billion.

MCM is an employee-owned investment counsellor which manages, in addition to the Mulvihill family of funds, investments for numerous pension and endowment funds and for individuals having a significant net worth. MCM's total assets under management exceed $4.0 billion. See ''Management of the Trust – The Investment Manager''.

MCM has taken the initiative in founding and organizing the Trust and is a promoter of the Trust within the meaning of applicable securities legislation. See ''Promoter''.

Manager: Mulvihill is the Manager of the Trust and is responsible for providing or arranging for the provision of administrative services required by the Trust. See ''Management of the Trust – The Manager''.

Trustee: The Royal Trust Company is the trustee of the Trust, acts as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust. See ''Management of the Trust – The Trustee''.

Termination: The Trust will terminate on December 31, 2012 (the ''Termination Date'') and its net assets will be distributed thereafter to Unitholders unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. See ''Termination of the Trust''.

Redemptions: Units may be surrendered at any time for redemption but will be redeemed only on a monthly Valuation Date (as defined below). Units surrendered for redemption by a Unitholder at least five business days prior to the last day of the month (a ''Valuation Date'') will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the tenth business day following such Valuation Date. Unitholders whose Units are redeemed on the December Valuation Date in each year (commencing with the December 2001 Valuation Date) will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such Valuation Date. Unitholders whose Units are redeemed on any other

Valuation Date will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of: (i) 4% of such NAV per Unit; and (ii) $1.00. See ''Redemption of Units''. Unitholders who redeem their Units prior to the Termination Date will receive a redemption price determined with reference to the NAV without the full benefit of the capital repayment provided by the Forward Agreement. As a result, the NAV per Unit may be lower or higher than the original issue price. The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and volatility of the Managed Portfolio securities. See ''Redemption of Units''.

RISK FACTORS

An investment in Units is subject to certain risk factors, including: (i) there can be no assurance that the Trust will be able to achieve its monthly distribution and capital preservation objectives; (ii) although the Forward Agreement is designed to return the original issue price to Unitholders on the Termination Date, the Trust will be exposed to the credit risk associated with the counterparty under the Forward Agreement; (iii) the NAV of the Trust will be highly sensitive to interest rate fluctuations and Units may trade in the market at a premium or a discount to NAV per Unit and there can be no guarantee that Units will trade at a price equal to NAV per Unit; (iv) the NAV of the Trust will vary according to, among other things, the value of the Managed Portfolio securities acquired by the Trust and the dividends paid and interest earned thereon; (v) Unitholders who request the redemption of their Units prior to the Termination Date will forgo the full benefit of the capital repayment provided by the Forward Agreement and may receive a redemption amount which is less than the original issue price; (vi) in the event of early termination of the Forward Agreement or as a result of any transactions that are implemented to reduce the mark-to-market exposure of the Trust under the Forward Agreement to below 30%, the Trust (and consequently the Unitholders) may not receive an amount at least equal to the original issue price on the Termination Date; (vii) reliance on the Investment Manager; (viii) liquidity and counterparty risks associated with the writing of covered call options and cash covered put options; (ix) foreign currency exposure; (x) foreign market exposure; (xi) counterparty risks associated with securities lending; (xii) the Trust's lack of operating history and the current absence of a public trading market for the Units; (xiii) the potential for unlimited liability for obligations incurred by the Trust; and (xiv) the fact that the Trust is relying on the Canada Customs and Revenue Agency's published administrative position regarding the tax treatment of option transactions and has not requested or received an advance income tax ruling relating to the application of this administrative position to the Trust and if, contrary to the advice of counsel to the Trust and to the Agents or as a result of a change of law, the character and timing of the gain under the Forward Agreement were other than a capital gain on sale of the shares thereunder, after-tax returns to Unitholders could be reduced and the Trust could be subject to non-refundable income tax from such transactions. See ''Risk Factors''.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

A Unitholder will generally be required to include in computing income for a year the amount of income of the Trust for tax purposes, including net taxable capital gains, if any, paid or payable to the Unitholder by the Trust in the year. The Trust will generally be required to pay U.S. withholding tax on its U.S. source dividend income and may be required to pay other foreign tax in respect of ADRs. A taxable Unitholder of the Trust will generally be entitled to foreign tax credits in respect of U.S. or other foreign taxes paid by the Trust on the Unitholder's share of U.S. and other foreign source dividend income of the Trust designated in respect of the Unitholder, under and subject to the general foreign tax credit rules under the *Income Tax Act* (Canada) and depending upon other foreign source income or losses and foreign taxes paid by the Unitholders. In determining its income for tax purposes, the Trust intends, in accordance with The Canada Customs and Revenue Agency's published administrative practice, to treat gains and losses realized on the disposition of securities in the Trust's portfolio, option premiums received on the writing of covered call options and cash covered put options (and which are not exercised prior to the end of the year) and any losses sustained on closing out options, as capital gains and capital losses. If the Forward Agreement is physically settled and, as a result, the Trust delivers securities in the Fixed Portfolio and receives a payment from RBC equal to the price stipulated in the Forward

Agreement, the gain realized by the Trust will be a capital gain. A Unitholder who disposes of Units held as capital property (on redemption or otherwise) will realize a capital gain to the extent that the proceeds of disposition exceed the adjusted cost base of the Units and any reasonable costs of disposition.

For a detailed explanation of the Canadian federal income tax considerations, see ‘‘Canadian Federal Income Tax Considerations’’.

SUMMARY OF FEES AND EXPENSES PAYABLE BY THE TRUST

The following table contains a summary of the fees and expenses payable by the Trust. For further particulars, see ‘‘Fees and Expenses’’.

Type of Charge	**Description**
Fees payable to the Agents for selling Units	$1.375 per Unit (5.5% of the Unit price)
Expenses of Issue	The Trust will pay the expenses incurred in connection with the offering of Units by the Trust, estimated to be $850,000.
Fee payable to MCM for acting as investment manager of the Trust	Annual fee of 1.15% of the Trust's NAV calculated and payable monthly, plus applicable taxes.
Fee payable to Mulvihill for acting as manager of the Trust	Annual fee of 0.10% of the Trust's NAV calculated and payable monthly, plus applicable taxes.
Operating expenses of the Trust	The Trust will pay all ordinary expenses incurred in connection with the operation and administration of the Trust, estimated to be $500,000 per annum. The Trust will also pay to RBC an annual fee under the Forward Agreement of approximately 0.45% of the gross proceeds of the offering payable quarterly. The Trust will also be responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Trust which may be incurred from time to time.

GLOSSARY

ADRs	American Depository Receipts issued by a depository that evidence a beneficial interest in securities of an issuer that are held on deposit by the depository.
Black-Scholes Model	a widely used option pricing model developed by Fischer Black and Myron Scholes in 1973. The model can be used to calculate the theoretical value of an option based on the current price of the underlying security, the strike price and term of the option, prevailing interest rates and the volatility of the price of the underlying security.
business day	any day on which the Toronto and New York stock exchanges are open for business.
call option	the right, but not the obligation, of the option holder to buy a security from the seller of the option at a specified price at any time during a specified time period or at expiry.
cash covered put option	a put option entered into in circumstances where the seller of the put option holds cash equivalents or other acceptable cash cover (as defined in NI 81-102) sufficient to acquire the securities underlying the option at the strike price throughout the term of the option.
cash equivalents	means, and for the purposes of ''cash cover'' and ''cash covered put option'', ''cash'' as used therein means: (a) cash on deposit at the Trust's custodian; or (b) an evidence of indebtedness that has a remaining term to maturity of 365 days or less and that is issued, or fully and unconditionally guaranteed as to principal and interest, by: (i) any of the Federal or Provincial Governments of Canada; or (ii) the Government of the United States; or (iii) a Canadian financial institution; provided that, in the case of (ii) and (iii), such evidence of indebtedness has a rating of at least R-1 (mid) by Dominion Bond Rating Service Limited or the equivalent rating from another approved rating organization; or (c) other cash cover as defined in NI 81-102.
Common Shares	includes common shares, instalment receipts for common shares and ADRs and other securities that are convertible into, exchangeable for or carry the right to purchase common shares of an issuer.
covered call option	a call option entered into in circumstances where the seller of the call option holds the underlying security through the term of the option.
Fixed Portfolio	equity securities of the Trust to be acquired with approximately 52.2% of the gross proceeds of the offering which will be subject to a forward purchase and sale agreement with Royal Bank of Canada (''RBC'') pursuant to which RBC will agree to pay the Trust an amount equal to the original issue price paid for the Units offered hereby on termination in exchange for the Trust agreeing to deliver to such securities to RBC.
in-the-money	in relation to a call option, means a call option with a strike price less than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price greater than the current market price of the underlying security.
Managed Portfolio	the Trust's diversified portfolio which will consist principally of Common Shares of companies selected from the S&P/TSE 60 Index and of companies with a market capitalization in excess of US$5.0 billion selected from the S&P 500 Index.

NAV per Unit	the NAV divided by the number of Units then outstanding.
Net Asset Value or NAV	the net asset value of the Trust which, on any date, will be equal to the difference between the aggregate value of the assets of the Trust and the aggregate value of the liabilities of the Trust on that date. See ''Redemption of Units – Net Asset Value''.
NI 81-102	National Instrument 81-102 of the Canadian Securities Administrators (or any successor policy, rule or national instrument), as it may be amended from time to time.
option premium	the purchase price of an option.
out-of-the-money	in relation to a call option, means a call option with a strike price greater than the current market price of the underlying security and, in relation to a put option, means a put option with a strike price less than the current market price of the underlying security.
probability	a numerical measure, generally expressed as a percentage, of the likelihood that an event will occur.
put option	the right, but not the obligation, of the option holder to sell a security to the seller of the option at a specified price at anytime during a specified time period or at expiry.
S&P 500 Index	is a market value weighted index of 500 stocks with each stock's weight in the index being proportionate to its market value. Companies selected for the S&P 500 Index represent a broad range of industry segments within the United States economy.
S&P/TSE 60 Index	is a market weighted index that consists of the shares of 60 large corporations whose shares are listed on The Toronto Stock Exchange. The corporations comprising the index represent leading corporations in their respective industries in Canada. The primary criteria for inclusion in the index are size, liquidity and market sector representation.
strike price	in relation to a call option, means the price specified in the option that must be paid by the option holder to acquire the underlying security or, in relation to a put option, the price at which the option holder may sell the underlying security.
volatility	in respect of the price of a security, is a numerical measure of the tendency of the price to vary over time.
$	means Canadian dollars unless otherwise indicated.

THE TRUST

Pro-AMS Trust (the ''Trust'') is an investment trust established under the laws of the Province of Ontario pursuant to a Trust Agreement dated as of February 15, 2001 (the ''Trust Agreement'') between Mulvihill Fund Services Inc. (''Mulvihill''), as manager, and The Royal Trust Company (the ''Trustee''), as trustee. Mulvihill is a wholly-owned subsidiary of Mulvihill Capital Management Inc. (''MCM''), the Trust's investment manager. See ''Management of the Trust''.

The principal office of the Trust, of Mulvihill and of MCM is located at 121 King Street West, Standard Life Centre, Suite 2600, Toronto, Ontario, M5H 3T9.

Status of the Trust

While the Trust is technically considered to be a mutual fund under the securities legislation of certain provinces of Canada, the Trust is not a conventional mutual fund and has been exempted from certain requirements of NI 81-102.

The Trust differs from a conventional mutual fund in a number of respects, most notably as follows: (i) while the units of the Trust (the ''Units'') may be surrendered at any time for redemption, the redemption price is payable monthly whereas the securities of most conventional mutual funds are redeemable daily; (ii) the Units are to have a stock exchange listing whereas the securities of most conventional mutual funds do not; and (iii) unlike most conventional mutual funds, the Units will not be offered on a continuous basis.

INVESTMENTS OF THE TRUST

Investment Objectives

The Trust's investment objectives are: (i) to return at least the original issue price of the Units ($25.00 per Unit) to Unitholders upon termination of the Trust; (ii) to provide Unitholders with a stable stream of monthly distributions targeted to be at least $0.1823 per Unit ($2.1875 per annum or 8.75% on the original issue price); and (iii) to preserve the value of the Trust's managed portfolio (the Managed Portfolio described below), which will provide Unitholders with capital appreciation above the original issue price.

Investment Strategy

To provide the means to return the original issue price of the Units on termination, the Trust will enter into a forward purchase and sale agreement (the ''Forward Agreement'') with Royal Bank of Canada (''RBC'') pursuant to which RBC will agree to pay to the Trust an amount equal to $25.00 in respect of each Unit outstanding on the Termination Date in exchange for the Trust agreeing to deliver to RBC equity securities which the Trust will acquire with approximately 52.2% of the gross proceeds of the Offering (the ''Fixed Portfolio''). The Forward Agreement may be physically or cash settled at the option of the Trust.

