



SEMI-ANNUAL
REPORT

2016

TOP 10 CANADIAN FINANCIAL TRUST


strathbridge
ASSET MANAGEMENT

Top 10 Canadian Financial Trust

Letter to Unitholders

We are pleased to present the 2016 semi-annual report containing the management report of fund performance and the unaudited financial statements for Top 10 Canadian Financial Trust (the “Fund”).

Stock market performance in the first half of 2016 can be characterized by significant weakness to start off the year due to stagnant economic growth and increasingly ineffective monetary policy which led to a lack of investor confidence. However, after most stock markets hit new lows in early February, they staged a meaningful recovery which continued through the second quarter of 2016. Oil prices which declined over 30 percent to a low of US\$26.21 on February 11, 2016 have maintained a steady uptrend since, topping US\$50 per barrel by mid-June and brought much of the energy complex along with it. Soft commodities were also generally higher during the first six months of 2016. The main commodity story, however, was gold. It is the best performing asset class so far in 2016, up over 24 percent. One might expect to see elevated volatility as investors often flock to gold in times of crisis; however, this was not the case. Interest rates remain low and have even gone into negative levels in some regions, notably Europe and Japan. Surprisingly, stock markets have been calm allowing the VIX (“CBOE Volatility Index”) to drift lower through much of the period. The first half of 2016 was punctuated with “Brexit”. The word was coined to describe Great Britain’s exit from the European Union (“EU”). A referendum was held on June 23 and the people voted 52-48 percent to leave the EU in a surprise upset. The news roiled global markets immediately following the event but North American markets have since fully recovered. The longer term impacts on the region and the world are not yet known.

During the six months ended June 30, 2016, the Fund paid cash distributions of \$0.35 per unit. The net asset value per unit decreased from \$9.53 at December 31, 2015 to \$9.03 at June 30, 2016. The total return of the Fund, including the reinvestment of distributions, was negative 1.6 percent for the period. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.09 per unit as compared to a net realized gain on options of \$0.07 per unit a year ago. For a more detailed review of the operations of the Fund, please see the Results of Operations and the Portfolio Manager Report sections.

We thank all unitholders for their continued support and encourage unitholders to review the detailed information contained within the semi-annual report.



John P. Mulvihill
Chairman & CEO
Strathbridge Asset Management Inc.

The Fund

The Fund is a closed-end investment trust designed to provide unitholders with a stable stream of tax-efficient quarterly cash distributions in an amount targeted to be 7.5 percent per annum on the net asset value of the Fund and to return \$15.60 per unit to unitholders upon termination of the Fund. The units are listed on the Toronto Stock Exchange under the ticker symbol TCT.UN.

To accomplish its objectives, the Fund invests in a portfolio of securities consisting of common equity securities of the six largest Canadian banks and the four largest Canadian life insurance companies. The Fund may also invest in public investment funds including exchange traded funds and other Strathbridge Funds (provided that no more than 15 percent of the net asset value of the Fund may be invested in securities of other Strathbridge Funds) that provide exposure to such securities.

The Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), 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 SSO 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 particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

Top 10 Canadian Financial Trust

Management Report of Fund Performance

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2016 of Top 10 Canadian Financial Trust (the "Fund"). The unaudited semi-annual 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@strathbridge.com or by visiting our website at www.strathbridge.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Results of Operations

Distributions

For the six months ended June 30, 2016, cash distributions were \$0.35 per unit compared to \$0.39 per unit a year ago.

Since the reorganization of the Fund in August 2005 when the Fund adopted new objectives and a new investment strategy as the Top 10 Canadian Financial Trust, the Fund has paid total cash distributions of \$9.54 per unit.

Revenue and Expenses

For the six months ended June 30, 2016, the Fund's dividend income was \$0.19 per unit as compared to \$0.20 per unit in the prior year. Total expenses were \$0.14 per unit during the period, unchanged from a year ago. The Fund had a net realized and unrealized loss of \$0.21 per unit in the first six months of 2016 as compared to a net realized and unrealized loss of \$0.36 per unit a year earlier.

