SEMI-ANNUAL REPORT 2011

Top 10 Canadian Financial Trust

Letter to Unitholders

We are pleased to present the 2011 semi-annual report containing the management report of fund performance and the unaudited financial statements for Top 10 Canadian Financial Trust.

During the six months ended June 30, 2011, the Fund paid distributions of $0.41 per unit. The net asset value decreased from $10.57 per unit at December 31, 2010 to $10.46 per unit at June 30, 2011 primarily as a result of distributions in excess of income earned during the period. Call writing was selective during the period as volatility declined and call writing premiums were not sufficient to compensate the Fund for the potential loss in upside. 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 more detailed information contained within the semi-annual report.

John P. Mulvihill
Chairman & President,
Mulvihill Capital 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 approximately $15.00 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 exclusively in shares of the six largest Canadian banks and four largest Canadian life insurance companies generally investing not less than 5 percent and not more than 15 percent of the Fund's assets in each company. To generate additional returns above the dividend income earned on the Fund's investment portfolio, the Fund may, from time to time, write covered call options in respect of some or all of the securities in the portfolio. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2011 of Top 10 Canadian Financial Trust (the “Fund”). The June 30, 2011 unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll-free, or by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Toronto, Ontario, M5H 3T9, or by visiting our website at www.mulvihill.com. You can also get a copy of the annual and semi-annual financial statements at your request and at no cost by using one of these methods.

Results of Operations

Distributions

The policy of the Fund is to pay quarterly distributions calculated as 7.5 percent per annum on the net asset value of the Fund, which are generally classified as a return of capital for tax purposes. For the six months ended June 30, 2011, cash distributions were $0.41 per unit, unchanged from the same period last year.

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 $5.83 per unit.

Revenue and Expenses

The Fund’s total revenue was $0.21 per unit for the six months ended June 30, 2011, down $0.02 per unit compared to the prior year. The difference in income per unit was mainly due to lower dividend income earned on a per average-unit basis. Total expenses were $0.11 per unit for the first six months of fiscal 2011, down from $0.12 per unit in 2010, primarily as a result of a fee accrual reversal pertaining to the Fund reorganization in December 2010. The Fund had a net realized and unrealized gain of $0.24 per unit in the first six months of 2011 as compared to a net realized and unrealized loss of $0.55 per unit a year earlier.

Net Asset Value

The net asset value per unit of the Fund decreased 1.0 percent from $10.57 per unit at December 31, 2010 to $10.46 per unit at June 30, 2011 primarily as a result of distributions in excess of income earned during the period. The total net asset value of the Fund declined slightly from $34.0 million at December 31, 2010 to $33.7 million at June 30, 2011, largely reflecting cash distributions totalling $1.3 million partially offset by net increase from operations of $1.1 million during the period.

During the six months ended June 30, 2011, the total return of the Fund was 2.8 percent reflecting the increase in value of the securities in the portfolio. The S&P/TSX Financials Index (the "Financials Index") total return during the same period was 6.2 percent. As a result of the Fund being limited to a specific universe of stocks and utilizing a covered call writing strategy to generate income, comparison with a market index may not be appropriate. The Financials Index is calculated without the deduction of management fees and fund expenses, whereas the performance of the Fund is calculated after deducting such fees and expenses.

Recent Developments

No recent developments occurred during the semi-annual period ending June 30, 2011.

Future Accounting Policy Changes

The Manager has developed a changeover plan to meet the timetable published by the Canadian Institute of Chartered Accountants for changeover to International Financial Reporting Standards ("IFRS").

The changeover plan was prepared to address the requirements and includes disclosures of the qualitative and quantitative impact, if any, of the changeover to IFRS in the 2011 financial statements and the preparation of the 2012 financial statements in accordance with IFRS with comparatives. However, the Canadian Accounting Standards Board approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies ("AcG-18"). As a result, the Fund will adopt IFRS for its fiscal period beginning January 1, 2013 and will issue its initial financial statements in accordance with IFRS, with comparative information, for the semi-annual period ending June 30, 2013.

As at June 30, 2011, some anticipated changes to financial reporting include:

- Compliance with the full body of IFRS without industry specific exemptions. Unlike Canadian Generally Accepted Accounting Principles ("Canadian GAAP") where investment fund accounting was based upon guidance in AcG-18;
- Implementation of cash flow statements;

- Presentation of comparative information; and,
- Additional financial statement note disclosures on the recognition and classification of financial instruments.