In order to achieve the Trust's monthly distribution and preservation objectives, the balance of the net proceeds of the offering will be invested in a diversified portfolio (the ''Managed Portfolio'') consisting principally of equity securities of companies selected from the S&P/TSE 60 Index and of companies with a market capitalization in excess of US$5.0 billion selected from the S&P 500 Index.

Monthly cash distributions over the life of the Trust will primarily be derived from net realized capital gains from the Trust's Managed Portfolio, including premiums from writing covered call options from time to time on the securities held in the Managed Portfolio and from writing cash covered put options on securities in which the Trust is permitted to invest, as well as from dividends received on the Trust's portfolio and, in certain circumstances, by returning capital.

The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. See ''Covered Call Option Writing – Utilization of Cash Equivalents'' and ''Investments of the Trust – Investment Criteria''.

The Trust's Managed Portfolio will be managed by MCM and the composition of the Managed Portfolio, the securities which are subject to call options and put options and the terms of such options will vary, from time to time, based upon MCM's assessment of market conditions.

Capital Repayment

Upon or within 30 days of the closing of the Offering, the Trust will enter into the Forward Agreement which is intended to enable the Trust to meet the objective of returning the original issue price per Unit to Unitholders on the Termination Date. As a result, on or about the Termination Date, Unitholders are expected to receive an amount per Unit equal to the original issue price plus any capital appreciation above the original issue price of $25.00 per Unit generated through management of the Managed Portfolio. However, the Trust's ability to pay the original issue price to Unitholders may be affected by the credit risk of the Forward Agreement counterparty and the extent to which it satisfies its obligations thereunder. See ''Investment Objectives'', ''Investment Strategy'', ''Termination of the Trust'' and ''Risk Factors – Counterparty Credit Risk''.

Under the terms of the Forward Agreement, the Trust will be required to deliver on the Termination Date to RBC equity securities which, upon completion of the Offering, will represent approximately 52.2% of the gross proceeds of the Units sold hereunder. This Fixed Portfolio will be segregated from the Managed Portfolio and Fixed Portfolio securities, cash or other acceptable cash equivalents or securities will be pledged to RBC as security for the obligations of the Trust under the Forward Agreement. RBC will have no right to rehypothecate the pledged securities. On the Termination Date, all Fixed Portfolio securities will be delivered to RBC in exchange for a cash payment in Canadian dollars equal to $25.00 in respect of each Unit outstanding on the Termination Date. Each of the Trust and RBC has agreed that the settlement obligations under the Forward Agreement with respect to Fixed Portfolio securities may be discharged by physical delivery or the making of a net cash payment to the appropriate party at the election of the Trust. As a result, the amount payable to Unitholders on the Termination Date is expected to be at least $25.00 per Unit, thereby ensuring that the original issue price will be returned to Unitholders. On the Termination Date, Unitholders will also be entitled to receive an additional amount, if any, attributable to the value of the Managed Portfolio securities at that time. As the Managed Portfolio, after payment of issue expenses including fees payable to the Agents, will represent approximately 42.2% of the gross proceeds of the Units sold hereunder, the Trust expects that an additional amount will be available for payment to Unitholders on the Termination Date. Under the Forward Agreement, the Trust will pay to RBC an annual fee of approximately 0.45% of the gross proceeds of this offering.

If the mark-to-market value of the exposure of the Trust under the Forward Agreement exceeds 30% of the Trust's net assets for a period of 60 days or more, the Trust may seek to amend the terms of the Forward Agreement, partially settle the Forward Agreement and enter into a replacement forward agreement, enter into forward or other derivative transactions with other counterparties or take other actions intended to preserve the original objectives of the Forward Agreement. If the Trust is not able to take any such action the Forward Agreement may be settled in part in order to lower the mark-to-market value of the Trust's exposure to the Forward Agreement counterparty.

In order to permit the Trust to fund periodic redemptions of Units, the terms of the Forward Agreement will provide that it may be settled in whole or in part in respect of any Valuation Date by the Trust tendering to RBC Fixed Portfolio securities at a price equal to the then current market value of the tendered securities plus or minus the value of the portion of the Forward Agreement attributable to such securities.

If RBC determines in its sole discretion that it is unable to hedge its position under the Forward Agreement with respect to the securities of a particular issuer held in the Fixed Portfolio, the Forward Agreement will provide that it may be settled with respect to such securities and as a result the amount payable on the Termination Date reduced. However, in such event, the Forward Agreement will permit replacement securities acceptable to RBC to be substituted by the Trust to preserve the value of the forward transaction. In the event that no substitution occurs, the Trust will attempt to enter into one or more additional forward, derivative or other transactions in order to enable it to pay the original issue price to Unitholders on or before the Termination Date.

All dividends and distributions, including extraordinary distributions, declared and paid on Fixed Portfolio securities will be paid to the Trust and, under the Forward Agreement, the amount payable on the Termination Date will be reduced. In order to minimize the likelihood that such dividends or distributions will be paid, the Trust intends to acquire non-dividend paying common shares of Canadian public companies for the Fixed Portfolio. However, if any such dividends or distributions are expected to be received on the Fixed Portfolio securities by the Trust, the

Forward Agreement may be amended to provide that replacement securities acceptable to RBC may at the Trust's option be substituted for the common shares in respect of which the dividend or distribution has been declared to preserve the value of the forward transaction prior to the occurrence of such event. In the event that such replacement securities are not available, the Trust may consider contributing additional securities to the Fixed Portfolio or entering into additional forward, derivative or other transactions to enable the Trust to receive the original issue price per Unit on the Termination Date. Similar steps may be taken by the Trust to address the amendments to the Forward Agreement which might otherwise be required if the Trust receives consideration as a consequence of a merger transaction involving any of the securities in the Fixed Portfolio.

The Forward Agreement may be terminated prior to the Termination Date in certain circumstances including: (i) at the option of the Trust in its sole discretion or (ii) by RBC if RBC determines in its sole discretion that it is unable to hedge its position under the Forward Agreement. The amount received by the Trust in the event of such an early termination of the Forward Agreement may be insufficient to enable the Trust to pay an amount at least equal to the original issue price per Unit at the time of such termination or on the Termination Date. However in the event of an early termination of the Forward Agreement, the Trust will attempt to enter into one or more additional forward, derivative or other transactions in order to enable it to pay such amount to Unitholders on or before the Termination Date. See ''Risk Factors''.

Securities Lending

In order to generate additional returns the Trust may lend Fixed Portfolio securities to securities borrowers acceptable to the Trust pursuant to the terms of a securities lending agreement between the Trust and any such borrower (the ''Securities Lending Agreement''). Under a Securities Lending Agreement: (i) the borrower will pay to the Trust a negotiated securities lending fee and will make compensation payments to the Trust equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as ''securities lending arrangements'' for the purposes of the *Income Tax Act* (Canada); and (iii) the Trust will receive the collateral security described below.

The Trust will receive by way of pledge collateral security either before or at the same time as it delivers the loaned securities to borrowers which will consist of cash in Canadian or U.S. dollars or securities issued or guaranteed by the Government of Canada or a province thereof or by the United States government or its agencies. The collateral security shall have an aggregate value of not less than 105% of the market value of the loaned securities and will be held by the Trustee on behalf of the Trust. The Trustee will be responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

Investment Criteria

The Trust is subject to certain investment criteria that, among other things, limit the equity securities and other securities the Trust may acquire for the Managed Portfolio. The Trust's investment criteria may not be changed without the approval of the Unitholders by a two-thirds majority vote of those Unitholders who attend and vote at a meeting called for such purpose. See ''Unitholder Matters – Acts Requiring Unitholder Approval''. The Trust's investment criteria provide that the Trust may:

(a) purchase securities of an issuer if:

  (i) such securities are Common Shares issued by corporations selected from the S&P/TSE 60 Index or the S&P 500 Index;

  (ii) such securities are listed for trading on a major North American stock exchange or on The Nasdaq Stock Market; and

  (iii) with respect to common shares selected from the S&P 500 Index, such equity securities are issued by corporations that have a market capitalization in excess of US$5.0 billion (determined at the time of purchase);

(b) purchase debt securities only if such securities are cash equivalents;

(c) write a call option in respect of any security only if such security is actually held by the Trust at the time the option is written;

(d) dispose of any security included in the Trust's portfolio that is subject to a call option written by the Trust only if such option has either terminated or expired;

(e) write put options in respect of any security only if (i) the Trust is permitted to invest in such securities, and (ii) so long as the options are exercisable, the Trust continues to hold cash equivalents sufficient to acquire the securities underlying the options at the aggregate strike price of such options;

(f) reduce the total amount of cash equivalents held by the Trust, only if the total amount of cash equivalents held by the Trust remains an amount not less than the aggregate strike price of all outstanding put options written by the Trust;

(g) not make or retain investments which render the Units ''foreign property'' under Part XI of the *Income Tax Act* (Canada) or, if the Trust is a registered investment within the meaning of such Act, which renders it liable to pay tax under Part XI of such Act;

(h) not invest in the securities of any non-resident corporation or trust or other non-resident entity if the Trust would be required to mark its investment in such securities to market in accordance with proposed section 94.2 or to include any significant amounts in income pursuant to proposed section 94.1, as set forth in the proposed amendments to the *Income Tax Act* (Canada) dealing with foreign investment entities released on June 22, 2000 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto); and

(i) purchase call options or put options only as specifically permitted under NI 81-102.

In addition, but subject to these investment criteria, the Trust has adopted the standard investment restrictions and practices set forth in NI 81-102 (as it may be amended from time to time). A copy of such standard investment restrictions and practices will be provided by the Manager to any person on request.

The S&P/TSE 60 Index and the S&P 500 Index are maintained by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. Standard & Poor's is not under any obligation to maintain the S&P/TSE 60 Index or the S&P 500 Index. If either the S&P/TSE 60 Index or the S&P 500 Index ceases to be maintained, the Trust may take such action as is determined by the Manager in its sole discretion in order to continue to operate the Trust in accordance with its investment objectives and investment strategy, including, without limitation, replacing the S&P/TSE 60 Index or the S&P 500 Index with an equivalent replacement or substitute index.

Use of Other Derivative Instruments

In addition to the Forward Agreement and writing covered call options and cash covered put options, to the extent permitted by Canadian securities regulators from time to time, the Trust may also purchase call options and put options with the effect of closing out existing call options and put options written by the Trust. The Trust may also purchase put options in order to protect the Trust from declines in the market prices of the individual securities in the Managed Portfolio or in the value of the Managed Portfolio as a whole. The Trust may enter into trades to close out positions in such permitted derivatives.

The Trust may also use derivatives permitted under NI 81-102 to hedge the Trust's foreign currency exposure. Such permitted derivatives may include exchange traded options, futures contracts, options on futures, over-the-counter options and forward contracts.

MANAGED PORTFOLIO

Representative Universe

The table below sets out, as at February 9, 2001, the following information for corporations whose securities have been selected by MCM as being representative of the securities comprising the Representative Universe (the ''Representative Universe''): the market capitalization of the securities; the compound average annual growth rate (''CAGR'') in the price of the securities for the period from February 9, 1996 to February 9, 2001 (unless otherwise noted); and the average 30-day volatilities in the price of the securities during such period.

As the Trust intends to acquire common shares of Canadian public companies for the Fixed Portfolio (which will be subject to the Forward Agreement), and given the foreign property limits now applicable under the *Income Tax Act* (Canada) and the Regulations thereunder, as proposed to be amended, to the Trust's investments, it is expected that up to approximately 67% of the Managed Portfolio initially may be invested in S&P 500 Index companies without rendering the Units foreign property for registered retirement savings plans and certain other registered plans.

