



Hybrid Income Funds



Annual Report 2004

Mulvihill Pro-AMS RSP Split Share Fund



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Message to Shareholders

Equity markets continued the positive performance they established in 2003, outperforming both bonds and cash instruments through 2004. In U.S. dollars, the S&P 500 Index recorded a 10.9 percent return for the year, while the NASDAQ advanced by 9.2 percent. However, the declining value of the U.S. dollar during the year reduced these gains to 2.8 and 1.2 percent respectively in Canadian currency. The S&P/TSX Composite Index rose by 14.5 percent.

Rising commodity prices and the prospect of higher interest rates depressed markets somewhat during the first half of the year, causing them to hit lows in August. However, conditions improved in the second half as interest rates remained low and oil prices eased down from their peak of US\$56 a barrel, allowing markets in both Canada and the U.S. to rebound strongly. The Canadian economy has performed well despite the rising U.S. dollar, though it is now showing some signs of deceleration.

Huge federal budget and current account deficits are continuing to undermine the foreign exchange value of U.S. currency, making commodities priced in U.S. dollars progressively cheaper in other world markets, such as Japan and Europe. China and India are now major influences on global commodity demand, and pressure is growing for China to revalue its currency, which is now pegged to the declining U.S. dollar.

Energy stocks were the strongest performers in both Canadian and U.S. equity markets, but there were major differences between the two countries in other sectors. In the U.S., utilities, telecommunications and industrial stocks were the next best performers, while in Canada, the leading sectors after energy were financial services, telecommunications and information technology. Health care was the weakest sector in both countries. Volatility declined to an eight year low throughout the year, but remained sufficient to maintain option-writing programs.

Looking ahead, moderate economic growth and continuing low inflation should maintain a positive environment for equities through 2005. Corporate profits will continue to improve, but not by as large a margin as they did in 2004. The Canadian economy will benefit from the strong U.S. recovery, but the relative strength of the Canadian dollar will have a dampening effect in some sectors. Since the positive expectations of investors are already reflected in many stock prices, equity markets are unlikely to make gains in 2005 as large as those of last year. Bond yields will likely head higher in the U.S., where the Federal Reserve is expected to continue gradually raising interest rates. By contrast, the Bank of Canada may have to cut rates here to help moderate the strength of the Canadian dollar.

Financial statements and a summary of the Fund's investments are included in this annual report. We would like to take this opportunity to thank each of the Fund's shareholders for their continuing support.



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

Investment Objectives

The Fund's investment objectives with respect to the Class A Shares are to provide them with fixed cumulative preferential monthly cash distributions in the amount of \$0.05417 per Class A Share (6.5 percent per annum), and to pay such holders \$10.00 for each Class A Share held upon termination of the Fund on December 31, 2013.

The Fund's investment objectives with respect to the Class B Shares are to provide them with regular monthly cash distributions to pay such holders \$20.00 for each Class B Share held upon termination of the Fund, and to provide holders of Class B Shares with the balance of the value of the Fund's Managed Portfolio after paying holders of the Class A Shares \$10.00 per Class A Share. However, due to declines in the net asset value of the Managed portfolio and based on the terms of the original prospectus and rating covenants, distributions on the Class B shares have been suspended commencing with the January 2005 distribution.

Investment Strategy

To provide the Fund with the means to return the original issue price of the Class A Shares on termination, the Fund has entered into a 'Class A Forward Agreement' with the Royal Bank of Canada ("RBC"), whereby the Fund contributes, every six months (commencing on September 30, 2002) an amount targeted to be a minimum of \$0.43 per Class A Share, to an account used to acquire Canadian equity securities. The Fund will not enter into additional Class A Forward Agreements at such time as the forward value under the Class A Share Forward Agreements on the Termination Date equals the Class A Share issue price (\$10.00) multiplied by the number of Class A Shares outstanding.

To provide the Fund with the means to return the original issue price of the Class B Shares on termination, the Fund has entered into a 'Class B Forward Agreement' with RBC. Pursuant to the agreement, RBC will pay the Fund an amount equal to \$20.00 for each Class B Share outstanding on the Termination Date in exchange for the Fund delivering to RBC, equity securities which the Fund has acquired with approximately 50 percent of the proceeds of the Class B Shares.

The Fund achieves its investment objectives, by investing the balance of the net assets in a diversified portfolio consisting principally of Canadian and U.S equity securities that are listed on a major North American stock exchange. In addition, the issuers of such securities must have a market capitalization in excess of US\$5.0 billion if listed solely in the United States or a market capitalization in excess of Cdn. \$1.0 billion if listed solely in Canada.

To generate additional returns above the dividend income generated by the portfolio, the Fund may write covered call options in respect of all or part of the securities in the Managed Portfolio. From time to time, the Fund may hold a portion of its assets in cash equivalents, which may be utilized to provide cover in respect of the writing of cash covered put positions.

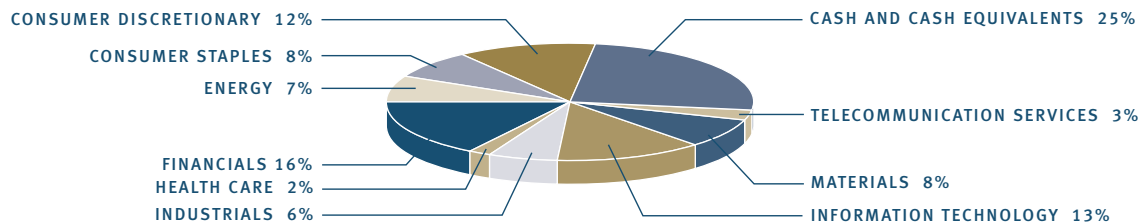
Distribution History

INCEPTION DATE: MARCH 2002	CLASS A DISTRIBUTION	CLASS B DISTRIBUTION	TOTAL DISTRIBUTION
Total for 2002	\$ 0.51024	\$ 1.33558	\$ 1.84582
Total for 2003	0.65004	1.70004	2.35008
January 2004	0.05417	0.14167	0.19584
February 2004	0.05417	0.14167	0.19584
March 2004	0.05417	0.14167	0.19584
April 2004	0.05417	0.14167	0.19584
May 2004	0.05417	0.14167	0.19584
June 2004	0.05417	0.14167	0.19584
July 2004	0.05417	0.14167	0.19584
August 2004	0.05417	0.06000	0.11417
September 2004	0.05417	0.06000	0.11417
October 2004	0.05417	0.06000	0.11417
November 2004	0.05417	0.06000	0.11417
December 2004	0.05417	0.06000	0.11417
Total for 2004	0.65004	1.29169	1.94173
Total Distributions to Date	\$ 1.81032	\$ 4.32731	\$ 6.13763

