



Mulvihill

Hybrid Income Funds



Semi-Annual Report 2010

Premier Canadian Income Fund

(formerly Global Plus Income Trust)

Premier Canadian Income Fund

Message to Unitholders

We are pleased to present the semi-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.

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.

Effective June 30, 2010, the Fund merged with First Premium Income Trust ("FPI"). The merger was approved at a special meeting of unitholders of each Fund on June 4, 2010.

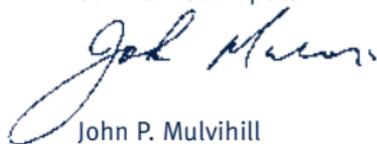
In connection with the merger, holders of units of FPI became holders of units of Premier Canadian Income Fund, the continuing Fund. The merger was effected by transferring the net assets of FPI to the Fund in exchange for units of the Fund and each unitholder of FPI received a number of units of the Fund based on an exchange ratio calculated by reference to the relative net asset values of the units of the Funds at the close of trading on June 29, 2010. In conjunction with the merger, the trading symbol of the Fund changed from "GIP.UN" to "PCU.UN".

During the six-month period ended June 30, 2010, the Fund's total return was negative 11.17 percent. Distributions amounting to \$0.16 per unit were paid during the the six-month period, contributing to the overall decline in the net asset value from \$5.14 per unit as at December 31, 2009 to \$4.41 per unit as at June 30, 2010.

The longer-term financial highlights of the Fund are as follows:

	Years ended December 31					
	June 30, 2010	2009	2008	2007	2006	2005
Total Fund Return	(11.17)%	(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)	\$ 0.16	\$ 0.69	\$ 1.10	\$ 1.40	\$ 1.40	\$ 1.40
Ending Net Asset Value per Unit (initial issue price was \$25.00 per unit)	\$ 4.41	\$ 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 semi-annual report.



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

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 six months ended June 30, 2010 of Premier Canadian Income Fund (formerly Global Plus Income Trust) (the “Fund”). The June 30, 2010 unaudited semi-annual financial statements of the Fund are attached.

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

Premier Canadian Income Fund

Management Report on Fund Performance

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

June 30, 2010

	% of Net Asset Value
Materials	33 %
Energy	32 %
Financials	30 %
Cash and Short-Term Investments	25 %
Other Assets (Liabilities)	(20)%
	100 %

Portfolio Holdings

June 30, 2010

	% of Net Asset Value
Cash and Short-Term Investments	25%
Barrick Gold Corporation	8%
The Toronto-Dominion Bank	7%
EnCana Corporation	7%
The Bank of Nova Scotia	7%
Canadian Natural Resources Ltd.	7%
Agnico-Eagle Mines Limited	7%
Suncor Energy Inc.	6%
Royal Bank of Canada	6%
Crew Energy Inc.	5%
Bank of Montreal	5%
Canadian Imperial Bank of Commerce	5%
Semafo Inc.	5%
Osisko Mining Corporation	5%
IAMGOLD Corporation	5%
Teck Resources Ltd. - Cl B	4%
Talisman Energy Inc.	3%
Pacific Rubiales Energy Corp.	3%
	120%

Management Report on Fund Performance

Results of Operations

For the six-month period ended June 30, 2010, the net asset value of the Fund for pricing purposes based on closing prices was \$4.41 per unit (see Note 3 to the financial statements) compared to \$5.14 per unit at December 31, 2009. The Fund's units, listed on the Toronto Stock Exchange as PCU.UN, closed on June 30, 2010 at \$4.00 per unit, representing a 9.3 percent discount to the net asset value.

Distributions totalling \$0.16 per unit were made to unitholders during the period.

Volatility declined from January to April before rising to elevated levels in May. The Fund was positioned very defensively during the first half of the year before gradually getting more invested by mid year.

Markets had negative returns over the period with the S&P/TSX 60 Index having a total return of negative 3.3 percent. The compound total return for the Fund for the six months ended June 30, 2010, including reinvestment of distributions, was negative 11.2 percent. Among the primary contributors to the relative underperformance of the Fund was an overweight position in Teck Resources Ltd., which was down 14 percent during the period. A minor contributor to the Fund's underperformance were the costs incurred to complete the Fund merger in order to be able to grow the assets and manage the Fund for long-term growth.

For more detailed information on the investment returns, please see the Annual Total Return bar chart on page 8.

