Mulvihill Structured Products

Mulvihill

Hybrid Income Funds

Annual Report 2008

Mulvihill Pro-AMS *U.S. Fund*

Pro-AMS U.S. Trust

A

Message to Unitholders

We are pleased to present the annual financial results of Pro-AMS U.S. Fund, which operates as Mulvihill Pro-AMS U.S. Fund (the “Fund”).

The following is intended to provide you with the financial highlights of the Fund and we hope you will read the more detailed information contained within the report.

The Fund was launched in 2000 with the original objectives to:

(1) Pay monthly distributions and to return the original issue price of $25.00 to unitholders on the termination date of the Fund on January 4, 2011. To provide greater certainty to the principal repayments objective, the Fund suspended the payment of monthly distributions in April 2005.

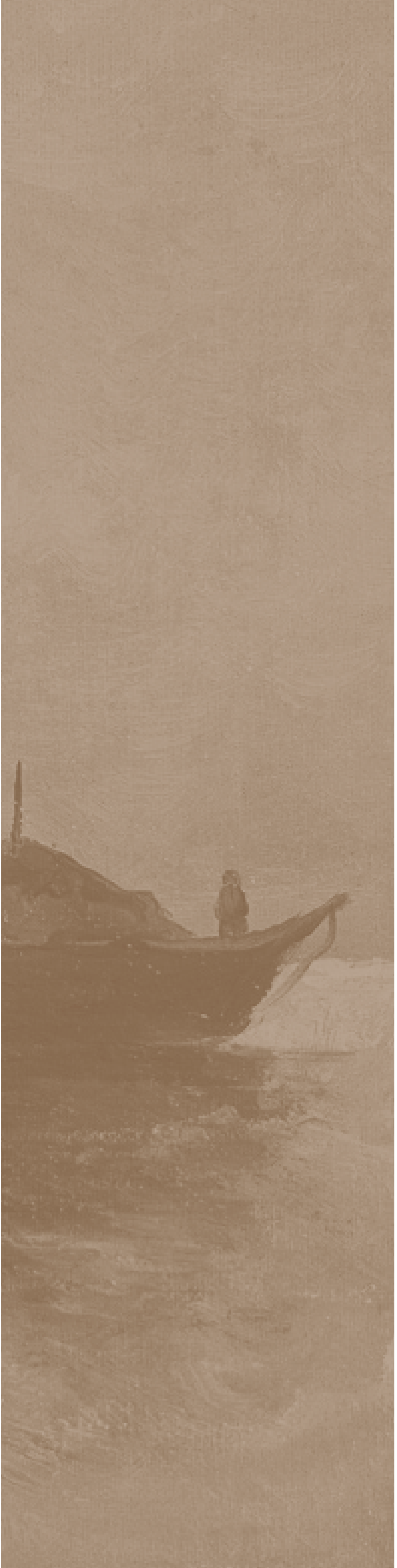
To provide the Fund with the means to return the original issue price on termination, the Fund entered into a "Forward Agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Fund $25.00 for each unit outstanding on the Termination Date in exchange for the delivery of the Fund's fixed portfolio. During the fiscal year ended 2008 the Fund earned an annual total return of 8.96 percent, resulting in an overall increase in the net asset value from $22.86 per unit as at December 31, 2007 to $24.90 per unit as at December 31, 2008.

The longer-term financial highlights of the Fund for the years ended December 31 are as follows:

	2008	2007	2006	2005	2004
Annual Total Fund Return	8.96%	1.97%	2.24%	2.15%	5.33%
Distribution Paid	$ –	$ –	$ –	$ 0.12	$ 0.48
Ending Net Asset Value per Unit (initial issue price was $25.00 per unit)	$ 24.90	$ 22.86	$ 22.42	$ 21.92	$ 21.58

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

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.



Mulvihill *Pro-AMS U.S. Fund* [PAM.UN]

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Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended December 31, 2008 of Pro-AMS U.S. Trust, which operates as Mulvihill Pro-AMS U.S Fund (the "Fund"). The annual financial statements of the Fund are attached.

Copies of the Fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com.

Investment Objectives and Strategies

The Fund's original investment objectives are to pay monthly distributions and to return the original issue price of $25.00 per unit to unitholders on the termination date of the Fund on January 4, 2011. To provide the Fund with the means to return the original issue price on termination, the Fund entered into a "Forward Agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Fund $25.00 for each unit outstanding on the Termination Date in exchange for the delivery of the Fund's fixed portfolio. To provide greater certainty to the principal repayment objective, the Fund suspended the payment of monthly distributions effective April 2005. The balance of the Fund's net assets will be held within its managed portfolio and will be used to cover the operating expenses of the Fund.