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

Asset Mix

December 31, 2004

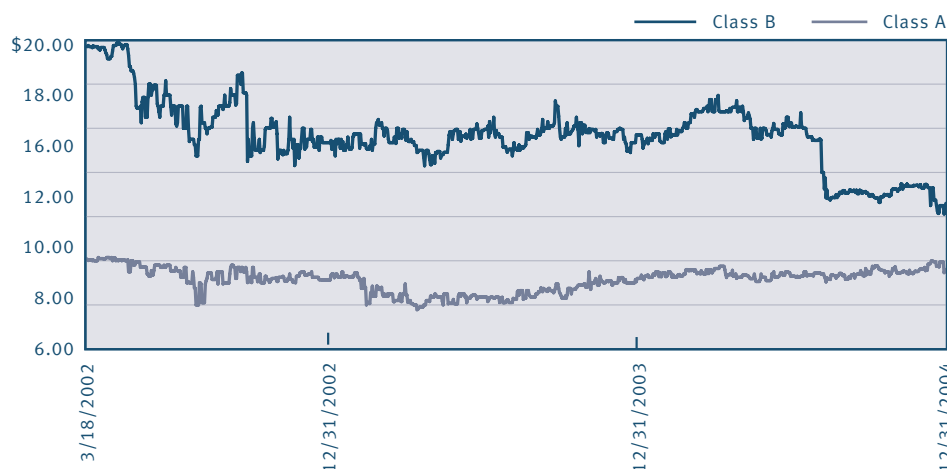


Top 10 Holdings

- Exxon Mobil Corporation
- Microsoft Corporation
- American International Group Inc.
- Rogers Communication Inc., Class B
- Loblaw Companies Ltd.
- Cisco Systems Inc.
- Procter & Gamble Co.
- The Thomson Corporation
- Inco Limited
- ATI Technologies Inc.

Trading History

March 18, 2002 to December 31, 2004



Commentary

As of December 31, 2004, the net assets of the Fund were \$63.8 million, or \$23.45 per unit, down from net asset value of \$81.5 million, or \$24.17 per unit, at the end of 2003. Class A shares, listed on the Toronto Stock Exchange as SPL.A, closed on December 31, 2004 trading at \$9.60, while Class B shares, listed as SPL.B, closed at \$12.60.

Holders of Class A shares received distributions during the year totalling \$0.65 per share, while Class B shareholders received monthly distributions totalling \$1.29169. In accordance with the terms of the original prospectus and rating covenants to protect the net asset value of the Class A shares, the distributions on Class B shares have been suspended commencing January 2005. Capital losses from previous years are still being carried forward, and are sufficient to shelter 2004 distributions from current taxation, as well as some future gains. These non-taxable distributions effectively reduce the investment cost base for all unitholders.

The decline in net assets was mainly due to distributions and redemptions of Fund units, but performance was also negatively affected by the continuing decline of the U.S. dollar. Nearly 60 percent of the Fund's portfolio is invested in the U.S., with the balance in Canada. During the year, strong gains achieved on U.S. equity markets were more than offset by the depreciation of the U.S. dollar versus its Canadian counterpart. The Fund hedged varying amounts of its U.S. dollar exposure throughout the year and as a result was able to reduce the full impact of the U.S. dollar decline on the Fund's net asset value.

The Fund's fixed portfolio rose during the year, though this was insufficient to offset the decline in the managed portfolio. Long-term interest rates were little changed through 2004, but the portfolio's decreasing time to maturity resulted in a higher value by year-end.

The equity portfolio benefited from being overweight in energy, the year's strongest performing sector, and underweight in health care, which was the weakest sector. An overweight position in information technology stocks was less rewarding, however, and an underweight position in utilities limited the benefit of that sector's rise during the year. Premium income was generated from covered call writing as well as from some long exposure to the market, particularly in the strong energy sector.

The prospect of solid economic growth in an environment of low interest rates and higher corporate profits creates a favorable outlook for equities through 2005. The Fund's portfolio remains well diversified by sector, with a defensive cash position.

The following table presents the financial highlights of the Fund for the most recent three-year period since inception.

Financial Highlights

Years ended December 31, 2004
Unaudited

	2004	2003	2002 [*]
DATA PER CLASS B SHARE*			
Net Asset Value, Beginning of Year	\$ 14.17	\$ 14.90	\$ 18.40 ^{**}
INCOME (LOSS) FROM INVESTMENT OPERATIONS			
Net investment loss	(1.29)	(0.43)	(0.25)
Net gain (loss) on sale of investments	1.86	1.40	(1.91)
Total from Investment Operations	0.57	0.97	(2.16)
DISTRIBUTIONS TO CLASS B SHAREHOLDERS			
Non-taxable distributions	(1.29)	(1.70)	(1.34)
Net Asset Value, End of Year	\$ 13.45	\$ 14.17	\$ 14.90
RATIOS/SUPPLEMENTAL DATA			
Total net assets, end of year (\$millions)	\$ 36.59	\$ 47.81	\$ 50.96
Total net assets, excluding liability for Redeemable Class A shares, end of year (\$millions)	\$ 63.97	\$ 81.55	\$ 88.59
Average net assets (\$millions)	\$ 44.89	\$ 49.36	\$ 55.82
Management expense ratio	2.49% ^{***}	2.15%	2.38% ^{****}
Portfolio turnover rate	58.6%	70.7%	61.0%
Annual rate of return on Class B shares	4.02%	6.51%	N/A
Annual yield on Class A shares	6.5%	6.5%	6.5%
DISTRIBUTIONS TO CLASS A SHAREHOLDERS			
Non-taxable distributions	\$ 0.65	\$ 0.65	\$ 0.51

* For the period from inception on March 18, 2002 to December 31, 2002.

** Net of agent fees.

*** Management expense ratio for 2004 includes the special resolution expense. The expense ratio excluding the special resolution expense is 2.24%.

**** Annualized

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 of the Fund on that date divided by the number of units then outstanding.

Net investment income (loss) per Class B share consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), less expenses, including Class A distributions, and is calculated based on the weighted average number of Class B shares outstanding during the period.

Net gain (loss) on investments per Class B share includes the impact of timing of shareholder transactions.

Distributions to Class B shareholders are based on the number of Class B shares outstanding on the record date for each distribution.

Management expense ratio is the ratio of all fees and expenses, including GST and capital taxes but excluding income taxes and Class A distributions, charged to the Fund to average net assets, excluding the liability for the Redeemable Class A shares.

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

Annual rate of return represents the historical annual total rate of return of an investment in a Class B share for the year, assuming reinvestment of current year distributions.

Annual yield on Class A shares represents the cumulative preferential quarterly cash distributions. Returns are not reported in the year that the Fund was established.

Management's Responsibility for Financial Reporting

The accompanying financial statements of Mulvihill Pro-AMS RSP Split Share Corp. (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 Directors (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 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 Audit Committee 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 Audit Committee and the Board.



John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 25, 2005



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Shareholders of Mulvihill Pro-AMS RSP Split Share Fund

We have audited the accompanying statement of investments of Mulvihill Pro-AMS RSP Split Share Corp. (the "Fund") as at December 31, 2004, the statements of financial position as at December 31, 2004 and 2003 and, the statements of operations and deficit, of changes in net assets, of changes in 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 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 and its investments as at the dates indicated above, and the results of its operations, the changes in its net assets, the changes in its investments for years indicated above in accordance with Canadian generally accepted accounting principles.

The signature of Deloitte & Touche LLP is written in a stylized, cursive script. The letters are dark and fluid, with the 'D' and 'T' being particularly prominent. The signature is positioned above the printed name of the firm.