Company	Market Capitalization[(1)] (US$-Billions)	CAGR	30-Day Volatility
From the S&P/TSE 60 Index			
NORTEL NETWORKS CORPORATION	94.8	40.2%	80.6%
THE THOMSON CORPORATION	23.2	22.5%	26.2%
BCE INC.	22.4	47.5%	18.3%
BOMBARDIER INC. (CLASS B)	20.6	34.2%	43.4%
ROYAL BANK OF CANADA	20.5	25.3%	29.9%
MANULIFE FINANCIAL CORPORATION[(2)]	13.3	84.6%	44.1%
CELESTICA INC.[(3)]	12.3	106.2%	78.8%
ALCAN ALUMINIUM LIMITED	12.1	5.6%	24.3%
CANADIAN PACIFIC LIMITED	10.5	13.6%	23.5%
PETRO-CANADA	6.5	16.0%	24.8%
TALISMAN ENERGY INC.	5.1	14.1%	27.3%
ABITIBI-CONSOLIDATED INC.	3.4	-12.4%	32.8%
Average	$20.4	33.1%	37.8%
From the S&P 500 Index			
GENERAL ELECTRIC COMPANY	452.4	28.1%	34.4%
MICROSOFT CORPORATION	315.1	36.4%	57.6%
CITIGROUP INC.	272.0	37.8%	24.7%
WAL-MART STORES, INC.	225.1	35.1%	42.8%
AOL TIME WARNER, INC.	204.5	71.1%	50.2%
CISCO SYSTEMS, INC.	202.9	40.9%	75.3%
INTERNATIONAL BUSINESS MACHINES CORPORATION	196.5	31.6%	54.9%
ORACLE CORPORATION	131.6	45.3%	67.3%
BRISTOL-MYERS SQUIBB COMPANY	125.7	23.6%	30.6%
EMC CORPORATION	123.4	90.9%	63.4%
TYCO INTERNATIONAL LTD.	103.5	44.6%	26.8%
THE HOME DEPOT, INC.	103.1	33.6%	54.7%
THE PROCTER & GAMBLE COMPANY	97.5	11.3%	35.3%
PHARMACIA CORPORATION	69.6	15.7%	28.6%
PEPSICO, INC.	66.7	9.2%	26.5%
THE WALT DISNEY COMPANY	66.7	8.8%	48.8%
TEXAS INSTRUMENTS INCORPORATED	64.7	42.7%	53.5%
AMERICAN EXPRESS COMPANY	62.5	24.4%	36.9%
MERRILL LYNCH & CO., INC.	55.5	34.9%	47.2%

Company	Market Capitalization(1)	CAGR	30-Day Volatility
	(US$-Billions)		
WORLDCOM, INC.	54.7	7.7%	76.8%
FORD MOTOR COMPANY	51.0	19.5%	36.7%
JDS UNIPHASE CORPORATION	41.0	107.9%	110.8%
NEXTEL COMMUNICATIONS, INC. (CLASS A)	37.9	33.7%	91.2%
HALLIBURTON COMPANY	18.8	9.8%	39.3%
Average	$130.9	35.2%	50.6%

(1) Market capitalization figures for the S&P/TSE 60 Index securities are expressed in U.S. dollars based on the Bloomberg L.P. rate on February 9, 2001 which was U.S. $1.00 = Cdn$1.51065.

(2) Prices for Manulife Financial Corporation are from September 24, 1999.

(3) Prices for Celestica Inc. are from June 30, 1998.

The information contained in the above section is historical and is not intended to be, nor should it be construed to be, an indication as to the future trading levels or volatility of the securities comprising the Representative Universe.

COVERED CALL OPTION WRITING

General

The writing of call options by the Trust will involve the selling of call options in respect of some or all of the equity securities held in the Managed Portfolio. Such call options may be either exchange traded options or over-the-counter options. Because call options will be written only in respect of Common Shares that are in the Managed Portfolio and because the investment criteria of the Trust prohibit the sale of securities subject to an outstanding option, the call options will be covered at all times.

The holder of a call option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to purchase the securities underlying the option from the Trust at the strike price per security. By selling call options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option or at expiry, the market price of the underlying securities is above the strike price, the holder of the option may exercise the option and the Trust will be obligated to sell the securities to the holder at the strike price per security. Alternatively, the Trust may repurchase a call option which is in-the-money by paying the market value of the call option. If, however, the option is out-of-the-money at expiration of the call option, the holder of the option will likely not exercise the option, the option will expire and the Trust will retain the underlying security. In each case, the Trust will retain the option premium. See ''Call Option Pricing''.

The amount of option premium depends upon, among other factors, the volatility of the price of the underlying security: generally speaking, the higher the volatility, the higher the option premium. In addition, the amount of the option premium will depend upon the difference between the strike price of the option and the market price of the underlying security at the time the option is written. The smaller the positive difference (or the larger the negative difference), the more likely it is that the option will become in-the-money during the term and, accordingly, the greater the option premium. See ''Call Option Pricing''.

If a call option is written on a security in the Managed Portfolio, the amounts that the Trust will be able to realize on the security during the term of the call option will be limited to the dividends received prior to the exercise of the call option during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Trust will forgo potential returns resulting from any price appreciation of the security underlying the option above the strike price in favour of the certainty of receiving the option premium.

Call Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market.

Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

the volatility of the price of the underlying security	The volatility of the price of a security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely that the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or ''trailing'' the date of calculation.
the difference between the strike price and the market price of the underlying security at the time the option is written	The smaller the positive difference (or the larger the negative difference), the greater the option premium.
the term of the option	The longer the term, the greater the call option premium.

the "risk-free" or benchmark interest rate in the market in which the option is issued	The higher the risk-free interest rate, the greater the call option premium.
the dividends expected to be paid on the underlying security during the relevant term	The greater the dividends, the lower the call option premium.

The table below illustrates the sensitivity of annualized option premiums from writing call options on securities to: (i) the average volatility of securities; and (ii) the excess of the strike price over the market price of securities expressed as a percentage of such market price at the time the options on the securities are written (or percentage out-of-the-money). The option premiums are expressed as a percentage and have been calculated using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the range of volatility shown in the table approximates the range of the historical average volatility of securities between February 9, 1996 and February 9, 2001;
2. all options are exercisable only at maturity and are written at the same percentage out-of-the-money;
3. all options have a term of 30 or 90 days, respectively (for illustrative purposes only – this assumption is not necessarily indicative of the terms for which and extent to which options will be written by the Trust);
4. the risk-free or benchmark interest rate equals 5.10%; and
5. the return from the dividends paid is 0.93%.

ANNUALIZED PREMIUMS FROM WRITING COVERED CALL OPTIONS

% Out-Of-The-Money	AVERAGE 30-DAY VOLATILITY OF THE INDIVIDUAL STOCKS IN THE PORTFOLIO									
	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
3%	14.4%	20.8%	27.3%	34.0%	40.7%	47.4%	54.2%	61.0%	67.8%	74.6%
2%	18.6%	25.2%	32.0%	38.7%	45.5%	52.4%	59.2%	66.0%	72.8%	79.7%
1%	23.5%	30.3%	37.2%	44.0%	50.8%	57.7%	64.5%	71.3%	78.2%	85.0%
0%	29.3%	36.1%	42.9%	49.7%	56.5%	63.4%	70.2%	77.0%	83.8%	90.6%

% Out-Of-The-Money	AVERAGE 90-DAY VOLATILITY OF THE INDIVIDUAL STOCKS IN THE PORTFOLIO									
	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
3%	12.4%	16.3%	20.3%	24.3%	28.3%	32.3%	36.3%	40.2%	44.2%	48.2%
2%	14.1%	18.1%	22.0%	26.0%	30.0%	34.0%	38.0%	41.9%	45.9%	49.9%
1%	15.9%	19.9%	23.9%	27.9%	31.8%	35.8%	39.7%	43.7%	47.6%	51.6%
0%	17.9%	21.9%	25.8%	29.8%	33.7%	37.6%	41.6%	45.5%	49.4%	53.3%

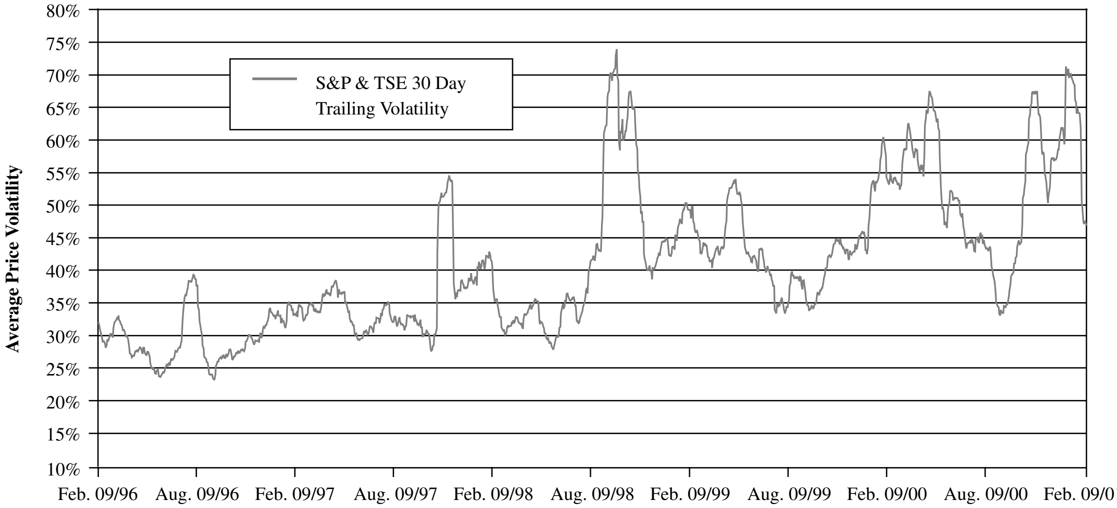
The information set forth above is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the annualized option premiums shown in this sensitivity analysis would ever be available or realized. The range of percentage out-of-the-money shown in the above table is based on the range generally utilized by MCM in writing call options.

Volatility History

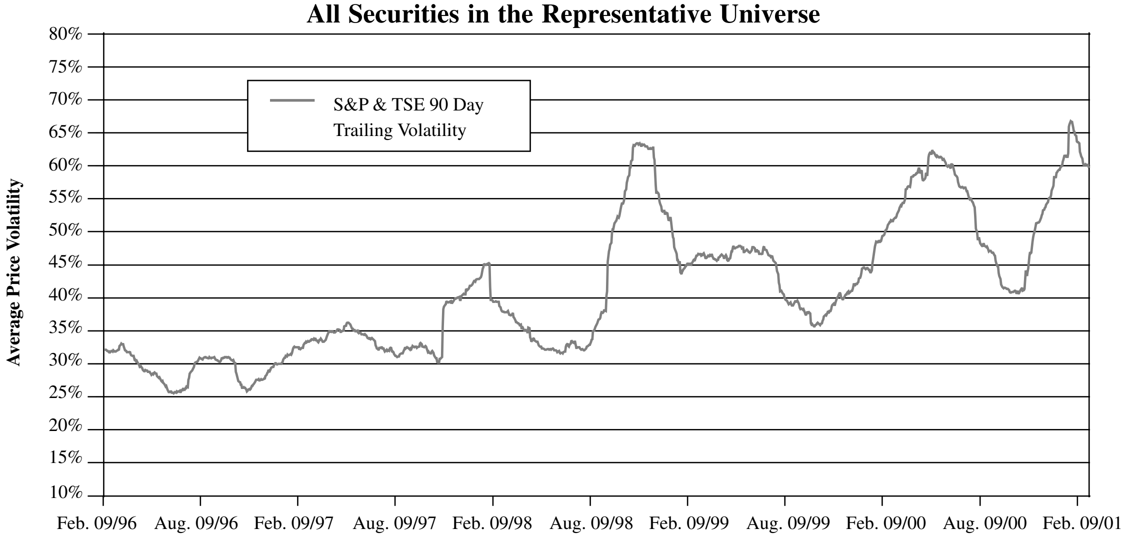
The historical average of the trailing 30 and 90-day volatility (expressed in percentage terms on an annualized basis) of all common shares included in the Representative Universe, for the five years ended February 9, 2001 is as follows:

	Low	High	Average
30-Day	22.1%	78.0%	40.3%
90-Day	25.6%	68.9%	40.6%

Average 30-Day Price Volatility of All Securities in the Representative Universe



Average 90-Day Price Volatility of All Securities in the Representative Universe



The information set forth above is historical and is not intended to be, nor should it be construed as, an indication as to future volatility levels of the securities in the Managed Portfolio.

Sensitivity Analysis

The table below represents an assessment of the sensitivity of the net return to Unitholders from dividends and option premiums of the Trust (excluding any gains or losses on the Trust's portfolio investments, dividend increases or decreases and any amounts paid to close out in-the-money options) to: (i) the average volatility of the individual securities that may comprise the Managed Portfolio; and (ii) the excess of the strike price over the market price of the securities expressed as a percentage of such market price at the time the option is written (or percentage out-of-the-money) using a Black-Scholes Model (modified to include dividends) based on the following assumptions:

1. the gross proceeds of the offering are $750 million;
2. the amount originally invested in the Managed Portfolio is $316.2 million and is fully invested;
3. the range of volatility shown in the table approximates the range of the historical 30-day trailing average volatility of the securities of the Representative Universe listed under the heading ''Managed Portfolio – Representative Universe'';
4. all call options are exercisable at maturity and are written at the same percentage out-of-the-money;
5. all securities comprising the Trust's Managed Portfolio are subject to 30-day call options throughout the relevant period (for illustrative purposes only – this assumption is not necessarily indicative of the extent to which covered call options will be written by the Trust);
6. the risk-free or benchmark interest rate equals 5.10%;
7. the average return from the dividends paid on the securities is 0.93%;
8. U.S. source dividends on the securities are subject to a 15% withholding tax;
9. there are no changes in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar throughout the relevant period;
10. there are no realized capital gains or losses on the securities in the Managed Portfolio or the Fixed Portfolio for the period during which the call options are outstanding;
11. the annual fee payable under the Forward Agreement is 0.45% of the gross proceeds of the offering; and
12. annual expenses (ordinary and extraordinary) for the Trust are $500,000 plus the fees payable to MCM and Mulvihill, which total 1.25% of the NAV of the Trust, plus applicable tax.

