

2009 Semi-Annual Financial Statements

as at June 30, 2009



Skylon Global Capital Yield Trust

Skylon Global Capital Yield Trust II

Skylon Global High Yield Trust

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CI Investments Inc., the manager of the Trusts, appoints independent auditors to audit the Trusts' Annual Financial Statements. Under Canadian securities laws (National Instrument 81-106), if an auditor has not reviewed the Semi-Annual Financial Statements, this must be disclosed in an accompanying notice.

The Trusts' independent auditors have not performed a review of these Semi-Annual Financial Statements in accordance with standards established by the Canadian Institute of Chartered Accountants.

SKYLON GLOBAL CAPITAL YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited)

Number of Shares/ Face Amount	Description	Average Cost (\$)	Fair Value (\$)
Equities Subject to Forward (59.8%)			
3,586	CanWest Global Communications Corp.*	18,289	538
36,028	Celestica Inc.*	238,145	283,901
31,735	CGI Group Inc.*	304,660	328,140
33,563	Eldorado Gold Corp.*	295,690	349,055
13,899	Gildan Activewear Inc.*	508,981	239,480
69,670	Lundin Mining Corp.*	541,336	230,608
334,815	MDS Inc.*	615,098	243,257
27,169	Research In Motion Ltd.*	867,503	2,246,333
41,983	Westjet Airlines Ltd.*	570,156	429,486
Commissions and other Portfolio Transaction Costs		-	
Total Equities Subject to Forward (59.8%)		3,959,858	4,350,798
DERIVATIVE INSTRUMENTS			
Forward Contracts (34.6%) (see Schedule A)			2,515,892
Total Investments (94.4%)		3,959,858	6,866,690
Other Assets (net) (5.6%)			406,553
Total Net Assets (100.0%)			7,273,243

**Securities sold forward under Forward Contracts.
The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.*

SKYLON GLOBAL CAPITAL YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited) cont'd

Schedule A

Forward Contracts (34.6%)

Investments sold forward*	Fair Value (\$)
CanWest Global Communications Corp.	(556)
Celestica Inc.	(283,901)
CGI Group Inc.	(328,140)
Eldorado Gold Corp.	(351,740)
Gildan Activewear Inc.	(239,480)
Lundin Mining Corp.	(233,395)
MDS Inc.	(243,257)
Research In Motion Ltd.	(2,246,333)
Westjet Airlines Ltd.	(432,425)
	<u>(4,359,227)</u>

Notional Units

157,114
157,114

Underlying Fund

Skylon Global High Yield Trust
Skylon Global High Yield Trust

Fair Value (\$)

3,437,559
3,437,559
6,875,118

Total Forward Contracts Value

2,515,891

Due Date

31-Dec-12

Credit Rating of the Counterparty

A-1+

**Collectively known as Common Share Portfolio.
The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.*

SKYLON GLOBAL CAPITAL YIELD TRUST

Financial Statements

Statements of Net Assets (unaudited) (in \$000's except for per unit amounts and number of units outstanding)

	As at June 30, 2009	As at December 31, 2008
ASSETS		
Investments at fair value*	4,351	4,288
Cash	479	448
Unrealized gain on forward contract	2,516	4,207
Management fee rebate receivable	–	–
Dividends and accrued interest receivable	–	–
	<u>7,346</u>	<u>8,943</u>
LIABILITIES		
Payable for unit redemptions	–	1,738
Unrealized loss on forward contract	–	–
Service fees payable	12	17
Distributions payable	48	59
Management fees payable	2	2
Accrued expenses	1	2
Spread fee payable	8	15
Borrowing fee payable	2	4
	<u>73</u>	<u>1,837</u>
Net assets and unitholders' equity	<u>7,273</u>	<u>7,106</u>
UNITHOLDERS' EQUITY		
Unit capital	3,496	3,496
Retained earnings (deficit)	3,777	3,610
Net assets and unitholders' equity	<u>7,273</u>	<u>7,106</u>
*Investments at cost	<u>3,960</u>	<u>5,539</u>
Net assets per unit (Notes 2 and Note 8)	<u>23.02</u>	<u>22.49</u>
Number of units outstanding (Note 3)	<u>315,963</u>	<u>315,963</u>

The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL CAPITAL YIELD TRUST

Financial Statements

Statements of Operations and Retained Earnings (Deficit) (unaudited) (in \$000's except for per unit amounts)

