



Semi-Annual Report 2013

Premier Canadian Income Fund

Premier Canadian Income Fund

Letter to Unitholders

We are pleased to present the 2013 semi-annual report containing the management report of fund performance and the unaudited financial statements for Premier Canadian Income Fund.

Cash distributions of \$0.10 per unit were paid to unitholders during the six month period, contributing to the overall decline in the net asset value from \$3.23 per unit at December 31, 2012 to \$2.91 per unit at June 30, 2013. The net realized gain on options attributable to Strathbridge Selective Overwriting strategy (see “The Fund”) amounted to \$0.01 per unit as compared to a net realized gain on options of \$0.13 per unit a year ago. During the six month period ended June 30, 2013, the total return of the Fund, including reinvestment of distributions, was negative 6.8 percent, outperforming the equal-weighted return of the 37 issuers included in the Portfolio Universe which was negative 10.0 percent during the period. 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 & CEO
Strathbridge Asset Management Inc.

The Fund

The Fund is a closed-end investment trust designed to maximize total returns for unitholders and pay unitholders monthly tax efficient distributions in an amount targeted to be 6.5 percent per annum on the net asset value of the Fund. The units are listed on the Toronto Stock Exchange under the ticker symbol PCU.UN. To accomplish its objectives, 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 Fund employs a proprietary investment strategy, Strathbridge Selective Overwriting (“SSO”), to enhance the income generated by the portfolio and to reduce volatility. In addition, the Fund may write cash covered put options in respect of securities in which it is permitted to invest.

The SSO strategy is a quantitative, technical based methodology that identifies appropriate times to write and/or close out option positions compared to writing continuously and rolling options every thirty days. This proprietary process has been developed over many years through various market cycles. The Manager believes the primary benefit to investors is to maximize the total return of the particular portfolio while reducing the level of volatility of the portfolio, thereby increasing the risk-adjusted return.

Premier Canadian Income Fund

Management Report of Fund Performance

Management Report of Fund Performance

This semi-annual management report of fund performance contains the financial highlights for the six months ended June 30, 2013 of Premier Canadian Income Fund (formerly Global Plus Income Trust) (the “Fund”). The unaudited semi-annual financial statements of the Fund are attached.

Copies of the Fund’s proxy voting policies and procedures, proxy voting disclosure record and quarterly portfolio disclosure may be obtained by calling 1-800-725-7172 toll free, by writing to the Fund at Investor Relations, 121 King Street West, Suite 2600, Standard Life Centre, P.O. Box 113, Toronto, Ontario, M5H 3T9, or by visiting our website at www.strathbridge.com. You can also request semi-annual or annual reports at no cost by using one of the above methods.

Results of Operations

Distributions

For the six months ended June 30, 2013, cash distributions of \$0.10 per unit were paid to unitholders as compared to \$0.12 per unit in the prior year.

Since the inception of the Fund in September 1999, the Fund has paid total cash distributions of \$16.48 per unit, of which \$0.90 per unit were special distributions.

Revenue and Expenses

For the six months ended June 30, 2013, the Fund’s total revenue was \$0.06 per unit, up \$0.01 per unit compared to the prior year. Total expenses per unit were virtually flat from a year ago, despite a decrease in the overall expenses. The Fund had a net realized and unrealized loss of \$0.18 per unit in the first half of 2013 as compared to a net realized and unrealized loss of \$0.16 per unit a year earlier.

Net Asset Value

The net asset value per unit of the Fund decreased 9.9 percent, from \$3.23 per unit at December 31, 2012 to \$2.91 per unit at June 30, 2013, due to a net loss in net assets from operations and cash distributions during the period. The total net asset value of the Fund decreased \$0.7 million from \$7.2 million at December 31, 2012 to \$6.5 million at June 30, 2013, reflecting cash distributions of \$0.2 million and a net decrease in net assets from operations of \$0.5 million.

Management Report of Fund Performance

Recent Developments

There were no recent developments pertaining to the Fund during the semi-annual period ending June 30, 2013.

