Mulvihill

Mulvihill Structured Products

Hybrid Income Funds

Annual Report 2009

Premier Canadian Income Fund

(formerly Global Plus Income Trust)

Message to Unitholders

We are pleased to present the annual financial results of Premier Canadian Income Fund (formerly Global Plus Income Trust) (the "Fund").

The following is intended to provide you with the financial highlights of the Fund and we hope you will read the more detailed information contained within the report.

The Fund was launched in 1999 with the objectives to:

(1) provide unitholders with a stable stream of quarterly distributions; and

(2) return, at a minimum, the original issue price of the units to unitholders upon termination of the Fund.

As of October 2009, the new Fund objectives are to:

(1) maximize total returns for unitholders including both long-term appreciation in net asset value ("NAV") per unit and distributions; and

(2) pay unitholders monthly tax efficient distributions in an amount targeted to be 6.5 percent per annum on the NAV of the Fund.

In October 2009, unitholders overwhelmingly approved a resolution to reposition the Fund and its portfolio. Under the proposal the term of the Fund has been extended and the Fund will be repositioned so that it might grow in size, increase in value and utilize its existing tax losses. The Fund invests in a portfolio principally consisting of common shares selected from the Energy, Financials and Materials sectors of the S&P/TSX 60 Index. In addition, the Fund may invest up to 20 percent of its net assets in equity securities of other issuers selected from the S&P/TSX Composite Index. The redemption provisions of the units have been amended to include a one-time redemption right to permit unitholders to redeem their units at 100 percent of NAV on November 16, 2009. Unitholders will also have an annual redemption right in November of each year (commencing in November 2010) at NAV per Unit and a monthly redemption right at a redemption price determined by reference to market price for units redeemed on the last day of any other month. The termination date of the Fund was extended to December 31, 2014 from December 31, 2009. During the fiscal year ended 2009, the annual total return of the Fund was negative 13.87 percent. Distributions amounting to $0.69 per unit were paid during the year, contributing to the overall decline in the net asset value from $6.74 per unit as at December 31, 2008 to $5.14 per unit as at December 31, 2009.

The longer-term financial highlights of the Fund for the years ended December 31 are as follows:

	2009	2008	2007	2006	2005
Annual Total Fund Return	(13.87)%	(27.36)%	1.65%	15.85%	0.94%
Distribution Paid (target of 6.5 percent per annum on the NAV of the Fund commencing October 2009)	$ 0.69	$ 1.10	$ 1.40	$ 1.40	$ 1.40
Ending Net Asset Value per Unit (initial issue price was $25.00 per unit)	$ 5.14	$ 6.74	$ 10.56	$ 11.75	$ 11.43

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

John P. Mulvihill
Chairman & President,
Mulvihill Capital Management Inc.

Premier Canadian Income Fund [GIP.UN]

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Management Report on Fund Performance

This report, prepared in accordance with National Instrument 81-106 (Investment Fund Continuous Disclosure), contains the financial highlights for the year ended December 31, 2009 of Premier Canadian Income Fund (formerly Global Plus Income Trust) (the "Fund"). The 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.

Investment Objectives and Strategies

The Fund's investment objectives are to provide unitholders with a stable stream of quarterly distributions while returning at a minimum the original issue price of $25.00 per unit to unitholders upon termination of the Fund on December 31, 2009. As of October 2009, the termination date of the Fund has been extended to December 31, 2014.

In October 2009, unitholders overwhelmingly approved a resolution to reposition the Fund and its portfolio. Under the proposal the term of the Fund has been extended and the Fund will be repositioned so that it might grow in size, increase in value and utilize its existing tax losses. The Fund invests in a portfolio principally consisting of common shares selected from the Energy, Financials and Materials sectors of the S&P/TSX 60 Index. In addition, the Fund may invest up to 20 percent of its net assets in equity securities of other issuers selected from the S&P/TSX Composite Index. The redemption provisions of the units have been amended to include a one-time redemption right to permit unitholders to redeem their units at 100 percent of NAV on November 16, 2009. Unitholders will also have an annual redemption right in November of each year (commencing in November 2010) at NAV per Unit and a monthly redemption right at a redemption price determined by reference to market price for units redeemed on the last day of any other month.

As of October 2009, the new Fund objectives are to:

(1) maximize total returns for unitholders including both long-term appreciation in net asset value ("NAV") per unit and distributions; and
(2) pay unitholders monthly tax efficient distributions in an amount targeted to be 6.5 percent per annum on the NAV of the Fund.

Risk

During the period of January 1 to October 26, 2009, the Fund held a diversified portfolio of securities consisting mainly of large capitalization U.S. and International equities. The process of writing covered call options on the securities held in the portfolio will tend to lower the volatility of the net asset value of the portfolio. During late October, unitholders approved the change in the investable universe from U.S. and International stocks to stocks in the Energy, Materials and Financials sectors in the S&P/TSX 60 Index, as well as the flexibility to invest up to 20 percent of the Fund's net assets in equity securities of other issuers in the S&P/TSX Composite Index. Investors should be aware that the primary risks associated with the Fund relate to the financial performance of the securities within the investable universe, general market and economic conditions as well as the level of option volatility realized in undertaking the writing of covered call options.

In order to generate income, the Fund writes covered call options in respect of all or part of the securities held in the portfolio. During the course of this year, volatility gradually grinded down to normal levels from extremely elevated levels at the beginning of the year. As the Fund increased its investment position by mid year, U.S. and International equity holdings increased, thereby increasing exposure to equity markets and foreign exchange fluctuations which has increased the risk profile of the Fund. The Fund actively hedged its U.S. dollar exposure during the year, which mitigated partially the impact of the U.S. dollar decline versus its Canadian counterpart.

To facilitate the re-opening of this product to new unitholders, the portfolio was converted from U.S. and International equities to cash and cash equivalents during late October and remained in cash, before getting invested in mid December after the offering of additional securities in mid December did not materialize.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly update will be available on our website at www.mulvihill.com.