Net Asset Value

The net asset value per unit of the Fund decreased 5.2 percent from \$9.53 at December 31, 2015 to \$9.03 at June 30, 2016. The total net asset value of the Fund decreased \$0.84 million, from \$16.08 million at December 31, 2015 to \$15.24 million at June 30, 2016, reflecting a decrease in net assets attributable to holders of units of \$0.26 million and cash distributions of \$0.58 million during the period.

Recent Developments

There were no recent developments pertaining to the Fund during the semi-annual period ending June 30, 2016.

Management Report of Fund Performance

Related Party Transactions

Strathbridge Asset Management Inc. (“Strathbridge”), as the Investment Manager of the Fund, manages the investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated February 15, 2000 and amended as of August 2, 2005.

Strathbridge is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Strathbridge dated February 15, 2000 and amended as of August 2, 2005. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

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

During the period, no recommendations or approvals were required to be sought from the Independent Review Committee (“IRC”) concerning related party transactions.

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 W. Korthals, Michael M. Koerner and Robert G. Bertram.

Top 10 Canadian Financial Trust

Management Report of Fund Performance

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 past five years.

Information for the period ended June 30, 2016 is derived from the Fund's unaudited semi-annual financial statements.

The information for the years ended December 31 is derived from the Fund's audited annual financial statements.

	Six months ended June 30, 2016
NET ASSETS PER UNIT	
Net Assets, beginning of period⁽¹⁾	\$ 9.53
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.19
Total expenses	(0.14)
Realized gain (loss) for the period	(0.17)
Unrealized gain (loss) for the period	(0.04)
Total Increase (Decrease) from Operations⁽²⁾	(0.16)
DISTRIBUTIONS	
From investment income	(0.02)
Non-taxable distributions	(0.33)
Total Distributions⁽³⁾	(0.35)
Net Assets, end of period⁽¹⁾	\$ 9.02

(1) All per unit figures presented in 2016, 2015, 2014 and 2013 are referenced to net assets determined in accordance with IFRS which are derived from the Fund's unaudited financial statements for the six months ended June 30, 2016 and the annual audited financial statements for the years ended December 31, 2015 and 2014. Net assets per unit for all other prior years were derived from the Fund's audited annual financial statements that were prepared in accordance with Canadian generally accepted accounting principles. Net assets per unit is the difference between the aggregate value of the assets (including the valuation of securities at closing prices for the years beginning on or after January 1, 2013 and for all other prior years at bid prices) and the aggregate value of the liabilities divided by the number of units then outstanding.

	Six months ended June 30, 2016
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value (\$millions)	\$ 15.24
Number of units outstanding	1,688,179
Management expense ratio ⁽¹⁾	2.85%⁽⁴⁾
Portfolio turnover rate ⁽²⁾	89.31%
Trading expense ratio ⁽³⁾	0.21%⁽⁴⁾
Net Asset Value per unit ⁽⁵⁾	\$ 9.03
Closing market price	\$ 8.85

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including harmonized sales tax but excluding transaction fees, divided by the average net asset value. Generally, the MER increases when the Fund becomes smaller in size due to redemptions. The MER for 2015, 2014 and 2011 includes the special resolution expense/(recovery). The MER for 2015, 2014 and 2011 excluding the special resolution expense/(recovery) is 2.43%, 2.33% and 2.13% respectively.

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

Management Report of Fund Performance

As a result of the adoption of International Financial Reporting Standards (“IFRS”), for June 30, 2016, December 31, 2015, 2014 and 2013, the net assets per unit presented in the financial statements and the net asset value per unit calculated weekly are both valued at closing prices. For all other prior years ended December 31, the net assets per unit presented in the financial statements differs from the net asset value per unit calculated weekly, primarily as a result of investments being valued at bid prices for financial statements purposes and at closing prices for weekly net asset value purposes.