Premier Canadian Income Fund

Management Report on 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, 2010 is derived from the Fund's unaudited semi-annual financial statements.

	Six months ended June 30, 2010⁽⁶⁾
NET ASSETS PER UNIT	
Net Assets, beginning of period (based on bid prices)⁽¹⁾	\$ 5.12
INCREASE (DECREASE) FROM OPERATIONS	
Total revenue	0.05
Total expenses	(0.34)
Realized gain (loss) for the period	0.04
Unrealized gain (loss) for the period	(0.33)
Total Increase (Decrease) from Operations⁽²⁾	(0.58)
DISTRIBUTIONS	
Non-taxable distributions	(0.16)
Total Distributions⁽³⁾	(0.16)
Net Assets, end of period (based on bid prices)⁽¹⁾	\$ 4.41

(1) Net Assets per unit is the difference between the aggregate value of the assets of the Fund and the aggregate value of the liabilities on that date and including the valuation of securities at bid prices divided by the number of units then outstanding. For years prior to 2007, securities were valued at closing prices. 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, realized and unrealized gain (loss), less expenses and is calculated based on the weighted average number of units outstanding during the period. The schedule is not intended to total to the

	Six months ended June 30, 2010⁽⁶⁾
RATIOS/SUPPLEMENTAL DATA	
Net Asset Value (\$millions)	\$ 15.65
Number of units outstanding	3,549,173
Management expense ratio ⁽¹⁾	10.74%⁽⁴⁾
Portfolio turnover rate ⁽²⁾	180.02%
Trading expense ratio ⁽³⁾	1.37%⁽⁴⁾
Net Asset Value per unit ⁽⁵⁾	\$ 4.41
Closing market price	\$ 4.00

(1) Management expense ratio ("MER") is the ratio of all fees and expenses, including goods and services taxes, but excluding transaction fees charged to the Fund to 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 9.03% and 5.20% respectively. The average net asset value for the period ended June 30, 2010 reflected a 23 percent decrease from the average net asset value for the year ended December 31, 2009, resulting in a significant increase in the MER excluding the restructuring expenses.

(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.

Management Report on Fund Performance

For June 30, 2010, 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. All other calculations for the purposes of this Management Report on Fund Performance are made using Net Asset Value.

Years ended December 31				
2009	2008	2007	2006	2005
\$ 6.74	\$ 10.55	\$ 11.73 ⁽⁴⁾	\$ 11.43	\$ 12.73
(0.09)	0.86	0.41	0.31	0.13
(0.86) ⁽⁵⁾	(0.32)	(0.33)	(0.27)	(0.22)
(0.07)	(3.91)	1.70	0.23	(0.52)
0.09	0.64	(1.56)	1.41	0.65
(0.93)	(2.73)	0.22	1.68	0.04
(0.69)	(1.10)	(1.40)	(1.40)	(1.40)
(0.69)	(1.10)	(1.40)	(1.40)	(1.40)
\$ 5.12	\$ 6.74	\$ 10.55	\$ 11.75	\$ 11.43

ending net assets as calculations are based on the weighted average number of units outstanding during the period.

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

(4) Net Assets per unit has been adjusted for the Transition Adjustment.

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

(6) Effective June 30, 2010, the Fund merged with First Premium Income Trust.

Years ended December 31				
2009	2008	2007	2006	2005
\$ 2.90	\$ 4.46	\$ 8.77	\$ 11.55	\$ 15.68
563,646	662,340	830,734	982,326	1,371,888
14.43%	3.45%	2.82%	2.35%	1.79%
243.98%	128.83%	66.70%	143.77%	141.89%
0.63%	0.26%	0.12%	0.37%	0.26%
\$ 5.14	\$ 6.74	\$ 10.56	\$ 11.75	\$ 11.43
\$ 4.67	\$ 6.39	\$ 10.00	\$ 11.80	\$ 11.06

The Fund employs an option overlay strategy which can result in higher portfolio turnover by virtue of option exercises, when compared to a conventional equity mutual fund.

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

(4) Annualized.

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

(6) Effective June 30, 2010, the Fund merged with First Premium Income Trust.

Premier Canadian Income Fund

Management Report on Fund Performance

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 restructuring 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 the writing of covered call options in accordance with the investment objectives, strategy and criteria of the Fund. MCM also makes all decisions as to the purchase and sale of securities in the Fund’s portfolio and 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 June 4th, 2010, unitholders of Premier Canadian Income Fund and First Premium Income Trust approved a proposal to merge the two Funds. Premier Canadian Income Fund is the continuing Fund and effective June 30, 2010 the Fund’s ticker symbol changed to PCU.UN. The Fund invests 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.