Risk

The Fund is comprised of a fixed portfolio, which contains a forward agreement as well as a managed portfolio which holds cash and cash equivalents. The net asset value of the forward agreement is determined by the current level of interest rates and is inversely related to them. For example, increases in long-term interest rates will generally have the effect of decreasing the Fund's total net asset value. As the majority of the Fund's total net asset value is comprised of the forward agreement designed to return $25.00 per unit on the termination date, investors should be aware that the primary risk associated with the Fund is interest rate risk.

Summary of Investment Portfolio

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

Asset Mix and Portfolio Holdings

December 31, 2008

	% OF NET ASSET VALUE
Securities Pledged as Collateral for Forward Agreement (Fixed Portfolio)	105 %
Forward Agreement (Fixed Portfolio)	24 %
Cash and Short-Term Investments (Managed Portfolio)	8 %
Other Assets (Liabilities)	(37)%
	100 %

Securities in the fixed portfolio have been pledged to the Royal Bank of Canada ("RBC") as security for the obligation of the Fund under the Forward Agreement. As a result, the fixed portfolio effectively has no equity exposure.

Distribution History

INCEPTION DATE: OCTOBER 2000	REGULAR DISTRIBUTION
Total for 2000	$ 0.53750
Total for 2001	2.25000
Total for 2002	1.28665
Total for 2003	0.48000
Total for 2004	0.48000
Total for 2005	0.12000*
Total for 2006	0.00000
Total for 2007	0.00000
Total for 2008	0.00000
Total Distributions to Date	**$ 5.15415**

* Distributions were suspended effective April 2005.

For complete distribution history and income tax information, please see our website www.mulvihill.com.

Trading History

October 5, 2000 to December 31, 2008

Results of Operations

For the year ended December 31, 2008, the net asset value of the Fund for pricing purposes based on closing prices increased to $24.90 per unit (see Note 4 to the financial statements) from $22.86 per unit at December 31, 2007. The Fund's units, listed on the Toronto Stock Exchange as PAM.UN, closed on December 31, 2008 at $24.20 per unit, which represents a 2.8 percent discount to the net asset value.

No distributions were paid to unitholders during 2008. Distributions were suspended effective April 2005. The one year total return for the Fund was 8.96 percent. This return is reflective of the high proportion of assets held within the fixed portfolio. The value of such assets is dependent on the level of interest rates. For more detailed information on investment returns, please see Annual Total Return bar graph on page 5 of this report and the Annual Compound Returns table on page 6 of this report.

Interest rates in the three to five year term trended lower through much of the year, especially in the fourth quarter. This period of rate easing was a benefit to the value of the fund. The total return of mid-term bonds in Canada, as represented by the Bloomberg Canadian Government 3-5 Year Index was 11.9 percent. The underperformance of the Fund compared to this index is due to a dramatic increase in credit spreads during the year.

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

For December 31, 2008 and December 31, 2007, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 3 and 4 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended December 31

	2008	2007	2006	2005	2004
THE FUND'S NET ASSETS PER UNIT					
Net Assets, beginning of year (based on bid prices)[1]	**$ 22.86**	**$ 22.42**	**21.92**	**$ 21.58**	**$ 20.96**
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**0.05**	0.08	0.08	0.13	(0.02)
Total expenses	**(0.56)**	(0.54)	(0.47)	(0.43)	(0.42)
Realized gains (losses) for the period	**4.72**	1.52	0.95	10.04	5.28
Unrealized gains (losses) for the period	**(2.18)**	(0.71)	(0.11)	(9.30)	(3.86)
Total Increase (Decrease) from Operations[2]	**2.03**	**0.35**	**0.45**	**0.44**	**0.98**
DISTRIBUTIONS					
Non-taxable distributions	**–**	–	–	(0.12)	(0.48)
Total Annual Distributions[3]	**–**	**–**	**–**	**(0.12)**	**(0.48)**
Net Assets, as at December 31 (based on bid prices)[1]	**$ 24.90**	**$ 22.86**	**22.42**	**$ 21.92**	**$ 21.58**

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities of the Fund on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted January 1, 2007 relating to Financial Instruments. Refer to Note 3 to the financial statements for further discussion.
(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), realized and unrealized gains (losses), less expenses, and is calculated based on the weighted average number of units outstanding during the year. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the year.
(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution and were paid in cash.