		Years ended December 31							
		2015	2014	2013	2012	2011			
\$	10.85	\$	10.82	\$	9.09	\$	8.70	\$	10.52
	0.38		0.38		0.38		0.41		0.41
	(0.26)		(0.27)		(0.24)		(0.21)		(0.21)
	0.39		1.85		0.55		(0.87)		(0.11)
	(1.07)		(1.10)		1.80		1.72		(1.16)
	(0.56)		0.86		2.49		1.05		(1.07)
	(0.02)		–		–		–		–
	(0.75)		(0.83)		(0.76)		(0.66)		(0.75)
	(0.77)		(0.83)		(0.76)		(0.66)		(0.75)
\$	9.53	\$	10.85	\$	10.82	\$	9.08	\$	8.70

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss) less expenses and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

(3) Distributions to unitholders are based on the number of units outstanding on the record date for each distribution.

		Years ended December 31							
		2015	2014	2013	2012	2011			
\$	16.08	\$	20.36	\$	21.92	\$	21.59	\$	24.70
	1,688,179		1,877,594		2,025,522		2,376,054		2,835,356
	2.43%		2.39%		2.33%		2.23%		1.98%
	94.80%		93.40%		62.69%		73.42%		93.65%
	0.09%		0.09%		0.08%		0.09%		0.11%
\$	9.53	\$	10.85	\$	10.82	\$	9.09	\$	8.71
\$	9.98	\$	11.23	\$	10.55	\$	8.99	\$	8.40

(3) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.

(4) Annualized.

(5) 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.

Top 10 Canadian Financial Trust

Management Report of Fund Performance

Management Fees

Strathbridge, as the Investment Manager of the Fund, is entitled to fees under the Investment Management Agreement calculated monthly as 1/12 of 1.00 percent of the net asset value of the Fund at each month end. Services received under the Investment Management Agreement include the making of all investment decisions and writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. Strathbridge also makes all decisions as to the purchase and sale of securities in the Fund's portfolio and as to the execution of all portfolio and other transactions.

Strathbridge, as the Manager of the Fund, is entitled to fees under the Trust Agreement calculated monthly as 1/12 of 0.10 percent of the net asset value of the Fund at each month end. Services received under the Trust Agreement include providing or arranging for required administrative services to the Fund.

Past Performance

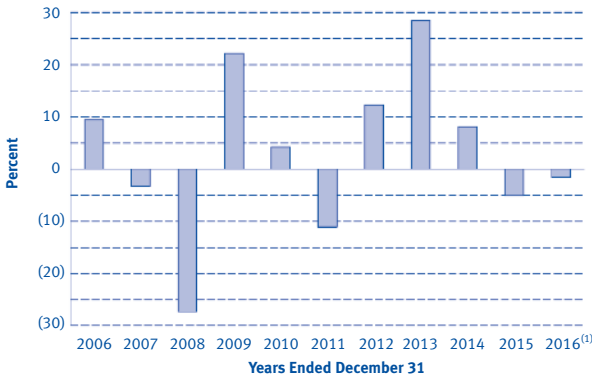
The following chart sets out the Fund's year-by-year past performance. It is important to note that the:

- (1) information shown assumes that all distributions made by the Fund during these periods were reinvested in units of the Fund,
- (2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) past performance of the Fund does not necessarily indicate how it will perform in the future.

Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year for each of the past ten years and for the six months ended June 30, 2016. The chart also shows, in percentage terms, how much an investment made on January 1 in each year would have increased or decreased by the end of that fiscal year or June 30, 2016 for the six months ended.

Annual Total Return



⁽¹⁾ For the six months ended June 30, 2016.