Asset Mix

December 31, 2009

	% of Net Asset Value		% of Net Asset Value		% of Net Asset Value
Financials	31%	Cash and Short-Term Investments	13%	Utilities	3 %
Energy	25%	Telecommunication Services	9%	Other Assets (Liabilities)	(10)%
Materials	25%	Consumer Staples	4%		

Portfolio Holdings

December 31, 2009

	% OF NET ASSET VALUE		% OF NET ASSET VALUE		% OF NET ASSET VALUE
Cash and Short-Term Investments	13%	Canadian Imperial Bank of Commerce	7%	IAMGOLD Corporation	5%
Bank of Montreal	7%	Agrium Inc.	6%	The Bank of Nova Scotia	5%
TransCanada Corp.	7%	Teck Resources Ltd. - Cl B	6%	Shoppers Drug Mart Corporation	4%
Power Corporation of Canada	7%	Canadian Natural Resources Ltd.	6%	BCE Inc.	4%
Enbridge Inc.	7%	EnCana Corporation	6%	Rogers Communications Inc. - Cl B	4%
Eldorado Gold Corporation	7%	Sun Life Financial Inc.	6%	Fortis, Inc.	3%

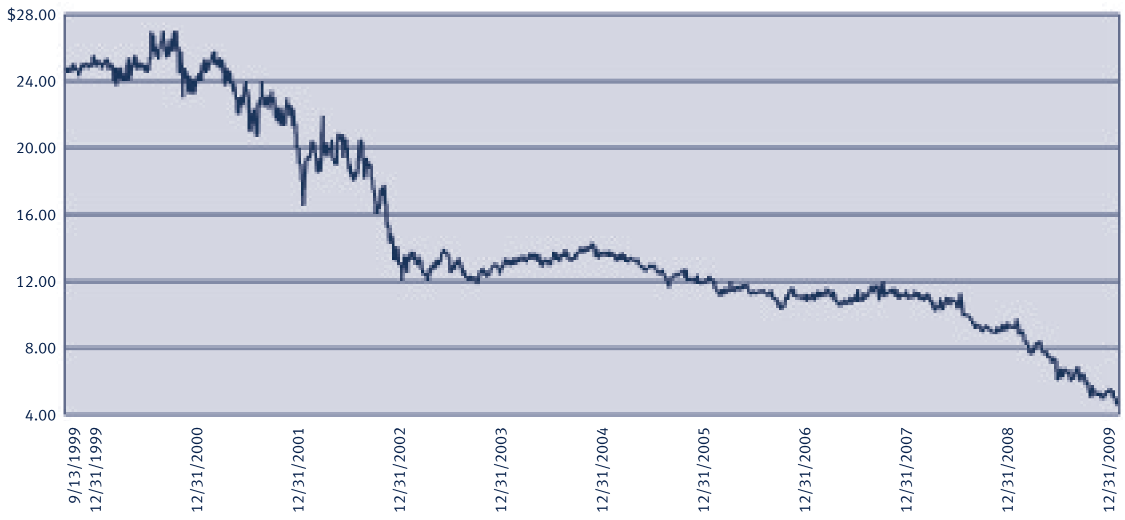
Distribution History

INCEPTION DATE: SEPTEMBER 1999	REGULAR DISTRIBUTION	SPECIAL DISTRIBUTION	TOTAL DISTRIBUTION
Total for 1999	$ 0.60	$ 0.15	**$ 0.75**
Total for 2000	2.00	0.75	**2.75**
Total for 2001	2.00	0.00	**2.00**
Total for 2002	1.50	0.00	**1.50**
Total for 2003	1.20	0.00	**1.20**
Total for 2004	1.40	0.00	**1.40**
Total for 2005	1.40	0.00	**1.40**
Total for 2006	1.40	0.00	**1.40**
Total for 2007	1.40	0.00	**1.40**
Total for 2008	1.10	0.00	**1.10**
Total for 2009	0.69	0.00	**0.69**
Total Distributions to Date	**$ 14.69**	**$ 0.90**	**$ 15.59**

For complete distribution history and income tax information, please see our website at www.mulvihill.com.

Trading History

September 13, 1999 to December 31, 2009



Results of Operations

For the year ended December 31, 2009, the net asset value of the Fund for pricing purposes based on closing prices was $5.14 per unit (see Note 4 to the financial statements) compared to $6.74 per unit at December 31, 2008. The Fund's units, listed on the Toronto Stock Exchange as GIP.UN, closed on December 31, 2009 at $4.67 per unit.

Distributions totalling $0.69 per unit were made to unitholders during the fiscal year.

Volatility was at record levels at the beginning of the year and gradually grinded down to more normal levels over the course of the year. The Fund was positioned very defensively during the first half of the year before gradually getting more invested by mid year.

The U.S. dollar depreciated against most major world currencies in 2009 but saw surprising strength bouncing back in December. The Fund continued to actively hedge its U.S. dollar exposure during the year and finished the year with no U.S. exposure due to the change in investment mandate and investment strategy.

The annual compound return for the Fund, including reinvestment of distributions, was negative 13.87 percent. This return is reflective of the Fund being under invested in the first half of the year when markets worldwide rebounded strongly in March of this year. For more detailed information on investment returns, please see the Annual Total Return bar graph on page 6 of this report and the Annual Compound Returns table on page 7 of this report.

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. This information is derived from the Fund's audited annual financial statements.

For December 31, 2009, December 31, 2008 and December 31, 2007, the Net Assets included in the Net Assets per Unit table is from the Fund's financial statements and calculated using bid prices while the Net Asset Value included in the Ratios/Supplemental Data table is for Fund pricing purposes and calculated using closing prices (see Notes 3 and 4 to the Financial Statements). All other calculations for the purposes of this MRFP are made using Net Asset Value.