As the information given below excludes any gains on the Managed Portfolio securities, to the extent that the value of the Managed Portfolio is greater than zero on the Termination Date, capital appreciation in the value of the Units above their original issue price will have occurred.

This information is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis will ever be available or realized. The range of percentage out-of-the-money shown in the following table is based on the range expected to be utilized by MCM in writing call options.

**ILLUSTRATIVE DISTRIBUTIONS PER UNIT
(ANNUALIZED %, NET OF EXPENSES)**

% Out-Of-The-Money	AVERAGE VOLATILITY OF THE INDIVIDUAL STOCKS IN THE PORTFOLIO									
	20%	25%	30%	35%	40%	45%	50%	55%	60%	65%
3%	4.7%	7.4%	10.1%	12.9%	15.7%	18.6%	21.4%	24.3%	27.2%	30.0%
2%	6.4%	9.2%	12.1%	14.9%	17.8%	20.7%	23.5%	26.4%	29.3%	32.2%
1%	8.5%	11.4%	14.3%	17.1%	20.0%	22.9%	25.8%	28.7%	31.5%	34.4%
0%	10.9%	13.8%	16.7%	19.6%	22.4%	25.3%	28.2%	31.0%	33.9%	36.8%

Utilization of Cash Equivalents

The Trust may, from time to time, hold a portion of its assets in cash equivalents. The Trust may also, from time to time, utilize such cash equivalents to provide cover in respect of the writing of cash covered put options, which is intended to generate additional returns and to reduce the net cost of acquiring the securities subject to the put options. Such cash covered put options will only be written in respect of securities in which the Trust is permitted to invest. See ''Investments of the Trust – Investment Criteria''.

The holder of a put option purchased from the Trust will have the option, exercisable during a specific time period or at expiry, to sell the securities underlying the option to the Trust at the strike price per security. By selling put options, the Trust will receive option premiums, which are generally paid within one business day of the writing of the option. The Trust, however, must maintain cash equivalents in an amount at least equal to the aggregate strike price of all securities underlying the outstanding put options which it has written. If at any time during the term of a put option or at expiry, the market price of the underlying securities is below the strike price, the holder of the option may exercise the option and the Trust will be obligated to buy the securities from the holder at the strike price per security. In such case, the Trust will be obligated to acquire a security at a strike price which may exceed the then current market value of such security. If, however, the option is out-of-the-money at the expiration of the put option, the holder of the option will likely not exercise the option and the option will expire. In each case, the Trust will retain the option premium.

MANAGEMENT OF THE TRUST

The Manager

Pursuant to the Trust Agreement, Mulvihill is the manager of the Trust and, as such, is responsible for providing or arranging for required administrative services to the Trust including, without limitation: authorizing the payment of operating expenses incurred on behalf of the Trust; preparing financial statements and financial and accounting information as required by the Trust; ensuring that Unitholders are provided with financial statements (including semi-annual and annual financial statements) and other reports as are required by applicable law from time to time; ensuring that the Trust complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Trust's reports to Unitholders and the Canadian securities regulatory authorities; providing the Trustee with information and reports necessary for it to fulfil its fiduciary responsibilities; determining the amount of distributions to be made by the Trust; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Mulvihill is a wholly-owned subsidiary of MCM.

Mulvihill shall exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Unitholders, and in connection therewith, shall exercise the degree of care, diligence and skill that a reasonably prudent manager would exercise in similar circumstances.

Mulvihill may resign as manager of the Trust upon 60 days' notice to the Trustee and to the Unitholders or upon such lesser notice period as the Trustee may accept. If Mulvihill resigns it may appoint its successor but, unless its successor is an affiliate of Mulvihill, its successor must be approved by Unitholders. If Mulvihill is in material default of its obligations under the Trust Agreement and such default has not been cured within 30 days after notice of same has been given to Mulvihill, the Trustee shall give notice thereof to Unitholders and the Unitholders may direct the Trustee to remove Mulvihill and appoint a successor manager.

Mulvihill is entitled to fees for its services under the Trust Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by Mulvihill on behalf of the Trust. In addition, Mulvihill and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against Mulvihill or any of its officers, directors, employees or agents in the exercise of its duties as manager, except those resulting from Mulvihill's wilful misconduct, bad faith, negligence or breach of its obligations under the Trust Agreement.

The management services of Mulvihill under the Trust Agreement are not exclusive and nothing in the Trust Agreement prevents Mulvihill from providing similar management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Trust) or from engaging in other activities.

The name and municipality of residence of each of the directors and officers of Mulvihill are as follows:

JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, Secretary and Director
DAVID N. MIDDLETON Toronto, Ontario	Treasurer and Director
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President and Director

The Advisory Board

The Trust will establish an advisory board (the ''Advisory Board'') consisting of up to five members appointed by Mulvihill to assist Mulvihill in performing its services under the Trust Agreement. The independent members of the Advisory Board will be Michael M. Koerner, Robert W. Korthals and Charles E. Medland. All fees and expenses of the Advisory Board will be paid by the Trust and have been included in the Trust's estimated annual operating expenses of $500,000.

The Investment Manager

MCM will manage the Trust's investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Trust pursuant to an investment management agreement (the ''Investment Management Agreement'') made between Mulvihill as manager and on behalf of the Trust and MCM dated February 15, 2001.

MCM was incorporated in 1984 by The Canada Trust Company under the name CT Investment Counsel Inc. (''CTIC'') to manage the institutional pension fund business of The Canada Trust Company. In 1985, The Canada Trust Company and The Canada Permanent Trust Company amalgamated resulting in all of the pension assets managed by The Canada Permanent Trust Company being transferred to CTIC management. In addition, the investment professionals of The Canada Permanent Trust Company joined the CTIC team.

In February 1995, John P. Mulvihill purchased 100% of CTIC from The Canada Trust Company and changed CTIC's name to Mulvihill Capital Management Inc. During 1995, MCM also established a wealth management division headed by John H. Simpson, who joined the firm from Fidelity Investments Canada Limited.

MCM is the portfolio manager of First Premium Income Trust, Premium Income Corporation, First Premium U.S. Income Trust, First Premium Oil and Gas Income Trust, MCM Split Share Corp., Global Telecom Split Share Corp., Sixty Plus Income Trust, Global Plus Income Trust, Digital World Trust and Pro-AMS U.S. Trust which have completed prospectus offerings of shares or units in the amount of $165 million, $100 million, $335 million, $54.7 million, $142.5 million, $170 million, $100 million, $121 million, $122.7 million and $570.5 million, respectively.

MCM is an employee-owned investment counsellor which, in addition to its management of the Mulvihill family of funds, manages investments for numerous pension and endowment funds and investment portfolios of individuals having a significant net worth. MCM's total assets under management exceed $4.0 billion.

Directors and Officers of MCM

The name and municipality of residence of the director and each of the officers of MCM are as follows:

JOHN P. MULVIHILL Toronto, Ontario	Chairman, President, CEO, Secretary, Treasurer and Director
CHRIS P. BELLEFEUILLE Ancaster, Ontario	Vice-President
DONALD BIGGS Dundas, Ontario	Vice-President, Structured Products
JOHN A. BOYD Toronto, Ontario	Vice-President
ROBERT W. CRUICKSHANK Etobicoke, Ontario	Vice-President, Marketing
ALAN C. LEACH Scarborough, Ontario	Vice-President
EDWIN W. MCDOUGALD Toronto, Ontario	Vice-President
SANDRA G. MCLEOD Toronto, Ontario	Vice-President
DAVID N. MIDDLETON Toronto, Ontario	Vice-President, Finance
ROBERT K. ROSS Mississauga, Ontario	Vice-President
JOHN H. SIMPSON Toronto, Ontario	Senior Vice-President
MARK CARPANI Toronto, Ontario	Vice-President, Fixed Income

Except as indicated below, each of the foregoing has held his current office or has held a similar office in MCM during the five years preceding the date hereof.

Prior to joining MCM, Mr. Bellefeuille was Senior Manager of Business Development at Scotia Investment Management Ltd. from 1992 to June 1997. Prior to joining MCM, Mr. Biggs was Vice-President, Bonds and Cash Management at Ontario Municipal Employees Retirement Board (''OMERS'') from 1996 to December 1997. Prior to becoming Vice President at OMERS, Mr. Biggs was Portfolio Manager, Derivative Instruments of OMERS from 1994 to 1996 and continued to have overall responsibility for Derivative Products at OMERS until his departure in 1997. Prior to joining MCM, Mr. Cruickshank was Director of Business Development at CIBC Mellon from 1992 to 1998. Prior to joining MCM, Mr. McDougald was Vice-President and Director for Equity Capital Markets for Nesbitt Burns Inc. from 1994 to 1998. Prior to joining MCM, Ms McLeod was a Vice-President, Private Client Services of Bank of Montreal from November 1996 to January 1998. Prior to joining Bank of Montreal, Ms McLeod was a partner of KPMG Peat Marwick Thorne from May 1995 to November 1996 and Director, Personal Advisory Services from May 1991 to May 1995. Prior to re-joining MCM, Mr. Carpani was Vice-President, Portfolio/Risk Manager from 1998 to 1999 and then Senior Vice-President, Chief Operating Officer of Reinsurance Group of America, Financial Products.

The team of individuals responsible for investment management at MCM all have significant experience in managing investment portfolios. The officers of MCM who will primarily be responsible for the management of the Trust's portfolio are John P. Mulvihill and Donald Biggs. Also assisting in the management of the investment portfolios are five additional Chartered Financial Analysts (CFAs): Jennifer Karkheck, Paul Meyer, Jack Way, David Middleton and John Germain.

John P. Mulvihill, Chairman of MCM, is the senior portfolio manager of MCM and has over 25 years of investment management experience. Prior to purchasing CTIC from The Canada Trust Company in 1995, Mr. Mulvihill had been Chairman of CTIC since 1988. At CTIC he had primary responsibility for the asset allocation and portfolio management of CTIC's pension and mutual fund assets.

Donald Biggs, Vice-President, Structured Products, of MCM, has extensive experience in managing derivative instruments. Prior to joining MCM, Mr. Biggs was Vice-President, Bonds and Cash Management at Ontario Municipal Employees Retirement Board (OMERS) where he had overall responsibility for Derivative Products.

Jennifer Karkheck, prior to joining MCM in June 1997, had been employed from 1988 at CT. For the last three years of her employment at CT, she was a member of the Capital Markets Group and was a Risk Position Portfolio Manager at the time of her departure. In this capacity, she worked extensively with options and other derivative instruments.

Paul Meyer has been with MCM for over six years and is currently a Portfolio Manager and member of the Equity Team. Paul is a key member of the portfolio management group at MCM and has investment experience in the Canadian, U.S. and ADR markets.

Jack Way brings an extensive background in asset management with over 21 years of experience as an investment manager of which the past six years were spent working in the U.S. market.

David Middleton has been with MCM for five years and is currently Chief Financial Officer and Vice-President, Finance. David is a chartered accountant and CFA with an extensive background in taxation and information technology.

John Germain has been with MCM and the Structured Products Team since March 1997. Prior to joining MCM, he had been employed at Merrill Lynch Canada, Inc. since 1992. For the last two years of his employment at Merrill Lynch Canada, Inc., he was a member of the Fixed Income Trading Group.

Ownership of MCM

MCM is controlled by John P. Mulvihill.

Investment Management Agreement

The services to be provided by MCM pursuant to the Investment Management Agreement will include making all investment decisions for the Trust and managing the call option writing and put option writing program of the Trust, all in accordance with the investment objectives, strategy and criteria of the Trust. Decisions as to the purchase and sale of securities and as to the execution of all portfolio and other transactions will be made by MCM. In the purchase and sale of securities for the Trust and the writing of option contracts, MCM will seek to obtain overall services and prompt execution of orders on favourable terms.

Under the Investment Management Agreement, MCM is required to act at all times on a basis which is fair and reasonable to the Trust, to act honestly and in good faith with a view to the best interests of the Unitholders of the Trust and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent portfolio manager would exercise in comparable circumstances. The Investment Management Agreement provides that MCM shall not be liable in any way for any default, failure or defect in any of the securities of the Trust, nor shall it be liable if it has satisfied the duties and standard of care, diligence and skill set forth above. MCM will, however, incur liability in cases of wilful misfeasance, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Investment Management Agreement, unless terminated as described below, will continue in effect until the termination of the Trust on December 31, 2012. Mulvihill may terminate the Investment Management Agreement if MCM has committed certain events of bankruptcy or insolvency or is in material breach or default of the provisions thereof and such breach has not been cured within 30 days after notice thereof has been given to MCM and the Trustee by Mulvihill. Except as described above, MCM cannot be terminated as investment manager of the Trust.

Except as set out below, MCM may not terminate the Investment Management Agreement or assign the same except to an affiliate of MCM, without Unitholder approval. MCM may terminate the Investment Management Agreement if the Trust is in material breach or default of the provisions thereof and such breach or default has not been cured within 30 days of notice of same to Mulvihill and to the Trustee or if there is a material change in the fundamental investment objective, strategy or criteria of the Trust.