Portfolio Manager Report

Stock market performance in the first half of 2016 can be characterized by significant weakness to start off the year due to stagnant economic growth and increasingly ineffective monetary policy which led to a lack of investor confidence. However, after most stock markets hit new lows in early February, they staged a meaningful recovery which continued through the second quarter of 2016. Oil prices which declined over 30 percent to a low of US\$26.21 on February 11, 2016 have maintained a steady uptrend since, topping US\$50 per barrel by mid-June and brought much of the energy complex along with it. Soft commodities were also generally higher during the first six months of 2016. The main commodity story, however, was gold. It is the best performing asset class so far in 2016, up over 24 percent. One might expect to see elevated volatility as investors often flock to gold in times of crisis; however, this was not the case. Interest rates remain low and have even gone into negative levels in some regions, notably Europe and Japan. Surprisingly, stock markets have been calm allowing the VIX (“CBOE Volatility Index”) to drift lower through much of the period. The first half of 2016 was punctuated with “Brexit”. The word was coined to describe Great Britain’s exit from the European Union (“EU”). A referendum was held on June 23 and the people voted 52-48 percent to leave the EU in a surprise upset. The news roiled global markets immediately following the event but North American markets have since fully recovered. The longer term impacts on the region and the world are not yet known.

For the six months ended June 30, 2016, the total return, including reinvestment of distributions, was negative 1.6 percent. The Fund achieved its income objective of providing a stable stream of quarterly distributions targeted to be 7.5 percent per annum on the net asset value. Total cash distributions of \$0.35 per unit were paid over the period and the net asset value per unit declined from \$9.53 at the end of 2015 to \$9.03 at June 30, 2016.

Over the first half of the year, the bank holdings generally outperformed the insurance holdings with a median return of 9.0 percent versus the average for the insurers of negative 4.7 percent. The Bank of Nova Scotia and the National Bank of Canada led the total returns with gains of 15.7 and 12.4 percent respectively. Manulife Financial Corporation and Industrial Alliance Insurance and Financial Services Inc. were the laggards with returns of negative 13.0 and negative 6.5 percent respectively. The dispersion between the banks and the insurance companies was fairly high.

Dividends declared in the first half of 2016 rose, on average, around 8 percent on all portfolio holdings as compared to the first half of 2015. The banks’ average increase was 7.0 percent and the increase for the insurers was 9.5 percent. Standouts were the increase by Manulife Financial Corporation of 13.9 percent and the increase by Canadian Imperial Bank of Commerce of 11.2 percent.

The average call writing exposure over the first half was 8.6 percent, up slightly from 8.5 percent over the first half year ago. The overwritten positions ranged from zero to 28.1 percent of the portfolio. Call writing activity was highest in the first three months. There were no put transactions executed for the portfolio over the six month period. The net realized gain on options attributable to Strathbridge Selective Overwriting (“SSO”) strategy amounted to \$0.09 per unit. The average cash position was 6.2 percent during the period.

Top 10 Canadian Financial Trust

Management Report of Fund Performance

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.strathbridge.com.

Asset Mix

June 30, 2016

	% of Net Asset Value
Financials	90.0 %
Cash	10.1 %
Other Assets (Liabilities)	(0.1)%
	100.0 %

Portfolio Holdings

June 30, 2016

	% of Net Asset Value
Bank of Montreal	11.9 %
Royal Bank of Canada	11.3 %
The Bank of Nova Scotia	11.2 %
Canadian Imperial Bank of Commerce	10.6 %
National Bank of Canada	10.4 %
Cash	10.1 %
The Toronto-Dominion Bank	7.2 %
Sun Life Financial Inc.	7.0 %
Great-West Lifeco Inc.	7.0 %
Industrial Alliance Insurance and Financial Services Inc.	6.8 %
Manulife Financial Corporation	6.6 %

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 condensed financial statements of Top 10 Canadian Financial Trust (the "Fund") and all the information in this semi-annual report are the responsibility of the management of Strathbridge Asset Management Inc. (the "Manager") and have been approved by the Fund's Board of Advisors (the "Board").