	2008	2007	2006	2005	2004
RATIOS/SUPPLEMENTAL DATA					
Net Asset Value ($millions)[1]	**$ 20.35**	$ 25.16	33.05	$ 49.03	$ 100.70
Number of units outstanding[1]	**817,141**	1,100,584	1,474,241	2,236,435	4,666,005
Management expense ratio[2]	**2.38%**	2.41%	2.16%	1.96%	1.98%
Portfolio turnover rate[3]	**101.23%**	21.51%	8.71%	198.72%	17.71%
Trading expense ratio[4]	**0.00%**	0.00%	0.00%	0.02%	0.03%
Net Asset Value per Unit[5]	**$ 24.90**	$ 22.86	22.42	$ 21.92	$ 21.58
Closing market price	**$ 24.20**	$ 21.70	21.70	$ 21.46	$ 20.70

(1) This information is provided as at December 31.
(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes and capital taxes but excluding transaction fees and income taxes, charged to the Fund to the average net asset value.
(3) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.
(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
(5) Net Asset Value per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Fees

Mulvihill Capital Management Inc. ("MCM") is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.15 percent of the net asset value of the Fund at each month end. The Investment Manager voluntarily agreed to defer payment of a portion of its management fees. These deferrals in the investment management fees represent decreases in direct proportion to the decline in targeted distribution rates, to a minimum annual investment management fee rate of 0.50 percent of the Fund's net asset value. The Investment Manager may choose at any time to require payment of its full investment management fees and all or any portion of those in arrears. Investment management fees for the year were paid at an annual rate of 0.50 percent of the Fund's net asset value.

Services received under the Investment Management Agreement include the making of all investment decisions in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and the execution of all portfolio and other transactions.

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

Recent Developments

The primary investment objective is to maintain the redemption value of $25.00 per unit at the termination of the Fund on January 4, 2011. To provide greater certainty to the principal protection objective, the Fund has eliminated its exposure to equity securities with the managed portfolio now comprised entirely of cash and cash equivalents.

The fixed portfolio has retained a forward agreement with the Royal Bank of Canada sufficient to Fund payment of $25.00 per unit on the termination date for each unit currently outstanding.

During the year 283,713 units were redeemed by the Fund. The Fund facilitated these redemptions by unwinding a portion of the forward agreement from the fixed portfolio, as well as, the sale of cash equivalents from the managed portfolio. These activities had no material impact on the Fund performance.

Past Performance

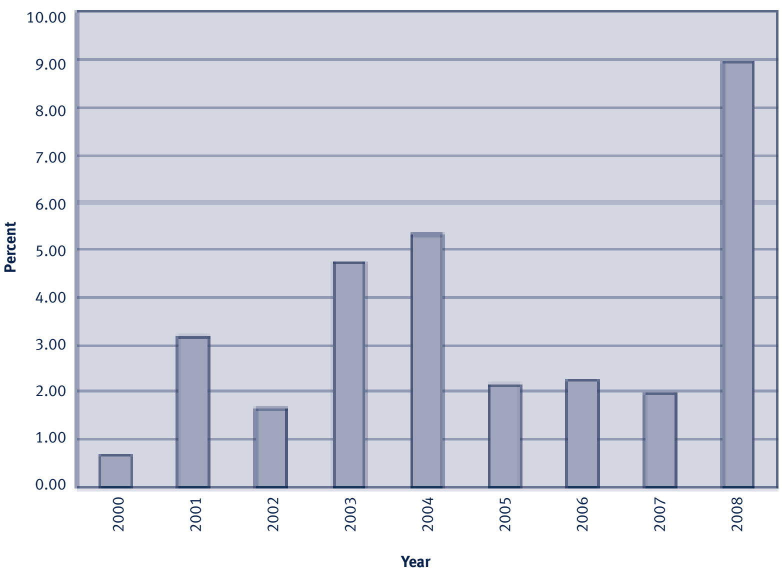
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

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

Year-By-Year Returns

The bar chart below illustrates how the Fund's total annual return in each of the past nine years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 2000 would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended December 31, 2008 as compared to the performance of the S&P/TSX Composite Index, S&P 500 Index and Scotia Capital Universal Bond Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Since Inception*
Mulvihill Pro-AMS U.S. Fund	**8.96 %**	4.34 %	4.09 %	3.40 %
In order to meet regulatory requirements, the performance of three broader based market indices have been included below.				
S&P/TSX Composite Index**	**(33.00)%**	(4.80)%	4.16 %	0.14 %
S&P 500 Index***	**(21.92)%**	(6.85)%	(3.24)%	(5.61)%
Scotia Capital Universal Bond Index****	**6.41 %**	4.71 %	5.54 %	6.05 %

* From date of inception on October 4, 2000.

** The S&P/TSX Composite Index is a capitalization-weighted index designed to measure the market activity of stocks listed on the TSX.

*** The S&P 500 Index is a capitalization-weighted index of 500 stocks. The index is designed to measure the performance of the broad domestic economy through changes in the aggregate market value of 500 stocks representing all major industries.

**** The Scotia Capital Universal Bond Index is designed to measure the performance of the Canadian fixed income market.

At inception of the Fund the proceeds of the issue were invested in both the fixed and managed portfolios. The managed portfolio was invested in a diversified portfolio consisting principally of equity securities of companies with a market capitalization in excess of U.S. $5.0 billion selected from the S&P 500 Index. In May of 2005 the managed portfolio converted its equity holdings to cash and cash equivalents to provide greater certainty to the principle protection feature. As a result, the Fund's equity exposure was eliminated whereas its sensitivity to interest rate levels increased.