Based on the Manager's current understanding and analysis of IFRS to the current accounting policies under Canadian GAAP, the Manager does not anticipate the transition to IFRS will have a material impact on the Fund's net assets per unit, systems and processes, and it is expected that it will mainly result in additional note disclosure in the financial statements.

Related Party Transactions

The manager and investment manager of the Fund is MCM ("Manager" or "Investment Manager"). MCM became the Manager of the Fund on September 1, 2010 as successor by amalgamation with Mulvihill Fund Services Inc.

MCM, as the Investment Manager of the Fund, manages the Fund's 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 MCM dated February 15, 2000 and amended as of August 2, 2005.

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

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

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 independent review committee ("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. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

We confirm the Fund did not rely on any approvals or recommendations of the IRC concerning related party transactions during the period.

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.

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

Information for the period ended June 30, 2011 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2011
NET ASSETS PER UNIT	
Net Assets, beginning of period (based on bid prices)(1)	**$ 10.52**
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	**0.21**
Total expenses	**(0.11)**
Realized gain (loss) for the period	**0.07**
Unrealized gain (loss) for the period	**0.17**
Total Increase (Decrease) from Operations(2)	**0.34**
DISTRIBUTIONS	
Non-taxable distributions	**(0.41)**
Total Distributions(3)	**(0.41)**
Net Assets, end of period (based on bid prices)(1)	**$ 10.44**

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices.
(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

RATIOS/SUPPLEMENTAL DATA	
Net Asset Value ($millions)	**$ 33.71**
Number of units outstanding	**3,224,095**
Management expense ratio(1)	**2.03%(4)**
Portfolio turnover rate(2)	**78.47%**
Trading expense ratio(3)	**0.14%(4)**
Net Asset Value per unit(5)	**$ 10.46**
Closing market price	**$ 9.95**

(1) The management expense ratio ("MER") is the sum of all fees and expenses, including federal and provincial sales taxes but excluding transaction fees, charged to the Fund divided by the average net asset value. The MER for 2011 includes unclaimed solicitation fees. The MER for 2011 excluding unclaimed solicitation fees is 2.16%. The MER for 2010 includes the special resolution expense and warrant exercise fees. The MER for 2010 excluding the special resolution expense and warrant exercise fees is 1.86%. The MER for 2009 includes the warrant offering costs. The MER for 2009 excluding the warrant offering costs is 1.78%.
(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.

Since 2007 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				
2010	2009	2008	2007	2006
$ 10.90	$ 9.58	$ 14.28	$ 15.95[4]	$ 15.73
0.44	0.40	0.46	0.49	0.45
(0.26)	(0.22)	(0.21)	(0.26)	(0.26)
(0.58)	(1.88)	(0.89)	0.85	0.94
0.88	3.75	(3.13)	(1.57)	0.28
(0.48)	**2.05**	**(3.77)**	**(0.49)**	**1.41**
(0.79)	(0.76)	(0.93)	(1.17)	(1.19)
(0.79)	**(0.76)**	**(0.93)**	**(1.17)**	**(1.19)**
$ 10.52	**$ 10.90**	**$ 9.58**	**$ 14.28**	**$ 15.96**

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 and were paid in cash.

(4) Net Assets per unit has been adjusted for the change in accounting policy relating to the calculation of net asset value based on bid prices versus closing prices prior to 2007.

$ 33.99	$ 53.48	$ 59.60	$ 107.65	$ 145.77
3,224,405	4,896,746	6,201,992	7,524,019	9,131,373
2.55%	2.06%	1.67%	1.64%	1.69%
113.97%	70.70%	19.72%	75.28%	135.44%
0.15%	0.13%	0.06%	0.07%	0.10%
$ 10.57	$ 10.92	$ 9.61	$ 14.31	$ 15.96
$ 10.25	$ 10.87	$ 9.00	$ 14.00	$ 15.55

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.

(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 of the Fund and the aggregate value of the liabilities of the Fund on that date and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Report of Fund Performance

Management Fees

Mulvihill Fund Services Inc. (the "Manager" or "Mulvihill") amalgamated with Mulvihill Capital Management Inc. (the "Investment Manager" or "MCM") on September 1, 2010. As successor, MCM became the Manager of the Fund. MCM 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. MCM 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.