The condensed 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 semi-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 annual financial statements for the year ended December 31, 2015.

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 Board 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, the financial statements and the independent auditor's report. Deloitte LLP, the Fund's independent auditor, has full and unrestricted access to the Board.



John P. Mulvihill
Director
Strathbridge Asset Management Inc.



John D. Germain
Director
Strathbridge Asset Management Inc.

August 4, 2016

Notice to Unitholders

The accompanying unaudited Condensed Financial Statements for the six months ended June 30, 2016 have been prepared by management and have not been reviewed by the independent auditor of the Fund.

Condensed Financial Statements

Statements of Financial Position

As at June 30, 2016 (Unaudited) and December 31, 2015 (Audited)

	Note	June 30, 2016	Dec. 31, 2015
ASSETS			
Financial assets at fair value through profit or loss	2	\$ 13,714,679	\$ 17,609,920
Dividends receivable		59,282	48,186
Cash		1,534,149	308,584
TOTAL ASSETS		15,308,110	17,966,690
LIABILITIES			
Accrued liabilities		46,019	53,583
Accrued management fees	5	13,767	16,741
Derivative liabilities	2	12,735	9,457
Redemptions payable		–	1,804,462
TOTAL LIABILITIES		72,521	1,884,243
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS		\$ 15,235,589	\$ 16,082,447
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT		\$ 9.0249	\$ 9.5265

The notes are an integral part of the Condensed Financial Statements.

Top 10 Canadian Financial Trust

Condensed Financial Statements

Statements of Comprehensive Income

Six months ended June 30 (Unaudited)

	Note	2016	2015
INCOME			
Dividend income		\$ 318,036	\$ 367,503
Interest income		2,428	–
Net realized gain/(loss) on investments at fair value through profit or loss	3	(440,773)	456,126
Net realized gain on options at fair value through profit or loss	3	155,641	132,629
Net change in unrealized gain/loss on investments at fair value through profit or loss	3	(60,010)	(1,254,129)
TOTAL LOSS		(24,678)	(297,871)
EXPENSES			
Management fees	5	85,564	105,904
Service fees		22,537	27,801
Administrative and other expenses		40,298	51,583
Transaction fees	6	16,239	8,993
Custodian fees		19,252	14,752
Audit fees		15,119	15,035
Advisory board fees	5	10,200	9,600
Independent review committee fees	5	3,410	3,509
Legal fees		2,247	3,005
Unitholder reporting costs		6,820	8,396
Harmonized sales tax		16,165	18,408
TOTAL EXPENSES		237,851	266,986
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS	7	\$ (262,529)	\$ (564,857)
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS PER UNIT	7	\$ (0.1555)	\$ (0.3008)

The notes are an integral part of the Condensed Financial Statements.

Condensed Financial Statements

Statements of Changes in Net Assets Attributable to Holders of Units

Six months ended June 30 (Unaudited)

	2016	2015
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, BEGINNING OF YEAR	\$ 16,082,447	\$ 20,364,267
Decrease in Net Assets Attributable to Holders of Units	(262,529)	(564,857)
Distributions		
From net investment income	(23,884)	–
Non-taxable distributions	(560,445)	(741,424)
	(584,329)	(741,424)
Changes in Net Assets Attributable to Holders of Units during the Period	(846,858)	(1,306,281)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS, END OF PERIOD	\$ 15,235,589	\$ 19,057,986

The notes are an integral part of the Condensed Financial Statements.