Chartered Accountants
Toronto, Ontario
February 25, 2005

Statements of Financial Position

December 31, 2004 and 2003

	2004	2003
ASSETS		
Investments - Class A share Fixed portfolio at market value (cost - \$7,865,000; 2003 - \$5,224,807) (Note 4)	\$ 7,004,457	\$ 4,710,026
Investments - Class B share Fixed portfolio at market value (cost - \$23,539,042; 2003 - \$30,492,201) (Note 4)	35,629,127	40,923,719
Investments - Managed portfolio at market value (cost - \$18,814,144; 2003 - \$32,818,547)	18,135,710	32,306,828
Short-term investments - Managed portfolio (cost - \$6,059,855; 2003 - \$4,499,105)	6,050,294	4,461,090
Cash	37,145	22,893
Dividends receivable	21,725	30,869
Interest receivable	26,908	7,094
Due from brokers	6,789,972	—
TOTAL ASSETS	\$ 73,695,338	\$ 82,462,519
LIABILITIES		
Redemptions payable	\$ 9,598,424	\$ 725,091
Accrued management fees (Note 6)	210,740	89,887
Accounts payable and accrued liabilities	75,729	99,217
Due to brokers	5,622	—
Futures margin payable	12,920	—
Redeemable Class A shares (Note 5)	27,202,210	33,739,900
	37,105,645	34,654,095
EQUITY		
Class B and Class J shares (Note 5)	53,996,102	62,740,892
Deficit	(17,406,409)	(14,932,468)
	36,589,693	47,808,424
TOTAL LIABILITIES AND EQUITY	\$ 73,695,338	\$ 82,462,519
Number of Units Outstanding (Note 5)	2,720,221	3,373,990
Net Asset Value per Unit		
Class A Share (Note 3)	\$ 10.0000	\$ 10.0000
Class B Share	13.4510	14.1697
	\$ 23.4510	\$ 24.1697

On Behalf of the Board of Directors,


John P. Mulvihill, Director


Robert W. Korthals, Director

Statements of Operations and Deficit

Years ended December 31, 2004 and 2003

	2004	2003
REVENUE		
Dividends	\$ 428,518	\$ 443,673
Interest, net of foreign exchange	(553,441)	(87,203)
Withholding taxes	(46,285)	(36,545)
	(171,208)	319,925
Net realized gains (losses) on sale of investments	5,013,138	(4,105,054)
Net realized losses on short-term investments	(3,156)	(1,604)
	5,009,982	(4,106,658)
TOTAL REVENUE	4,838,774	(3,786,733)
EXPENSES (Note 6)		
Management fees	941,387	996,692
Forward agreements fees (Note 4)	393,392	355,935
Service fees	107,560	143,141
Administrative and other expenses	237,138	204,078
Goods and services tax and capital tax	90,430	83,117
TOTAL EXPENSES	1,769,907	1,782,963
Net Realized Income (Loss) before Special Resolution Expense and Distributions	3,068,867	(5,569,696)
Special resolution expense (Note 5)	(200,478)	—
Net Realized Income (Loss) before Distributions	2,868,389	(5,569,696)
Class A distributions (Note 7)	(2,160,263)	(2,218,385)
Net Realized Income (Loss)	708,126	(7,788,081)
Change in unrealized appreciation/depreciation of investments	1,133,170	11,143,172
Change in unrealized appreciation/depreciation of short-term investments	6,399	(41,361)
	1,139,569	11,101,811
NET INCOME FOR THE YEAR	\$ 1,847,695	\$ 3,313,730
NET INCOME PER CLASS B SHARE (based on average number of Class B shares outstanding during the year 3,323,260; 2003 - 3,417,323)	\$ 0.5560	\$ 0.9697
DEFICIT		
Balance, beginning of year	\$ (14,932,468)	\$ (12,444,488)
Net income for the year	1,847,695	3,313,730
Distributions on Class B shares	(4,321,636)	(5,801,710)
BALANCE, END OF YEAR	\$ (17,406,409)	\$ (14,932,468)

Statements of Changes in Net Assets

Years ended December 31, 2004 and 2003

	2004	2003
NET ASSETS, BEGINNING OF YEAR	\$ 47,808,424	\$ 50,962,815
Net Realized Income (Loss) before Distributions	2,868,389	(5,569,696)
Class B and Class J Share Transactions		
Amount paid for shares redeemed	(8,744,790)	(666,411)
Distributions (Note 7)		
Class A shares	(2,160,263)	(2,218,385)
Class B shares	(4,321,636)	(5,801,710)
	(6,481,899)	(8,020,095)
Change in Unrealized Appreciation/Depreciation of Investments	1,139,569	11,101,811
Changes in Net Assets during the Year	(11,218,731)	(3,154,391)
NET ASSETS, END OF YEAR	\$ 36,589,693	\$ 47,808,424

The statement of changes in net assets excludes cash flows pertaining to the Class A shares as they are reflected as liabilities. During the year amounts paid for Class A shares redeemed were \$6,537,690 (2003 – \$474,000).

Statements of Changes in Investments

Years ended December 31, 2004 and 2003

	2004	2003
INVESTMENTS AT MARKET VALUE, BEGINNING OF YEAR	\$ 77,940,573	\$ 77,716,424
Unrealized (Appreciation) Depreciation of Investments, Beginning of Year	(9,405,018)	1,740,104
Investments at Cost, Beginning of Year	68,535,555	79,456,528
Cost of Investments Purchased during the Year	30,206,686	39,115,969
Cost of Investments Sold during the Year		
Proceeds from sales	53,537,193	45,931,888
Net realized gains (losses) on sale of investments	5,013,138	(4,105,054)
	48,524,055	50,036,942
Investments at Cost, End of Year	50,218,186	68,535,555
Unrealized Appreciation of Investments, End of Year	10,551,108	9,405,018
INVESTMENTS AT MARKET VALUE, END OF YEAR	\$ 60,769,294	\$ 77,940,573