	For the periods ended June 30	
	2009	2008
INVESTMENT INCOME		
Interest	1	7
Management fee rebate	–	–
	1	7
EXPENSES		
Management fees (Note 4)	9	14
Administrative expenses (Note 4)	4	10
Service fees (Note 4)	14	23
Legal	–	–
Audit	3	–
Goods and services tax	1	2
	31	49
Net investment income (loss) for the period	(30)	(42)
Realized and unrealized gain (loss) on investments and commissions and other portfolio transaction costs		
Realized gain (loss) on investments	568	2,703
Commissions and other portfolio transaction costs	–	–
Forward fees (Note 4)	(36)	(54)
Change in unrealized appreciation (depreciation) of investments and derivatives	(49)	(2,765)
Net gain (loss) on investments	483	(116)
Increase (decrease) in net assets from operations	453	(158)
Increase (decrease) in net assets from operations per unit⁽¹⁾	1.43	(0.40)
STATEMENTS OF RETAINED EARNINGS (DEFICIT)		
Retained earnings (deficit), beginning of period	3,610	6,855
(Excess) deficiency on amounts paid on units redeemed	–	–
Increase (decrease) in net assets from operations	453	(158)
Distribution from realized gains	(286)	–
Retained earnings (deficit), end of period	3,777	6,697

⁽¹⁾ Increase (decrease) in net assets from operations per unit is calculated by dividing the increase (decrease) in net assets from operations of the Trust by the weighted-average number of units outstanding during the period. The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL CAPITAL YIELD TRUST

Financial Statements

Statements of Changes in Net Assets (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
Net assets, beginning of period	7,106	11,422
CAPITAL TRANSACTIONS		
Issue costs	–	–
Cost of units redeemed	–	–
(Excess) deficiency on amounts paid on units redeemed	–	–
	–	–
DISTRIBUTIONS TO UNITHOLDERS		
From realized gains	(286)	–
From return of capital	–	(356)
	(286)	(356)
Increase (decrease) in net assets from operations	453	(158)
Net assets, end of period	7,273	10,908

Statements of Cash Flows (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net investment income (loss)	(30)	(42)
Proceeds from disposition of investments	2,726	9,688
Purchase of investments	(624)	(5,684)
Net change in non-cash balances related to operations	(6)	(9)
	2,066	3,953
FINANCING ACTIVITIES		
Distributions paid	(297)	(375)
Cost of units redeemed	(1,738)	(3,617)
	(2,035)	(3,992)
Increase (decrease) in cash during the period	31	(39)
Cash (Bank overdraft), beginning of period	448	451
Cash (Bank overdraft), end of period	479	412

The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL CAPITAL YIELD TRUST II

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited)

Number of Shares/ Face Amount	Description	Average Cost (\$)	Fair Value (\$)
Equities Subject to Forward (98.9%)			
52,801	Celestica Inc.*	380,695	416,072
173,959	CGI Group Inc.*	1,217,713	1,798,736
287,837	Eldorado Gold Corp.*	2,086,818	2,993,505
119,802	FNX Mining Co., Inc.*	2,910,039	959,614
78,449	Gildan Activewear Inc.*	2,990,514	1,351,676
205,162	Ivanhoe Mines Ltd.*	2,256,782	1,323,295
24,761	MDS Inc.*	290,205	151,290
121,161	Research In Motion Ltd.*	3,843,023	10,017,591
20,922	RONA Inc.*	246,460	265,919
127,373	Sino-Forest Corp., Class A*	500,576	1,574,330
125,896	TriStar Oil & Gas Ltd.*	2,257,315	1,381,079
701,625	UTS Energy Corp.*	2,799,484	1,094,535
71,762	WestJet Airlines Ltd.*	3,474,294	2,780,125
Commissions and other portfolio transaction costs		-	
Total Equities Subject to Forward (98.9%)		25,253,918	26,107,767
DERIVATIVE INSTRUMENTS			
Forward Contracts (2.1%) (see Schedule A)			554,566
Total Investments (101.0%)		25,253,918	26,662,333
Other Assets (net) (-1.0%)			(272,754)
Total Net Assets (100.0%)			26,389,579

*Securities sold forward under Forward Contracts.
The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL CAPITAL YIELD TRUST II

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited) cont'd

Schedule A

Forward Contracts (2.1%)

	Investments sold forward*	Fair Value (\$)
	Celestica Inc.	(416,072)
	CGI Group Inc.	(1,798,736)
	Eldorado Gold Corp.	(3,016,532)
	FNX Mining Co., Inc.	(962,010)
	Gildan Activewear Inc.	(1,351,676)
	Ivanhoe Mines Ltd.	(1,323,295)
	MDS Inc.	(151,290)
	Research In Motion Ltd.	(10,017,591)
	RONA Inc.	(266,756)
	Sino-Forest Corp., Class A	(1,579,425)
	TriStar Oil & Gas Ltd.	(1,383,597)
	UTS Energy Corp.	(1,101,551)
	WestJet Airlines Ltd.	(2,799,149)
		(26,167,680)
Notional Units	Underlying Fund	Fair Value (\$)
610,672	Skylon Global High Yield Trust	13,361,123
610,672	Skylon Global High Yield Trust	13,361,123
		26,722,246
	Total Forward Contracts Value	554,566
	Due Date	31-Dec-12
	Credit Rating of the Counterparty	A-1