Statements of Cash Flows

Six months ended June 30 (Unaudited)

	2016	2015
CASH, BEGINNING OF YEAR	\$ 308,584	\$ 96,609
Cash Flows Provided by (Used In) Operating Activities		
Decrease in Net Assets Attributable to Holders of Units	(262,529)	(564,857)
Adjustments to Reconcile Net Cash Provided by (Used In) Operating Activities		
Net realized (gain)/loss on investments at fair value through profit or loss	440,773	(456,126)
Net realized gain on options at fair value through profit or loss	(155,641)	(132,629)
Net change in unrealized gain/loss on investments at fair value through profit or loss	60,010	1,254,129
(Increase)/decrease in dividends receivable and due from brokers - investments	(11,096)	1,129,981
Decrease in accrued liabilities and accrued management fees	(10,538)	(33,959)
Purchase of investment securities	(12,836,070)	(8,769,353)
Proceeds from disposition of investment securities	16,389,447	10,248,075
	3,876,885	3,240,118
Cash Flows Used in Financing Activities		
Unit distributions	(584,329)	(741,424)
Unit redemptions	(1,804,462)	(1,604,412)
	(2,388,791)	(2,345,836)
Net Increase in Cash during the Period	1,225,565	329,425
CASH, END OF PERIOD	\$ 1,534,149	\$ 426,034
Dividends received	\$ 306,940	\$ 363,518
Interest received	\$ 2,428	\$ –

The notes are an integral part of the Condensed Financial Statements.

Top 10 Canadian Financial Trust

Schedule of Investments

As at June 30, 2016 (Unaudited)

	Number of Shares/ (Contracts)	Average Cost/ (Proceeds)	Fair Value	% of Net Assets Attributable to Holders of Units
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	22,100	\$ 1,728,917	\$ 1,811,095	
Canadian Imperial Bank of Commerce	16,700	1,607,224	1,620,568	
Great-West Lifeco Inc.	31,200	1,064,009	1,063,296	
Industrial Alliance Insurance and Financial Services Inc.	25,600	1,075,368	1,039,616	
Manulife Financial Corporation	56,900	1,162,162	1,005,423	
National Bank of Canada	35,700	1,574,010	1,577,583	
Royal Bank of Canada	22,600	1,725,474	1,725,284	
Sun Life Financial Inc.	25,200	1,048,803	1,069,488	
The Bank of Nova Scotia	27,000	1,684,169	1,709,370	
The Toronto-Dominion Bank	19,700	1,040,402	1,092,956	
Total Financials		13,710,538	13,714,679	90.0 %
Total Canadian Common Shares		\$ 13,710,538	\$ 13,714,679	90.0 %
Options				
Written Covered Call Options (100 shares per contract)				
National Bank of Canada - July 2016 @ \$45	(89)	\$ (6,141)	\$ (4,898)	
Royal Bank of Canada - July 2016 @ \$77	(62)	(10,478)	(5,903)	
The Toronto-Dominion Bank - July 2016 @ \$56	(80)	(5,920)	(1,934)	
Total Options		\$ (22,539)	\$ (12,735)	(0.1)%
Adjustment for transaction costs		(6,517)		
TOTAL INVESTMENTS		\$ 13,681,482	\$ 13,701,944	89.9 %
OTHER NET ASSETS			1,533,645	10.1 %
NET ASSETS ATTRIBUTABLE TO HOLDERS OF UNITS			\$ 15,235,589	100.0 %

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

1. Basis of Presentation

The condensed semi-annual financial statements for Top 10 Canadian Financial Trust (the “Fund”) have been prepared in compliance with International Financial Reporting Standards (“IFRS”), specifically the International Accounting Standard (“IAS”) 34 Interim Financial Reporting. However, not all disclosures required by IFRS for annual financial statements have been presented and, accordingly, these condensed semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2015.

These condensed semi-annual financial statements follow the same accounting policies and method of application as the most recent audited financial statements for the year ended December 31, 2015.

These condensed financial statements were approved by the Board of Advisors on August 4, 2016.

2. Risks Associated with Financial Instruments

The various types of risks associated with its investment strategies, financial instruments and markets in which the Fund invests remain unchanged from the prior year and are described in Note 6 of the audited financial statements for the year ended December 31, 2015.