Future Accounting Policy Changes

Strathbridge Asset Management Inc. (“Strathbridge”), as the Manager of the Fund, 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 and quantitative impact, if any, of the changeover to IFRS in the 2013 financial statements and the preparation of the 2014 financial statements in accordance with IFRS with comparatives. In January 2011, the Canadian Accounting Standards Board (“AcSB”) approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies (“AcG-18”). Subsequently, in December 2011, AcSB extended the deferral for another year to January 1, 2014. As a result, the Fund will adopt IFRS for its fiscal period beginning January 1, 2014 and will issue its initial financial statements in accordance with IFRS, with comparative information, for the year ending December 31, 2014.

As at June 30, 2013, 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 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.

Premier Canadian Income Fund

Management Report of Fund Performance

Related Party Transactions

Strathbridge, as the Investment Manager of the Fund, manages the investment portfolio in a manner consistent with the investment objectives, strategy and criteria of the Fund pursuant to an Investment Management Agreement made between the Fund and Strathbridge dated August 30, 1999 and amended as of October 26, 2009.

Strathbridge is the Manager of the Fund pursuant to a Trust Agreement made between the Fund and Strathbridge dated August 30, 1999. As such, Strathbridge is responsible for providing or arranging for required administrative services to the Fund.

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

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

Management Report of Fund Performance

Independent Review Committee

National Instrument 81-107 - Independent Review Committee for Investment Funds (“NI 81-107”) requires all publicly offered investment funds to establish an IRC to whom the Manager must refer conflict of interest matters for review or approval. NI 81-107 also imposes obligations upon the Manager to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the IRC in carrying out its functions. The Chief Compliance Officer, designated by the Manager, is in charge of facilitating the fulfillment of these obligations.

The IRC will prepare, for each financial year, a report to securityholders that describes the IRC and its activities during such financial year and includes, if known, a description of each instance when the Manager acted in a conflict of interest matter for which the IRC did not give a positive recommendation or for which a condition, imposed by the IRC, was not met in its recommendation or approval. Members of the IRC are Robert W. Korthals, Michael M. Koerner and Robert G. Bertram.

Premier Canadian Income Fund

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, 2013 is derived from the Fund's unaudited semi-annual financial statements.

**Six months ended
June 30, 2013**

NET ASSETS PER UNIT

Net Assets, beginning of period (based on bid prices) ⁽¹⁾	\$ 3.22
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.06
Total expenses	(0.08)
Realized gain (loss) for the period	(0.05)
Unrealized gain (loss) for the period	(0.13)
Total Increase (Decrease) from Operations ⁽²⁾	(0.20)
DISTRIBUTIONS	
Non-taxable distributions	(0.10)
Total Distributions ⁽³⁾	(0.10)
Net Assets, end of period (based on bid prices) ⁽¹⁾	\$ 2.91

(1) Net Assets per unit is the difference between the aggregate value of the assets including the valuation of securities at bid prices and the aggregate value of the liabilities, divided by the number of units then outstanding.

(2) Total increase (decrease) from operations consists of interest and dividend revenue, realized and unrealized gain (loss), net of withholding tax and foreign exchange gain (loss), less expenses and is calculated based on the weighted average number of units outstanding

**Six months ended
June 30, 2013**

RATIOS/SUPPLEMENTAL DATA

Net Asset Value (\$millions)	\$ 6.53
Number of units outstanding	2,245,630
Management expense ratio ⁽¹⁾	4.57% ⁽⁴⁾
Portfolio turnover rate ⁽²⁾	108.73%
Trading expense ratio ⁽³⁾	0.51% ⁽⁴⁾
Net Asset Value per unit ⁽⁵⁾	\$ 2.91
Closing market price	\$ 2.79

(1) The management expense ratio ("MER") is the sum of all fees and expenses for the stated period, including federal and provincial sales taxes but excluding transaction fees, divided by the average net asset value. The MER for 2010 and 2009 includes the restructuring expenses. The MER for 2010 and 2009 excluding the restructuring expenses is 3.37% and 5.20% respectively.