If the Investment Management Agreement is terminated, Mulvihill will promptly appoint a successor investment manager to carry out the activities of MCM until a meeting of Unitholders is held to confirm such appointment.

MCM is entitled to fees for its services under the Investment Management Agreement as described under ''Fees and Expenses'' and will be reimbursed for all reasonable costs and expenses incurred by MCM on behalf of the Trust. In addition, MCM and each of its directors, officers, employees and agents will be indemnified by the Trust for all liabilities, costs and expenses incurred in connection with any action, suit or proceeding that is proposed or commenced or other claim that is made against MCM or any of its officers, directors, employees or agents in the exercise of its duties as investment manager, except those resulting from MCM's wilful misconduct, bad faith, negligence or breach of its obligations under the Investment Management Agreement.

The Trustee

The Royal Trust Company is the trustee of the Trust under the Trust Agreement. It will act as custodian of the assets of the Trust and is responsible for certain aspects of the day-to-day administration of the Trust as described in the Trust Agreement, including executing instruments on behalf of the Trust, processing redemptions, calculating NAV, net income and net realized capital gains of the Trust and maintaining the books and records of the Trust.

The Trustee may resign upon 60 days' notice to Unitholders and Mulvihill or such lesser notice as Mulvihill may accept. The Trustee may be removed with the approval of a two-thirds majority vote cast at a meeting of Unitholders of the Trust called for such purpose or by Mulvihill in the event the Trustee has committed certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Trust Agreement which breach has not been cured within 30 days after notice thereof has been given to the Trustee. Any such resignation or removal shall become effective only upon the acceptance of appointment by a successor. If the Trustee resigns or is removed by Mulvihill, its successor may be appointed by Mulvihill. The successor must be approved by Unitholders if the Trustee is removed by Unitholders. If no successor has been appointed within 60 days, the Trustee or any Unitholder may apply to a court of competent jurisdiction for the appointment of a successor.

The Trust Agreement provides that the Trustee shall not be liable in carrying out its duties under the Trust Agreement except where it is in breach of its obligations under the Trust Agreement or where the Trustee fails to act honestly and in good faith, and in the best interests of Unitholders to the extent required by laws applicable to trustees, or to exercise the degree of care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. In addition, the Trust Agreement contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee, or any of its officers, directors, employees or agents, in respect of certain liabilities incurred by it in carrying out its duties.

The address of the Trustee is 77 King Street West, 11th Floor, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario M5W 1P9.

The Trustee is entitled to receive fees from the Trust as described under ''Fees and Expenses'' and to be reimbursed for all expenses and liabilities which are properly incurred by the Trustee in connection with the activities of the Trust.

CONFLICTS OF INTEREST

MCM is engaged in a wide range of investment management, investment advisory and other business activities. The services of MCM under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents MCM or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Trust) or from engaging in other activities. MCM's investment decisions for the Trust will be made independently of those made for its other clients and independently of its own investments. On occasion, however, MCM may make the same investment for the Trust and for one or more of its other clients. If the Trust and one or more of the other clients of MCM are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

DESCRIPTION OF THE UNITS

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.

The Trust does not currently intend to issue additional Units following completion of this offering, except (i) by way of a rights offering to existing Unitholders, provided the net proceeds per Unit issued pursuant to the exercise of such rights is not less than the most recently calculated NAV per Unit prior to the issue of such rights, (ii) by way of Unit distributions, or (iii) with the approval of Unitholders.

In the event that the Trust realizes capital gains as a result of settlement of a portion of the Forward Agreement prior to the Termination Date, the Trust may, at its option, make a capital gains distribution in Units. Any such capital gains distribution payable in Units may be made only after the first anniversary of the closing date and will increase the aggregate adjusted cost base to the Unitholders of their Units. Immediately following payment of such a distribution in Units, the number of Units outstanding will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units outstanding immediately prior to such distribution.

MONTHLY DISTRIBUTIONS

The Trust will endeavour to make monthly cash distributions of net income, net realized capital gains and option premiums to Unitholders of at least $0.1823 per Unit ($2.1875 per annum or 8.75% on the original issue price) on the last day of each month in each year. The initial cash distribution is anticipated to be payable on April 30, 2001. The Trust may also, in the discretion of the Manager, make other distributions at any time in addition to monthly cash distributions, if it considers it appropriate. The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Trust will make any distributions in any particular month or months.

If, in any year after such distributions, there would otherwise remain in the Trust additional net income or net realized capital gains, the Trust intends after December 14 but on or before December 31 of that year, to distribute such portion of the remaining net income and net realized capital gains as is necessary to ensure that the Trust will not be liable for income tax thereon under the *Income Tax Act* (Canada). See ''Canadian Federal Income Tax Considerations''.

Monthly cash distributions over the life of the Trust will primarily be derived from net realized capital gains from the Trust's Managed Portfolio including premiums from writing covered call options on the securities held in the Managed Portfolio and from writing cash covered put options on securities in which the Trust is permitted to invest, as well as from dividends received on the Trust's portfolio and, in certain circumstances, by returning capital.

Cash distributions will be payable in Canadian dollars to Unitholders of record at 5:00 p.m. (Toronto time) on the distribution date. All cash distributions will be paid by cheque to Unitholders proportionately based on their respective holdings of Units and will be mailed to Unitholders at their addresses listed in the register of Unitholders to be maintained by the Trust's registrar and transfer agent or paid in such other manner as may be agreed to by the Trustee.

Each Unitholder will be mailed annually, no later than March 31, information necessary to enable such Unitholder to complete an income tax return with respect to amounts paid or payable by the Trust in respect of the preceding taxation year of the Trust. See ''Canadian Federal Income Tax Considerations''.

REDEMPTION OF UNITS

Units may be surrendered at any time for redemption to Computershare Trust Company of Canada, the Trust's registrar and transfer agent, but will be redeemed only on the monthly Valuation Date (as defined below). Units surrendered for redemption by a Unitholder at least five business days prior to the last day of a month (a ''Valuation Date'') will be redeemed on such Valuation Date and the Unitholder will receive payment on or before the tenth business day following such Valuation Date (the ''Redemption Payment Date''). If a Unitholder makes such surrender after 5:00 p.m. (Toronto time) on the fifth business day immediately preceding a Valuation Date, the Units will be redeemed on the Valuation Date in the following month and the Unitholder will receive payment for the Units on the Redemption Payment Date in respect of such Valuation Date. The NAV per Unit will vary depending on a number of market factors, including interest rates, volatility in the equity markets and the volatility of the Managed Portfolio securities.

Unitholders whose Units are redeemed on the December Valuation Date in each year (commencing with the December 2001 Valuation Date) will be entitled to receive a redemption price per Unit (the ''Unit Redemption Price'') equal to the NAV per Unit determined as of such Valuation Date. Unitholders whose Units are redeemed on any other Valuation Date will be entitled to receive a redemption price per Unit equal to the NAV per Unit determined as of such other Valuation Date, less the lesser of (i) 4% of the NAV per Unit as of such other Valuation Date and (ii) $1.00. Any unpaid distribution payable on or before a Valuation Date in respect of Units tendered for redemption on such Valuation Date will also be paid on the Redemption Payment Date. Unitholders who redeem their Units prior to the Termination Date will receive a Unit Redemption Price determined with reference to the NAV without the full benefit of the capital repayment provided by the Forward Agreement. As a result, the NAV per Unit may be lower than the original issue price.

In order to permit the Trust to fund periodic redemptions of Units, the terms of the Forward Agreement will provide that it 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 then current market value of the tendered securities plus or minus the value of the portion of the Forward Agreement attributable to such securities. See ''Investments of the Trust – Capital Repayment''.

The redemption right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described under ''Redemption of Units – Book-Based System''. Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Units which are not paid for by the Trust on the relevant Redemption Payment Date.

Resale of Units Tendered for Redemption

The Trust has entered into an agreement (a ‘‘Recirculation Agreement’’) with RBC Dominion Securities Inc. (the ‘‘Recirculation Agent’’) whereby the Recirculation Agent has agreed to use commercially reasonable efforts to find purchasers for any Units tendered for redemption prior to the relevant Valuation Date, provided that the holder of the Units so tendered has not withheld consent thereto. The Trust may, but is not obligated to, require the Recirculation Agent to seek such purchasers and, in such event, the amount to be paid to the Unitholder on the Redemption Payment Date will be an amount equal to the proceeds of the sale of the Units less any applicable commission, provided that such amount will not be less than the Unit Redemption Price described above.

Subject to the Trust’s right to require the Recirculation Agent to use commercially reasonable efforts to find purchasers for any Units tendered for redemption prior to the relevant Valuation Date, any and all Units which have been surrendered to the Trust for redemption are deemed to be outstanding until (but not after) the close of business on the relevant Valuation Date, unless not redeemed thereon, in which event such Units will remain outstanding.

Net Asset Value

The Net Asset Value of the Trust (‘‘NAV’’) on a particular date will be equal to the aggregate value of the assets of the Trust, less the aggregate value of the liabilities of the Trust, including any income, net realized capital gains or other amounts payable to Unitholders on or before such date expressed in Canadian dollars at the applicable exchange rate on such date. The ‘‘NAV per Unit’’ on any day is obtained by dividing the NAV of the Trust on such day by the number of Units then outstanding.

The NAV per Unit will be calculated once each week, other than the last week of the month, in which case the NAV per Unit will be calculated on the last day of the month. If the Trust elects to have a December 15 year end for tax purposes as permitted by the *Income Tax Act* (Canada), the NAV per Unit will also be calculated on December 15 if it is not otherwise the last business day in a week. Such information will be provided by Mulvihill to Unitholders on request by calling toll-free 1-800-725-7172 or through the Internet at www.mulvihill.com.

In determining the NAV of the Trust at any time:

(a) the value of Common Shares and other securities will be the last board lot sale price of such Common Shares or other securities on the principal stock exchange on which they are traded prior to the determination of the NAV of the Trust or, if no such sale price is available at that time, the closing price quoted for the security provided that where bid and ask quotes are available, at the average of the bid and the asked price instead of at the quoted closing price;

(b) where a covered clearing corporation option, option on futures or an over-the-counter option is written, the option premium received by the Trust will, so long as the option is outstanding, be reflected as a deferred credit which will be valued at an amount equal to the current market value of an option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV;

(c) the value of any cash on hand or on deposit, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof unless the Trustee determines that any such asset is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as the Trustee determines to be the fair value thereof;

(d) the value of a forward contract (including the Forward Agreement) or of a futures contract shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract or the futures contract, as the case may be, were to be closed out 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 the valuation of the Forward Agreement may be postponed for up to five business days if trading in the shares of an issuer in the Fixed Portfolio is suspended from trading at such time;

(e) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

(f) notes, money market instruments and other debt securities shall be valued by taking the bid price at the calculation time;

(g) if a Valuation Date is not a business day, then the securities comprising the Trust's portfolio and other Trust property will be valued as if such Valuation Date were the preceding business day;

(h) if an investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Trustee to be inappropriate under the circumstances, then notwithstanding such rules, the Trustee shall make such valuation as it considers fair and reasonable; and

(i) the value of all assets of the Trust quoted or valued in terms of foreign currency, the value of all funds on deposit and contractual obligations payable to the Trust in foreign currency and the value of all liabilities and contractual obligations payable by the Trust in foreign currency shall be determined using the applicable rate of exchange current at, or as nearly as practicable to, the date as of which the NAV is computed.

Book-Based System

Registration of interests in and transfers of the Units will be made only through the book-entry only system. On or about March 2, 2001, but no later than April 17, 2001, the Trust will deliver to CDS certificates evidencing the aggregate Units subscribed for under this offering. Units must be purchased, transferred and surrendered for retraction or redemption through a participant in the CDS depositary service (a ''CDS Participant''). All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon purchase of any Units, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest in such Units.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of Units who desires to exercise redemption privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner's intention to redeem Units, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to redeem Units should ensure that the CDS Participant is provided with notice (the ''Redemption Notice'') of his intention to exercise his redemption privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Redemption Notice will be available from a CDS Participant or Computershare Investor Services Inc., the Trust's registrar and transfer agent. Any expense associated with the preparation and delivery of Redemption Notices will be for the account of the owner exercising the redemption privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to redeem Units, an owner shall be deemed to have irrevocably surrendered his Units for redemption and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the redemption privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any Redemption Notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect and the redemption privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise redemption privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Trust to the CDS Participant or to the owner.

The Trust has the option to terminate registration of the Units through the book-entry only system in which case certificates for Units in fully registered form would be issued to beneficial owners of such Units or to their nominees.

Suspension of Redemptions

Mulvihill may, with the prior permission of the securities regulatory authorities, direct the Trustee to suspend the redemption of Units or payment of redemption proceeds: (i) during any period when normal trading is suspended on the Toronto or New York stock exchanges; or (ii) for any period not exceeding 120 days during which Mulvihill determines that conditions exist which render impractical the sale of assets of the Trust or which impair the ability of the Trustee to determine the value of the assets of the Trust. The suspension may apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All holders of Units making such requests shall be advised by Mulvihill of the suspension and that the redemption will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Trust, any declaration of suspension made by Mulvihill shall be conclusive.