Years ended December 31

	2009	2008	2007	2006	2005
THE FUND'S NET ASSETS PER UNIT					
Net Assets, beginning of year (based on bid prices)[1]	**$ 6.74**	**$ 10.55**	**$ 11.73[4]**	**$ 11.43**	**$ 12.73**
INCREASE (DECREASE) FROM OPERATIONS					
Total revenue	**(0.09)**	0.86	0.41	0.31	0.13
Total expenses	**(0.86)[5]**	(0.32)	(0.33)	(0.27)	(0.22)
Realized gains (losses) for the period	**(0.07)**	(3.91)	1.70	0.23	(0.52)
Unrealized gains (losses) for the period	**0.09**	0.64	(1.56)	1.41	0.65
Total Increase (Decrease) from Operations[2]	**(0.93)**	**(2.73)**	**0.22**	**1.68**	**0.04**
DISTRIBUTIONS					
Non-taxable distributions	**(0.69)**	(1.10)	(1.40)	(1.40)	(1.40)
Total Annual Distributions[3]	**(0.69)**	**(1.10)**	**(1.40)**	**(1.40)**	**(1.40)**
Net Assets, as at December 31 (based on bid prices)[1]	**$ 5.12**	**$ 6.74**	**$ 10.55**	**$ 11.75**	**$ 11.43**

(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 of the Fund 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. The change to the use of bid prices is due to accounting standards set out by the Canadian Institute of Chartered Accountants adopted January 1, 2007 relating to Financial Instruments.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, net of withholding taxes and foreign exchange gains (losses), realized and unrealized gains (losses), less expenses, and is calculated based on the weighted average number of units outstanding during the year. 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 year.

(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 Transition Adjustment.

(5) Total expenses for 2009 include restructuring expenses in the amount of $337,500. See Note 6 to the Financial Statements.

Years ended December 31

RATIOS/SUPPLEMENTAL DATA

	2009	2008	2007	2006	2005
Net Asset Value ($millions)(1)	$ **2.90**	$ 4.46	$ 8.77	$ 11.55	$ 15.68
Number of units outstanding(1)	**563,646**	662,340	830,734	982,326	1,371,888
Management expense ratio(2)	**14.43%**	3.45%	2.82%	2.35%	1.79%
Portfolio turnover rate(3)	**243.98%**	128.83%	66.70%	143.77%	141.89%
Trading expense ratio(4)	**0.63%**	0.26%	0.12%	0.37%	0.26%
Net Asset Value per Unit(5)	$ **5.14**	$ 6.74	$ 10.56	$ 11.75	$ 11.43
Closing market price	$ **4.67**	$ 6.39	$ 10.00	$ 11.80	$ 11.06

(1) This information is provided as at December 31.
(2) Management expense ratio is the ratio of all fees and expenses, including goods and service taxes but excluding transaction fees, charged to the Fund to the average net asset value. The management expense ratio for 2009 includes the restructuring expense. The management expense ratio for 2009 excluding the restructuring expenses is 5.20%.
(3) 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.
(4) Trading expense ratio represents total commissions expressed as a percentage of the daily average net asset value during the period.
(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 and including the valuation of securities at closing prices divided by the number of units then outstanding.

Management Fees

Mulvihill Capital Management Inc. (“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. Prior to the repositioning approved October 26, 2009, the investment management fee was calculated monthly at 1/12 of 1.15 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 including writing of covered call options for the Fund 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 the execution of all portfolio and other transactions.

Mulvihill Fund Services Inc. 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.

Recent Developments

On October 26, 2009, unitholders of Global Plus Income Trust approved a proposal to change its name to Premier Canadian Income Fund. The Fund’s investment strategy was amended to invest in common shares selected from the Energy, Financials and Materials sectors of the S&P/TSX 60 Index. In addition, the Fund may invest up to 20 percent of its net assets in equity securities of other issuers selected from the S&P/TSX Composite Index. The investment objectives of the Fund are to provide unitholders with monthly distributions in an amount targeted to be 6.5 percent per annum on the net asset value of the Fund.

Economic data continued to be volatile especially employment reports, which delivered both upside and downside surprises to consensus, as well as sizable revisions. Analysts struggled to forecast expected corporate earnings in the face of an uncertain economic recovery and very mixed reported earnings from corporate Canada. Anticipated market volatility as measured by the VIX (Chicago Board Options Exchange Volatility Index) returned to more normalized levels after previously setting all time highs in 2008. Gold was sought as a safe haven by investors driving the commodity price to all time highs in early December before retreating somewhat into year end.

Future Accounting Policy Changes

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

The changeover plan was prepared to address the requirements and includes disclosures of the qualitative impact of the changeover to IFRS in the 2009 annual financial statements, the disclosure of the quantitative impact, if any, in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives.

The key elements of the changeover plan deal with the requirements for financial reporting, net asset value per unit calculations, systems and processes, and training. The plan also sets out the timeline for implementation of the changes and the required technical training or support required for a smooth transition.

As at December 31, 2009, some anticipated changes to financial reporting include:

- Compliance with the full body of IFRS without industry specific exemptions. Unlike Canadian Generally Accepted Accounting Principles where investment fund accounting was based upon guidance in Accounting Guideline 18 – Investment Companies (“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.

Due to anticipated changes in IFRS prior to the transition to IFRS, the Manager cannot conclusively determine the impact of the Fund’s financial results at this time. 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.

Implementation of the changeover plan is progressing as scheduled. The Manager will continue to monitor ongoing changes to IFRS and adjust their changeover plan accordingly.

Past Performance

The chart below 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,

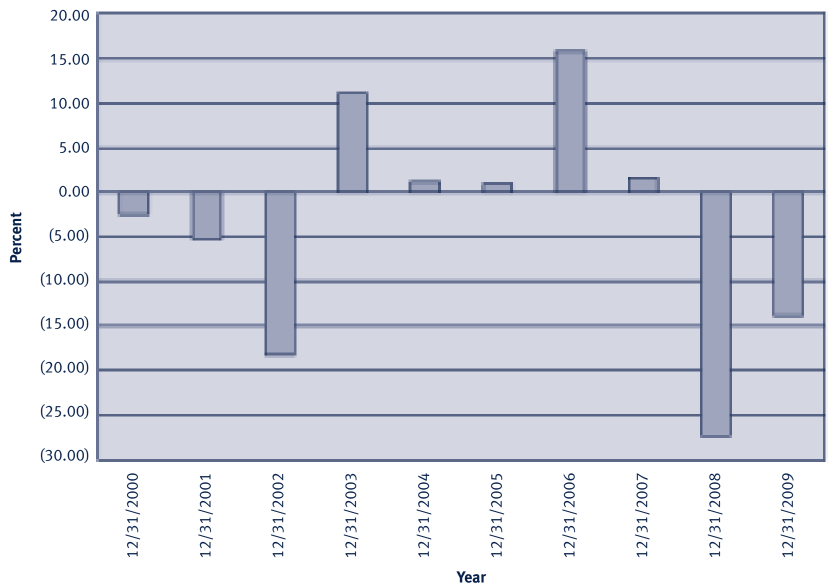
(2) the information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and

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

Year-By-Year Returns

The bar chart below illustrates the Fund’s total annual return for each of the past ten years has varied from year to year. The chart also shows, in percentage terms, how much an investment made on January 1 in each year or the date of inception in 1999 would have increased or decreased by the end of that fiscal year.