(2) Portfolio turnover rate is calculated based on the lesser of purchases or sales of investments, excluding short-term investments, divided by the average value of the portfolio securities. The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

Management Report of Fund Performance

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				
2012	2011	2010	2009	2008
\$ 3.59	\$ 4.49	\$ 5.12	\$ 6.74	\$ 10.55
0.10	0.11	0.11	(0.09)	0.86
(0.14)	(0.14)	(0.20)	(0.86) ⁽⁴⁾	(0.32)
(0.33)	(0.28)	(0.03)	(0.07)	(3.91)
0.22	(0.31)	0.32	0.09	0.64
(0.15)	(0.62)	0.20	(0.93)	(2.73)
(0.22)	(0.26)	(0.31)	(0.69)	(1.10)
(0.22)	(0.26)	(0.31)	(0.69)	(1.10)
\$ 3.22	\$ 3.59	\$ 4.49	\$ 5.12	\$ 6.74

during the period. The schedule is not intended to total to the ending net assets as calculations are based on the weighted average number of units outstanding during the period.

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

(4) Total expenses for 2009 include restructuring expenses in the amount of \$337,500.

Years ended December 31				
2012	2011	2010	2009	2008
\$ 7.24	\$ 9.31	\$ 14.10	\$ 2.90	\$ 4.46
2,245,630	2,593,937	3,137,400	563,646	662,340
3.63%	3.09%	3.89%	14.43%	3.45%
243.61%	295.24%	333.20%	243.98%	128.83%
0.50%	0.45%	0.51%	0.63%	0.26%
\$ 3.23	\$ 3.59	\$ 4.50	\$ 5.14	\$ 6.74
\$ 3.04	\$ 3.23	\$ 4.31	\$ 4.67	\$ 6.39

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

(4) Annualized.

(5) Net Asset Value per unit is the difference between the aggregate value of the assets including the valuation of securities at closing prices and the aggregate value of the liabilities, divided by the number of units then outstanding.

Premier Canadian Income Fund

Management Report of Fund Performance

Management Fees

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

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

Past Performance

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

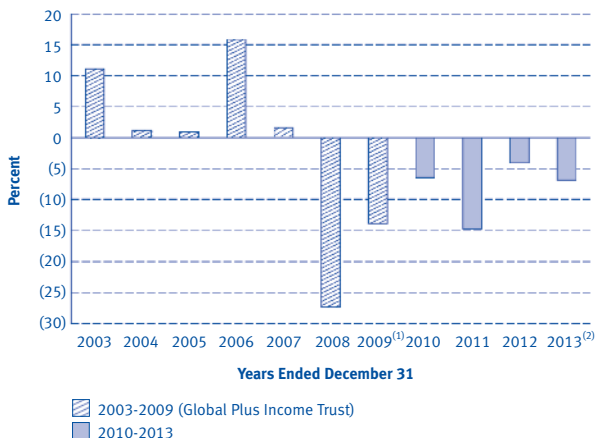
- (1) information shown assumes that all distributions made by the Fund during these periods were reinvested in units of the Fund,
- (2) information does not take into account sales, redemptions, distributions or other optional charges that would have reduced returns, and
- (3) past performance of the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

Year-By-Year Returns

The following bar chart illustrates how the Fund's total return varied from year to year for each of the past ten years and for the six months ended June 30, 2013. 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, 2013 for the six months ended.

Management Report of Fund Performance

Annual Total Return



⁽¹⁾ The performance of the Fund 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 which invested in a diversified portfolio consisting primarily of common shares selected from the S&P 100 Index and American Depositary 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. Since 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.

⁽²⁾ For the six months ended June 30, 2013.

Portfolio Manager Report

Most Global equity markets trended higher in the first half of 2013 as economic data out of the United States and other parts of the World continued to improve while Central Banks maintained a bias to keep monetary policy accommodative. Market concerns surrounding the Fiscal Cliff in the U.S. quickly dissipated after a last minute deal was reached at the end of 2012 allowing the market to focus on better economic data and improving company fundamentals for the first half of 2013. The Canadian economy meanwhile posted subdued growth during the period and is expected to lag behind the U.S. economy as the slowdown in China is affecting the pricing of much of Canada's export commodities. Pricing turmoil in the oil and gas industry caused by newly found massive deposits of shale oil and shale gas, and inadequate transportation infrastructure has hurt the western Canadian resource industry. The Canadian housing market continues to slow which on balance is probably good for the economy. The austerity debate in Europe is a continuing concern with respect to renewed economic growth in that region.