The performance benchmarks shown here provide an approximate indication of how the Fund's returns compare to a public market index for similar securities. It is important to note that the Fund is not managed in order to match or exceed these indices; rather, its objective is to return the original invested amount at the termination date.

Related Party Transactions

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

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

Independent Review Committee

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107"). NI 81-107 requires all publicly offered investment funds to establish an independent review committee ("IRC") to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions.

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, Michael M. Koerner, and effective January 1, 2009, Robert G. Bertram.

Forward-Looking Statements

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

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

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

Management's Responsibility for Financial Reporting

The accompanying financial statements of Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager") and have been approved by the Board of Advisors (the "Board").

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements.

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

The Board meets periodically with management and external auditors to discuss internal controls, the financial reporting process, various auditing and financial reporting issues, and to review the annual report, the financial statements and the external auditors' report. Deloitte & Touche LLP has full and unrestricted access to the Board.

John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 17, 2009

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Unitholders of Mulvihill Pro-AMS U.S. Trust

We have audited the accompanying statement of investments of Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") as at December 31, 2008, the statements of net assets as at December 31, 2008 and 2007, and the statements of financial operations, of changes in net assets, and of net gain on sale of investments for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2008 and 2007, and the results of its operations, the changes in its net assets, and the net gain on sale of investments for the years then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Pubic Accountants
Toronto, Ontario
February 17, 2009

Statements of Net Assets

December 31, 2008 and 2007

(In Canadian dollars)

	2008	2007
ASSETS		
Investments - Fixed portfolio at fair value (cost - $28,019,026; 2007 - $29,238,757) (Note 5)	**$ 26,322,804**	$ 29,881,156
Short-term investments - Managed portfolio at fair value (cost - $1,567,442; 2007 - $2,007,812)	**1,567,442**	2,007,812
Cash	**1,990**	133
Interest receivable	**5,858**	8,057
Due from brokers - derivatives	**–**	315,069
TOTAL ASSETS	**27,898,094**	**32,212,227**
LIABILITIES		
Redemptions payable	**6,261,416**	5,628,353
Accrued management fees (Note 7)	**1,237,037**	1,364,132
Accrued forward agreement fees	**29,534**	35,119
Accrued liabilities	**19,281**	22,419
TOTAL LIABILITIES	**7,547,268**	**7,050,023**
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	**$ 20,350,826**	**$ 25,162,204**
Number of Units Outstanding (Note 6)	**817,141**	**1,100,854**
Net Assets per Unit (Note 4)	**$ 24.9049**	**$ 22.8570**

On Behalf of the Manager,
Mulvihill Fund Services Inc.

John P. Mulvihill, Director

Sheila S. Szela, Director

The notes are an integral part of the Financial Statements.

Statements of Financial Operations

Years ended December 31, 2008 and 2007

(In Canadian dollars)

	2008	2007
REVENUE		
Interest	$ 54,559	$ 105,236
TOTAL REVENUE	54,559	105,236
EXPENSES (Note 7)		
Management fees	320,121	387,689
Forward Agreement fee (Note 5)	128,889	167,705
Administrative and other expenses	51,173	79,059
Custodian fees	22,169	25,004
Audit fees	21,219	21,779
Advisory board fees	17,317	21,465
Independent review committee fees	4,267	739
Legal fees	5,481	–
Unitholder reporting costs	13,478	14,911
Goods and services tax	21,569	29,991
TOTAL EXPENSES	605,683	748,342
Net Investment Loss	(551,124)	(643,106)
Net gain on sale of derivatives	5,065,332	2,108,275
Net change in unrealized appreciation/depreciation of investments	(2,338,621)	(985,124)
Net Gain on Investments	2,726,711	1,123,151
NET INCREASE IN NET ASSETS FROM OPERATIONS	$ 2,175,587	$ 480,045
NET INCREASE IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the year of 1,073,685; 2007 - 1,385,606)	$ 2.0263	$ 0.3465

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets

Years ended December 31, 2008 and 2007

(In Canadian dollars)

	2008	2007
NET ASSETS, BEGINNING OF YEAR	$ 25,162,204	$ 33,045,491
Net Increase in Net Assets from Financial Operations	2,175,587	480,045
Unit Transactions		
Amount paid for units redeemed	(6,986,965)	(8,363,332)
Changes in Net Assets during the Year	(4,811,378)	(7,883,287)
NET ASSETS, END OF YEAR	$ 20,350,826	$ 25,162,204

Statements of Net Gain on Sale of Investments

Years ended December 31, 2008 and 2007

(In Canadian dollars)

	2008	2007
Proceeds from Sale of Investments	$ 31,965,475	$ 9,551,882
Cost of Investments Sold		
Cost of investments, beginning of year	29,238,757	29,847,746
Cost of investments purchased	25,680,412	6,834,618
	54,919,169	36,682,364
Cost of Investments, End of Year	(28,019,026)	(29,238,757)
	26,900,143	7,443,607
NET GAIN ON SALE OF INVESTMENTS	$ 5,065,332	$ 2,108,275

The notes are an integral part of the Financial Statements.