Purchase for Cancellation

Subject to applicable law, the Trust may at any time or times purchase Units for cancellation at prices not exceeding the NAV per Unit on the Valuation Date immediately prior to such purchase.

UNITHOLDER MATTERS

Meetings of Unitholders

A meeting of Unitholders of the Trust may be convened by Mulvihill or the Trustee at any time and must be convened if requisitioned by the holders of not less than 10% of the Units then outstanding by a written requisition specifying the purpose of the meeting. Not less than 21 days' notice will be given of any meeting of Unitholders. The quorum at any such meeting is two Unitholders present in person or by proxy and representing not less than 10% of the Units then outstanding. If no quorum is present at such meeting when called, the meeting, if called on the requisition of Unitholders, will be terminated and otherwise will be adjourned for not less than 10 days and at the adjourned meeting the Unitholders then present in person or represented by proxy will form the necessary quorum. At any such meeting, each Unitholder will be entitled to one vote for each whole Unit registered in the Unitholder's name.

The Trust does not intend to hold annual meetings of Unitholders.

Acts Requiring Unitholder Approval

Pursuant to the Trust Agreement, the following matters require the approval of Unitholders by a two-thirds majority of the Unitholders voting thereon (other than items (c), (f), (g) and (l) which require approval by a simple majority vote) at a meeting called and held for such purpose:

(a) a change in the fundamental investment objectives and strategy of the Trust as described under ''Investments of the Trust – Investment Objectives'' and ''Investments of the Trust – Investment Strategy'' including any determination by the Trust, at its option, to terminate the Forward Agreement;

(b) a change in the investment criteria of the Trust as described under ''Investments of the Trust – Investment Criteria'';

(c) the entering into by the Trust of transactions involving derivatives other than: (A) the entering into of the Forward Agreement and any modification, amendment or replacement thereof or any replacement of the Forward Agreement counterparty; (B) the writing of covered call options or cash covered put options; (C) the purchase of call options or put options and the entering into of trades by the Trust to close out positions in such derivatives; (D) the purchase of put options to protect the Trust from declines in the market prices of individual securities or in the value of its securities as a whole; and (E) the use of derivatives permitted under NI 81-102 to hedge the Trust's foreign exchange exposure;

(d) any change in the basis of calculating fees or other expenses that are charged to the Trust which could result in an increase in charges to the Trust;

(e) a change of the manager of the Trust, other than a change resulting in an affiliate of such person assuming such position or, except as described herein, a change in the investment manager or trustee of the Trust, other than a change resulting in an affiliate of such person assuming such position;

(f) a decrease in the frequency of calculating the NAV per Unit or of redeeming Units;

(g) a change of the auditors of the Trust;

(h) a reorganization with, or transfer of assets to, another mutual fund trust, if

 (i) the Trust ceases to continue after the reorganization or transfer of assets; and

 (ii) the transaction results in Unitholders becoming security holders in the other mutual fund trust; and

(i) a reorganization with, or acquisition of assets of, another mutual fund trust, if

 (i) the Trust continues after the reorganization or acquisition of assets;

 (ii) the transaction results in the securityholders of the other mutual fund trust becoming Unitholders of the Trust; and

 (iii) the transaction would be a significant change to the Trust;

(j) a termination of the Investment Management Agreement (except as described under ''Investment Management Agreement'');

(k) a termination of the Trust prior to the Termination Date;

(l) an extension of the Trust beyond the Termination Date; and

(m) an amendment, modification or variation in the provisions or rights attaching to the Units.

Mulvihill and the Trustee may, without the approval of or notice to Unitholders, amend the Trust Agreement for certain limited purposes specified therein, including to:

(a) remove any conflicts or other inconsistencies which may exist between any terms of the Trust Agreement and any provisions of any law or regulation applicable to or affecting the Trust;

(b) make any change or correction in the Trust Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(c) bring the Trust Agreement into conformity with NI 81-102 or other applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interest of any Unitholder;

(d) maintain the status of the Trust as a ''mutual fund trust'' for the purposes of the *Income Tax Act* (Canada); or

(e) provide added protection to Unitholders.

Except for changes to the Trust Agreement which require the approval of Unitholders or changes described above which do not require approval of or prior notice to Unitholders, the Trust Agreement may be amended from time to time by Mulvihill and the Trustee upon not less than 30 days' prior written notice to Unitholders.

Reporting to Unitholders

The Trust will deliver to Unitholders annual and semi-annual financial statements of the Trust.

TERMINATION OF THE TRUST

The Trust will terminate on December 31, 2012 (the ''Termination Date'') unless Unitholders determine to continue the Trust by a majority vote at a meeting called for such purpose. Immediately prior to the Termination Date, MCM will, to the extent possible, convert the assets of the Trust to cash and the Trustee shall, after paying or making adequate provision for all of the Trust's liabilities, distribute the net assets of the Trust to Unitholders as soon as practicable after the Termination Date. Even if the term of the Trust is extended beyond the Termination Date, Unitholders will have the opportunity to redeem their Units on the Termination Date for NAV per Unit.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Osler, Hoskin & Harcourt LLP, counsel to the Trust and Davies Ward Phillips & Vineberg LLP, counsel to the Agents, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Units by a purchaser who acquires Units pursuant to this prospectus. This summary is applicable to a purchaser of Units who is an individual (other than a trust) and who, for the purposes of the *Income Tax Act* (Canada) (the ''Act''), is resident in Canada, deals at arm's length with the Trust and holds Units as capital property (each a ''Holder''). This summary is also based on the assumption that none of the issuers of the securities in the portfolio will be foreign affiliates of the Trust or of any Holder and that none of the securities in the portfolio will be participating interests, other than exempt interests, in foreign investment entities under the proposals to amend the Act released June 22, 2000 (or such proposals as amended or enacted or successor provisions thereto).

This summary is based on the current provisions of the Act and the regulations thereunder, counsel's understanding of the current administrative and assessing practices of the Canada Customs and Revenue Agency and all specific proposals to amend the Act and regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the ''Proposed Amendments''). This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal tax considerations applicable to an investment in Units. Moreover, the income and other tax consequences of acquiring, holding or disposing of Units will vary depending on the investor's particular circumstances including the province or provinces in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be legal or tax advice to any investor. Investors should consult their own tax advisors for advice with respect to the income tax consequences of an investment in Units, based on their particular circumstances.

Status of the Trust

This summary is based on the assumption that the Trust will qualify at all times as a ''mutual fund trust'' within the meaning of the Act and that it will elect to be a mutual fund trust from the date it was established. To so qualify, the sole undertaking of the Trust must be the investing of its funds in property (other than real property or interests in real property), the Units must be redeemable at the demand of the Holders and the Trust must comply on a continuous basis with certain requirements relating to the qualification of the Units for distribution to the public, the number of Holders and the dispersal of ownership of Units. If the Trust were not to qualify as a mutual fund trust, the income tax considerations described below would in some respects be materially different.

Taxation of the Trust

The Trust will be 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 Holders in the year. The Trust intends to deduct in computing its income in each taxation year the full amount available for deduction in each year and, therefore, provided the Trust makes deductions in each year of its net income and net realized capital gains as described under the heading ''Distributions'', it will generally not be liable in such year for income tax under Part I of the Act.

The Trust will elect in accordance with the Act to have each of its Canadian securities treated as capital property. Such an election will ensure that gains or losses realized by the Trust on the sale of Canadian securities are taxed as capital gains or capital losses.

The Trust will not realize income, gain or loss as a result of entering into the Forward Agreement. Gains or losses realized by the Trust on the sale or other disposition of the securities in the Fixed Portfolio will be treated as capital gains or capital losses. If the Trust elects physical settlement under the Forward Agreement and, as a result, the Trust delivers the securities in the Fixed Portfolio and receives a payment from RBC equal to the price stipulated in the Forward Agreement, the gain realized by the Trust will be a capital gain. If the Trust elects cash settlement of the obligations of the Trust and RBC under the Forward Agreement, the gain or loss to the Trust may be on capital or income account depending on the facts and circumstances.

In determining the income of the Trust, premiums received by the Trust on covered call options and cash covered put options written by the Trust (and which are not exercised prior to the end of the year) will constitute capital gains of the Trust in the year received, and gains or losses realized upon dispositions of securities of the Trust (whether upon the exercise of call options written by the Trust or otherwise) will constitute capital gains or capital losses of the Trust in the year realized unless the Trust is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Trust has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Trust will purchase the Managed Portfolio with the objective of earning dividends thereon over the life of the Trust including dividends on securities acquired upon the exercise of cash covered put options written by the Trust, will write covered call options with the objective of increasing the yield on the Managed Portfolio beyond the dividends received on the Managed Portfolio and will write cash covered put options to increase returns and to reduce the net cost of purchasing securities subject to put options. In accordance with the Canada Customs and Revenue Agency's published administrative practice, transactions undertaken by the Trust in respect of options will be treated and reported for purposes of the Act on capital account and designations with respect to its income and capital gains, as described below, will be made and reported to Holders on this basis. Premiums received by the Trust on covered call (or cash covered put) options which are exercised in the taxation year in which the option is written by the Trust are added in computing the proceeds of disposition (or deducted in computing the adjusted cost base) to the Trust of the securities disposed of (or acquired) by the Trust on exercise of such call (put) options.

The Managed Portfolio will include securities which are not denominated in Canadian dollars. Option premiums, the cost and proceeds of disposition of securities, dividends, interest and all other amounts will be determined for the purposes of the Act in Canadian dollars at the exchange rate prevailing at the time of the transaction. The Trust may realize gains or losses by virtue of the fluctuation in the value of foreign currencies relative to Canadian dollars.

The Trust will derive income or gains from investments in countries other than Canada and, as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid does not exceed 15% of such amount and has not been deducted in computing the Trust's income, the Trust may designate a portion of its foreign source income in respect of a Holder so that such income and a portion of the foreign tax paid by the Trust may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Act. If such foreign tax paid by the Trust exceeds 15% of the amount included in the Trust's income from such investments, then, depending on the circumstances, such excess may be deemed not to be foreign tax paid by the Holder in which event such excess may generally be deducted by the Trust in computing its income for purposes of the Act.

The Act provides for a special tax on designated income of certain trusts which have designated beneficiaries. This special tax does not apply to a trust for a taxation year if the trust is a mutual fund trust throughout such year. Accordingly, provided that the Trust qualifies as a mutual fund trust throughout a taxation year, it will not be subject to the special tax for such taxation year.

Taxation of Holders

A Holder will generally be required to include in computing income for a taxation year the amount of the Trust's net income for the taxation year, including net realized taxable capital gains, paid or payable to the Holder in the taxation year. The non-taxable portion of the Trust's net realized capital gains paid or payable to a Holder in a taxation year will not be included in the Holder's income for the year. Any other amount in excess of the Trust's net income for a taxation year paid or payable to the Holder in the year will not generally be included in the Holder's income. Such amount, however, will generally reduce the adjusted cost base of the Holder's Units, except to the extent such amount is the non-taxable portion of a capital gain of the Trust the taxable portion of which was designated to the Holder.

Provided that appropriate designations are made by the Trust, such portion of (i) the net realized taxable capital gains of the Trust, (ii) the foreign source income of the Trust and foreign taxes eligible for the foreign tax credit, and (iii) the taxable dividends received by the Trust on shares of taxable Canadian corporations, as is paid or payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the normal gross-up and dividend tax credit rules will apply.

Under the Act, the Trust is permitted to deduct in computing its income for a taxation year an amount which is less than the amount of its distributions for the year. This will enable the Trust to utilize, in a taxation year, losses from prior years without affecting the ability of the Trust to distribute its income annually. The amount distributed to a Holder but not deducted by the Trust will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units will be reduced by such amount.

The NAV per Unit will reflect any income and gains of the Trust that have accrued or been realized but have not been made payable at the time Units are acquired. Accordingly, a Holder who acquires Units may become taxable on the Holder's share of income and gains of the Trust that accrued or were realized before the Units are acquired and not made payable at such time.

On the disposition or deemed disposition of Units, the Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Trust which represents an amount that is otherwise required to be included in the computation of the Holder's income as described above) exceed (or are exceeded by) the aggregate of the adjusted cost base of the Units and any reasonable costs of disposition. If the Trust distributes property *in specie* on the termination of the Trust, a Holder's proceeds of disposition will generally be equal to the aggregate of the fair market value of the property and the amount of any cash received and the Holder's cost of the property will generally be equal to such fair market value. For the purpose of determining the adjusted cost base to a Holder of Units, when a Unit is acquired, the cost of the newly-acquired Unit will be averaged with the adjusted cost base of all of the Units owned by the Holder as capital property at that time.

One-half of any capital gain (''taxable capital gain'') realized on the disposition of Units will be included in the Holder's income and one-half of any capital loss realized may be deducted from taxable capital gains in accordance with the provisions of the Act.