The S&P/TSX 60 Index had a total return of negative 1.0 percent for the first six months of the year. Among the three major sectors the

Premier Canadian Income Fund

Management Report of Fund Performance

Fund invests in, the Financials sector had the best performance with a total return of 4.7 percent, followed by the Energy sector whose total return was almost flat at 0.8 percent while the Materials sector was down 30.8 percent. The total return of the Fund, including reinvestment of distributions, for the six months ended June 30, 2013 was negative 6.8 percent, outperforming the equal-weighted return of the 37 issuers included in the Portfolio Universe which was negative 10.0 percent during the period. Some of the best performing names in the portfolio were Canadian insurers, Manulife Financial Corporation and Sun Life Financial Inc. As per the prospectus, the Fund is able to invest up to 20 percent in names outside of the universe. The Fund was able to add value by being invested in Shoppers Drug Mart Corporation and BCE Inc. during the period. The Fund was underweight the Materials sector during the first half of the year but could not avoid losses in the sector from Yamana Gold Inc. and Kinross Gold Corporation as the price of gold bullion declined 26.3 percent during the period. In the Energy sector, Enerplus Corporation and Enbridge Inc. were among the better performing stocks while EnCana Corporation and Crescent Point Energy Corp. were the laggards.

During the course of the six month period, volatility was subdued during the first three months before rising abruptly to reach its peak in the middle of April while maintaining a slightly elevated level until the end of June. The higher level of volatility during the second quarter resulted in more selective option writing opportunities and the Fund ended the period with covered call positions on approximately 33 percent of the portfolio but did not purchase any puts in the first half of the year. Our selective option writing activity was modestly positive to the overall income generated.

Summary of Investment Portfolio

The composition of the portfolio may change due to ongoing portfolio transactions of the Fund. A quarterly portfolio summary, which includes the percentage of net asset value for each holding, and a monthly portfolio list are available on our website at www.strathbridge.com.

Management Report of Fund Performance

Asset Mix

June 30, 2013

	% of Net Asset Value
Financials	37%
Energy	36%
Materials	17%
Consumer Staples	4%
Cash	4%
Telecommunication Services	1%
Other Assets (Liabilities)	1%
	100%

Top 25 Holdings

June 30, 2013

	% of Net Asset Value
Manulife Financial Corporation	6%
Sun Life Financial Inc.	6%
ARC Resources Ltd.	5%
Enerplus Corporation	5%
Brookfield Asset Management Inc. - Class A	5%
Potash Corporation of Saskatchewan, Inc.	5%
Enbridge Inc.	5%
Shoppers Drug Mart Corporation	4%
The Bank of Nova Scotia	4%
Cash	4%
Cameco Corporation	4%
Canadian Oil Sands Limited	4%
Toronto-Dominion Bank	4%
Suncor Energy Inc.	4%
TransCanada Corp.	3%
Husky Energy Inc.	3%
Bank of Montreal	3%
Talisman Energy Inc.	3%
Royal Bank of Canada	3%
Goldcorp Inc.	3%
National Bank of Canada	3%
Canadian Imperial Bank of Commerce	3%
Agnico-Eagle Mines Limited	3%
Barrick Gold Corporation	3%
Agrium Inc.	2%

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

The 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 4 of the annual financial statements for the year ended December 31, 2012.

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



John P. Mulvihill

Director

Strathbridge Asset Management Inc.



John D. Germain

Director

Strathbridge Asset Management Inc.

August 6, 2013

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.