*Collectively known as Common Shares Portfolio.
 The accompanying notes are an integral part of these financial statements.
 Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL CAPITAL YIELD TRUST II

Financial Statements

Statements of Net Assets (unaudited) (in \$000's except for per unit amounts and number of units outstanding)

	As at June 30, 2009	As at December 31, 2008
ASSETS		
Investments at fair value*	26,108	24,875
Cash	30	65
Unrealized gain on forward contract	555	5,779
Management fee rebate receivable	–	–
Dividends and accrued interest receivable	–	–
	<u>26,693</u>	<u>30,719</u>
LIABILITIES		
Payable for unit redemptions	–	4,473
Unrealized loss on derivative investments	–	–
Unrealized loss on forward contract	–	–
Service fees payable	44	58
Distributions payable	208	244
Management fees payable	6	7
Accrued expenses	5	6
Spread fee payable	29	51
Borrowing fee payable	11	18
	<u>303</u>	<u>4,857</u>
Net assets and unitholders' equity	<u>26,390</u>	<u>25,862</u>
UNITHOLDERS' EQUITY		
Unit capital	19,402	19,489
Retained earnings (deficit)	6,988	6,373
Net assets and unitholders' equity	<u>26,390</u>	<u>25,862</u>
*Investments at cost	<u>25,254</u>	<u>31,352</u>
Net assets per unit (Note 2 and Note 8)	<u>19.17</u>	<u>18.78</u>
Number of units outstanding (Note 3)	<u>1,376,963</u>	<u>1,376,963</u>

SKYLON GLOBAL CAPITAL YIELD TRUST II

Financial Statements

Statements of Operations and Retained Earnings (Deficit) (unaudited) (in \$000's except for per unit amounts)

	For the periods ended June 30	
	2009	2008
INVESTMENT INCOME		
Interest	–	4
Income distribution from investments	–	–
Management fee rebate	–	–
Less: Foreign withholding taxes	–	–
	–	4
EXPENSES		
Management fees (Note 4)	32	49
Administrative expenses (Note 4)	14	36
Interest expense	–	–
Service fees (Note 4)	51	79
Legal	1	2
Audit	10	–
Goods and services tax	5	8
	113	174
Net investment income (loss) for the period	(113)	(170)
Realized and unrealized gain (loss) on investments and commissions and other portfolio transaction costs		
Realized gain (loss) on investments	(76)	9,253
Commissions and other portfolio transaction costs	–	–
Forward fees (Note 4)	(141)	(205)
Change in unrealized appreciation (depreciation) of investments and derivatives	2,106	(9,519)
Net gain (loss) on investments	1,889	(471)
Increase (decrease) in net assets from operations	1,776	(641)
Increase (decrease) in net assets from operations per unit⁽¹⁾	1.29	(0.40)
STATEMENTS OF RETAINED EARNINGS (DEFICIT)		
Retained earnings (deficit), beginning of period	6,373	13,926
(Excess) deficiency on amounts paid on units redeemed	–	–
Increase (decrease) in net assets from operations	1,776	(641)
Distribution from realized gains	(1,161)	–
Retained earnings (deficit), end of period	6,988	13,285

⁽¹⁾ Increase (decrease) in net assets from operations per unit is calculated by dividing the increase (decrease) in net assets from operations of the Trust by the weighted-average number of units outstanding during the period. The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL CAPITAL YIELD TRUST II

Financial Statements

Statements of Changes in Net Assets (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
Net assets, beginning of period	25,862	40,195
CAPITAL TRANSACTIONS		
Issue costs	–	–
Cost of units redeemed	–	–
(Excess) deficiency on amounts paid on units redeemed	–	–
	–	–
DISTRIBUTIONS TO UNITHOLDERS		
From realized gains	(1,161)	–
From return of capital	(87)	(1,462)
	(1,248)	(1,462)
Increase (decrease) in net assets from operations	1,776	(641)
Net assets, end of period	26,390	38,092

Statements of Cash Flows (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net investment income (loss)	(113)	(170)
Proceeds from disposition of investments	6,107	39,535
Purchase of investments	(256)	(31,583)
Net change in non-cash balances related to operations	(16)	(16)
	5,722	7,766
FINANCING ACTIVITIES		
Distributions paid	(1,284)	(1,502)
Cost of units redeemed	(4,473)	(6,583)
	(5,757)	(8,085)
Increase (decrease) in cash during the period	(35)	(319)
Cash (Bank overdraft), beginning of period	65	445
Cash (Bank overdraft), end of period	30	126