In computing a Holder's income for purposes of the Act, any taxable capital gain designated to the Holder arising from the settlement of the Forward Agreement (or otherwise) may be netted against any allowable capital loss realized by the Holder, including any allowable capital loss realized on the disposition of Units to the Trust on redemption.

In general terms, net income of the Trust paid or payable to a Holder that is designated as net realized taxable capital gains or taxable capital gains realized on the disposition of Units may increase the Holder's liability for alternative minimum tax.

ELIGIBILITY FOR INVESTMENT

In the opinion of Osler, Hoskin & Harcourt LLP and Davies Ward Phillips & Vineberg LLP, provided that the Trust qualifies as a mutual fund trust within the meaning of the Act, Units will be qualified investments under such Act for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans or, pursuant to the Proposed Amendments, registered education savings plans. The Units will not be foreign property under the Act.

USE OF PROCEEDS

The Trust will use the proceeds from the sale of Units as follows:

	Maximum Offering	Minimum Offering
Gross proceeds to the Trust	$1,250,000,000	$750,000,000
Agents' fees	$ 68,750,000	$ 41,250,000
Expenses of issue	$ 850,000	$ 850,000
Net proceeds to the Trust	$1,180,400,000	$707,900,000

The Trust will use the net proceeds of the offering (including any net proceeds from the exercise of the Over-Allotment Option) to (i) invest in the Fixed Portfolio which will be subject to the Forward Agreement with RBC; (ii) invest in securities in accordance with the investment objectives, strategy and criteria of the Managed Portfolio as described herein (see ‘‘Investments of the Trust – Investment Criteria’’) as soon as possible after closing; and (iii) fund the ongoing fees and expenses of the Trust as described herein (see ‘‘Fees and Expenses’’).

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of February 15, 2001 (the ‘‘Agency Agreement’’) between RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Merrill Lynch Canada Inc., Scotia Capital Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Desjardins Securities Inc., Raymond James Ltd. and Yorkton Securities Inc. (collectively, the ‘‘Agents’’) and Mulvihill, MCM and the Trust, the Agents have agreed to offer the Units for sale, as agents of the Trust, on a best efforts basis, if, as and when issued by the Trust. The Agents will receive a fee equal to $1.375 for each Unit sold and will be reimbursed for out-of-pocket expenses incurred by them. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fees. While the Agents have agreed to use their best efforts to sell the Units offered hereby, the Agents will not be obligated to purchase Units which are not sold.

The Trust has granted the Agents an option (the ‘‘Over-Allotment Option’’), exercisable for a period of 30 days from the closing of this offering, to offer up to additional 7,500,000 Units on the same terms set forth above, which additional Units are qualified for sale hereunder. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of this offering. To the extent that the Over-Allotment Option is exercised, the additional Units will be offered at the offering price hereunder and the Agents will be entitled to a fee of $1.375 per Unit in respect of each Unit purchased.

If subscriptions for a minimum of 30,000,000 Units have not been received within 60 days following the date of issuance of a final receipt for this prospectus, such offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. In the event the minimum offering is not achieved and the necessary consents are not obtained or if the closing of the offering does not occur for any reason, subscription proceeds received from prospective purchasers will be returned to such purchasers promptly without interest or deduction. Subscriptions for Units will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing will take place on March 2, 2001 or such later date as may be agreed upon by the Trust and the Agents that is on or before April 17, 2001.

Pursuant to policy statements of certain Canadian securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Units. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Units. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Units at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

FEES AND EXPENSES

Initial Expenses

The expenses of this offering (including the costs of creating and organizing the Trust, the costs of printing and preparing this prospectus, legal expenses of the Trust, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses) will, together with the Agents’ fees, be paid from the gross proceeds of this offering. The initial expenses are estimated to be $850,000.

Fees and Other Expenses

Pursuant to the terms of the Investment Management Agreement, MCM is entitled to a fee at an annual rate of 1.15% of the NAV. Pursuant to the terms of the Trust Agreement, Mulvihill is entitled to a fee at an annual rate of

0.10% of the NAV. Fees payable to MCM and Mulvihill will be calculated and payable monthly based on the NAV as at the Valuation Date of each month. The Trust will pay to RBC an annual fee under the Forward Agreement of approximately 0.45% the gross proceeds of the offering payable quarterly.

The Trust will pay for all expenses incurred in connection with the operation and administration of the Trust. It is expected that these expenses will include, without limitation: (a) mailing and printing expenses for periodic reports to Unitholders; (b) fees payable to the Trustee for acting as trustee and custodian of the assets of the Trust and performing certain administrative services under the Trust Agreement; (c) fees payable to Computershare Investor Services Inc. for acting as registrar and transfer agent with respect to Units; (d) fees payable to members of the Advisory Board; (e) any additional fees payable to Mulvihill for performance of extraordinary services on behalf of the Trust; (f) fees payable to the auditors and legal advisors of the Trust; (g) regulatory filing, stock exchange and licensing fees; and (h) expenditures incurred upon the termination of the Trust. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Mulvihill, MCM or the Trustee is entitled to indemnity by the Trust. See ''Management of the Trust''. The Trust will also be responsible for all commissions and other costs of securities transactions. All such expenses will be subject to an independent audit and report thereon to the Trustee and Mulvihill will provide reasonable access to its books and records for such purpose. The aggregate annual amount of these fees and expenses is estimated to be $500,000.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

MCM, Mulvihill and the Trustee will receive the fees described under ''Fees and Other Expenses'' for their respective services to the Trust and will be reimbursed by the Trust for all expenses incurred in connection with the operation and administration of the Trust.

In accordance with the requirements of the provincial securities regulatory authorities in connection with this offering, MCM has undertaken to file insider trading reports, as if the Trust were not a mutual fund, in accordance with applicable securities legislation, for itself and to cause its affiliates, its directors and senior officers and the directors and senior officers of its affiliates who might ordinarily receive knowledge of material facts or changes with respect to the Trust prior to the general disclosure of such facts and changes to file insider trading reports, as if the Trust were not a mutual fund, in accordance with applicable securities legislation in respect of trades made by them in Units. The foregoing undertakings shall remain in full force until such time as all the Units have been redeemed.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(a) the Trust Agreement described under ''The Trust'';

(b) the Investment Management Agreement described under ''Management of the Trust – Investment Management Agreement'';

(c) the Agency Agreement described under ''Plan of Distribution''; and

(d) the Forward Agreement described under ''Investments of the Trust – Capital Repayment''.

Copies of the agreements referred to above in paragraphs (a) to (c), after the execution thereof, may be inspected during business hours at the principal office of the Trust during the course of distribution of the Units offered hereby.

RISK FACTORS

The following are certain considerations relating to an investment in Units which prospective investors should consider before purchasing such securities:

No Assurances on Achieving Objectives

There is no assurance that the Trust will be able to achieve its distribution and Managed Portfolio preservation objectives or that the Managed Portfolio will earn any return or will return to investors an amount in excess of the original issue price of the Units. The Trust will forgo the benefits of any increase in the value of the Fixed Portfolio and only Managed Portfolio Securities will be available to generate option premiums from covered call and cash covered put option writing.

There is no assurance that the Trust will be able to pay monthly distributions. The funds available for distribution to Unitholders will vary according, among other things, to the dividends paid on all of the securities comprising the Managed Portfolio, the level of option premiums received and the value of the securities comprising the Managed Portfolio. As the dividends received by the Trust will not be sufficient to meet the Trust's objectives in respect of the payment of distributions, the Trust will depend on the receipt of option premiums and the realization of capital gains to meet those objectives. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice actual option premiums are determined in the marketplace and there is no assurance that the premiums predicted by such pricing model can be attained.

Counterparty Credit Risk

In entering into the Forward Agreement, the Trust will be exposed to the credit risk associated with the counterparty and as well as the risk that the counterparty will not satisfy its obligations under the Forward Agreement on a timely basis or at all. Since, depending upon the performance of the Fixed Portfolio, the mark-to-market value of the Forward Agreement may represent a significant portion of the value of the assets of the Trust, the Trust's exposure to the credit risk associated with the counterparty is significant.

Sensitivity to Interest Rates

As the Trust is targeting monthly distributions of at least $0.1823 per Unit (8.75% per annum on the original issue price), the market price of the Units may be affected by the level of interest rates prevailing from time to time. In addition, prior to the Termination Date, the Trust's NAV may be highly sensitive to interest rate fluctuations because the value of the Forward Agreement will fluctuate based on interest rates. In addition, any decrease in the NAV of the Trust resulting from an increase in interest rates may also negatively affect the market price of the Units. Unitholders who wish to redeem or sell their Units prior to the Termination Date will therefore be exposed to the risk that NAV per Unit or the market price of the Units will be negatively affected by interest rate fluctuations.

Fluctuations in Net Asset Value

The NAV per Unit and the funds available for distribution will vary according, among other things, to the value of the Managed Portfolio securities acquired by the Trust, the dividends paid and interest earned thereon, the volatility of such securities and the levels of option premiums received. Fluctuations in the market values of the Managed Portfolio securities in which the Trust invests may occur for a number of reasons beyond the control of the Manager, MCM or the Trust. Overweighting investments in certain sectors or industries of the U.S. stock market involves risk that the Trust will suffer a loss because of general advances or declines in the prices of stocks in those sectors or industries. Although many investors and financial market professionals price options based on the Black-Scholes Model, in practice, actual option premiums are determined based on market factors including interest rate levels, and there is no assurance that the premiums predicted by such pricing model can be attained.

Units may trade in the market at a premium or discount to NAV per Unit and there can be no assurance that Units will trade at a price equal to NAV per Unit.

Loss of Full Capital Repayment

Early Redemption

Unitholders who request the redemption of their Units prior to the Termination Date will forgo the full benefit of the capital repayment provided by the Forward Agreement on the Termination Date and may receive a redemption amount which is less than the original issue price.

Forward Agreement

The Trust will enter into the Forward Agreement with RBC with respect to the Fixed Portfolio in order to provide the Trust with the means to return the original issue price of the Units to Unitholders on the Termination Date. The possibility exists that RBC will default on its payment obligations under the Forward Agreement or that the proceeds of the Forward Agreement will be used to satisfy other liabilities of the Trust, which liabilities could include obligations to third-party creditors in the event the Trust has insufficient assets, excluding the proceeds of the Forward Agreement, to pay its liabilities. If any of these eventualities should occur investors in the Units may not receive the original issue price on the Termination Date.

A consequence of entering into the Forward Agreement is that the Trust will in effect forgo the benefits of any appreciation of the value of the Fixed Portfolio. If the Trust receives dividends or other distributions on the Fixed Portfolio securities or if the Trust receives consideration in respect of such securities as a consequence of a merger transaction, the amount payable under the Forward Agreement will be reduced. If, in these circumstances, the Trust is unable to amend the Forward Agreement or enter into another transaction to enable it to receive an amount at least equal to the original issue price on or about the Termination Date, Unitholders may not receive an amount at least equal to the original issue price per Unit on or about the Termination Date. In the event of an early termination of the Forward Agreement, the Trust may be unable to pay Unitholders an amount at least equal to the original issue price per Unit on the Termination Date. However, in the event of an early termination of the Forward Agreement, the Trust will attempt to enter into additional forward, derivative or other transactions in order to enable it to pay to Unitholders the original issue price on or before the Termination Date. See ''Investments of the Trust – Capital Repayment''.

Reliance on the Investment Manager

MCM will manage the Trust in a manner consistent with the investment objectives, strategy and criteria of the Trust. The officers of MCM who will be primarily responsible for the management of the Trust's portfolio have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of MCM throughout the term of the Trust.

Use of Options and Other Derivative Instruments

The Trust is subject to the full risk of its investment position in the securities comprising the Trust's Managed Portfolio, including those securities that are subject to outstanding call options, and those securities underlying put options written by the Trust, should the market price of such securities decline. In addition, the Trust will not participate in any gain on the securities that are subject to outstanding call options above the strike price of the options.

There is no assurance that a liquid exchange or over-the-counter market will exist to permit the Trust to write covered call options or cash covered put options or purchase cash secured put options on desired terms or to close out option positions should MCM desire to do so. The ability of the Trust to close out its positions may also be affected by exchange imposed daily trading limits on options or the lack of a liquid over-the-counter market. If the Trust is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires. In addition, upon the exercise of a put option, the Trust will be obligated to acquire a security at the strike price which may exceed the then current market value of such security.

In purchasing call or put options or entering into forward or future contracts, the Trust 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.

Foreign Currency Exposure

As the Trust's Managed Portfolio will include securities and options denominated in U.S. dollars or other foreign currencies, the NAV of the Trust and the value of the dividends and option premiums received by the Trust will, when measured in Canadian dollars, be affected by fluctuations in the value of the U.S. dollar or other foreign currencies relative to the Canadian dollar.