Premier Canadian Income Fund

Financial Statements

Statements of Net Assets

As at June 30, 2013 (Unaudited) and December 31, 2012 (Audited)

	2013	2012
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ASSETS		
Investments at fair value (cost - \$6,087,022; 2012 - \$6,563,904)	\$ 6,114,653	\$ 6,893,830
Cash	275,968	435,171
Dividends receivable	18,775	28,874
Due from brokers - investments	150,027	—
TOTAL ASSETS	6,559,423	7,357,875
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LIABILITIES		
Accrued liabilities	34,568	46,568
Due to brokers - Investments	—	76,374
TOTAL LIABILITIES	34,568	122,942
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NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 6,524,855	\$ 7,234,933
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Number of Units Outstanding	2,245,630	2,245,630
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Net Assets per Unit (Note 2)	\$ 2.9056	\$ 3.2218
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Financial Statements

Statements of Financial Operations

Six months ended June 30 (Unaudited)

	2013	2012
REVENUE		
Dividends	\$ 124,457	\$ 128,396
Interest	–	135
TOTAL REVENUE	124,457	128,531
EXPENSES		
Management fees	38,100	49,905
Service fees	9,742	12,848
Administrative and other expenses	44,623	43,338
Transaction fees (Note 3)	17,931	19,567
Custodian fees	20,236	23,266
Audit fees	11,142	11,204
Advisory board fees	9,815	10,445
Independent review committee fees	4,224	4,041
Legal fees	2,597	1,930
Unitholder reporting costs	8,118	11,898
Harmonized sales tax	11,671	11,841
TOTAL EXPENSES	178,199	200,283
Net Investment Loss	(53,742)	(71,752)
Net loss on sale of investments	(139,480)	(819,291)
Net gain on sale of derivatives	16,200	341,475
Net Loss on Sale of Investments	(123,280)	(477,816)
Net change in unrealized appreciation/ depreciation of investments	(302,295)	56,416
Net Loss on Investments	(425,575)	(421,400)
NET DECREASE IN NET ASSETS FROM OPERATIONS	\$ (479,317)	\$ (493,152)
NET DECREASE IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 2,245,630; 2012 - 2,593,937)	\$ (0.2134)	\$ (0.1901)

Premier Canadian Income Fund

Financial Statements

Statements of Changes in Net Assets

Six months ended June 30 (Unaudited)

	2013	2012
NET ASSETS, BEGINNING OF PERIOD	\$ 7,234,933	\$ 9,305,759
Net Decrease in Net Assets from Operations	(479,317)	(493,152)
Distributions to Unitholders Non-taxable distributions	(230,761)	(300,715)
Changes in Net Assets during the Period	(710,078)	(793,867)
NET ASSETS, END OF PERIOD	\$ 6,524,855	\$ 8,511,892

Statements of Net Loss on Sale of Investments

Six months ended June 30 (Unaudited)

	2013	2012
Proceeds from Sale of Investments	\$ 7,818,094	\$ 9,763,893
Cost of Investments Sold		
Cost of investments, beginning of period	6,563,904	8,812,656
Cost of investments purchased	7,464,492	9,429,920
	14,028,396	18,242,576
Cost of Investments, End of Period	(6,087,022)	(8,000,867)
	7,941,374	10,241,709
NET LOSS ON SALE OF INVESTMENTS	\$ (123,280)	\$ (477,816)

Financial Statements

Statement of Investments

As at June 30, 2013 (Unaudited)