Statement of Investments

December 31, 2004

	% of Portfolio	Par Value/ Number of Shares	Average Cost	Market Value
SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO				
Treasury Bills				
Government of Canada - February 24, 2005*	1.3 %	80,000	\$ 79,522	\$ 79,522
Canadian Bonds				
Canada Mortgage & Housing Corporation - December 1, 2005	85.0 %	5,000,000	5,166,916	5,166,891
Discount Commercial Paper				
Canadian Wheat Board, USD - February 22, 2005		250,000	295,507	298,031
Export Development Corporation, USD - March 17, 2005		250,000	305,481	297,824
Province of British Columbia, USD - April 12, 2005		25,000	29,746	29,746
Canadian Wheat Board, USD - April 18, 2005		150,000	182,683	178,280
Total Discount Commercial Paper	13.2 %		813,417	803,881
	99.5 %		6,059,855	6,050,294
Accrued Interest	0.5 %			26,908
TOTAL SHORT-TERM INVESTMENTS - MANAGED PORTFOLIO	100.0 %		\$ 6,059,855	\$ 6,077,202
* \$74,000 par value of this short-term debt instrument has been segregated and is pledged as collateral for the futures contracts sold by the Fund.				
INVESTMENTS - MANAGED PORTFOLIO				
Canadian Common Shares				
Consumer Discretionary				
Rogers Communication Inc., Class B		25,000	\$ 678,775	\$ 786,000
The Thomson Corporation		17,000	767,040	718,590
Total Consumer Discretionary	2.5 %		1,445,815	1,504,590
Consumer Staples				
Loblaw Companies Ltd.	1.3 %	10,800	746,712	777,816
Energy				
Petro-Canada	1.0 %	10,000	660,485	611,700
Financials				
Manulife Financial Corporation		8,000	434,139	443,200
The Toronto-Dominion Bank		9,500	453,980	474,240
Total Financials	1.5 %		888,119	917,440
Industrials				
Canadian National Railway Company	0.9 %	7,500	497,650	548,025
Information Technology				
ATI Technologies Inc.		30,000	637,299	697,800
Cognos Inc.		10,000	452,641	528,200
Total Information Technology	2.0 %		1,089,940	1,226,000
Materials				
Barrick Gold Corp.		20,000	545,881	580,000
Inco Limited		16,000	596,847	704,000
Total Materials	2.1 %		1,142,728	1,284,000
Telecommunication Services				
BCE Inc.	1.0 %	22,000	640,321	636,240
Total Canadian Common Shares	12.3 %		\$ 7,111,770	\$ 7,505,811

Statement of Investments

December 31, 2004

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)				
United States Common Shares				
Consumer Discretionary				
Clear Channel Communications, Inc.		7,500	\$ 443,704	\$ 300,945
Viacom Inc., Class B		12,300	641,058	536,288
Wal-Mart Stores, Inc.		8,500	661,516	537,934
Total Consumer Discretionary	2.3 %		1,746,278	1,375,167
Consumer Staples				
PepsiCo Inc.		7,500	552,966	469,076
Procter & Gamble Co.		11,000	772,088	725,935
Total Consumer Staples	2.0 %		1,325,054	1,195,011
Energy				
Exxon Mobil Corporation	1.7 %	17,000	1,031,907	1,044,092
Financials				
American Express Company		5,900	361,606	398,484
American International Group Inc.		10,000	975,833	786,825
Citigroup Inc.		9,000	511,378	519,542
Merrill Lynch & Co.		5,200	387,191	372,390
Metlife, Inc.		5,800	267,071	281,515
Morgan Stanley		9,500	655,940	631,952
Total Financials	4.9 %		3,159,019	2,990,708
Health Care				
HCA Inc.	0.8 %	10,500	586,289	502,720
Industrials				
General Electric Company		15,000	653,546	655,987
Tyco International Ltd.		8,100	336,648	346,857
Total Industrials	1.7 %		990,194	1,002,844
Information Technology				
Cisco Systems Inc.		33,000	848,253	763,102
Intel Corporation		14,000	380,081	392,346
Microsoft Corporation		26,600	1,151,367	851,269
Total Information Technology	3.3 %		2,379,701	2,006,717
Materials				
Alcoa Inc.	0.9 %	15,000	653,674	564,688
Total United States Common Shares	17.6 %		\$ 11,872,116	\$ 10,681,947

Forward Exchange Contracts

Sold USD \$915,000, Bought CAD \$1,160,490 @ 0.788460 - January 5, 2005	\$ 64,143
Sold USD \$832,000, Bought CAD \$1,016,084 @ 0.818830 - January 12, 2005	19,140
Sold USD \$391,000, Bought CAD \$488,555 @ 0.800320 - January 19, 2005	20,016
Sold USD \$1,510,000, Bought CAD \$1,832,524 @ 0.824000 - January 26, 2005	22,992
Sold USD \$649,000, Bought CAD \$776,353 @ 0.835960 - February 2, 2005	(1,414)
Sold USD \$520,000, Bought CAD \$624,985 @ 0.832020 - February 9, 2005	1,805

Statement of Investments

December 31, 2004

	% of Portfolio			Market Value
INVESTMENTS - MANAGED PORTFOLIO (continued)				
Forward Exchange Contracts (continued)				
Sold USD \$2,153,000, Bought CAD \$2,545,158 @ 0.845920 - February 16 2005				(35,077)
Sold USD \$194,000, Bought CAD \$230,513 @ 0.841600 - March 2, 2005				(1,992)
Sold USD \$582,000, Bought CAD \$715,841 @ 0.813030 - March 9, 2005				18,325
Sold USD \$831,000, Bought CAD \$1,021,700 @ 0.813350 - March 9, 2005				25,763
Sold USD \$33,000, Bought CAD \$40,776 @ 0.809290 - March 16, 2005				1,227
Total Forward Exchange Contracts	0.2 %		\$	134,928
	% of Portfolio	Number of Contracts	Proceeds	Market Value
OPTIONS				
Written Cash Covered Put Options (100 shares per contract)				
Manulife Financial Corporation - January 2005 @ \$55		(40)	\$ (2,520)	\$ (593)
Metlife, Inc. - January 2005 @ \$ 40		(57)	(4,899)	(3,436)
Total Written Cash Covered Put Options	0.0 %		(7,419)	(4,029)
Written Covered Call Options (100 shares per contract)				
Alcoa Inc. - January 2005 @ \$32		(75)	(6,830)	(2,879)
American Express Company - January 2005 @ \$56		(59)	(4,487)	(1,667)
ATI Technologies Inc. - January 2005 @ \$24		(200)	(16,200)	(9,944)
Barrick Gold Corp. - January 2005 @ \$28		(100)	(7,250)	(6,325)
Citigroup Inc. - January 2005 @ \$47		(45)	(3,318)	(9,359)
Clear Channel Communications, Inc. - January 2005 @ \$47		(75)	(6,993)	(707)
Cognos Inc. - January 2005 @ \$50		(100)	(16,100)	(35,000)
Exxon Mobil Corporation - January 2005 @ \$50		(170)	(17,368)	(3,991)
General Electric Company - January 2005 @ \$37		(75)	(4,431)	(3,105)
HCA Inc. - January 2005 @ \$42		(105)	(10,436)	(50)
Loblaw Companies Ltd. - January 2005 @ \$70		(54)	(3,618)	(13,939)
Manulife Financial Corporation - January 2005 @ \$56		(20)	(1,522)	(456)
Metlife, Inc. - January 2005 @ \$40		(58)	(5,697)	(4,521)
Microsoft Corporation - January 2005 @ \$27		(133)	(4,621)	(2,665)
PepsiCo Inc. - January 2005 @ \$53		(37)	(2,336)	(1,512)
Petro-Canada - January 2005 @ \$68		(100)	(13,900)	-
Procter & Gamble Co. - January 2005 @ \$56		(55)	(4,337)	(2,144)
Rogers Communication Inc., Class B - January 2005 @ \$29		(250)	(12,000)	(62,449)
The Toronto-Dominion Bank - February 2005 @ \$51		(55)	(2,640)	(2,221)
Tyco International Ltd. - January 2005 @ \$36		(49)	(3,209)	(1,053)
Viacom Inc., Class B - January 2005 @ \$37		(61)	(4,751)	(5,643)
Wal-Mart Stores, Inc. - January 2005 @ \$53		(85)	(10,279)	(13,317)
Total Written Covered Call Options	(0.3)%		(162,323)	(182,947)
TOTAL OPTIONS			\$ (169,742)	\$ (186,976)
TOTAL INVESTMENTS - MANAGED PORTFOLIO	29.8 %		\$ 18,814,144	\$ 18,135,710