Statement of Investments

December 31, 2008

(In Canadian dollars)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO				
Treasury Bills				
Government of Canada, 2.20% - January 8, 2009	525,000	$ 522,575	$ **522,575**	
Government of Canada, 2.20% - January 22, 2009	850,000	845,614	**845,614**	
Government of Canada, 1.80% - February 5, 2009	120,000	119,510	**119,510**	
Government of Canada, 1.20% - March 19, 2009	80,000	79,743	**79,743**	
Total Treasury Bills		**1,567,442**	**1,567,442**	**99.6 %**
Accrued Interest			**5,858**	**0.4 %**
TOTAL SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO		**$ 1,567,442**	**$ 1,573,300**	**100.0 %**
INVESTMENTS - FIXED PORTFOLIO				
Canadian Common Shares				
Consumer Discretionary				
Gildan Activewear Inc.	35,716	$ 1,396,496	$ **506,096**	
Rona Inc.	79,435	1,745,187	**952,426**	
Total Consumer Discretionary		**3,141,683**	**1,458,522**	5.5 %
Consumer Staples				
Viterra Inc.	223,051	**1,589,166**	**2,114,523**	8.0 %
Energy				
Birchcliff Energy Ltd.	182,863	2,272,987	**899,686**	
Uranium One Inc.	315,226	1,996,699	**542,189**	
Total Energy		**4,269,686**	**1,441,875**	5.5 %
Financials				
Firstservice Corp.	149,820	**2,325,206**	**2,386,633**	9.1 %
Health Care				
MDS Inc.	290,287	**2,325,199**	**2,177,152**	8.3 %
Industrials				
Westjet Airlines Ltd.	153,094	**1,902,958**	**2,004,000**	7.6 %
Information Technology				
CGI Group Inc. - Cl A	184,583	1,928,892	**1,753,538**	
Nortel Networks Corporation	47,493	1,754,411	**15,198**	
Research in Motion Limited	59,404	1,777,368	**2,938,122**	
Total Information Technology		**5,460,671**	**4,706,858**	17.9 %
Materials				
Canfor Corporation	352,303	2,325,200	**2,642,272**	
Eldorado Gold Corporation	203,438	1,668,191	**1,959,108**	
FNX Mining Co. Inc.	68,678	1,668,189	**207,408**	
Lundin Mining Corp.	166,610	1,342,877	**193,268**	
Total Materials		**7,004,457**	**5,002,056**	19.0 %
Total Canadian Common Shares		**$ 28,019,026**	**$ 21,291,619**	**80.9 %**
Forward Agreement (Note 5)			**5,031,185**	**19.1 %**
TOTAL INVESTMENTS - FIXED PORTFOLIO		**$ 28,019,026**	**$ 26,322,804**	**100.0 %**
Short-Term Investments - Managed Portfolio			**1,567,442**	
Other Assets Less Liabilities			**(7,539,420)**	
NET ASSETS			**$ 20,350,826**	
TOTAL MANAGED PORTFOLIO		**$ 1,567,442**	**$ 1,567,442**	
TOTAL FIXED PORTFOLIO		**28,019,026**	**26,322,804**	
TOTAL INVESTMENT PORTFOLIO		**$ 29,586,468**	**$ 27,890,246**	

The notes are an integral part of the Financial Statements.

1. Establishment of the Fund

Pro-AMS U.S. Trust (operating as Mulvihill Pro-AMS U.S. Fund) (the "Fund") is an investment trust established under the laws of the Province of Ontario on September 27, 2000. The Fund began operations on October 4, 2000 and will terminate on January 4, 2011 and its assets will be distributed to unitholders unless unitholders determine to continue the Fund by a majority vote at a meeting called for such purpose.

The manager of the Fund is Mulvihill Fund Services Inc. (the"Manager") and the Fund's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). RBC Dexia Investor Services (the "Trustee") is the trustee and acts as custodian of the assets of the Fund.

2. Investment Objectives of the Fund

The Fund's original investment objectives are to pay monthly distributions and to return the original issue price of $25.00 to unitholders on the termination date of the Fund on January 4, 2011. To provide greater certainty to the principal repayment objective, the Fund suspended the payment of monthly distributions effective April 2005. At that time, the equity positions held in the managed portfolio were liquidated which resulted in no equity exposure for the rest of the year. To provide the Fund with the means to return the original issue price on termination, the Fund entered into a "Forward Agreement" with the Royal Bank of Canada ("RBC") whereby RBC will pay the Fund $25.00 for each unit outstanding on the Termination Date in exchange for the delivery of the equity securities in the Fund's fixed portfolio. The balance of the Fund's net assets will be held within its managed portfolio and will be used to finance the operating expenses of the Fund.