	Number of Shares	Average Cost	Fair Value	% of Net Assets
INVESTMENTS				
Canadian Common Shares				
Consumer Staples				
Shoppers Drug Mart Corporation	5,800	\$ 256,353	\$ 280,778	4.3%
Energy				
ARC Resources Ltd.	12,500	339,565	344,125	
Cameco Corporation	12,200	278,271	264,862	
Canadian Oil Sands Limited	13,500	280,850	262,845	
Enbridge Inc.	6,500	275,274	286,715	
Enerplus Corporation	20,000	289,885	310,800	
Husky Energy Inc.	7,700	211,975	215,754	
Suncor Energy Inc.	8,300	260,070	257,300	
Talisman Energy Inc.	17,000	205,844	204,000	
TransCanada Corp.	4,800	220,746	217,248	
Total Energy		2,362,480	2,363,649	36.2%
Financials				
Bank of Montreal	3,400	202,815	207,400	
Brookfield Asset Management Inc.				
- Class A	8,100	279,568	306,180	
Canadian Imperial Bank of Commerce	2,500	193,156	186,600	
Manulife Financial Corporation	21,400	289,953	360,162	
National Bank of Canada	2,500	186,185	187,250	
Royal Bank of Canada	3,300	200,658	202,224	
Sun Life Financial Inc.	11,500	302,291	358,225	
The Bank of Nova Scotia	5,000	282,392	281,100	
The Toronto-Dominion Bank	3,100	257,761	261,795	
Total Financials		2,194,779	2,350,936	36.0%
Materials				
Agnico-Eagle Mines Limited	6,400	208,115	184,832	
Agrium Inc.	1,500	147,055	136,770	
Barrick Gold Corporation	10,200	200,177	168,708	
First Quantum Minerals Ltd.	7,800	164,438	121,680	
Goldcorp Inc.	7,200	205,727	186,912	
Potash Corporation of Saskatchewan, Inc.	7,600	316,008	304,760	
Total Materials		1,241,520	1,103,662	16.9%
Telecommunication Services				
TELUS Corporation	2,700	93,113	82,890	1.3%
Total Canadian Common Shares		\$ 6,148,245	\$ 6,181,915	94.7%

Premier Canadian Income Fund

Financial Statements

Statement of Investments

As at June 30, 2013 (Unaudited)

	Number of Contracts	Proceeds	Fair Value	% of Net Assets
Options				
Written Covered Call Options (100 shares per contract)				
Agnico-Eagle Mines Limited				
- July 2013 @ \$28	(64)	\$ (8,721)	\$ (14,640)	
ARC Resources Ltd.				
- July 2013 @ \$27	(62)	(4,898)	(6,200)	
Bank of Montreal				
- July 2013 @ \$59	(11)	(1,078)	(2,474)	
Barrick Gold Corporation				
- July 2013 @ \$18	(68)	(4,148)	(2,312)	
Canadian Imperial Bank of Commerce				
- July 2013 @ \$75	(9)	(699)	(567)	
Canadian Oil Sands Limited				
- July 2013 @ \$19	(68)	(5,032)	(4,760)	
First Quantum Minerals Ltd.				
- July 2013 @ \$15	(39)	(4,212)	(4,485)	
First Quantum Minerals Ltd.				
- July 2013 @ \$17	(39)	(2,886)	(1,170)	
Goldcorp Inc.				
- July 2013 @ \$25	(68)	(8,058)	(11,125)	
Manulife Financial Corporation				
- July 2013 @ \$16	(54)	(1,998)	(5,255)	
National Bank of Canada				
- July 2013 @ \$74	(13)	(1,560)	(2,326)	
National Bank of Canada				
- July 2013 @ \$75	(12)	(870)	(731)	
Potash Corporation of Saskatchewan, Inc.				
- July 2013 @ \$42	(38)	(2,812)	(570)	
Royal Bank of Canada				
- July 2013 @ \$60	(9)	(1,002)	(1,507)	
Royal Bank of Canada				
- July 2013 @ \$61	(8)	(856)	(879)	
Suncor Energy Inc.				
- July 2013 @ \$31	(20)	(1,140)	(1,300)	
TELUS Corporation				
- July 2013 @ \$34	(27)	(1,728)	(432)	
The Bank of Nova Scotia				
- July 2013 @ \$56	(13)	(683)	(1,030)	
The Bank of Nova Scotia				
- July 2013 @ \$57	(13)	(897)	(338)	
The Toronto-Dominion Bank				
- July 2013 @ \$82	(16)	(1,688)	(4,277)	
TransCanada Corp.				
- July 2013 @ \$45	(12)	(876)	(884)	
Total Written Covered Call Options		(55,842)	(67,262)	(1.0)%
Total Options	\$	(55,842)	\$ (67,262)	(1.0)%
Adjustment for transaction costs		(5,381)		
TOTAL INVESTMENTS	\$	6,087,022	\$ 6,114,653	93.7 %
OTHER NET ASSETS			410,202	6.3 %
TOTAL NET ASSETS			\$ 6,524,855	100.0 %

Notes to Financial Statements

June 30, 2013

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, 2012.

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, 2012.

