
Mulvihill U.S. Health Care Enhanced Yield ETF

Annual Report 2022



The Fund

The Fund is a mutual fund investment trust that seeks to provide unitholders with long-term capital appreciation through exposure to a portfolio consisting principally of U.S. health care issuers selected from the S&P 500 Index that are classified as “health care” by Standard & Poor’s Global Industry Classification Standard and monthly cash distributions. The Fund has not commenced operations.

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

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

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

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Management Report of Fund Performance

The annual management report of fund performance contains the financial highlights for the period ended December 31, 2022 of Mulvihill U.S. Health Care Enhanced Yield ETF (the “Fund”). The audited financial statements of the Fund are attached.

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

Investment Objectives and Strategies

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

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

Risk

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

Results of Operations

Distributions

The Fund has not commenced operations.

For the period ended December 31, 2022, no distributions were paid.

Revenue and Expenses

The Fund’s total revenue was \$0.00 and total expenses were \$0.00 per Unit for the period ended December 31, 2022. The Fund’s realized and unrealized loss was \$0.00 per Unit for the period ended December 31, 2022.

Net Asset Value

The net asset value of the Fund per Unit remained the same from \$10.00 per Unit on February 14, 2022 to \$10.00 per Unit at December 31, 2022. The aggregate net asset value of the Fund was \$10.00 at December 31, 2022.

Recent Developments

On December 16, 2022, the Mulvihill Premium Yield Plus ETF (“MPYY”) was renamed to the Mulvihill U.S. Health Care Enhanced Yield ETF (“XLVE”) and the investment objectives of the Fund were changed.

Related Party Transactions

Mulvihill Capital Management Inc. (“Mulvihill”), acts as the trustee, manager and portfolio manager of the Fund pursuant to the Declaration of Trust dated February 14, 2022 and as amended and restated on December 16, 2022. The Manager has taken the initiative and may be considered to be a promoter of the Funds. Pursuant to the Declaration of Trust, the Manager is required to provide, or cause to be provided all necessary or advisable administrative services and facilities including valuation, fund accounting and Unitholder records.

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

During the period, the Independent Review Committee (“IRC”) approved the amendment to change the name of the Mulvihill Premium Yield Plus ETF into the Mulvihill U.S. Health Care Enhanced Yield ETF.

Independent Review Committee

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

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

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

Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund’s financial performance for the period from inception on February 14, 2022 to December 31, 2022. This information is derived from the Fund’s audited financial statements.

NET ASSETS PER UNIT

Net Assets, beginning and end of period⁽¹⁾	\$ 10.00
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Period ended December 31	2022⁽¹⁾
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RATIOS/SUPPLEMENTAL DATA

Net Asset Value	\$ 10.00
Number of Units outstanding	1
Net Asset Value per Unit⁽²⁾	\$ 10.00

(1) For the period from inception on February 14, 2022 to December 31, 2022.

(2) Net Asset Value per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities divided by the number of units then outstanding.

Summary of Investment Portfolio

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

Asset Mix

December 31, 2022

	% OF NET ASSET VALUE
Cash	100.0 %

Portfolio Holdings

December 31, 2022

	% OF NET ASSET VALUE
Cash	100.0 %

Forward-Looking Statements

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

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

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

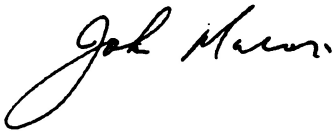
Management’s Responsibility for Financial Reporting

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

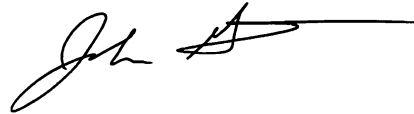
The financial statements have been prepared by management in accordance with International Financial Reporting Standards and include certain amounts that are based on estimates and judgments. Management has ensured that the other financial information presented in this annual report is consistent with the financial statements.

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

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



John Mulvihill
Director
Mulvihill Capital Management Inc.
March 3, 2023



John D. Germain
Director
Mulvihill Capital Management Inc.

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

Opinion

We have audited the financial statement of the Fund, which comprise the statement of financial position as at December 31, 2022 and notes to the financial statement, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2022 in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

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

Other Information

Management is responsible for the other information.

The other information comprises:

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
March 30, 2023

Statement of Financial Position

As at December 31, 2022


		2022
ASSETS		
Cash	\$	10.00
TOTAL ASSETS	\$	10.00

Unitholder's Equity

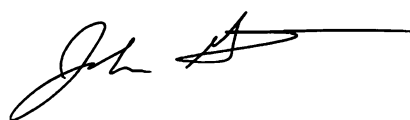
As at December 31, 2022

	Note		2022
Unitholder's equity (1 unit)	3	\$	10.00

On behalf of the Manager,
Mulvihill Capital Management Inc.



John Mulvihill, Director



John D. Germain, Director

1. Fund Information

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

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

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

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

These financial statements were approved by the Board of Directors of the Manager on March 3, 2023.

2. Summary of Significant Accounting Policies

The financial statements for the Fund have been prepared in compliance with International Financial Reporting Standards (“IFRS”) as adopted by the International Accounting Standards Board. The financial statements do not include a Statement of Comprehensive Income, Statement of Changes in Net Assets or a Statement of Cash Flows as there were no operations in the Fund for the period from February 14, 2022 to December 31, 2022.

3. Units Authorized and Outstanding

The Fund is authorized to issue an unlimited number of redeemable, transferable units of an unlimited number of classes, each of which represents an equal, undivided interest in the net assets of the Fund. Currently the Fund has one class of exchange-traded units designated as “units”. On February 14, 2022, the Fund issued one unit for \$10.00.

4. Commitments

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

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

Total management fees during the period ended December 31, 2022 were \$0.00.

Directors and Independent Review Committee

John Mulvihill

Director Chairman & CEO
Mulvihill Capital Management Inc.

John P. Mulvihill

Director
President
Mulvihill Capital Management Inc.

John D. Germain

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

Dr. Robert Bell

Independent Review Committee Member

Robert G. Bertram

Independent Review Committee Member

R. Peter Gillin

Independent Review Committee Member

Information

Independent Auditor:

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

Registrar:

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

Custodian:

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

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

Investment Funds Managed by Mulvihill Capital Management Inc.

EXCHANGE-TRADED FUNDS

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

MUTUAL FUNDS

Mulvihill Premium Yield Fund

SPLIT SHARES

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

Head Office:

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

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

Contact your broker directly for address changes.

Mulvihill Capital Management Inc.
Investor Relations
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