Annual Total Return



Annual Compound Returns

The following table shows the Fund's historical annual compound total return for the periods ended December 31, 2009 as compared to the performance of the S&P 100 Index, MSCI EAFE Index and S&P/TSX 60 Index.

(In Canadian Dollars)	One Year	Three Years	Five Years	Ten Years
Premier Canadian Income Fund	**(13.87)%**	(14.00)%	(5.75)%	(4.49)%
In order to meet regulatory requirements, the performance of two broader based market indices have been included below.				
S&P 100 Index*	**4.65 %**	(8.94)%	(2.61)%	(5.42)%
MSCI EAFE Index**	**13.36 %**	(8.85)%	1.18 %	(1.62)%
S&P/TSX 60 Index ***	**31.94 %**	n/a	n/a	n/a

* The S&P 100 Index is a capitalization-weighted index based on 100 highly capitalized stocks for which options are listed.
** The MSCI EAFE Index comprises 21 MSCI country indices, representing the developed markets outside of North America: Europe, Australia and the Far East.
*** The S&P/TSX 60 Index is a capitalization-weighted index based on 60 highly capitalized stocks for which options are listed.

The performance of the Fund in the above table from the period of inception to October 26, 2009 was based on the investment objectives and strategy of the Fund as Global Plus Income Trust investing in a diversified portfolio consisting primarily of common shares issued by corporations selected from the Standard & Poor's 100 Index and American Depository Receipts ("ADRs") of the top 100 corporations selected on the basis of market capitalization whose ADRs are trading on the New York Stock Exchange or NASDAQ. On October 26, 2009 unitholders approved a proposal resulting in a change in the investment objectives and strategy of the Fund. After October 26, 2009 the Fund invests in a portfolio principally consisting of common shares selected from the Energy, Financials and Materials sectors of the S&P/TSX 60 Index.

The equity performance benchmarks shown here provides an approximate indication of how the Fund's returns compare to a public market index for similar securities. It is important to note that the Fund is not managed in order to match or exceed these indices; rather, its objectives are to pay out quarterly dividends and return the original invested amount at the termination date. As a result, the Fund has, from time to time, maintained cash balances in an effort to provide greater net asset value stability and employs a covered option writing strategy to generate the distributions.

These investment strategies result in a rate of return for the Fund that differs from that of a conventional, fully-invested portfolio. During periods of strongly rising markets, the Fund's approach will tend to underperform a comparable fully-invested portfolio of the same stocks as the Fund is not fully invested and writing covered call options generally limits portfolio performance to the option premium received. In periods of declining markets, however, the Fund's defensive cash balances help to protect net asset value, and covered option writing income generally provides returns exceeding those of a conventional portfolio.

Related Party Transactions

Mulvihill Capital Management Inc. ("MCM") 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 between MCM and Mulvihill Fund Services Inc. ("Mulvihill") dated August 30, 1999, amended as of October 26, 2009.

Mulvihill is the Manager of the Fund pursuant to a Trust Agreement made between Mulvihill and RBC Dexia Investor Services Trust (the "Trustee") as successor to The Royal Trust Company dated August 30, 1999, amended as of October 26, 2009, and as such, is responsible for providing or arranging for required administrative services to the Fund. Mulvihill is a wholly-owned subsidiary of MCM. These parties are paid the fees described under the Management Fees section of this report.

Independent Review Committee

On September 19, 2006, the Canadian Securities Administrators approved the final version of National Instrument 81-107 - Independent Review Committee for Investment Funds ("NI 81-107"). 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.

In accordance with NI 81-107, the IRC became operational on November 1, 2007. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

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 Premier Canadian Income Fund (formerly Global Plus Income Trust) (the "Fund") and all the information in this annual report are the responsibility of the management of Mulvihill Fund Services Inc. (the "Manager"), and have been approved by the 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 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.

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 external auditors 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 external auditors' report. Deloitte & Touche LLP has full and unrestricted access to the Board.

John P. Mulvihill
Director
Mulvihill Fund Services Inc.
February 12, 2010

Sheila S. Szela
Director
Mulvihill Fund Services Inc.

To the Unitholders of Premier Canadian Income Fund

We have audited the statement of investments of Premier Canadian Income Fund (formerly Global Plus Income Trust) (the "Fund") as at December 31, 2009, the statements of net assets as at December 31, 2009 and 2008, and the statements of financial operations, of changes in net assets and of net loss on sale of investments for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2009 and 2008, the results of its operations, and the changes in its net assets for the years then ended, in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
February 12, 2010

Statements of Net Assets

December 31, 2009 and 2008

	2009	2008
ASSETS		
Investments at fair value (cost - $2,762,912; 2008 - $3,220,420)	$ **2,805,086**	$ 3,175,943
Short-term investments at fair value (cost - $344,889; 2008 - $2,002,828)	**344,889**	2,034,319
Cash	**33,752**	149,581
Dividends receivable	**11,420**	15,988
Interest receivable	**76**	1,974
TOTAL ASSETS	**3,195,223**	**5,377,805**
LIABILITIES		
Restructuring expense payable (Note 6)	**285,646**	–
Accrued liabilities	**22,045**	25,275
Redemptions payable	**–**	890,703
TOTAL LIABILITIES	**307,691**	**915,978**
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	$ **2,887,532**	$ **4,461,827**
Number of Units Outstanding (Note 5)	**563,646**	**662,340**
Net Assets per Unit (Note 4)	$ **5.1230**	$ **6.7365**

On Behalf of the Manager,
Mulvihill Fund Services Inc.

John P. Mulvihill, Director

Sheila S. Szela, Director

The notes are an integral part of the Financial Statements.