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, 2013	Dec. 31, 2012
Net Asset Value per unit (for pricing purposes)	\$ 2.9083	\$ 3.2264
Difference	(0.0027)	(0.0046)
Net Assets per unit (for financial statement purposes)	\$ 2.9056	\$ 3.2218

3. Transaction Fees

Total transaction fees for the six months ended June 30, 2013 in connection with portfolio transactions were \$17,931 (June 30, 2012 - \$19,567). Of this amount \$8,597 (June 30, 2012 - \$6,093) was directed to cover payment of research services provided to the Investment Manager.

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 12 of the annual financial statements for the year ended December 31, 2012.

Premier Canadian Income Fund

Notes to Financial Statements

June 30, 2013

The following is a summary of the inputs used as of June 30, 2013 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
Canadian Common Shares	\$ 6,181,915	\$ –	\$ –	\$ 6,181,915
Options	(21,229)	(46,033)	–	(67,262)
Total Investments	\$ 6,160,686	\$ (46,033)	\$ –	\$ 6,114,653

The following is a summary of the inputs used as of December 31, 2012 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
Canadian Common Shares	\$ 6,899,669	\$ –	\$ –	\$ 6,899,669
Options	(1,904)	(3,935)	–	(5,839)
Total Investments	\$ 6,897,765	\$ (3,935)	\$ –	\$ 6,893,830

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2013 and during the year ended December 31, 2012.

Other Price Risk

Approximately 95 percent (December 31, 2012 - 95 percent) of the Fund's net assets held at June 30, 2013 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at June 30, 2013, the net assets of the Fund would have increased or decreased by \$0.6M (December 31, 2012 - \$0.7M) respectively or 9.5 percent (December 31, 2012 - 9.5 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 were authorized for trading with the Fund during the current period based on Standard & Poor's credit ratings as of June 30, 2013:

Notes to Financial Statements

June 30, 2013

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Bank of Montreal	A-	A-2
Canadian Imperial Bank of Commerce	A+	A-1
Deutsche Bank	A	A-1
National Bank of Canada	A-	A-2
Royal Bank of Canada	AA-	A-1+
The Bank of Nova Scotia	A+	A-1
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A	A-1

The following are the credit ratings for the counterparties to derivative financial instruments that were authorized for trading with the Fund during the prior year based on Standard & Poor's credit ratings as of December 31, 2012:

Dealer	Long-Term Local Currency Rating	Short-Term Local Currency Rating
Bank of Montreal	A+	A-1
Canadian Imperial Bank of Commerce	A+	A-1
Citigroup Inc.	A-	A-2
Deutsche Bank	A+	A-1
National Bank of Canada	A-	A-2
Royal Bank of Canada	AA-	A-1+
The Bank of Nova Scotia	A+	A-1
The Toronto-Dominion Bank	AA-	A-1+
UBS AG	A	A-1

5. Future Accounting Policy Changes

The Fund was required to adopt International Financial Reporting Standards ("IFRS") for the year beginning on January 1, 2011. In January 2011, the Canadian Accounting Standards Board ("AcSB") approved a two year deferral from IFRS adoption for investment companies applying Accounting Guideline 18 - Investment Companies. Subsequently, in December 2011, AcSB extended the deferral for another year to January 1, 2014. As a result, the Fund will adopt IFRS for the year beginning on January 1, 2014 and will issue its initial statements, with comparative information, for the year ending December 31, 2014.

Premier Canadian Income Fund

Investment Funds Managed by Strathbridge Asset Management Inc.

UNIT TRUSTS

Canadian Utilities & Telecom Income Fund (UTE.UN)

Core Canadian Dividend Trust (CDD.UN)

Gold Participation and Income Fund (GPF.UN)

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

Premier Canadian Income Fund (PCU.UN)

Top 10 Canadian Financial Trust (TCT.UN)

SPLIT SHARES

Premium Income Corporation (PIC.PR.A/PIC.A)

S Split Corp. (SBN.PR.A/SBN)

Top 10 Split Trust (TXT.PR.A/TXT.UN)

World Financial Split Corp. (WFS.PR.A/WFS)

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