Financial markets peaked in the second quarter of this year as concerns about the global economy including the sovereign debt crisis in Europe came to the forefront. Volatility, while generally declining into April, rose to elevated levels in the second quarter. We have selectively used higher volatility levels to increase our overwritten positions. Gold continued to be sought as a safe haven by investors driving the commodity price to all time highs in late June.

The governments of Ontario have taken steps to harmonize their provincial sales taxes with the federal goods and services tax effective July 1, 2010. Implementation of the proposed changes will increase the amount of taxes paid by the Fund on its expenses, including but not limited to management fees, and therefore increase the management expense ratio.

Management Report on Fund Performance

Future Accounting Policy Changes

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

The changeover plan was prepared to address the requirements and includes disclosures of the qualitative or quantitative impact, if any, of the changeover to IFRS in the 2010 financial statements and the preparation of the 2011 financial statements in accordance with IFRS with comparatives. However, the Accounting Standards Board is proposing that Canadian investment companies have the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning January 1, 2011 or 2012, and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending June 30, 2011 or 2012.

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 June 30, 2010, 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 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.

Premier Canadian Income Fund

Management Report on Fund Performance

Past Performance

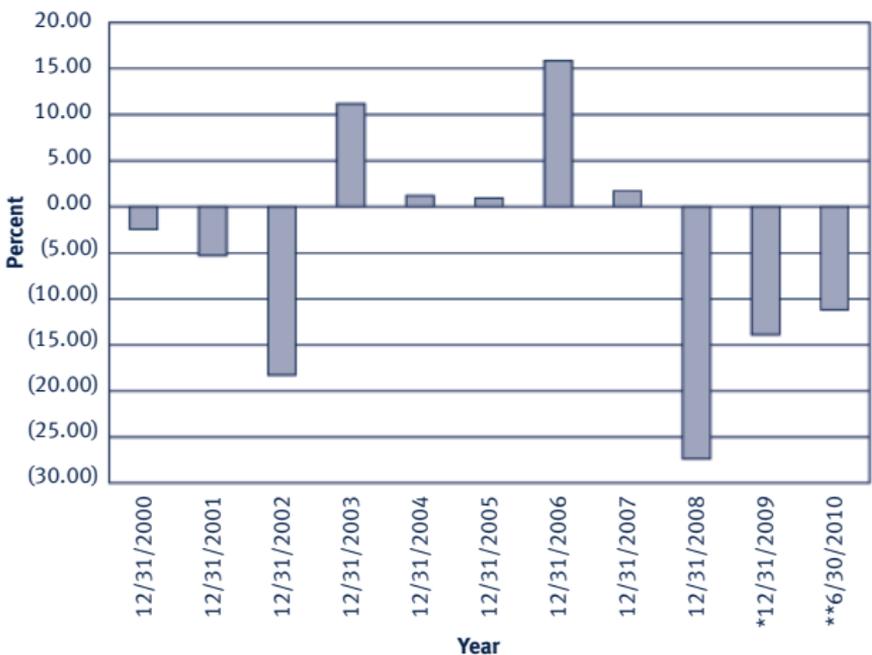
The chart below sets out the Fund's year-by-year past performance. It is important to note that:

- (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 how the Fund's total return for each of the past ten years and for the six month period ended June 30, 2010 has varied from period to period. 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, or June 30, 2010 for the six months then ended.

Annual Total Return



* Until October 26, 2009, the Fund invested in a diversified portfolio consisting principally of common shares issued by corporations selected from the S&P 100 Index, and the top 100 corporations whose American Deposit Receipts are trading on the New York Stock Exchange or NASDAQ. In addition, in order to provide further global investment opportunities, the Fund may, from time to time, invest up to a maximum of 25 percent of its net asset value in World Equity Benchmark shares that seek to provide investment results that track the performance of a specific country index compiled by Morgan Stanley Capital International Inc. After October 26, 2009, the Fund universe was changed to invest 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 issuers selected from the S&P/TSX Composite Index.

** Effective June 30, 2010, the Fund merged with First Premium Income Trust.

Management Report on Fund Performance

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 made 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 June 14, 2010, 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.

