

Government Strip Bond Trust**GSB.UN****Announces Year End Results**

Toronto, March 27, 2009: Government Strip Bond Trust (the “Fund”) announces results for the year ended December 31, 2008. Total results from financial operations amounted to a gain of \$8.3 million or \$2.20 per unit which included both realized and unrealized capital gains and losses. Net assets were \$72.2 million or \$24.17 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 Net Assets</i>	
Assets	<u>2008</u> \$ 91.1
Liabilities	<u>18.9</u>
Net Assets (Unitholders Equity)	\$ 72.2
<i>Statement of Financial Operations</i>	
Income	\$ 4.0
Expenses	<u>(0.7)</u>
Net Investment Gain	\$ 3.3
Net Gain on Investments	<u>5.0</u>
Net Increase in Net Assets from Financial Operations	\$ 8.3

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

For Release 9 a.m. EDT, March 27, 2009**Government Strip Bond Fund**121 King Street West
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