Statement of Investments

December 31, 2004

	% of Portfolio	Number of Shares	Average Cost	Market Value
INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO				
Canadian Common Shares				
Health Care				
Biovail Corporation	2.0 %	60,409	\$ 2,554,425	\$ 1,195,494
Industrials				
Royal Group Technologies Limited	6.8 %	326,339	4,496,474	4,108,608
Information Technology				
Celestica Inc.	0.4 %	15,625	814,101	264,063
Total Canadian Common Shares	9.2 %	326,339	\$ 7,865,000	\$ 5,568,165
Class A Share Forward Agreement (Note 5)	2.4 %			1,436,292
TOTAL INVESTMENTS - CLASS A SHARE FIXED PORTFOLIO	11.6 %		\$ 7,865,000	\$ 7,004,457
INVESTMENTS - CLASS B SHARE FIXED PORTFOLIO				
Canadian Common Shares				
Health Care				
Biovail Corporation	1.6 %	49,657	\$ 2,099,771	\$ 982,712
Industrials				
Royal Group Technologies Limited	0.9 %	43,019	592,802	541,609
Information Technology				
ATI Technologies Inc.		196,046	4,164,666	4,560,030
Celestica Inc.		43,574	2,270,313	736,401
Nortel Networks Corporation		518,578	3,280,889	2,157,285
Zarlink Semiconductor Inc.		258,283	3,682,705	790,346
Total Information Technology	13.6 %		13,398,573	8,244,062
Materials				
Inco Limited		90,608	3,379,946	3,986,752
Meridian Gold Inc.		205,452	4,067,950	4,671,978
Total Materials	14.2 %		7,447,896	8,658,730
Total Canadian Common Shares	30.3 %		\$ 23,539,042	\$ 18,427,113
Class B Share Forward Agreement (Note 5)	28.3 %			\$ 17,202,014
TOTAL INVESTMENTS - CLASS B SHARE FIXED PORTFOLIO	58.6 %		\$ 23,539,042	\$ 35,629,127
TOTAL INVESTMENTS	100.0 %		\$ 50,218,186	\$ 60,769,294
Redeemable Class A Shares				(27,202,210)
Short-Term Investments - Managed Portfolio				6,050,294
Futures Margin Payable (Schedule 1)				(12,920)
Other Assets Less Liabilities				(3,014,765)
NET ASSETS				\$ 36,589,693
TOTAL MANAGED PORTFOLIO			\$ 24,873,999	\$ 24,186,004
TOTAL CLASS A FIXED PORTFOLIO			7,865,000	7,004,457
TOTAL CLASS B FIXED PORTFOLIO			23,539,042	35,629,127
TOTAL INVESTMENT PORTFOLIO			\$ 56,278,041	\$ 66,819,588

SCHEDULE 1 FUTURES CONTRACTS

	Number of Contracts	Notional Average Cost	Market Value	Futures Margin Payable
Ten-Year Government of Canada Bond Futures	(34)	\$ (3,778,340)	\$ (3,813,440)	\$ (35,100)
Cash withdrawn from (held as) margin				22,180
FUTURES MARGIN PAYABLE				\$ (12,920)

1. Corporate Information

Mulvihill Pro-AMS RSP Split Share Corp. (the "Fund") is a mutual fund corporation incorporated under the laws of the Province of Ontario on January 8, 2002. The Fund began operations on March 18, 2002. All shares outstanding on December 31, 2013 (the "Termination Date") will be redeemed by the Fund on that date unless otherwise determined by a majority vote of each class of shareholders.

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"). The Royal Trust Company is the custodian of the assets of the Fund.

2. Investment Objectives of the Fund

The Fund's investment objectives with respect to the Class A shares are: (i) to provide holders of Class A shares with fixed cumulative preferential monthly cash distributions in the amount of \$0.05417 per Class A share representing a yield on the issue price of the Class A shares of 6.5 percent per annum; and (ii) to pay such holders \$10.00 for each Class A share held on redemption of the Class A shares on the Termination Date in priority out of the Managed Portfolio.

The Fund's investment objectives with respect to the Class B shares are: (i) to provide holders of Class B shares with regular monthly cash distributions targeted to be 8.5 percent per annum; (ii) to pay such holders \$20.00 for each Class B share held on the redemption of the Class B shares on the Termination Date; and (iii) on the Termination Date, to provide holders of Class B shares with the balance of the value of the Fund's Managed Portfolio after paying holders of the Class A shares \$10.00 per Class A share.

Based on the terms of the original prospectus and rating covenants and due to declines in the Managed portfolio, distributions on Class B shares have been suspended with the January 2005 distributions.

To enhance the Fund's ability to return the original issue price of the Class A shares on termination, the Fund has entered into forward purchase and sale agreements (each a "Class A Share Forward Agreement") for cash amounts on termination which will be negotiated at the time such forward agreements are entered into.

To provide the Fund with the means to return the original issue price of the Class B shares on termination, the Fund has entered into a forward purchase and sale agreement (the "Class B Share Forward Agreement") pursuant to which the counterparty has agreed to pay to the Fund an amount equal to \$20.00 in respect of each Class B share outstanding on the Termination Date in exchange for the Fund delivering to the counterparty certain equity securities which the Fund acquired with approximately 34 percent of the gross proceeds from the initial offering of shares (the "Fixed Portfolio").

The balance of the net proceeds of the initial share offering, after entering into the Class B Share Forward Agreement, (i) has been invested in a diversified portfolio consisting principally of Canadian and U.S. equity securities that are listed on a major North American stock exchange

or market whose issuers have a market capitalization in excess of U.S. \$5 billion if listed solely in the United States or a market capitalization in excess of Canadian \$1.0 billion if listed in Canada and (ii) will also be used to enter into Class A Share Forward Agreements (collectively, the "Managed Portfolio"). To the extent that the net asset value of the Managed Portfolio exceeds \$10.00 per Class A share outstanding on the Termination Date, this excess amount will be available for distribution to holders of Class B shares provided the Fund has paid all distributions on the Class A shares.

To generate additional returns, the Fund may, from time to time, write covered call options in respect of all or part of the securities in the Managed Portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

In order to generate additional returns, the Fund may lend Fixed Portfolio securities to securities borrowers.

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 accounting principles generally accepted in Canada, 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 significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments and short-term bonds are recorded in the financial statements at their fair market value at the end of the period, determined as follows:

Securities are valued at fair market value, which is determined by the closing sale price on the recognized stock exchange on which the securities are listed or principally traded. If no sale has taken place on that day, valuation will be at the average of the bid and the asked price.

Short-term investments excluding short-term bonds are valued at cost plus accrued interest, which approximates market value.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using an appropriate valuation model.

The value of a forward contract (including the 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, as the case may be, were to be closed out. 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.

