

Government Strip Bond Trust**GSB.UN****Announces Semi-Annual Results**

Toronto, August 28, 2008: Government Strip Bond Trust (the “Trust”) announces results for six months ended June 30, 2008. Net realized income before distributions amounted to \$2.0 million or \$0.53 per unit. Net assets were \$85.4 million or \$22.68 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 intends to achieve its investment objectives by investing in a portfolio of Zero Coupon Bonds and also hold cash and cash equivalents in an amount sufficient to cover all costs and expenses of the Trust 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, 2008 (Unaudited)</i>	
Revenue	\$2.0
Net Realized Gains	<u>0.4</u> 2.4
Less: Expenses	<u>(0.4)</u>
Net Realized Income Before Distributions	\$2.0

For further information, contact:

John Mulvihill, President & CEO Don Biggs, Senior Vice President
Mulvihill Structured Products

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A member of the Mulvihill Capital Management Inc. Group of Funds

Government Strip Bond
121 King Street West
Suite 2600
Toronto, Ontario M5H 3T9
(416) 681-3966 (800) 725-7172
www.mulvihill.com
hybrid@mulvihill.com