From time to time, the Fund may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Actual results may differ from estimates.

The Fund has adopted, effective January 1, 2007, the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855 "Financial Instruments - Recognition and Measurement". The standard requires that the fair value of securities which are traded in active markets be measured based on bid price and transaction fees, such as brokerage commissions, incurred in the purchase or sale of securities by the Fund be charged to net income in the period incurred. The standard has been adopted retrospectively with no restatement of prior periods' comparative amounts. There was no impact on the opening net assets as a result of the adoption of the new accounting standards. For financial reporting purposes, the investments have been valued at closing bid prices.

The significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair value determined as follows:

Securities are valued at fair value, which is determined by the closing bid price on the recognized stock exchange on which the securities are listed or principally traded. If no bid prices are available, the securities are valued at the closing sale price.

Short-term investments are included in the statement of investments at their cost. This value, together with accrued interest, approximates fair value at bid price.

The value of a Forward Agreement shall be the gain or loss with respect thereto that would be realized if, on the Valuation Date, the position in the forward contract were to be closed out. The fair value is determined using a valuation technique based on a discounted cash flow approach adjusted for contract specific terms. Changes in the underlying factors such as the discount interest rate will impact the fair value of the Forward Agreement. 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.

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

Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated into Canadian dollars at the prevailing rate of exchange on each valuation date. Purchases and sales of investments, and income derived from investments, are translated at the rate of exchange prevailing on the respective dates of such transactions.

Foreign exchange gains (losses) on short-term investments are reflected as interest income (loss). Other foreign exchange gains (losses) are recorded as realized or unrealized gain (loss) on investments, as appropriate.

New Accounting Standards

Commencing January 1, 2008, the Fund adopted Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3862 "Financial Instruments - Disclosures" and Section 3863, "Financial Instruments - Presentation". The new standards replaced Section 3861 "Financial Instruments - Disclosure and Presentation". The new disclosure standards increase the emphasis on the disclosure on the nature and extent of risks associated with financial instruments and how those risks are managed by the Fund. The previous requirements related to presentation of financial instruments have been carried forward relatively unchanged. Adoption of the new standards does not impact the net asset value for pricing purposes, nor the calculation of net assets. These expanded disclosures are found in Note 10.

Effective January 1, 2008, the Fund also adopted CICA Handbook Section 1535, "Capital Disclosures" which specifies the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The adoption of Section 1535 did not have a significant impact on the Fund's disclosures as: (i) the Fund's objectives, policies and processes for managing capital are described in Note 2; (ii) information on the Fund's unitholders' equity is described in Note 6 and Note 8; and (iii) the Fund does not have any externally imposed capital requirements.

4. Net Asset Value

The Canadian securities regulatory authorities have published amendments to NI 81-106 that remove the requirement that net asset value be calculated in accordance with Canadian GAAP effective September 8, 2008. As a result of the amendments, the Net Asset Value of the Fund will continue to be calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). The adoption of these new rules will result in a different Net Assets per unit for financial reporting purposes and Net Asset Value per unit due to the use of different valuation techniques. The Net Asset Value per unit at December 31 is as follows:

	2008	2007
Net Asset Value (for pricing purposes)	**$24.90**	$22.86

5. Forward Agreement

The Fund has entered into a Forward Agreement with Royal Bank of Canada ("RBC") pursuant to which RBC will pay the Fund an amount equal to $25.00 for each unit outstanding on the termination date in exchange for the Fund delivering to RBC the equity securities included in the Fixed Portfolio.

Securities in the Fixed Portfolio have been pledged to RBC as security for the obligations of the Fund under the Forward Agreement. The Forward Agreement is a direct obligation of RBC. The Forward Agreement may be physically or cash settled at the option of the Fund. In order to permit the Fund to fund periodic redemptions of units, the Forward Agreement may be settled in whole or in part in respect of any valuation date by the Fund tendering to RBC securities of the Fixed Portfolio at a price equal to the current market value of the tendered securities and the value of the portion of the Forward Agreement attributable to such securities.

In entering into the Forward Agreement, the Fund will be exposed to the credit risk associated with the counterparty (RBC) and the risk that the counterparty (RBC) 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 Fund, the Fund's exposure to the credit risk associated with the counterparty (RBC) is significant.

The Fund's net asset value ("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 Fund 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 the NAV per unit or the market price of the units will be negatively affected by interest rate fluctuations. The remaining term to maturity of the Forward Agreement is 2 years.

An annual fee of 0.465 percent is payable by the Fund on the guaranteed value of the Forward Agreement. Fees are accrued and payable every quarter.

6. Unitholders' Equity

The Fund 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 Fund.