Mulvihill and MCM plan to amalgamate. The continuing company will be named Mulvihill Capital Management Inc. Such change is expected to occur on or after September 1, 2010. Fees currently paid to each entity will be paid to Mulvihill Capital Management Inc. from and after the effective date of the amalgamation.

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.

Premier Canadian Income Fund

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 semi-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 semi-annual report is consistent with the financial statements. The significant accounting policies which management believes are appropriate for the Fund are described in Note 3 of the annual financial statements for the year ended December 31, 2009.

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



John P. Mulvihill
Director
Mulvihill Fund Services Inc.



Sheila S. Szela
Director
Mulvihill Fund Services Inc.

August 2010

Notice to Unitholders

The Fund's independent auditors have not performed a review of these Interim Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

Premier Canadian Income Fund

Financial Statements

Statements of Net Assets

June 30, 2010 (Unaudited) and December 31, 2009 (Audited)

	2010	2009
ASSETS		
Investments at fair value (cost - \$15,001,935; 2009 - \$2,762,912)	\$ 14,855,287	\$ 2,805,086
Short-term investments at fair value (cost - nil; 2009 - \$344,889)	–	344,889
Cash	3,885,519	33,752
Interest receivable	–	76
Dividends receivable	3,256	11,420
Due from brokers - investments	958,075	–
TOTAL ASSETS	19,702,137	3,195,223
LIABILITIES		
Due to brokers - investments	3,987,582	–
Restructuring expense payable	46,623	285,646
Accrued liabilities	19,825	22,045
TOTAL LIABILITIES	4,054,030	307,691
NET ASSETS, REPRESENTED BY UNITHOLDERS' EQUITY	\$ 15,648,107	\$ 2,887,532
Number of Units Outstanding	3,549,173	563,646
Net Assets per Unit	\$ 4.4089	\$ 5.1230

Financial Statements

Statements of Financial Operations

For the six months ended June 30 (Unaudited)

	2010	2009
REVENUE		
Dividends	\$ 30,069	\$ 29,649
Interest, net of foreign exchange	131	(48,231)
Withholding taxes	–	(2,257)
TOTAL REVENUE	30,200	(20,839)
EXPENSES		
Management fees	15,157	23,381
Administrative and other expenses	49,725	30,145
Transaction fees	19,407	9,976
Custodian fees	18,598	12,660
Audit fees	9,340	8,864
Advisory board fees	10,445	10,445
Independent review committee fees	3,645	3,437
Legal fees	3,943	3,121
Unitholder reporting costs	12,253	12,421
Goods and services tax	4,768	4,711
Subtotal Expenses	147,281	119,161
Restructuring expenses	48,454	–
TOTAL EXPENSES	195,735	119,161
Net Investment Loss	(165,535)	(140,000)
Net gain (loss) on sale of investments	21,340	(436,678)
Net gain on sale of derivatives	446	159,331
Net Gain (Loss) on Sale of Investments	21,786	(277,347)
Net change in unrealized appreciation/ depreciation of investments	(189,521)	(192,042)
Net Loss on Investments	(167,735)	(469,389)
NET DECREASE IN NET ASSETS FROM OPERATIONS	\$ (333,270)	\$ (609,389)
NET DECREASE IN NET ASSETS FROM OPERATIONS PER UNIT (based on the weighted average number of units outstanding during the period of 580,141; 2009 - 654,890)	\$ (0.5745)	\$ (0.9305)

Premier Canadian Income Fund

Financial Statements

Statements of Changes in Net Assets

For the six months ended June 30 (Unaudited)

	2010	2009
NET ASSETS, BEGINNING OF PERIOD	\$ 2,887,532	\$ 4,461,827
Net Decrease in Net Assets from Operations	(333,270)	(609,389)
Unit Transactions		
Amount received for units issued	13,185,962	–
Amount paid for units redeemed	–	(137,177)
	13,185,962	(137,177)
Distributions to Unitholders		
Non-taxable distributions	(92,117)	(259,036)
Changes in Net Assets during the Period	12,760,575	(1,005,602)
NET ASSETS, END OF PERIOD	\$ 15,648,107	\$ 3,456,225

Statements of Net Gain (Loss) on Sale of Investments

For the six months ended June 30 (Unaudited)