Foreign Market Exposure

The Trust's Managed Portfolio may, at any time, include securities of issuers established in jurisdictions outside Canada and the United States. Although most of such issuers will be subject to uniform accounting, auditing and financial reporting standards comparable to those applicable to Canadian and U.S. companies, some issuers may not be subject to such standards and, as a result, there may be less publicly available information about such issuers than a

Canadian or U.S. company. Volume and liquidity in some foreign stock markets may be less than in Canada and the U.S. and, at times, volatility of price may be greater than in Canada or the U.S. As a result, the price of such securities may be affected by conditions in the market of the jurisdiction in which the issuer is located or its securities are traded.

Securities Lending

The Trust may engage in securities lending as described under ''Investments of the Trust – Securities Lending''. Although the Trust will receive collateral for the loans and such collateral is marked to market, the Trust will be exposed to the risk of loss should the borrower default on its obligation to return the borrowed securities and the collateral is insufficient to reconstitute the portfolio of loaned securities.

Operating History

The Trust is a newly organized investment trust with no previous operating history. There is currently no public market for the Units and there can be no assurance that an active public market will develop or be sustained after completion of the offering.

Unitholder Liability

The Trust Agreement provides that no Unitholder shall be subject to any liability whatsoever, in tort, contract or otherwise, to any person in connection with Trust property or the obligations or the affairs of the Trust and all such persons shall look solely to the Trust property for satisfaction of claims of any nature arising out of or in connection therewith and the Trust property only shall be subject to levy or execution. Notwithstanding the foregoing statement in the Trust Agreement, because of uncertainties in the law relating to investment trusts such as the Trust, there is a risk that a Unitholder could be held personally liable for obligations of the Trust. It is intended that the Trust's operations be conducted in such a way as to minimize any such risk. In particular, the Investment Manager will follow the investment objectives and the investment strategy of the Trust and, where feasible, will cause every written instrument creating an obligation of the Trust, including any agreement related to the borrowing of money, to contain an express disavowal of liability upon the Unitholders. In any event, it is considered that the risk of any personal liability of Unitholders is minimal in view of the anticipated equity of the Trust, the nature of its activities, the intention of the Manager, where feasible, to require that any agreement which is related to the borrowing of money by the Trust include an express disavowal of liability of Unitholders and the limit of any indebtedness which may be incurred by the Trust. In the event that a Unitholder should be required to satisfy any obligation of the Trust, such Unitholder will be entitled to reimbursement from any available assets of the Trust.

Tax Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Trust will treat option premiums received on the writing of covered call options and cash covered put options and any losses sustained on closing out options as capital gains and capital losses in accordance with its understanding of Canada Customs and Revenue Agency's published administrative and assessing practice. Gains or losses on the disposition of shares, including disposition of shares held in the Managed Portfolio upon exercise of a call option and disposition of shares in Fixed Portfolio upon delivery under the Forward Agreement will be treated as capital gains or losses. The Canada Customs and Revenue Agency's practice is not to grant an advance income tax ruling on the characterization of items as capital gains or income and no advance ruling has been requested or obtained.

If, contrary to the Canada Customs and Revenue Agency's published administrative practice, some or all of the transactions undertaken by the Trust in respect of options were treated on income rather than capital account, or if, contrary to the advice of counsel to the Fund and to the Agents or as a result of a change of law, the character and timing of the gain under the Forward Agreement were other than a capital gain on sale of the shares thereunder, after-tax returns to Unitholders could be reduced and the Trust could be subject to non-refundable income tax from such transactions.

LEGAL OPINIONS

The matters referred to under ''Eligibility for Investment'' and ''Canadian Federal Income Tax Considerations'' and certain other legal matters relating to the securities offered hereby will be passed upon by Osler, Hoskin & Harcourt LLP, on behalf of the Trust, and Davies Ward Phillips & Vineberg LLP, on behalf of the Agents.

CUSTODIAN

The Trustee is the custodian of the Trust, with the power to appoint sub-custodians.

PROMOTER

MCM has taken the initiative in organizing the Trust and accordingly may be considered to be a ''promoter'' of the Trust within the meaning of the securities legislation of certain provinces of Canada. MCM will receive fees from the Trust and will be entitled to reimbursement of expenses incurred in relation to the Trust as described under ''Fees and Expenses''.

AUDITORS

The auditors of the Trust are Deloitte & Touche LLP, BCE Place, 181 Bay Street, Suite 1400, Toronto, Ontario, M5J 2V1.

REGISTRAR AND TRANSFER AGENT

Pursuant to Registrar and Transfer Agency Agreement to be signed on or prior to closing, Computershare Trust Company of Canada at its principal offices in Toronto will be appointed the registrar and transfer agent for the Units.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in several of the provinces of Canada provides a purchaser with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' REPORT

To the Trustee of
PRO-AMS TRUST

We have audited the statement of financial position of Pro-AMS Trust as at February 15, 2001. This statement of financial position is the responsibility of the Trust's management. Our responsibility is to express an opinion on this statement of financial position 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 management, as well as evaluating the overall financial statement presentation.

In our opinion, this statement of financial position presents fairly, in all material respects, the financial position of the Trust as at February 15, 2001 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
February 15, 2001

DELOITTE & TOUCHE LLP
Chartered Accountants

COMPILATION REPORT

To the Trustee of
PRO-AMS TRUST

We have reviewed, as to compilation only, the accompanying pro forma statement of financial position of Pro-AMS Trust as at February 15, 2001 which has been prepared for inclusion in the prospectus relating to the issue of Units of the Trust. In our opinion, the pro forma statement of financial position has been properly compiled to give effect to the transactions and assumptions described in the notes thereto.

Toronto, Canada
February 15, 2001

DELOITTE & TOUCHE LLP
Chartered Accountants

Pro-AMS TRUST

STATEMENT OF FINANCIAL POSITION

February 15, 2001

	Actual	Pro forma (Unaudited)[3]
ASSETS		
Cash	$25.00	$ —
Investment in portfolio securities	—	1,180,400,000
Total	$25.00	$1,180,400,000
UNITHOLDERS' EQUITY		
Unitholders' Equity (Notes 1 and 3):		
Units (Actual 1 Unit; pro forma 50,000,001 Units, net of issue costs)	$25.00	$1,180,400,000

Approved by the Manager:

(Signed) JOHN P. MULVIHILL
Director

(Signed) DAVID N. MIDDLETON
Director

NOTES

1. Units Authorized and Outstanding

Establishment of the Trust and Authorized Units

Pro-AMS Trust (the ''Trust'') was established under the laws of the Province of Ontario on February 15, 2001 by a trust agreement (the ''Trust Agreement'') made between The Royal Trust Company and Mulvihill Fund Services Inc. (''Mulvihill''). The Trust is authorized to issue an unlimited number of Units. On February 15, 2001, the Trust issued 1 Unit for $25.00 cash.

2. Significant Accounting Policy

The Trust's investment in portfolio securities is presented at acquisition cost on a trade date basis.

3. Pro Forma Balance Sheet (unaudited)

The pro forma balance sheet gives effect, as at February 15, 2001, to the following transactions:

(a) The issue of 50,000,000 Units for total gross proceeds of $1,250,000,000.

(b) The payment of estimated costs relating to this offering of $69,600,000, which amount is comprised of the fee payable to the Agents in this offering of $68,750,000 and issue costs of $850,000.

(c) The completion of the purchase of an investment portfolio at a cost of $1,180,400,000.

4. Agency Agreement and Custodian

The Trust has engaged RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., Merrill Lynch Canada Inc., Scotia Capital Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., HSBC Securities (Canada) Inc., Canaccord Capital Corporation, Desjardins Securities Inc., Raymond James Ltd. and Yorkton Securities Inc. to offer for sale to the public pursuant to a prospectus dated February 15, 2001 the Units described in Note 3.

Pursuant to the Trust Agreement, The Royal Trust Company acts as trustee and custodian of the assets of the Trust and is also responsible for certain aspects of the Trust's day-to-day operations. In consideration for the services provided by The Royal Trust Company, the Trust will pay a monthly fee to be agreed upon between The Royal Trust Company and Mulvihill.

5. Commitments

The Trust has retained Mulvihill to act as manager under the Trust Agreement and has retained Mulvihill Capital Management Inc. (''MCM'') to act as investment manager under an Investment Management Agreement dated February 15, 2001. Pursuant to such agreements, MCM and Mulvihill are entitled to fees at the annual rates of 1.15% and 0.10%, respectively, of the NAV of the Trust. Such fees are calculated and payable monthly.

Under the Forward Agreement, the Trust will pay to Royal Bank of Canada an annual fee of approximately 0.45% of the gross proceeds of this offering payable quarterly.

CERTIFICATE OF THE MANAGER AND THE PROMOTER

Dated: February 15, 2001

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, 1988 (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 63 of the *Securities Act* (Nova Scotia), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland) and by Part II of the *Securities Act* (Prince Edward Island). This prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

MULVIHILL FUND SERVICES INC.
(as Manager and on behalf of the Pro-AMS Trust)

(Signed) JOHN P. MULVIHILL
Chief Executive Officer and President

(Signed) DAVID N. MIDDLETON
Chief Financial Officer

On behalf of the Board of Directors of Mulvihill Fund Services Inc.

(Signed) JOHN P. MULVIHILL
Director

(Signed) DAVID N. MIDDLETON
Director

(Signed) JOHN H. SIMPSON
Director

MULVIHILL CAPITAL MANAGEMENT INC.
(as Promoter)

(Signed) JOHN P. MULVIHILL

CERTIFICATE OF THE AGENTS

Dated: February 15, 2001

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 9 of the *Securities Act* (British Columbia), by Part 8 of the *Securities Act* (Alberta), by Part XI of *The Securities Act*, 1988 (Saskatchewan), by Part VII of *The Securities Act* (Manitoba), by Part XV of the *Securities Act* (Ontario), by Section 64 of the *Securities Act* (Nova Scotia), by Section 13 of the *Security Frauds Prevention Act* (New Brunswick) and the respective regulations thereunder, by Part XIV of *The Securities Act* (Newfoundland) and by Part II of the *Securities Act* (Prince Edward Island). To the best of our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed within the meaning of the *Securities Act* (Quebec) and the regulations thereunder.

RBC DOMINION SECURITIES INC.

By: (Signed) FREDERICK CHANN

BMO NESBITT BURNS INC.	MERRILL LYNCH CANADA INC.	SCOTIA CAPITAL INC.	TD SECURITIES INC.
By: (Signed) BRENT D. FULLARD	By: (Signed) GLEN L. DAY	By: (Signed) BRIAN D. MCCHESNEY	By: (Signed) R. DENYS CALVIN

CIBC WORLD MARKETS INC.	NATIONAL BANK FINANCIAL INC.
By: (Signed) DANIEL J. MCCARTHY	By: (Signed) IAN MCPHERSON

HSBC SECURITIES (CANADA) INC.

By: (Signed) PATRICK NOLAN

CANACCORD CAPITAL CORPORATION	DESJARDINS SECURITIES INC.	RAYMOND JAMES LTD.	YORKTON SECURITIES INC.
By: (Signed) BRAD GRIFFITHS	By: (Signed) ERIC DESORMEAUX	By: (Signed) GORDON PRIDHAM	By: (Signed) MARILIA COSTA

The following includes the names of every person having an interest either directly or indirectly to the extent of not less than 5% in the capital of:

RBC DOMINION SECURITIES INC.: a wholly-owned subsidiary of a Canadian chartered bank;

BMO NESBITT BURNS INC.: a wholly-owned subsidiary of BMO Nesbitt Burns Corporation Limited, an indirect majority-owned subsidiary of a Canadian chartered bank;

MERRILL LYNCH CANADA INC.: a wholly-owned indirect subsidiary of Merrill Lynch & Co. Inc.;

SCOTIA CAPITAL INC.: a wholly-owned subsidiary of a Canadian chartered bank;

TD SECURITIES INC.: a wholly-owned subsidiary of a Canadian chartered bank;

CIBC WORLD MARKETS INC.: a wholly-owned subsidiary of a Canadian chartered bank;

NATIONAL BANK FINANCIAL INC.: an indirect wholly-owned subsidiary of a Canadian chartered bank;

HSBC SECURITIES (CANADA) INC.: a wholly-owned subsidiary of a Canadian chartered bank;

CANACCORD CAPITAL CORPORATION: Peter M. Brown (through the MacLachlan Investment Corporation), Michael G. Greenwood (directly and through 728541 Alberta Ltd.) and Michael W. Murphy (directly and through 517387 B.C. Ltd.). Their interests are held indirectly through Canaccord Investment Ltd. and Canaccord Holdings Ltd.;

DESJARDINS SECURITIES INC.: a wholly-owned subsidiary of Desjardins-Laurentian Financial Corporation, a majority-owned subsidiary of a Quebec financial institution;

RAYMOND JAMES LTD.: a wholly-owned, indirect subsidiary of Raymond James Financial, Inc.; and

YORKTON SECURITIES INC.: G. Scott Paterson and Yorkton Financial Inc.

Platinum Pro-AMS Series