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 Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund. Units are issued only as fully paid and are non-assessable. Fractions of units are proportionately entitled to all of these rights except voting rights.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Unitholders whose units are redeemed on a December valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit. Unitholders whose units are redeemed on any other valuation date will be entitled to receive a redemption price per unit equal to the net asset value per unit less the lesser of (i) 4 percent of such net asset value per unit and (ii) $1.00. Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Unit transactions during the year are as follows:

	2008	2007
Units outstanding, beginning of year	**1,100,854**	1,474,241
Units redeemed	**(283,713)**	(373,387)
Units outstanding, end of year	**817,141**	**1,100,854**

Under the terms of the Fund's normal course issuer bid that was renewed in July 2008, the Fund proposes to purchase, if considered advisable, up to a maximum of 106,855 units (2007 - 134,210 units), 10 percent of its public float as determined in accordance with the rules of the Toronto Stock Exchange. Purchases would be made in the open market through the facilities of the Toronto Stock Exchange. The normal course issuer bid will remain in effect until the earlier of July 22, 2009 or until the Fund has purchased the maximum number of units permitted under the bid. As at December 31, 2008, nil units (2007 - nil) have been purchased by the Fund.

Unitholders may obtain a copy of the Notice of Intention to make a normal course issuer bid, without charge, by writing to Investor Relations at: Mulvihill Pro-AMS U.S. Fund, Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario M5H 3T9.

7. Management Fees and Expenses

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and the Manager in the ordinary course of business relating to the Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trustee agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10 percent and 1.15 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes.

The Investment Manager voluntarily agreed to defer payment of a portion of its investment management fees. These deferrals in the management fees represent a decrease in direct proportion to the decline in targeted distribution rates, to a minimum annual investment management fee rate of 0.50 percent of the Fund's net asset value. The Investment Manager may choose at any time to require payment of its full investment management fees and all or any portion of those in arrears. Investment management fees for the year were paid at an annual rate of 0.50 percent.

Since the Investment Manager voluntarily agreed to defer a portion of management fees, the Fund has experienced retractions of units reducing the number of units outstanding in the Fund. Therefore, in 2008, the Investment Manager collected a portion of the accrued management fee in respect to units that have been retracted and cancelled from the Fund and which are no longer outstanding. This amounted to $300,000 including gst (2007 - nil) of the previously accrued investment management fee that had been voluntarily deferred. The remaining portion of the accrued investment management fee continues to be voluntarily deferred.

8. Distributions

The Fund endeavours to make monthly cash distributions to unitholders of net income and net realized capital gains and option premiums on the last day of each month in each year. In order to provide greater certainty to the principal protection feature, distributions were suspended April 2005.

9. Income Taxes

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable is recoverable by the Fund to the extent and in the circumstances provided in the Act.

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

No amount is payable on account of income taxes in 2008 or 2007.

Accumulated non-capital losses of approximately $19.5 million (2007 - $20.3 million) and capital losses of approximately $18.4 million (2007 - $22.4 million) are available for utilization against net investment income and realized gain on sales of investments, respectively, in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire as follows:

Expiration Date	Amount
2008	$ 7.8
2009	11.1
2014	0.6
Total	**$ 19.5**

10. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, receivables, payables, a forward agreement and investments pledged to the Royal Bank of Canada ("RBC") as security for the obligation of the Fund under the forward agreement. As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include interest rate risk, liquidity risk, other price risk and credit risk.

These risks and related risk management practices employed by the Fund are discussed below:

Interest Rate Risk

The Fund is comprised of a fixed portfolio, which contains a forward agreement and securities pledged as collateral under the forward agreement, as well as a managed portfolio which holds cash and cash equivalents. The value of the forward agreement is determined by the current level of interest rates and is inversely related to them. Duration is the change in the value of the forward agreement that will result from a 100 basis points change in interest rates and is stated in years. The Fund's duration is approximately 2.0 years.

The forward agreement also has more sensitivity to interest rates than a comparable bond. For example, increases in long-term interest rates will generally have the effect of decreasing the Fund's total net assets. As the majority of the Fund's total net assets are comprised of the forward agreement, the primary risk associated with the Fund is interest rate risk.

Approximately 129 percent of the Fund's net assets held at December 31, 2008 were invested in the Fund's fixed portfolio. If interest rates increased or decreased by 100 basis points as at December 31, 2008, the net assets of the Fund would have decreased or increased by 0.5M respectively or 2.6 percent of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

As the Fund approaches the termination date of January 4, 2011, the fixed portfolio will become an increasing proportion of the total Fund assets. Additionally, the Fund's sensitivity to longer-term interest rates will decline, whereas its sensitivity to short-term interest rates will increase. The market price of the units may be affected by the level of interest rates prevailing from time to time. In addition, any decrease in the net asset value of the Fund resulting from an increase in interest rates may also negatively affect the market price of the units. To mitigate this risk, excess cash and cash equivalents are invested at short-term market interest rates.