MCM, 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:

(1) the information shown assumes that all distributions made by the Fund during these periods were reinvested in the Fund,

(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

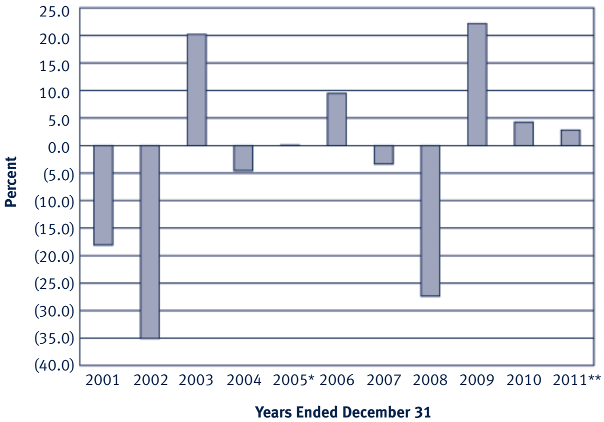
(3) the past performance of the Fund does not necessarily indicate how it will perform in the future.

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 month period ended June 30, 2011. 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, 2011 for the six months then ended.

Management Report of Fund Performance

Annual Total Return



*As of August 2, 2005, the Fund amended its investment strategy and changed its name to Top 10 Canadian Financial Trust and consolidated the units on a 5 to 1 basis.

**For the six months ended June 30, 2011.

Portfolio Manager Report

After posting strong first quarter gains, most Global financial markets weakened during the second quarter due to continued debt concerns regarding European Union countries such as Greece, Portugal, Ireland, Italy and Spain. The S&P/TSX Composite Index was no exception and gave back almost all of its first quarter gains ending the first half of 2011 up only 0.2 percent. Although a number of geopolitical concerns occurred during the period such as the horrific earthquake and tsunami in Japan, as well as increased hostilities and violence in Egypt, Libya and Syria, volatility levels as measured by the S&P/TSX 60 VIX Index remained in a fairly defined range and ended the period at the lower end of the range. The Canadian economy has proved to be more robust than the economies of many of the developed world throughout the recent recession and should continue to do so, given Canada's strong fiscal position. Employment levels in Canada have returned to pre-recession levels although the rate of growth is still below normal levels. After raising the benchmark overnight rate by three successive rate increases of 0.25 percent in 2010, the Bank of Canada remained on hold during the first half of 2011 due to slower than expected growth and a strong Canadian dollar which increased by 3.4 percent relative to the U.S. dollar.

The Canadian banks have reported mixed results so far in 2011 as strong first quarter earnings were offset by weaker than expected second quarter earnings due to weaker trading revenues and lower net interest margins. Capital ratios continued to increase on a year over year basis and four of the banks increased their dividends in 2011 after two years of no dividend growth during the financial crisis. The Canadian life insurance companies demonstrated improving fundamentals and profitability in the first quarter of 2011 benefitting from higher Global equity markets and rising ten year bond yields in both Canada and the United States. However, second quarter results are likely to be weaker due to the headwinds of weaker equity markets and lower interest rates.

The S&P/TSX Financials Index had a total return for the period was 6.2 percent. The Canadian banks continued to outperform the life insurers during the period up 7.3 percent and 0.3 percent respectively. Seven of the ten Financial Services equities that make up the portfolio experienced positive returns during the period with both the National Bank of Canada and The Toronto-Dominion Bank posting the strongest total returns of 16.2 percent and 11.9 percent respectively. Sun Life Financial Inc. and Great-West Lifeco Inc. lagged the group for the period, generating a total return of negative 1.3 percent and negative 1.2 percent respectively.

The total return of the Fund, including reinvestment of distributions, for the six month period ended June 30, 2011 was 2.8 percent. The relative underperformance during the period was mainly due to having an underweight position in the National Bank of Canada which outperformed the S&P/TSX Financials Index during the period. Due to the low level of volatility in the Canadian financials for the majority of the period, the covered call writing activity was limited to select holdings only as the lower volatility did not compensate the Fund enough to justify this activity. The Fund ended June 30, 2011 with approximately 12 percent of the portfolio subject to covered calls. The Fund maintained its invested position during the majority of the period and ended with a cash position of 1 percent compared to 42 percent at the end of 2010 that was raised in order to finance the special redemption right offered in conjunction with the fund extension.