	2010	2009
Proceeds from Sale of Investments	\$ 4,787,223	\$ 2,395,808
Cost of Investments Sold		
Cost of investments, beginning of period	2,762,912	3,220,420
Cost of investments purchased	17,004,460	2,117,816
	19,767,372	5,338,236
Cost of Investments, End of Period	(15,001,935)	(2,665,081)
	4,765,437	2,673,155
NET GAIN (LOSS) ON SALE OF INVESTMENTS	\$ 21,786	\$ (277,347)

Financial Statements

Statement of Investments

June 30, 2010 (Unaudited)

	Number of Shares/ Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Portfolio
INVESTMENTS				
Canadian Common Shares				
Energy				
Canadian Natural Resources Ltd.	30,400	\$ 1,073,323	\$ 1,074,032	
Crew Energy Inc.	54,600	846,193	821,184	
EnCana Corporation	34,000	1,118,061	1,096,160	
Pacific Rubiales Energy Corp.	18,500	440,075	441,410	
Suncor Energy Inc.	31,700	1,022,406	993,161	
Talisman Energy Inc.	29,000	479,778	466,900	
Total Energy		4,979,836	4,892,847	32.9%
Financials				
Bank of Montreal	13,900	792,264	802,586	
Canadian Imperial Bank of Commerce	11,700	802,461	773,838	
Royal Bank of Canada	18,300	952,478	927,810	
The Bank of Nova Scotia	22,000	1,084,173	1,078,880	
The Toronto-Dominion Bank	17,000	1,170,759	1,172,660	
Total Financials		4,802,135	4,755,774	32.0%
Materials				
Agnico-Eagle Mines Limited	16,400	1,053,965	1,059,112	
Barrick Gold Corporation	25,100	1,176,551	1,212,832	
IAMGOLD Corporation	39,000	727,668	731,640	
Osisko Mining Corporation	65,000	756,676	744,900	
Semafo Inc.	95,200	787,293	766,360	
Teck Resources Ltd. - CI B	23,000	769,678	724,040	
Total Materials		5,271,831	5,238,884	35.3%
Total Canadian Common Shares		\$ 15,053,802	\$ 14,887,505	100.2%

OPTIONS

Written Covered Call Options

(100 shares per contract)

Bank of Montreal				
- July 2010 @ \$58	(35)	\$ (5,355)	\$ (4,358)	
Bank of Montreal				
- July 2010 @ \$60	(25)	(4,025)	(1,088)	
Bank of Montreal				
- July 2010 @ \$62	(10)	(580)	(105)	
Canadian Natural Resources Ltd.				
- August 2010 @ \$36	(152)	(22,116)	(20,824)	
Canadian Imperial Bank of Commerce				
- July 2010 @ \$68	(59)	(6,985)	(4,602)	
EnCana Corporation				
- July 2010 @ \$34	(17)	(1,037)	(425)	
EnCana Corporation				
- August 2010 @ \$32	(153)	(29,275)	(27,769)	
Royal Bank of Canada				
- August 2010 @ \$52	(101)	(12,872)	(11,615)	
Suncor Energy Inc.				
- July 2010 @ \$32	(79)	(6,952)	(4,621)	
Talisman Energy Inc.				
- July 2010 @ \$17	(12)	(540)	(144)	
Talisman Energy Inc.				
- August 2010 @ \$17	(133)	(6,118)	(5,918)	

Premier Canadian Income Fund

Financial Statements

Statement of Investments (continued)

June 30, 2010 (Unaudited)

	Number of Contracts	Average Cost/ Proceeds	Fair Value	% of Portfolio
Written Covered Call Options (continued)				
(100 shares per contract)				
Teck Resources Limited - Cl B				
- July 2010 @ \$32	(57)	(8,322)	(7,438)	
Teck Resources Limited - Cl B				
- August 2010 @ \$32	(58)	(14,036)	(13,398)	
The Bank of Nova Scotia				
- July 2010 @ \$50	(55)	(2,200)	(2,090)	
The Bank of Nova Scotia				
- August 2010 @ \$50	(55)	(5,885)	(6,133)	
The Toronto-Dominion Bank				
- August 2010 @ \$68	(42)	(10,416)	(11,697)	
The Toronto-Dominion Bank				
- August 2010 @ \$70	(90)	(16,650)	(15,435)	
Total Written Covered Call Options		(153,364)	(137,660)	(0.9)%
Purchased Put Options				
(100 shares per contract)				
iShares CDN S&P/TSX				
Capped Energy Index Fund				
- August 2010 @ \$17	686	50,297	46,305	
iShares CDN S&P/TSX				
Capped Financials Index Fund				
- August 2010 @ \$21	570	44,580	43,320	
Teck Resources Limited - Cl B				
- August 2010 @ \$32	57	15,219	15,817	
Total Purchased Put Options		110,096	105,442	0.7 %
TOTAL OPTIONS		\$ (43,268)	\$ (32,218)	(0.2)%
Adjustment for transaction costs		(8,599)		
TOTAL INVESTMENTS		\$ 15,001,935	\$ 14,855,287	100.0 %