Liquidity Risk

The managed portfolio holds cash and cash equivalents and therefore has minimal liquidity risk. The fixed portfolio contains a forward agreement and securities pledged as collateral under the forward agreement. The forward agreement is to remain in effect for the life of the Fund to return the original issue price to unitholders, is not actively managed and therefore has minimal liquidity risk if units are held to maturity of the Fund. Liquidity risk for the forward agreement arises only upon early redemption or early termination of the Fund possibly impacting the price at which the forward agreement or portion of the agreement is liquidated.

Other Price Risk

The Fund's fixed portfolio, which contains a forward agreement and securities pledged as collateral under the forward agreement, as well as a managed portfolio which holds cash and cash equivalents are not significantly susceptible to market price risk arising from uncertainties about future prices of the instruments.

Approximately 129 percent of the Fund's net assets held at December 31, 2008 were publicly traded equities. These equity securities have been pledged to the Royal Bank of Canada as security for the obligation of the Fund under the Forward Agreement. As a result, the fixed portfolio has no equity exposure.

Credit Risk

In entering into the forward agreement, the Fund is exposed to the credit risk associated with the counterparty (RBC) and the risk that the counterparty (RBC) will not satisfy its obligations under the forward agreement on a timely basis or at all.

The credit risk is mitigated by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102.

The following is the credit rating for the counterparty to derivative financial instruments that the Fund dealt with at year end, based on Standard & Poor's credit rating as of December 31, 2008:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Royal Bank of Canada	AA-	A-1+

The following is the credit rating for short-term investments held by the Fund based on Standard & Poor's credit ratings as of December 31, 2008:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Treasury Bills	A-1+	100%
Total		**100%**

The carrying amount of these investments represents their maximum credit risk exposure, as they will be settled in the short term.

11. Future Accounting Policy Changes

The Manager is developing a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants ("CICA") for changeover to International Financial Reporting Standards ("IFRS"). The key elements of the plan include disclosures of the qualitative impact in the 2008 annual financial statements, the disclosures of the quantitative impact, if any, in the 2009 and 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. The current impact based on the Fund's management's understanding of IFRS on accounting policies and implementation decisions will mainly be in the areas of additional note disclosures in the financial statements of the Fund.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	**SYMBOL**	**HIGH**	**LOW**
		For the period January 1, 2008 to December 31, 2008	
MULVIHILL PLATINUM			
Mulvihill *Government Strip Bond Fund*	GSB.UN	$ 23.55	$ 20.08
Mulvihill Pro-AMS *U.S. Fund*	PAM.UN	$ 24.50	$ 21.70
Mulvihill Pro-AMS *RSP Split Share Fund*	SPL.A/SPL.B	$ 9.11/$17.94	$ 7.15/$14.48
MULVIHILL PREMIUM			
Mulvihill *Core Canadian Dividend Fund*	CDD.UN	$ 9.94	$ 4.02
Mulvihill Premium *Canadian Fund*	FPI.UN	$ 17.99	$ 10.00
Mulvihill Premium *60 Plus Fund*	SIX.UN	$ 16.50	$ 9.19
Mulvihill Premium *Global Plus Fund*	GIP.UN	$ 10.05	$ 5.56
Mulvihill Premium *Canadian Bank Fund*	PIC.A/PIC.PR.A	$ 8.89/$15.49	$ 1.87/$10.58
Mulvihill Premium *Split Share Fund*	MUH.A/MUH.PR.A	$ 6.34/$15.65	$ 1.20/$10.28
Mulvihill *S Split Fund*	SBN/SBN.PR.A	$ 11.48/$10.48	$ 4.01/$ 7.51
Mulvihill *Top 10 Canadian Financial Fund*	TCT.UN	$ 14.00	$ 8.01
Mulvihill *Top 10 Split Fund*	TXT.UN/TXT.PR.A	$ 8.15/$13.51	$ 1.31/$10.00
Mulvihill *World Financial Split Fund*	WFS/WFS.PR.A	$ 8.70/$10.75	$ 1.19/$ 6.66

Board of Advisors

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner[1]
Corporate Director

Robert W. Korthals[1]
Corporate Director

Robert G. Bertram[1,2]
Corporate Director

[1] Independent Review Committee
[2] Effective January 1, 2009

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

Hybrid Income Funds Managed by Mulvihill Structured Products

Mulvihill Platinum
Mulvihill *Government Strip Bond Fund*
Mulvihill Pro-AMS *U.S. Fund*
Mulvihill Pro-AMS *RSP Split Share Fund*

Mulvihill Premium
Mulvihill *Core Canadian Dividend Fund*
Mulvihill Premium *Canadian Fund*
Mulvihill Premium *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill *S Split Fund*
Mulvihill *Top 10 Canadian Financial Fund*
Mulvihill *Top 10 Split Fund*
Mulvihill *World Financial Split Fund*

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Notes

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