The Canadian banks and life insurance companies are expected to improve profitability and capital ratios in 2011 due to improving credit, good expense control and leverage to an economic recovery. In the context of record low Global interest rates, the valuations of companies in the portfolio remain at attractive levels when measured by price to earnings ratios and current dividend yields and this should continue to act as major support for the share prices. As regulatory certainty has started to improve, Canadian Financial Services companies are expected to return capital to shareholders in the form of increased dividends and share repurchases.

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 update is available on our website at www.mulvihill.com.

Asset Mix

June 30, 2011

	% of Net Asset Value
Financials	99%
Cash and Short-Term Investments	1%
	100%

Portfolio Holdings

June 30, 2011

	% of Net Asset Value
Bank of Montreal	11%
Industrial Alliance Insurance and Financial Services Inc.	11%
National Bank of Canada	11%
The Bank of Nova Scotia	11%
Manulife Financial Corporation	10%
Sun Life Financial Inc.	10%
The Toronto-Dominion Bank	10%
Great-West Lifeco Inc.	10%
Royal Bank of Canada	8%
Canadian Imperial Bank of Commerce	7%
Cash and Short-Term Investments	1%

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

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles 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, 2010.

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

John P. Mulvihill
Director
Mulvihill Capital Management Inc.

John D. Germain
Director
Mulvihill Capital Management Inc.

August 5, 2011

Notice to Unitholders

The Fund's independent auditor has not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

Financial Statements

Statements of Net Assets

As at June 30, 2011 (Unaudited) and December 31, 2010 (Audited)

	2011	2010
ASSETS		
Investments at fair value (cost - $33,876,094; 2010 - $37,586,648)	$ 33,307,053	$ 36,476,443
Short-term investments at fair value (cost - $184,558; 2010 - $14,394,111)	184,558	14,394,111
Cash	210,193	53,788
Interest receivable	121	1,915
Dividends receivable	94,716	121,353
Due from brokers - investments	–	1,104,287
TOTAL ASSETS	33,796,641	52,151,897
LIABILITIES		
Accrued liabilities	133,978	355,144
Due to brokers - investments	–	408,659
Redemptions payable	–	17,457,810
TOTAL LIABILITIES	133,978	18,221,613
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	$ 33,662,663	$ 33,930,284
Number of Units Outstanding	3,224,095	3,224,405
Net Assets per Unit (Note 2)	$ 10.4410	$ 10.5230

Statements of Financial Operations

Six months ended June 30 (Unaudited)

	2011	2010
REVENUE		
Dividends	$ 655,394	$ 1,159,328
Interest	8,191	4,610
TOTAL REVENUE	663,585	1,163,938
EXPENSES		
Management fees	191,739	292,771
Service fees	51,000	77,125
Administrative and other expenses	49,072	53,318
Transaction fees (Note 3)	24,069	60,599
Custodian fees	16,279	16,745
Audit fees	13,141	13,546
Advisory board fees	10,445	10,445
Independent review committee fees	3,851	3,173
Legal fees	–	3,943
Unitholder reporting costs	15,353	23,143
Federal and provincial sales taxes	27,501	18,821
Subtotal Expenses	402,450	573,629
Unclaimed solicitation fee	(48,237)	–
TOTAL EXPENSES	354,213	573,629
Net Investment Income	309,372	590,309
Net gain (loss) on sale of investments	205,001	(2,926,339)
Net gain (loss) on sale of derivatives	14,974	(104,444)
Net Gain (Loss) on Sale of Investments	219,975	(3,030,783)
Net change in unrealized appreciation/ depreciation of investments	541,164	282,075
Net Gain (Loss) on Investments	761,139	(2,748,708)
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS	$ 1,070,511	$ (2,158,399)
NET INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 3,224,208; 2010 - 4,955,578)	$ 0.3320	$ (0.4355)

Financial Statements

Statements of Changes in Net Assets

Six months ended June 30 (Unaudited)