Futures contracts are valued at the gain or loss that would be realized if the positions was closed on the valuation date.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation (depreciation) of investments are determined on an average cost basis. Realized gains and losses relating to written options may arise from:

(i) Expiration of written options whereby realized gains are equivalent to the premium received;

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of investments.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in change in unrealized appreciation (depreciation) of investments. Premiums received on written put options that are exercised are included in the cost of the security purchased.

Unrealized gains or losses on open futures contracts are included in change in unrealized appreciation (depreciation) of investments. Gains or losses realized upon closure of futures contracts are included in gain (loss) on sale of investments.

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

Foreign Currency Translation

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

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.

Redeemable Class A Shares

Each Redeemable Class A share is valued for financial statement purposes at the lesser of: (i) \$10.00; and (ii) the net asset value of the Fund divided by the number of Class A shares outstanding.

Generally Accepted Accounting Principles

The Canadian Institute of Chartered Accountants ("CICA") issued Section 1100, "Generally Accepted Accounting Principles ("GAAP")", which

describes what constitutes GAAP and its sources. Since Section 1100 applies for fiscal years beginning on or after October 1, 2003, certain disclosures previously considered GAAP by virtue of general use in the investment funds industry, are no longer considered GAAP. This section primarily impacts the presentation of financial highlights, net income per unit and certain additional disclosures pertaining to cash flows and future tax liabilities. These disclosures have no impact on the valuation of the Fund or in the calculation of the net asset value per unit of the Fund.

Cash Flow Statements

Cash flow statements have not been prepared as all relevant information has been included in the Statements of Changes in Net Assets, Statements of Changes in Investments and elsewhere in these financial statements.

4. Forward Agreements

The Fund contributes, every six months, commencing on September 30, 2002, an amount targeted to be a minimum of \$0.43 per Class A share outstanding, representing 1/23rd of the issue price of a Class A share, to an account (the "Class A Share Fixed Portfolio") used to acquire Canadian equity securities. The Fund at each such time enters into a Class A Share Forward Agreement with Royal Bank of Canada ("RBC") and pursuant to the terms thereof agrees to deliver the equity securities so acquired for a cash amount on termination negotiated at the time such forward agreement is entered into. The Fund will not enter into additional Class A Share Forward Agreements at such time as the forward value under the Class A Share Forward Agreements on the Termination Date equals the Class A share issue price (\$10.00) multiplied by the number of Class A shares outstanding.

The Fund has entered into the Class B Share Forward Agreement with RBC pursuant to which RBC will pay the Fund an amount equal to \$20.00 for each Class B share outstanding on the termination date in exchange for the Fund delivering to RBC the equity securities included in the Class B Share Fixed Portfolio.

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

As the Fund is targeting monthly distributions of 6.5% per Class A Share, the market price of the Class A Shares and Class B Shares may be affected by the level of interest rates prevailing from time to time. In addition, prior to the Termination Date, the NAV of the Fund may be sensitive to interest rate fluctuations because the value of the Forward Agreements 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 Class A Shares or Class B Shares. Holders of Class A Shares or Class B Shares who wish to redeem or sell their Class A Shares or Class B Shares prior to the

Termination Date will therefore be exposed to the risk that NAV per Unit or the market price of the Class A Share or Class B Share will be negatively affected by interest rate fluctuations. The remaining term to maturity of the forward agreement is 9 years.

The Class A Share Forward Agreements and the Class B Share Forward Agreement (together, the "Forward Agreements") are a direct obligation of RBC, a company with a credit rating of Moody's-Aa2 and DBRS-AA (low). The Forward Agreements may be physically or cash settled at the option of the Fund. In order to permit the Fund to fund periodic redemptions of Class A shares and Class B shares, the Forward Agreements may be settled in whole or in part in respect of any valuation date by the Fund tendering to RBC securities at a price equal to the current market value of the tendered securities and the value of the portion of the Forward Agreements attributable to such securities. Securities in the Class A Share Fixed Portfolio and the Class B Share Fixed Portfolio have been pledged to RBC as security for the obligations of the Fund under the Forward Agreements.

A yearly fee of 0.42 percent on the guaranteed value of the Forward Agreement and 0.24 percent on the market value of the Fixed Portfolio is payable by the Fund. Fees are accrued and payable every quarter.

5. Share Capital

The Fund is authorized to issue an unlimited number of Class A shares and Class B shares and 100 Class J shares. Together, a Class A share and Class B share constitutes a Unit.

Class A Shares

Holders of Class A shares will be entitled to receive fixed cumulative preferential monthly cash distributions of \$0.05417 per share to yield 6.5 percent per annum on the issue price on the last day of each month.

The Class A shares will be redeemed by the Fund on December 31, 2013. The redemption price payable by the Fund for a Class A share on that date will be equal to the lesser of (i) \$10.00 plus any accrued and unpaid distributions (the "Class A Share Redemption Amount"); and (ii) the net asset value ("NAV") of the Managed Portfolio on that date divided by the number of Class A shares then outstanding.

Class A shares may be surrendered at any time for retraction by the Fund but will be retracted only on a monthly valuation date. Shareholders whose Class A shares are retracted will be entitled to receive a retraction price per share equal to 96 percent of the lesser of (i) the NAV per Unit determined as of the relevant valuation date less the cost to the Fund of the purchase of a Class B share in the market for cancellation; and (ii) \$10.00. The cost of the purchase of a Class B share will include the purchase price of the Class B share, commission and such other costs, if any, related to the liquidation of any portion of the Managed Portfolio required to fund such purchase. A holder of a Class A share may concurrently retract one Class A share and one Class B share on the December valuation date of each year at a retraction price equal to the NAV per Unit on that date.

The Fund's Class A shares have been classified as liabilities in accordance with the accounting requirements of The Canadian Institute of Chartered Accountants. Accordingly, net income for the year is stated after Class A share distributions.

Class B Shares

The policy of the Board of Directors of the Fund is to pay monthly non-cumulative distributions to the holders of Class B shares in an amount targeted to be at least 8.5 percent per annum on the issue price.

No distributions will be paid on the Class B shares if (i) the distributions payable on the Class A shares are in arrears; (ii) the cumulative minimum semi-annual contributions to the Class A Share Forward Account have not been made by the Fund; or (iii) after the payment of the distribution by the Fund, the NAV of the Managed Portfolio less the aggregate of the equity securities subject to the NAV of the Class A Share Forward Agreements and the NAV of the Class A Share Forward Agreements would be less than 120 percent of the difference between (A) an amount equal to \$10.00 times the number of Class A shares then outstanding, and (B) the forward price that would be payable to the Fund under the Class A Share Forward Agreements on the Termination Date.

In addition, no distributions will be paid on the Class B shares if the NAV of the Managed Portfolio minus the aggregate of the NAV of the equity securities subject to the Class A Share Forward Agreements and the NAV of the Class A Share Forward Agreements would be less than 20 percent of \$10.00 multiplied by the number of Class A shares then outstanding. Based on the terms of the original prospectus and rating covenants distributions on Class B shares have been suspended commencing January 2005.