Statements of Financial Operations

Years ended December 31, 2009 and 2008

		2009		2008
REVENUE				
Dividends	$	**61,918**	$	164,897
Interest, net of foreign exchange		**(114,537)**		544,212
Withholding taxes		**(5,337)**		(17,742)
TOTAL REVENUE		**(57,956)**		**691,367**
EXPENSES (Note 6)				
Management fees		**43,761**		87,039
Administrative and other expenses		**42,861**		47,685
Transaction fees (Note 9)		**22,938**		18,020
Custodian fees		**27,503**		33,449
Audit fees		**18,835**		19,335
Advisory board fees		**20,575**		17,317
Independent review committee fees		**6,514**		4,267
Legal fees		**4,543**		5,720
Unitholder reporting costs		**17,772**		17,573
Goods and services tax		**7,935**		10,594
Subtotal Expenses		**213,237**		**260,999**
Restructuring expenses (Note 6)		**337,500**		–
TOTAL EXPENSES		**550,737**		**260,999**
Net Investment Income (Loss)		**(608,693)**		430,368
Net loss on sale of investments		**(443,282)**		(1,830,662)
Net gain (loss) on sale of derivatives		**398,409**		(1,309,934)
Net Loss on Sale of Investments		**(44,873)**		**(3,140,596)**
Net change in unrealized appreciation/depreciation of investments		**54,692**		514,627
Net Gain (Loss) on Investments		**9,819**		**(2,625,969)**
NET DECREASE IN NET ASSETS FROM OPERATIONS	$	**(598,874)**	$	**(2,195,601)**
NET DECREASE IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the year of 639,207; 2008 - 803,530)	$	**(0.9369)**	$	**(2.7324)**

The notes are an integral part of the Financial Statements.

Statements of Changes in Net Assets

Years ended December 31, 2009 and 2008

	2009	2008
NET ASSETS, BEGINNING OF YEAR	$ 4,461,827	$ 8,762,973
Net Decrease in Net Assets from Operations	(598,874)	(2,195,601)
Unit Transactions		
Amount paid for units redeemed	(534,406)	(1,227,149)
Distributions to Unitholders (Note 7)		
Non-taxable distributions	(441,015)	(878,396)
Changes in Net Assets during the Year	(1,574,295)	(4,301,146)
NET ASSETS, END OF YEAR	$ 2,887,532	$ 4,461,827

Statements of Net Loss on Sale of Investments

Years ended December 31, 2009 and 2008

	2009	2008
Proceeds from Sale of Investments	$ 7,167,574	$ 7,899,160
Cost of Investments Sold		
Cost of investments, beginning of year	3,220,420	7,533,296
Cost of investments purchased	6,754,939	6,726,880
	9,975,359	14,260,176
Cost of Investments, End of Year	(2,762,912)	(3,220,420)
	7,212,447	11,039,756
NET LOSS ON SALE OF INVESTMENTS	$ (44,873)	$ (3,140,596)

The notes are an integral part of the Financial Statements.

Statement of Investments

December 31, 2009

	Par Value/ Number of Shares	Average Cost	Fair Value	% of Portfolio
SHORT-TERM INVESTMENTS				
Treasury Bills				
Government of Canada, 0.18% - January 21, 2010	345,000	$ 344,889	$ 344,889	100.0%
Accrued Interest			76	0.0%
TOTAL SHORT-TERM INVESTMENTS		$ 344,889	$ 344,965	100.0%
INVESTMENTS				
Canadian Common Shares				
Consumer Staples				
Shoppers Drug Mart Corporation	2,900	$ 125,959	$ 131,631	4.7%
Energy				
Canadian Natural Resources Ltd.	2,200	158,478	166,474	
Enbridge Inc.	4,000	193,209	194,200	
EnCana Corporation	4,800	157,409	163,440	
TransCanada Corp.	5,500	189,495	198,825	
Total Energy		698,591	722,939	25.8%
Financials				
Bank of Montreal	3,600	191,758	200,844	
Canadian Imperial Bank of Commerce	2,800	193,100	190,260	
Power Corporation of Canada	6,800	188,625	198,016	
Sun Life Financial Inc.	5,400	161,378	162,918	
The Bank of Nova Scotia	3,200	155,087	157,408	
Total Financials		889,948	909,446	32.4%
Materials				
Agrium Inc.	2,800	189,136	181,188	
Eldorado Gold Corporation	12,800	183,476	190,336	
IAMGOLD Corporation	9,600	157,195	158,304	
Teck Resources Ltd. - Cl B	4,900	190,149	179,830	
Total Materials		719,956	709,658	25.3%
Telecommunication Services				
BCE Inc.	4,400	125,224	127,380	
Rogers Communications Inc. - Cl B	3,800	127,941	123,728	
Total Telecommunication Services		253,165	251,108	8.9%
Utilities				
Fortis, Inc.	2,800	77,904	80,304	2.9%
Total Canadian Common Shares		$ 2,765,523	$ 2,805,086	100.0%
Adjustment for transaction costs		(2,611)		
TOTAL INVESTMENTS		$ 2,762,912	$ 2,805,086	100.0%

The notes are an integral part of the Financial Statements.

1. Establishment and Restructuring of the Fund

Premier Canadian Income Fund (formerly Global Plus Income Trust) (the "Fund") is an investment trust established under the laws of the Province of Ontario on August 30, 1999. The Fund began operations on September 13, 1999.

The manager of the Fund is Mulvihill Fund Services Inc. (the "Manager") and the Fund's investment manager is Mulvihill Capital Management Inc. (the "Investment Manager"). RBC Dexia Investor Services Trust (the "Trustee") is the trustee and acts as custodian of the assets of the Fund.

The Fund was repositioned so that it might grow in size, increase in value and utilize its existing tax losses. On October 26, 2009, unitholders voted in favour of a proposal (the "Proposal") to:

- amend the investment strategy and investment restrictions of the Fund. The Fund now invests in a portfolio principally consisting of common shares selected from the Energy, Financials and Materials sectors of the S&P/TSX 60 Index. In addition, the Fund may invest up to 20 percent of its net assets in equity securities of other issuers selected from the S&P/TSX Composite Index;
- amend the investment objectives of the Fund. The Fund's new investment objectives are as follows: (a) to maximize total returns for Unitholders including both long-term appreciation in net asset value ("NAV") per Unit and distributions; and (b) to pay Unitholders monthly tax-deferred distributions in an amount targeted to be 6.5 percent per annum on the NAV of the Fund;
- amend the redemption provisions of the Units. A one-time redemption right was added to permit Unitholders to redeem their Units at 100 percent of NAV on November 16, 2009. Unitholders also have an annual redemption right in November of each year (commencing in November 2010) at NAV per Unit and a monthly redemption right at a redemption price determined by reference to market price for Units redeemed on the last day of any other month;
- extend the termination date of the Fund to December 31, 2014 from December 31, 2009;
- permit the Fund to issue additional Units, but only on a non-dilutive basis; and
- provide for the payment of an annual service fee of 0.40 percent of NAV if the Fund completes a public offering of additional Units after the November 16, 2009 redemption date.