	2011	2010
NET ASSETS, BEGINNING OF PERIOD	$ 33,930,284	$ 53,380,162
Net Increase (Decrease) in Net Assets from Operations	1,070,511	(2,158,399)
Unit Transactions		
Value for units redeemed	(3,357)	(7,453,199)
Proceeds from issuance of units, net of warrant exercise fees	–	7,020,921
	(3,357)	(432,278)
Distributions to Unitholders		
Non-taxable distributions	(1,334,775)	(1,990,080)
Changes in Net Assets during the Period	(267,621)	(4,580,757)
NET ASSETS, END OF PERIOD	$ 33,662,663	$ 48,799,405

Statements of Net Gain (Loss) on Sale of Investments

Six months ended June 30 (Unaudited)

	2011	2010
Proceeds from Sale of Investments	$ 30,952,801	$ 45,998,443
Cost of Investments Sold		
Cost of investments, beginning of period	37,586,648	63,272,352
Cost of investments purchased	27,022,272	36,540,794
	64,608,920	99,813,146
Cost of Investments, End of Period	(33,876,094)	(50,783,920)
	30,732,826	49,029,226
NET GAIN (LOSS) ON SALE OF INVESTMENTS	$ 219,975	$ (3,030,783)

Statement of Investments

As at June 30, 2011 (Unaudited)

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Province of Ontario, 1.04% - August 31, 2011	185,000	$ **184,558**	$ **184,558**	**99.9%**
Accrued Interest			**121**	**0.1%**
TOTAL SHORT-TERM INVESTMENTS		$ **184,558**	$ **184,679**	**100.0%**
INVESTMENTS				
Canadian Common Shares				
Financials				
Bank of Montreal	62,000	$ 3,811,550	$ **3,799,360**	
Canadian Imperial Bank of Commerce	33,260	2,686,039	**2,531,086**	
Great-West Lifeco Inc.	126,400	3,497,904	**3,216,880**	
Industrial Alliance Insurance and Financial Services Inc.	93,000	3,148,252	**3,727,440**	
Manulife Financial Corporation	204,000	4,019,688	**3,474,120**	
National Bank of Canada	46,800	3,454,089	**3,656,484**	
Royal Bank of Canada	47,000	2,727,001	**2,584,530**	
Sun Life Financial Inc.	119,600	3,907,658	**3,464,812**	
The Bank of Nova Scotia	62,600	3,456,414	**3,631,426**	
The Toronto-Dominion Bank	39,800	3,099,567	**3,254,844**	
Total Financials		**33,808,162**	**33,340,982**	**100.1%**
Total Canadian Common Shares		**$ 33,808,162**	**$ 33,340,982**	**100.1%**

Financial Statements

Statement of Investments

As at June 30, 2011 (Unaudited)

	Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Portfolio
Options				
Written Covered Call Options				
(100 shares per contract)				
Canadian Imperial Bank of Commerce - July 2011 @ $76	(165)	$ (22,523)	$ **(24,448)**	
Canadian Imperial Bank of Commerce - August 2011 @ $76	(85)	(13,753)	**(17,298)**	
Manulife Financial Corporation - July 2011 @ $16	(520)	(26,000)	**(56,177)**	
Royal Bank of Canada - July 2011 @ $54	(235)	(16,450)	**(39,304)**	
Total Written Covered Call Options		**(78,726)**	**(137,227)**	**(0.4)%**
Purchased Put Options				
(100 shares per contract)				
iShares S&P/TSX Capped Financials Index Fund - August 2011 @ $24	1,762	**165,986**	**103,298**	**0.3 %**
Total Options		$ **87,260**	$ **(33,929)**	**(0.1)%**
Adjustment for transaction costs		**(19,328)**		
TOTAL INVESTMENTS		**$ 33,876,094**	**$ 33,307,053**	**100.0 %**

1. Basis of Presentation

The semi-annual financial statements for the Fund have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). However, not all disclosures required by GAAP for annual financial statements have been presented and, accordingly, these semi-annual financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2010.

These 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, 2010.

2. Net Asset Value

The net asset value of the Fund is calculated using the fair value of investments at the close or last trade price. The net assets per unit is calculated using the fair value of investments at the closing bid price. The net assets per unit for financial reporting purposes and net asset value per unit for pricing purposes will not be the same due to the use of different valuation techniques.