The Class B shares will be redeemed by the Fund on December 31, 2013. The redemption price payable by the Fund for a Class B share on that date will be equal to the greater of (i) the NAV per Unit on that date minus the Class A Share Redemption Amount; and (ii) the forward price that would be payable to the Fund under the Class B Share Forward Agreement divided by the number of Class B shares then outstanding.

Class B shares may be surrendered at any time for retraction by the Fund but will be retracted only on a monthly valuation date. Shareholders whose Class B shares are retracted will be entitled to receive a retraction price per share equal to 96 percent of the difference between (i) the NAV per Unit determined as of the relevant valuation date; and (ii) the cost to the Fund of the purchase of a Class A share in the market for cancellation. The cost of the purchase of a Class A share will include the purchase price of the Class A share, commission and such other costs, if any, related to the liquidation of any portion of the Fund's portfolio to fund such purchase. A holder of Class B shares may concurrently retract one Class B share and one Class A share on the December valuation date of each year at a retraction price equal to the NAV per Unit on that date.

Class J Shares

The holders of Class J shares are not entitled to receive dividends. The Class J shares are retractable at a price of \$1.00 per share. Class J shares are entitled to one vote per share.

Issued and Outstanding

		2004	2003
2,720,221	Class A shares (2003 - 3,373,990)	\$ 27,202,210	\$ 33,739,900
2,720,221	Class B shares (2003 - 3,373,990)	\$ 53,996,002	\$ 62,740,792
100	Class J shares (2003 - 100)	100	100
		\$ 53,996,102	\$ 62,740,892

On April 2, 2004, the shareholders approved a special resolution to: (i) permit unitholders to switch to other Mulvihill Funds from time to time by adding further retractions rights at 100% of the net asset value per unit; and (ii) to provide the Fund the ability to use interest rate hedging strategies in order to reduce some of the impact of rising interest rates on the net asset value. The costs of the special resolution amounted to \$200,478.

Shareholders were provided with two special retraction privileges via switches into capital of Premium Income Corp. in September 2004 and into MCM Split Share Corp. in November 2004. 321,778 Units valued at \$6,655,035 were switched out of the Fund under these special retraction privileges.

During the year 409,486 Units (2003 - 47,400) were redeemed by the Fund.

Net Asset Value

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 of the Fund on that date divided by the number of units then outstanding. The following are the net asset values of a unit at December 31 for the most recent three-year period since inception:

	2004	2003	2002
Class A share	\$ 10.00	\$ 10.00	\$ 10.00
Class B share	13.45	14.17	14.90
	\$ 23.45	\$ 24.17	\$ 24.90

On December 31, 2004 Class A shares on the TSX closed at \$9.60 (2003 - \$9.20), while Class B shares closed at \$12.60 (2003 - \$15.70).

6. Management Fees, Expenses and Management Expense Ratios

The Fund is responsible for all ongoing custodian, manager, legal, accounting and audit fees as well as all other expenses incurred by the custodian and 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 a management 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 1.10 percent, respectively, of the Fund's net asset value, including the redeemable Class A shares, calculated and payable monthly, plus applicable taxes. In the event that no distributions are made for six or more consecutive months, the monthly investment management fee will be reduced to 1/12 of 0.40 percent of the Fund's net asset value and the full amount of such fees will not be payable until such time as regular distributions resume. The unpaid portion of such fees will be accrued and will not be paid until such time as the distribution shortfall has been paid to shareholders. No unpaid portion of such fees will be paid out of the proceeds of the Forward Agreements.

During the year, the Investment Manager voluntarily agreed to defer payment of a portion of its investment management fees owing to it by the

Fund. Investment management fees were paid at an annual rate of 1.10 percent of the Fund's net asset value until July 31, 2004 and then at an annual rate of a maximum of 0.65 percent from August until the end of December 2004. The voluntary deferral of a portion of the fee is in proportion to the reduction in the targeted distribution rates, subject to a minimum annual fee per the prospectus of 0.40 percent of the Fund's net asset value. The Investment Manager may choose at any time to require payment in full of the fees voluntarily deferred.

The Manager will pay a service fee (the "Service Fee") to each dealer whose clients hold Class B shares. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.30 percent annually of the value of the Class B shares held by clients of the dealer. For these purposes, the value of the Class B share will be the NAV per Unit less \$10.00. If regular targeted distributions are not paid in full to Shareholders of Class B shares in any month of a calendar quarter, the Service Fee for that calendar quarter will be reduced on a pro rata basis based upon the distribution shortfall.

Management Expense Ratio

Management expense ratio is the ratio of all fees and expenses, including GST and capital taxes but excluding taxes and Class A distributions, charged to the Fund to average net assets, excluding the liability for the Redeemable Class A shares. The following are the management expense ratios for the years ended December 31 for the most recent three-year period since inception:

	2004*	2003	2002**
	2.49%	2.15%	2.38%

* Management expense ratio for 2004 includes the special resolution expense. The management expense ratio excluding the special resolution expense is 2.24%.

** Annualized

7. Distributions

Distributions per Class A share paid during the period were allocated as follows:

	2004	2003
Non-taxable distributions	\$ 0.65	\$ 0.65

Distributions per Class B share paid during the period were allocated as follows:

	2004	2003
Non-taxable distributions	\$ 1.29	\$ 1.70

8. Income Taxes

The Fund is a "mutual fund corporation" as defined in the Income Tax Act (Canada) (the "Act") and is subject to tax in respect of its net realized capital gains. This tax is refundable in certain circumstances. Also, the Fund is generally subject to a tax of 33-1/3 percent under Part IV of the Act on taxable dividends received in the year. This tax is fully

refundable upon payment of sufficient dividends. The Fund is also subject to tax on the amount of its interest and foreign dividend income that is not offset by operating expenses and share issue expenses.

The fund is also a "financial intermediary corporation" as defined in the Act and, as such, is not subject to tax under Part IV.1 of the Act on dividends received.

Under the dividend policy of the Fund, premiums received in respect of written options that are still outstanding at year end are not to be distributed in the year to the shareholders. The premiums retained by the Fund are subject to a refundable tax at 36.12% (2003 - 36.62%).

No amount is payable on account of income taxes in 2004 or 2003.

Accumulated non-capital losses of approximately \$4.9 million (2003 - \$3.7 million) and capital losses of approximately \$7.3 million (2003 - \$7.3 million) are available for utilization against net investment income and realized gains on sale of investments, respectively, in future years. The non-capital losses have expiration dates extending to 2014 and the capital losses can be carried forward indefinitely.

Issue costs of approximately \$2.5 million (2003 - \$3.6 million) remain undeducted for tax purposes at year end.

Under the dividend policy of the Fund, premiums received in respect of written options that are still outstanding at year end are not to be distributed in the year to the shareholders. The premiums retained by the Fund are subject to a refundable tax. This tax was nil for 2004 (2003 - nil).

The Fund has offset the future tax liability for refundable taxes payable with the refund expected upon payment of capital gains or ordinary dividends. As a result, the future tax liability for refundable taxes payable is eliminated.

9. Commissions

Total commissions paid for the period ended December 31, 2004 in connection with portfolio transactions were \$74,409 (2003 - \$117,682).