In connection with the approval of the proposal, Mulvihill Capital Management Inc., as Investment Manager, has agreed to reduce its investment management fee from 1.15 percent to 1.00 percent of the Fund's net asset value from October 26, 2009 until the Fund's termination date of December 31, 2014.

2. Investment Objectives of the Fund

As of October 2009, the Fund objectives are to:

(1) maximize total returns for unitholders including both long-term appreciation in net asset value ("NAV") per unit and distributions; and

(2) pay unitholders monthly tax efficient distributions in an amount targeted to be 6.5 percent per annum on the NAV of the Fund;

To generate additional returns above the dividend income earned on the portfolio, the Fund may, from time to time, write covered call options in respect of all or part of the securities in the portfolio. In addition, the Fund may write cash covered put options in respect of securities in which the Fund is permitted to invest. Additionally, the Fund may purchase call options with the effect of closing out existing call options written by the Fund and may also purchase put options to preserve the value of the portfolio where appropriate. The Fund may enter into trades to close out positions in such permitted derivatives.

From time to time, the Fund may hold a portion of its assets in cash equivalents.

3. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), which include estimates and assumptions by management that may affect the reported amounts of assets, liabilities, income and expenses during the reported periods. Primary estimates include valuation of investments. While management believes that the estimates used in preparing its financial statements are reasonable and prudent, actual results could differ from these estimates.

New Accounting Standards

The Fund has adopted, effective January 1, 2009, Canadian Institute of Chartered Accountants ("CICA") amendments to Handbook Section 3862, "Financial Instruments - Disclosures". The revised disclosure requirements are intended to improve disclosures about fair value and liquidity risk. See additional note disclosures in Note 11.

The Fund has adopted, effective January 1, 2009, EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities" ("EIC-173"). EIC-173 clarifies how the Fund's own credit risk and counterparty credit risk should be taken into account in determining the fair value of financial assets and financial liabilities, including derivatives. Management has completed its analysis and determined that the new guidance did not have material impact on the valuation of the Fund's financial assets and financial liabilities, or its net assets.

The significant accounting policies of the Fund are as follows:

Valuation of Investments

Investments are recorded in the financial statements at their fair value determined as follows:

Securities are valued at fair value, which is determined by the closing bid price on the recognized stock exchange on which the securities are listed or principally traded. If no bid prices are available, the securities are valued at the closing sale price.

Short-term investments are included in the statement of investments at their cost including applicable foreign exchange translations. This value, together with accrued interest, approximates fair value at bid price.

Listed options are valued at market values as reported on recognized exchanges. Over the counter options are valued using the Black-Scholes valuation model.

Transaction Fees

Transaction fees have been expensed as incurred and included in the transaction fees line in the Statement of Financial Operations. Transaction fees are costs that are directly attributable to portfolio transactions which include fees and commissions paid to brokers and dealers.

Investment Transactions and Income

Investment transactions are accounted for on a trade date basis. Realized gains and losses on the sale of investments and change in unrealized appreciation/depreciation of investments, are determined on an average cost basis. Realized gains and losses relating to write options may arise from:

(i) Expiration of written options whereby realized gains are equivalent to the premium received;

(ii) Exercise of written covered call options whereby realized gains or losses are equivalent to the premium received in addition to the realized gain or loss from disposition of the related investments at the exercise price of the option; and

(iii) Closing of written options whereby realized gains or losses are equivalent to the cost of purchasing options to close the positions, net of any premium received.

Realized gains and losses related to options are included in gain (loss) on sale of derivatives.

Realized gains and losses relating to purchased put options may arise from:

(i) Expiration of purchased put options whereby realized losses are equivalent to the premium paid;

(ii) Exercise of purchased put options whereby realized gains or losses are equivalent to the realized gain or loss from disposition of the related investments at the exercise price of the option less the premium paid; and

(iii) Sale of purchased put options whereby realized gains or losses are equivalent to the sale proceeds, net of any premium paid.

Option premiums received are reflected as deferred credits in investments so long as the options are outstanding. Any difference resulting from revaluation is included in the change in unrealized appreciation/depreciation of investments. The premiums received on written put options that are exercised are included on the cost of the security purchased.

Dividend income is recorded on the ex-dividend date. Interest income is recorded daily as it is earned.

4. Net Asset Value

The Net Asset Value of the Fund is calculated using the fair value of investments using the close or last trade price ("Net Asset Value"). 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 Net Asset Value per unit at December 31 is as follows:

	2009	2008
Net Asset Value (for pricing purposes)	**$5.14**	$6.74

5. Unitholders' Equity

The Fund is authorized to issue an unlimited number of transferable, redeemable trust units of one class, each of which represents an equal, undivided interest in the net assets of the Fund.

All units have equal rights and privileges. Each whole unit is entitled to one vote at all meetings of unitholders and is entitled to participate equally with respect to any and all distributions made by the Fund, including distributions of net income and net realized capital gains, and distributions upon the termination of the Fund.

Approval of the Special Resolution on October 26, 2009 provided a one-time redemption right allowing Unitholders to redeem their Units at 100 percent of NAV on November 16, 2009. Under this one time redemption, 72,194 Units were redeemed.

Unitholders will also have an annual redemption right in November of each year (commencing in November 2010) at NAV per Unit and a monthly redemption right at a redemption price determined by reference to market price for Units redeemed on the last day of any other month. Following the November 16, 2009 redemption date, Units may be redeemed on an annual basis for 100 percent of the NAV per Unit commencing in November 2010.

Units may be surrendered at any time for redemption but will be redeemed only on a monthly valuation date. Units surrendered for redemption by a Unitholder at least 20 business days prior to the November Valuation Date will be redeemed on such November Valuation Date. Units surrendered for redemption by a Unitholder at least ten business days prior to any other Valuation Date (a "Monthly Valuation Date") will be redeemed on such Monthly Valuation Date.