1. Basis of Presentation

The interim 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 interim financial statements should be read in conjunction with the most recently prepared annual financial statements for the year ended December 31, 2009.

These interim financial statements follow the same accounting policies and method of application as the most recent financial statements for the year ended December 31, 2009.

2. Fund Merger

Effective June 30, 2010, Premier Canadian Income Fund (the “Fund”) merged with First Premium Income Trust (“FPI”). The merger was approved at a special meeting of unitholders of each Fund on June 4, 2010.

In connection with the merger, holders of units of FPI became holders of units of Premier Canadian Income Fund, the continuing Fund. The merger was effected by transferring the net assets of FPI to the Fund in exchange for units of the Fund and each unitholder of FPI received a number of units of the Fund based on an exchange ratio calculated by reference to the relative net asset values of the units of the Funds at the close of trading on June 29, 2010. FPI unitholders were issued 2,985,545 units of the Fund in exchange for net assets of \$13,185,962. In conjunction with the merger, the trading symbol of the Fund changed from “GIP.UN” to “PCU.UN”.

3. 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 is as follows:

	June 30, 2010	Dec. 31, 2009
Net Asset Value (for pricing purposes)	\$ 4.41	\$ 5.14

Premier Canadian Income Fund

Notes to Financial Statements

June 30, 2010

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 are described in Note 11 of the annual financial statements for the year ended December 31, 2009.

The following is a summary of the three-tier hierarchy of inputs used as of June 30, 2010 in valuing the Fund's investments and derivatives carried at fair value:

	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Canadian Common Shares	\$ 14,887,505	\$ -	\$ -	\$ 14,887,505
Options	(32,218)	-	-	\$ (32,218)
Total Investments	\$ 14,855,287	\$ -	\$ -	\$ 14,855,287

Other Price Risk

Approximately 95 percent (December 31, 2009 - 97 percent) of the Fund's net assets held at June 30, 2010 were publicly traded equities. If equity prices on the exchange increased or decreased by 10 percent as at June 30, 2010, the net assets of the Fund would have increased or decreased by \$1.5M (December 31, 2009 - \$0.3M) respectively or 9.5 percent (December 31, 2009 - 9.7 percent) of the net assets, all other factors remaining constant. In practice, actual trading results may differ and the difference could be material.

Credit Risk

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

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

Premier Canadian Income Fund

Notes to Financial Statements

June 30, 2010

The following are the credit ratings for the counterparties to derivative financial instruments that the Fund dealt with during the prior 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 Fund holds no short-term investments as of June 30, 2010.

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

5. Future Accounting Policy Changes

The Fund is currently required to adopt International Financial Reporting Standards ("IFRS") for the years beginning on January 1, 2011. The IFRS compliant financial statements will be on a comparative basis. However, the Accounting Standards Board is proposing that Canadian investment companies have the option to defer adoption of IFRS until fiscal years beginning on or after January 1, 2012. The Manager is currently assessing the impact of this announcement on the Fund and its plans for adopting IFRS. Accordingly, the Fund will adopt IFRS for either its fiscal period beginning January 1, 2011 or 2012, and will issue its initial financial statements in accordance with IFRS, including comparative information, for either the interim period ending June 30, 2011 or 2012.

Premier Canadian Income Fund

Hybrid Income Funds

Managed by Mulvihill Structured Products

UNIT SHARES

Core Canadian Dividend 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

Head Office

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

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

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



Mulvihill

www.mulvihill.com

Mulvihill Structured Products

Investor Relations

121 King St. W., Suite 2600

Toronto, Ontario

M5H 3T9

Tel: 416 681-3966

1 800 725-7172

Fax: 416 681-3901

e-mail: hybrid@mulvihill.com

Mulvihill Capital Management Inc.

*Please contact your broker directly
for address changes.*