Credit Risk

During the periods ended June 30, 2016 and December 31, 2015, the counterparties to the Fund’s derivative financial instruments had a credit rating of A-1 or higher from Standard & Poor’s Ratings Services.

Liquidity Risk

The amounts in the table are the contractual undiscounted cash flows:

	As at June 30, 2016 Financial Liabilities		
	On Demand	< 3 months	Total
Accrued liabilities	\$ –	\$ 46,019	\$ 46,019
Accrued management fees	–	13,767	13,767
Derivative liabilities	–	12,735	12,735
	\$ –	\$ 72,521	\$ 72,521

	As at December 31, 2015 Financial Liabilities		
	On Demand	< 3 months	Total
Redemptions payable	\$ –	\$ 1,804,462	\$ 1,804,462
Accrued liabilities	–	53,583	53,583
Accrued management fees	–	16,741	16,741
Derivative liabilities	–	9,457	9,457
	\$ –	\$ 1,884,243	\$ 1,884,243

Market Risk

(a) Price Risk

Approximately 90 percent (December 31, 2015 - 109 percent) of the Fund’s net assets attributable to holders of units held at June 30, 2016 were publicly traded equities. If equity prices on the exchange increased or decreased by 5 percent as at June 30, 2016, the net assets attributable to holders of units

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Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

would have increased or decreased by \$0.7 million (December 31, 2015 - \$0.9 million) respectively or 4.5 percent (December 31, 2015 - 5.5 percent) of the net assets attributable to holders of units all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Concentration Risk

Concentration risk arises as a result of the concentration of exposures with the same category, whether it is geographical location, product type, industry sector or counterparty type. The following is a summary of the Fund's concentration risk:

	June 30, 2016	Dec. 31, 2015
Financials	100.0%	100.0%

Fair Value Measurement

The following table illustrates the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2016 and December 31, 2015.

	As at June 30, 2016				
	Level 1	Level 2	Level 3	Total	
Canadian Common Shares	\$ 13,714,679	\$ -	\$ -	\$ 13,714,679	
Options	-	(12,735)	-	(12,735)	
	\$ 13,714,679	\$ (12,735)	\$ -	\$ 13,701,944	

	As at December 31, 2015				
	Level 1	Level 2	Level 3	Total	
Canadian Common Shares	\$ 17,609,920	\$ -	\$ -	\$ 17,609,920	
Options	-	(9,457)	-	(9,457)	
	\$ 17,609,920	\$ (9,457)	\$ -	\$ 17,600,463	

There were no transfers between Level 1 and Level 2 and the Fund did not hold any financial instruments within Level 3 of the fair value hierarchy during the six months ended June 30, 2016 and during the year ended December 31, 2015.

3. Financial Instruments by Category

The following tables present the carrying amounts of the Fund's financial instruments by category as at June 30, 2016 and December 31, 2015.

	As at June 30, 2016					
	Financial Instruments at Designated at Inception		Financial Instruments Held for Trading		Financial Instruments at Amortized Cost	Total
Assets						
Non-derivative financial assets	\$ 13,714,679	\$ -	\$ -	\$ -	\$ -	\$ 13,714,679
Dividends receivable	-	-	-	59,282	-	59,282
Cash	-	-	-	1,534,149	-	1,534,149
	\$ 13,714,679	\$ -	\$ -	\$ 1,593,431	\$ -	\$ 15,308,110
Liabilities						
Accrued liabilities	\$ -	\$ -	\$ -	\$ 46,019	\$ -	\$ 46,019
Accrued management fees	-	-	-	13,767	-	13,767
Derivative liabilities	-	-	12,735	-	-	12,735
	\$ -	\$ -	\$ 12,735	\$ 59,786	\$ -	\$ 72,521

Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

	As at December 31, 2015		Financial Instruments at Amortized Cost	Total
	Financial Instruments at FVTPL Designated at Inception	Held for Trading		
Assets				
Non-derivative financial assets	\$ 17,609,920	\$ -	\$ -	\$ 17,609,920
Dividends receivable	-	-	48,186	48,186
Cash	-	-	308,584	308,584
	\$ 17,609,920	\$ -	\$ 356,770	\$ 17,966,690
Liabilities				
Redemptions payable	\$ -	\$ -	\$ 1,804,462	\$ 1,804,462
Accrued liabilities	-	-	53,583	53,583
Accrued management fees	-	-	16,741	16,741
Derivative liabilities	-	9,457	-	9,457
	\$ -	\$ 9,457	\$ 1,874,786	\$ 1,884,243

The following table presents the net loss on financial instruments at FVTPL by category for the six months ended June 30, 2016 and 2015.

	June 30, 2016	June 30, 2015
Net Realized Gain/(Loss) on Financial Instruments at FVTPL		
Designated at Inception	\$ (440,773)	\$ 456,126
Held for Trading	155,641	132,629
	(285,132)	588,755
Net Change in Unrealized Gain/Loss on Financial Instruments at FVTPL		
Designated at Inception	(72,694)	(1,255,653)
Held for Trading	12,684	1,524
	(60,010)	(1,254,129)
Net Loss on Financial Instruments at FVTPL	\$ (345,142)	\$ (665,374)

4. Units

For the six months ended June 30, 2016, cash distributions paid to unitholders were \$584,329 (June 30, 2015 - \$741,424) representing a payment of \$0.35 (June 30, 2015 - \$0.39) per unit.

During the six months ended June 30, 2016 and 2015, nil units were redeemed.

During the six months ended June 30, 2016 and year ended December 31, 2015, unit transactions are as follows:

	June 30, 2016	Dec. 31, 2015
Units outstanding, beginning of year	1,688,179	1,877,594
Units redeemed	-	(189,415)
Units outstanding, end of period	1,688,179	1,688,179

5. Related Party Transactions

(a) Management Fees

Total management fees for the six months ended June 30, 2016 were \$85,564 (June 30, 2015 - \$105,904).

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Notes to Condensed Financial Statements

June 30, 2016 (Unaudited)

(b) Advisory Board Fees

Total advisory board fees paid to the external members of the Board of Advisors for the six months ended June 30, 2016 were \$10,200 (June 30, 2015 - \$9,600).

(c) Independent Review Committee Fees

Total remuneration paid to the external members of the Independent Review Committee for the six months ended June 30, 2016 were \$3,410 (June 30, 2015 - \$3,509).

6. Brokerage Commissions and Soft Dollars

The ascertainable soft dollar value received as a percentage of total transaction fees paid during the six months ended June 30, 2016 and 2015 is disclosed below:

	June 30, 2016	June 30, 2015
Soft Dollars	\$ 8,787	\$ 5,631
Percentage of Total Transaction Fees	54.1%	62.6%

7. Increase/(Decrease) in Net Assets Attributable to Holders of Units per Unit

The Decrease in Net Assets Attributable to Holders of Units per Unit for the six months ended June 30, 2016 and 2015 is calculated as follows:

	June 30, 2016	June 30, 2015
Decrease in Net Assets Attributable to Holders of Units	\$ (262,529)	\$ (564,857)
Weighted Average Number of Units Outstanding during the Period	1,688,179	1,877,594
Decrease in Net Assets Attributable to Holders of Units per Unit	\$ (0.1555)	\$ (0.3008)

Investment Funds Managed by Strathbridge Asset Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)

Core Canadian Dividend Trust (CDD.UN)

Low Volatility U.S. Equity Income Fund (LVU.UN)

NDX Growth & Income Fund (NGI.UN)

U.S. Financials Income Fund (USF.UN)

Top 10 Canadian Financial Trust (TCT.UN)

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)

MUTUAL FUND

U.S. Tactical Allocation Fund

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