Unitholders will receive a redemption price on a Monthly Valuation Date which will be equal to the lesser of:

(a) 95 percent of the Redemption Market Price. For such purposes, "Redemption Market Price" means the weighted average trading price of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) for the ten trading days immediately preceding the applicable Monthly Valuation Date, and

(b) 100 percent of the Closing Redemption Market Price of the Units on the applicable Monthly Valuation Date, minus an amount equal to the aggregate of all brokerage fees, commissions and other costs incurred by the Fund in connection with such payment, including, but not limited to, costs incurred in liquidating securities held in the Fund's portfolio. For such purposes, the "Closing Redemption Market Price" means the closing price of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading) or, if there was no trade on the relevant date, the average of the last bid and the last asking prices of the Units on the principal stock exchange on which the Units are listed (or, if the Units are not listed on any stock exchange, on the principal market on which the Units are quoted for trading).

Any unpaid distribution payable on or before the applicable Valuation Date in respect of Units tendered for redemption on such Valuation Date will also be paid on the applicable redemption payment date.

Under the terms of a Recirculation Agreement, the Fund may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any units tendered for redemption.

Unit transactions during the year are as follows:

	2009	2008
Units outstanding, beginning of year	**662,340**	830,734
Units redeemed	**(98,694)**	(168,394)
Units outstanding, end of year	**563,646**	**662,340**

6. Management Fees and Expenses

The Fund is responsible for all ongoing trustee, manager, legal, accounting and audit fees as well as all other expenses incurred by the Trustee and manager in the ordinary course of business relating to the Fund's operations. The Fund is also responsible for commissions and other costs of portfolio transactions and any extraordinary expenses of the Fund which may be incurred from time to time.

Fees are payable to the Manager under the terms of the trust agreement and to the Investment Manager under the terms of an investment management agreement. The fees are payable at annual rates of 0.10 percent and 1.00 percent, respectively, of the Fund's net asset value calculated and payable monthly, plus applicable taxes.

Prior to the repositioning approved October 26, 2009, the investment management fee was calculated monthly at 1/12 of 1.15 percent of the net asset value of the Fund at each month end.

Restructuring costs consist of costs incurred for the special meeting of unitholders held during the year to consider and vote upon a special resolution to extend the term of the Fund and reposition it so that it might grow in size, increase in value and utilize its existing tax losses. Costs amounting to $162,500 were paid in respect of the special meeting. Also included in restructuring costs were amounts totalling $175,000 for the filing of a preliminary prospectus, which was subsequently withdrawn.

7. Distributions

The Fund endeavours to pay unitholders monthly distributions in an amount targeted to be 6.5 percent per annum on the net asset value of the Fund. Unitholders may elect to reinvest distributions received from the Fund in additional units.

If after such distributions there would otherwise remain in the Fund additional net investment income or net realized capital gains, the Fund intends to make a special distribution of such portion of the remaining net investment income and net realized capital gains as is necessary to ensure that the Fund will not be liable for income tax thereon under the Income Tax Act (Canada).

The non-taxable distributions received by the unitholders reduce the adjusted cost base of the unit for tax purposes.

8. Income Taxes

The Fund is a "mutual fund trust" as defined in the Income Tax Act (Canada) (the "Act"). The Fund is subject to tax in each taxation year under Part I of the Act on the amount of its income for the year, including net realized taxable capital gains, less the portion thereof that it claims in respect of the amount paid or payable to unitholders in the year. Income tax paid by the Fund on any net realized capital gains not paid or payable is recoverable by the Fund to the extent and in the circumstances provided in the Act.

Given the investment and distribution policies of the Fund and taking into account expenses, the Fund does not expect to bear any appreciable non-refundable income tax.

No amount is payable for income taxes in 2009 and 2008.

Accumulated non-capital losses of approximately $4.0M (2008 - $3.9M) and capital losses of approximately $29.7M (2008 - $29.7M) are available for utilization against net investment income and realized gains on sale of investments in future years. The capital losses can be carried forward indefinitely. The non-capital losses expire as follows:

Expiration Date	Amount
2010	$ 2.1
2014	1.1
2015	0.2
2029	0.6
Total	**$ 4.0**

9. Transaction Fees

Total transaction fees paid for the year ended December 31, 2009 in connection with portfolio transactions were $22,938 (2008 - $18,020). Of this amount $12,164 (2008 - $2,845) was directed for payment of trading related goods and services.

10. Capital Disclosures

CICA Handbook Section 1535, "Capital Disclosures" requires the disclosure of (i) an entity's objectives, policies and processes for managing capital; (ii) quantitative data and qualitative information about what the entity regards as capital; (iii) whether the entity has complied with any capital requirements; and (iv) if it has not complied, the consequences of such non-compliance. The Fund's objectives, policies and processes are described in Note 2, information on the Fund's unitholders' equity is described in Note 5 and Note 7 and the Fund does not have any externally imposed capital requirements.

11. Financial Instruments and Risk Management

The Fund's financial instruments consist of cash, receivables, payables, investments and certain derivative contracts. As a result of the amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosures", the Fund uses a three-tier hierarchy as a framework for disclosing fair value based on inputs used to value the Fund's investments. The hierarchy of inputs is summarized below:

(1) Level 1 - for unadjusted quoted prices in active markets for identical assets or liabilities,

(2) Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices), and

(3) Level 3 - for inputs that are based on unobservable market data.

The following is a summary of the inputs used as of December 31, 2009 in valuing the Fund's investments and derivatives carried at fair values:

	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	$ –	$ 344,965	$ –	**$ 344,965**
Canadian Common Shares	2,805,086	–	–	**$ 2,805,086**
Total Investments	**$ 2,805,086**	**$ 344,965**	**$ –**	**$ 3,150,051**

As a result, the Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments and markets in which it invests. The most important risks include other price risk, liquidity risk, interest rate risk and credit risk.

These risks and related risk management practices employed by the Fund are discussed below:

Other Price Risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate or currency risk), whether caused by factors specific to an individual investment, its issuer, or all factors affecting all instruments traded in a market or segment. The Fund's most significant exposure to other price risk is its investments in securities in the Fund. Net Assets per unit varies as the value of the securities in the Fund varies. The Fund has no control over the factors that affect the value of the securities in the Fund. The Fund's market risk is managed by taking a long-term perspective and utilizing an option writing program.