10. Comparative Figures

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

11. Financial Instruments and Risk Management

The Fund's financial statements consist of cash, investments and certain derivative contracts (options, forward exchange contracts, futures contracts and forward agreement).

Risks of these contracts arise from the potential inability of the counterparties to meet the terms of their contracts and from future movement in currency, stock values and interest rates. The maximum credit risk exposure is the aggregate of all contracts with a positive value as disclosed on the statement of investments. The Fund manages these risks through the use of various risk limits and trading strategies.

Investments and derivative contracts are carried at fair market values. Other instruments are carried at cost, which approximates fair value.

Refer to Note 4 for the interest rate and credit risks relating to the Forward Agreements.

12. Statement of Portfolio Transactions

The Fund will provide, without charge, a Statement of Portfolio Transactions (unaudited) upon written request by any shareholder to the Fund at 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9.

The Board of Directors of the Fund is responsible for the overall stewardship of the Fund's business and affairs. The Fund has investment objectives and investment strategies that are set out in the prospectus of the Fund. The Fund's manager, Mulvihill Fund Services Inc. (the "Manager"), administers many functions associated with the operations of the Fund pursuant to a management agreement entered into at the time the Fund issued its shares to the public. Under this agreement the Manager is responsible for certain day to day operations of the Fund including the payment of distributions on its shares and attending to the retraction or redemption of its shares in accordance with their terms.

The Board consists of five directors, three of whom are independent of the Fund. The Board believes that the number of directors is appropriate for the Fund and only directors independent of the Fund are compensated. Amounts paid as compensation are reviewed for adequacy to ensure that they realistically reflect the responsibilities and risk involved in being an effective director. Individual directors may engage an outside advisor at the expense of the Fund in appropriate circumstances subject to the approval of the Board.

To assist the Board in its monitoring of the Fund's financial reporting and disclosure, the Board has established, and hereby continues the existence of, a committee of the Board known as the Audit Committee. The Audit Committee consists of three members, all of whom are independent of the Fund. The responsibilities of the Audit Committee include, but are not limited to, review of the annual financial statements and the annual audit performed by the external auditor, oversight of management's reporting on internal control and oversight of the Fund's compliance with tax and securities laws and regulations. The Audit Committee has direct communication channels with the external auditors to discuss and review specific issues as appropriate.

The Board is responsible for developing the Fund's approach to governance issues and, together with the Investment Manager, is evolving a best practices governance procedure.

The Fund maintains an Investor Relations line and web site to respond to inquiries from shareholders.

Mulvihill Capital Management Inc.

Mulvihill Capital Management is a leading independent investment manager responsible for managing more than \$3.3 billion in segregated and pooled funds on behalf of institutional and high net worth clients. Founded by Canada Trust in 1985, Mulvihill Capital Management emerged in 1995 as an independent company. Today, Mulvihill is managed by a cohesive team of senior managers and owners who have worked together for more than a decade. Our scale and independent structure allow us to provide our clients with a uniquely customized approach to asset management.

Mulvihill Capital Management operates three main lines of business:

- Mulvihill Institutional Asset Management → provides asset growth management of pension funds, corporations, management companies, endowment foundations and mutual funds with a wide variety of investment mandates. Our reputation has been built on the ability to provide customized portfolios that meet the stated needs of our clients.
- Mulvihill Wealth Management → offers a comprehensive specialized approach tailored to a client's personal investment strategies. Personalized service and customized reporting ensure that our clients are fully aware of the progress they are making.
- Mulvihill Structured Products → is responsible for the development and management of Mulvihill Hybrid Income Funds tailored to meet very specific investment objectives. Assets are generally managed to meet absolute rather than relative returns.

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 year ended December 31, 2004			
MULVIHILL PLATINUM			
Mulvihill Pro-AMS U.S. Fund	PAM.UN	\$ 21.52	\$ 19.65
Mulvihill Pro-AMS RSP Fund	PR.UN	\$ 20.03	\$ 18.36
Mulvihill Pro-AMS 100 Plus (Cdn \$) Fund	PRC.UN	\$ 19.93	\$ 15.56
Mulvihill Pro-AMS 100 Plus (U.S. \$) Fund	PRU.U	\$ 18.25 USD	\$ 13.60 USD
Mulvihill Pro-AMS RSP Split Share Fund	SPL.A/SPL.B	\$ 10.03/\$ 17.49	\$ 8.98/\$ 12.00
MULVIHILL PREMIUM			
Mulvihill Premium Canadian Fund	FPI.UN	\$ 22.25	\$ 18.55
Mulvihill Premium U.S. Fund	FPU.UN	\$ 16.00	\$ 10.10
Mulvihill Premium Oil & Gas Fund	FPG.UN	\$ 10.85	\$ 9.18
Mulvihill Premium 60 Plus Fund	SIX.UN	\$ 23.00	\$ 18.35
Mulvihill Premium Global Plus Fund	GIP.UN	\$ 14.24	\$ 11.50
Mulvihill Premium Canadian Bank Fund	PIC.A/PIC.PR.A	\$ 13.75/\$ 17.12	\$ 11.23/\$ 15.65
Mulvihill Premium Split Share Fund	MUH.A/MUH.PR.A	\$ 12.30/\$ 16.75	\$ 9.15/\$ 15.43
Mulvihill Premium Global Telecom Fund	GT.A/GT.PR.A	\$ 1.90/\$ 12.60	\$ 0.32/\$ 11.00
Mulvihill World Financial Split Fund	WFS/WFS.PR.A	\$ 15.00/\$ 11.09	\$ 10.83/\$ 10.00
MULVIHILL SUMMIT			
Mulvihill Summit Digital World Fund	DWT.UN	\$ 4.20	\$ 3.08

Board of Directors

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

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

Michael M. Koerner*
Corporate Director

Robert W. Korthals*
Corporate Director

C. Edward Medland*
President, Beauwood Investments Inc.

*Audit Committee

Information

Auditors:

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

Transfer Agent:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, Ontario M5J 2Y1

Shares Listed:

Toronto Stock Exchange
trading under SPL.A/SPL.B

Custodian:

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

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 Pro-AMS *U.S. Fund*
Mulvihill Pro-AMS *RSP Fund*
Mulvihill Pro-AMS *100 Plus (Cdn \$) Fund*
Mulvihill Pro-AMS *100 Plus (U.S. \$) Fund*
Mulvihill Pro-AMS *RSP Split Share Fund*

Mulvihill Premium

Mulvihill Premium *Canadian Fund*
Mulvihill Premium *U.S. Fund*
Mulvihill Premium *Oil & Gas Fund*
Mulvihill Premium *60 Plus Fund*
Mulvihill Premium *Global Plus Fund*
Mulvihill Premium *Canadian Bank Fund*
Mulvihill Premium *Split Share Fund*
Mulvihill Premium *Global Telecom Fund*
Mulvihill *World Financial Split Fund*

Mulvihill Summit

Mulvihill Summit *Digital World Fund*

Mutual Funds Managed by

Mulvihill Capital Management

Mulvihill Canadian *Money Market Fund*
Mulvihill Canadian *Bond Fund*
Mulvihill Global *Equity Fund*
Premium *Global Income Fund*

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Mulvihill Structured Products

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