



**GOVERNMENT STRIP BOND TRUST
ANNOUNCES SEMI-ANNUAL RESULTS**

Toronto, August 22, 2011: Government Strip Bond Trust (the “Fund”) announces results for the six months ended June 30, 2011. Net realized income amounted to \$1.1 million or \$0.70 per unit. Net assets were \$42.2 million or \$25.87 per unit.

The Fund’s investment objective is to return at least \$25.75 per unit to unitholders upon termination of the Fund on December 31, 2012. The Fund achieves its investment objectives by investing in a portfolio of Zero Coupon Bonds and also holds cash and cash equivalents in an amount sufficient to cover all costs and expenses of the Fund until the termination date.

The Fund’s investment portfolio is managed by its investment manager, Mulvihill Capital Management Inc. Fund units are listed on The Toronto Stock Exchange under the symbol GSB.UN.

Selected Financial Information : (\$ Millions)	
<i>Statement of Financial Operations for the six months ended June 30, 2011 (Unaudited)</i>	
Revenue	\$ 0.8
Net Realized Gain on Investments	<u>0.5</u>
	\$ 1.3
Less: Expenses	<u>(0.2)</u>
Net Realized Income	\$ 1.1

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172 or visit www.mulvihill.com.

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Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.