Approximately 97 percent (2008 - 71 percent) of the Fund's net assets held at December 31, 2009 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at December 31, 2009, the net assets of the Fund would have increased or decreased by $0.3M (2008 - $0.3M) respectively or 9.7 percent (2008 - 7.1 percent) of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

The Fund may from time to time write covered call options in respect of all or part of the common shares in the Fund. In addition, the Fund may write cash covered put options in respect of securities in which the

Fund is permitted to invest. The Fund is subject to the full risk of its investment position in securities that are subject to outstanding call options and those securities underlying put options written by the Fund, should the market price of such securities decline. In addition, the Fund will not participate in any gain on the securities that are subject to outstanding call options above the strike price of such options. The Fund may also purchase put options. The Fund has full downside risk on invested positions which may be partially mitigated by the use of purchased put options. The risk to the Fund with respect to purchased put options is limited to the premiums paid to purchase the put options.

Liquidity Risk

Liquidity risk is the possibility that investments in the Fund cannot be readily converted into cash when required. To manage this risk, the Fund invests the majority of its assets in investments that are traded in an active market and can be easily disposed of. In addition, the Fund aims to retain sufficient cash and short-term investments to maintain liquidity and to meet its obligations when due. Liabilities are payable within one year.

Cash is required to fund redemptions. Unitholders must surrender units at least 10 business days prior to the last day of the month and receive payment on or before 15 calendar days following the month end valuation date. Therefore the Fund has a maximum of 21 business days to generate sufficient cash to fund redemptions mitigating liquidity issues.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of a financial instrument. The financial instruments which potentially expose the Fund to interest rate risk are the short term fixed income securities. The longer the duration, the more sensitive the security or portfolio is to changes in interest rates. The Fund has minimal sensitivity to change in rates since they are usually held to maturity and short-term in nature.

Credit Risk

The Fund is subject to the credit risk that its counterparty (whether a clearing corporation, in the case of exchange traded instruments, or other third party, in the case of over-the-counter instruments) may be unable to meet its obligations. The Fund manages these risks through the use of various risk limits and trading strategies.

The credit risk is mitigated by dealing with counterparties that have a credit rating that is not below the level of approved credit ratings as set out in National Instrument 81-102.

The following are the credit ratings for the counterparties to derivative financial instruments that the Fund dealt with during the year, based on Standard & Poor's credit ratings as of December 31, 2009:

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 are credit ratings for the counterparties to derivative instruments that the Fund dealt with during the prior year, based on Standard & Poor's credit rating as of December 31, 2008:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Canadian Dollar		
Royal Bank of Canada	AA-	A-1+
The Toronto-Dominion Bank	AA-	A-1+
U.S. Dollar		
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A+	A-1

The following are credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of December 31, 2009:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Government of Canada Treasury Bills	AAA	100%
Total		**100%**

The following are credit ratings for short-term investments held by the Fund based on Standard & Poor's credit ratings as of December 31, 2008:

Type of Short-Term Investment	Rating	% of Short-Term Investments
Discount Commercial Papers	AAA	78%
Government of Canada Treasury Bills	AAA	22%
Total		**100%**

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

12. Future Accounting Policy Changes

The Fund is required to adopt International Financial Reporting Standards ("IFRS") for the year beginning on January 1, 2011. The IFRS compliant financial statements will be on a comparative basis.

Mulvihill Capital Management Inc.

Mulvihill's Hybrid Income Funds are exchange-traded, equity-based funds that are enhanced by virtue of their broad distribution, special structure and performance characteristics. The Hybrid Income Funds are prime examples of our customized approach to asset management.

MULVIHILL HYBRID INCOME FUNDS	SYMBOL	HIGH	LOW
		For the period January 1, 2009 to December 31, 2009	
UNIT TRUSTS			
Core Canadian Dividend Trust	CDD.UN	$ 7.39	$ 4.80
First Premium Income Trust	FPI.UN	$ 12.22	$ 10.06
Gold Participation and Income Fund	GPF.UN/GPF.WT	$ 12.25/$ 0.50	$ 10.12/$ 0.21
Premier Canadian Income Fund	GIP.UN	$ 6.71	$ 4.06
Top 10 Canadian Financial Trust	TCT.UN	$ 10.87	$ 7.27
SPLIT SHARES			
MCM Split Share Corp.	MUH.A/MUH.PR.A	$ 1.79/$14.95	$ 0.07/$12.00
Premium Income Corporation	PIC.A/PIC.PR.A	$ 5.48/$15.20	$ 1.42/$10.87
S Split Corp.	SBN/SBN.PR.A	$ 8.85/$10.66	$ 3.03/$ 7.77
Top 10 Split Trust	TXT.UN/TXT.PR.A	$ 4.17/$13.10	$ 0.89/$ 8.61
World Financial Split Corp.	WFS/WFS.PR.A	$ 3.98/$ 9.95	$ 1.29/$ 6.58
PRINCIPAL PROTECTED FUNDS			
Government Strip Bond Trust	GSB.UN	$ 24.95	$ 22.90
Mulvihill Pro-AMS RSP Split Share Corp.	SPL.A/SPL.B	$ 9.60/$18.55	$ 7.60/$17.00
Pro-AMS U.S. Trust	PAM.UN	$ 24.62	$ 23.10

Board of Advisors

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Chairman & President,
Mulvihill Capital Management Inc.

Sheila S. Szela
Vice President, Finance & CFO,
Mulvihill Capital Management Inc.

Michael M. Koerner[1]
Corporate Director

Robert W. Korthals[1]
Corporate Director

Robert G. Bertram[1]
Corporate Director

[1] *Independent Review Committee Member*

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

Hybrid Income Funds Managed by Mulvihill Structured Products

UNIT TRUSTS

Core Canadian Dividend Trust
First Premium Income Trust
Gold Participation and Income Fund
Premier Canadian Income Fund
Top 10 Canadian Financial Trust

SPLIT SHARES

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

PRINCIPAL PROTECTED FUNDS

Government Strip Bond Trust
Mulvihill Pro-AMS RSP Split Share Corp.
Pro-AMS U.S. Trust

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