The difference between the net asset value per unit for pricing purposes and the net assets per unit reflected in the financial statements is as follows:

	June 30, 2011	Dec. 31, 2010
Net Asset Value (for pricing purposes)	**$ 10.4558**	$ 10.5675
Difference	**(0.0148)**	(0.0445)
Net Assets (for financial statement purposes)	**$ 10.4410**	$ 10.5230

3. Transaction Fees

Total transaction fees paid during the six month period ended June 30, 2011 in connection with portfolio transactions were $24,069 (June 30, 2010 - $60,599). Of this amount $6,486 (June 30, 2010 - $24,914) was directed to cover payment of research services provided to the Investment Manager.

Notes to Financial Statements

June 30, 2011

4. Financial Instruments and Risk Management

The various types of risks associated with financial instruments and the related risk management practices employed by the Fund remain unchanged from the prior year and are described in Note 11 of the annual financial statements for the year ended December 31, 2010.

The following is a summary of the inputs used as of June 30, 2011 in valuing the Fund's investments and derivatives carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Short-Term Investments	$ –	$ 184,679	$ –	**$ 184,679**
Canadian Common Shares	33,340,982	–	–	**$ 33,340,982**
Options	–	(33,929)	–	**$ (33,929)**
Total Investments	**$ 33,340,982**	**$ 150,750**	**$ –**	**$ 33,491,732**

The following is a summary of the inputs used as of December 31, 2010 in valuing the Fund's investments and derivatives carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Short-Term Investments	$ –	$ 14,396,026	$ –	**$ 14,396,026**
Canadian Common Shares	36,502,106	–	–	**$ 36,502,106**
Options	–	(25,663)	–	**$ (25,663)**
Total Investments	**$ 36,502,106**	**$ 14,370,363**	**$ –**	**$ 50,872,469**

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2011 and during the year ended December 31, 2010.

Other Price Risk

Approximately 99 percent (December 31, 2010 - 108 percent) of the Fund's net assets held at June 30, 2011 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at June 30, 2011, the net assets of the Fund would have increased or decreased by $3.3M (December 31, 2010 - $3.7M) respectively or 9.9 percent (December 31, 2010 - 10.8 percent) of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Credit Risk

The following are the credit ratings for the counterparties to derivative financial instruments that the Fund dealt with during the current period and prior year based on Standard & Poor's credit ratings as of June 30, 2011 and December 31, 2010:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Bank of Montreal	A+	A-1
Canadian Imperial Bank of Commerce	A+	A-1
Citigroup Inc.	A	A-1
National Bank of Canada	A	A-1
Royal Bank of Canada	AA-	A-1+
The Toronto-Dominion Bank	AA-	A-1+

The following is the credit rating for short-term investments held by the Fund based on Standard & Poor's credit ratings as of June 30, 2011:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Government of Ontario Treasury Bills	AA	100%
Total		**100%**

The following are the credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of December 31, 2010:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Term Deposits	A-1	74%
Government of Canada Treasury Bills	AAA	26%
Total		**100%**

The carrying amount of these investments represents their maximum credit risk exposure, as they will be settled in the short-term.

Notes to Financial Statements

June 30, 2011

5. Future Accounting Policy Changes

The Fund was required to adopt International Reporting Standards ("IFRS") for the year beginning on January 1, 2011. However, the Canadian Accounting Standards Board approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies. As a result, the Fund will adopt IFRS for the year beginning on January 1, 2013 and will issue its initial financial statements in accordance with IFRS, with comparative information, for the semi-annual period ending June 30, 2013.

Investment Funds Managed by Mulvihill Capital Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund
Core Canadian Dividend Trust
Gold Participation and Income Fund
Premier Canadian Income Fund
Top 10 Canadian Financial Trust

SPLIT SHARES

Premium Income Corporation
S Split Corp.
Top 10 Split Trust
World Financial Split Corp.

PRINCIPAL PROTECTED FUNDS

Government Strip Bond Trust

Head Office

Mulvihill Capital Management Inc.
121 King St. W., Suite 2600
Toronto, Ontario
M5H 3T9

Tel: 416 681-3966
1 800 725-7172
Fax: 416 681-3901
e-mail: info@mulvihill.com

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

This page is intentionally left blank.

Mulvihill Capital Management Inc.
Investor Relations
121 King St. W., Suite 2600
Toronto, Ontario
M5H 3T9

Tel: 416 681-3966
1 800 725-7172
Fax: 416 681-3901
e-mail: info@mulvihill.com

F

www.mulvihill.com