

# Press Release:



## Income Financial

TSX Symbol: INC.UN  
Subject: DIV

### Regular Monthly Distribution Declared

**TORONTO, ONTARIO – July 18, 2008 / Marketwire** - INCOME FINANCIAL TRUST ("INCOME FINANCIAL") announces details of a variable distribution program designed to address the effects of the current difficult market conditions.

A myriad of issues have affected the financial markets and have had a dramatic impact on the Income Financial portfolio. Overall financial markets continue to be adversely impacted by the confluence of record high commodity prices and the continuing credit related problems originating from the US sub prime lending market. These conditions have caused economic growth to slow considerably in both Canada and the United States while at the same time high commodity prices are beginning to lead to a marked increase in inflationary pressures. In particular, the dramatic increase in oil prices has become a large obstacle for economic recovery. The Canadian Financial Services sector is down approx. 17% year to date. The US Financial Services sector is down approx. 34% year to date and closed at its lowest level since 1997 (over 11 years). Although the covered call writing program has generated option premium income throughout this time period, it has not been sufficient to offset the impact of these declines on the underlying stocks held in the portfolio.

The combined effect of the market declines and the monthly distributions paid since inception has resulted in a decline in the net asset value of Income Financial to \$10.36 as at July 15, 2008. Income Financial unitholders have received a total of \$21.68 per unit in distributions since inception as at June 30, 2008.

Given the current market conditions and the objective of retaining assets in the fund to take advantage of any recovery in the financial equity markets, the Manager of Income Financial has instituted a variable distribution program effective for the July 31, 2008 distribution. This program will be effective for the remainder of 2008, at which time it will be reviewed in light of market conditions existing at such time.

Key features of the program are as follows:

- a.) The current monthly distribution amount of \$0.17708 (annualized 8.5% on the \$25 original issue price) will be replaced with a variable monthly distribution target of 8.5% per annum, based on the preceding month-end net asset value of Income Financial.
- b.) The July 31, 2008 variable monthly distribution will be based on the June 30, 2008 net asset value of \$11.98. Therefore a July distribution of \$0.08486 ( $\$11.98 \times 8.5\% / 12$ ) per unit will be paid to unitholders of record on July 31, 2008 and will be payable on August 8, 2008.

The Manager of Income Financial believes that it is prudent and in the best interests of Income Financial unitholders to adjust the distribution policy at this point in time. The Manager believes that the additional funds retained as a result of this policy will help in rebuilding the net asset value as markets recover.

Income Financial invests in North American financial services companies whose shares are included in the TSX Financial Services Index, the S&P Financials Index or the S&P Midcap Financials Index.

#### Income Financial Distribution Details:

- Variable Distribution per Unit: \$ 0.08486
- Ex-Dividend Date: July 29, 2008
- Record Date: July 31, 2008
- Payable Date: August 8, 2008

For further information, please contact Investor Relations at 416-304-4443, toll free at 1-877-4-Quadra (1-877-478-2372), or visit [www.quadravest.com](http://www.quadravest.com).