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited)

	Number of Units/ Face Amount	Description	Average Cost (\$)	Fair Value (\$)
U.S.A. (73.0%)				
USD	300,000	Altria Group Inc. 9.25% 06/08/2019	368,787	391,799
USD	25,000	American Home Mortgage Investment Trust 5.66% 09/25/2045	9,015	8,277
USD	300,000	Amgen Inc. 5.7% 01/02/2019	366,800	368,108
USD	100,000	Banc of America Commercial Mortgage Inc. 5.83732% 10/05/2017	92,729	82,303
USD	100,000	Banc of America Commercial Mortgage Inc. 5.9353% 10/02/2051	93,827	93,820
USD	300,000	Bank of America Corp. 0.98875% 06/22/2012	385,278	353,757
USD	400,000	Caterpillar Financial Services Ltd., FRN 1.35438% 06/24/2011	406,240	459,474
USD	100,000	COMM 2006-C8 5.306% 10/12/2046	91,668	84,793
USD	25,000	CWALT 2005-59 1A1 0.64375% 11/20/2035	8,409	6,849
USD	25,000	CWALT 2005-62 2A1 2.34% 12/25/2035	6,733	5,403
USD	75,000	CWALT 2006-0A17 1A1A 0.51% 12/20/2046	34,330	26,071
USD	25,000	CWALT 2006-0A9 2A1A 0.525% 07/20/2046	9,319	7,429
USD	100,000	CWALT 2007-10 22AA 5.99424% 09/25/2037	61,223	53,351
USD	200,000	Fannie Mae Whole Loan 0.66375% 09/25/2042	37,550	40,524
USD	1,063,404	FNCL MBS No.933180 5.5% 01/11/2037	967,149	905,207
USD	923,812	Freddie Mac MBS G04567 5.5% 01/07/2038	996,236	935,399
USD	400,000	General Electric Capital Corp. 6.875% 10/01/2039	465,881	418,748
USD	200,000	General Motors Acceptance Corp. 7.25% 02/03/2011	201,652	211,061
USD	100,000	Genworth Global Funding 1.32125% 04/15/2014	94,556	57,445
USD	70,000	Goldman Sachs Group Inc. 0.90125% 06/28/2010	86,219	80,975
USD	114,000	Goldman Sachs Group Inc. 1.43% 07/23/2009	149,699	132,611
USD	25,000	GSR Mortgage Loan Trust 5.17597% 01/25/2036	13,419	13,335
USD	50,000	Hawaiian Telcom Communications Inc. 9.75% 01/05/2013	62,470	582
USD	20,000	HCA Inc. 6.25% 02/15/2013	19,090	20,353
USD	100,000	JPMCC 2007-CB20 A4 5.794% 12/02/2051	93,534	86,882
USD	56,000	LBUBS 2007-C2 A3 5.43% 02/15/2040	51,013	47,075
USD	100,000	Metropolitan Life Global Funding I FRN 144A 0.87938% 03/15/2012	98,411	110,199
USD	340,000	Mexico Government International Bond 5.625% 01/15/2017	324,472	399,786
USD	100,000	MSC 2007-IQ15 A4 5.809% 12/12/2049	93,459	88,622
USD	400,000	National Rural Utilities Cooperative Finance Corp., FRN 1.9825% 01/07/2010	406,240	465,335
	100,752	PIMCO Developing Local Markets Fund	1,157,113	1,361,631
	85,985	PIMCO Diversified Income Fund Institutional Accumulation	965,950	1,181,048
	542,723	PIMCO Emerging Markets Bond Fund	10,433,855	9,941,608
	546,286	PIMCO GIS High Yield Bond Fund	7,937,557	4,873,181
USD	400,000	SLM Student Loan Trust 2008-09 2.59188% 04/25/2023	410,273	466,059
USD	100,000	Sprint Nextel Corp. 6% 01/12/2016	99,836	95,079
USD	370,000	United Mexican States 8.3% 08/15/2031	376,333	513,166
USD	25,000	WAMU 2007-HY1 4A1 5.39431% 02/25/2037	15,225	13,545
USD	25,000	WAMU 2007-OA1 A1A 2.13917% 02/25/2047	10,148	7,156
USD	25,000	WFMB 2006-AR10 5A6 5.59345% 07/25/2036	13,850	14,124
USD	100,000	Williams Cos., Inc. 7.625% 07/15/2019	139,686	114,851
			27,655,234	24,537,021
Colombia (3.7%)				
USD	1,000,000	Republic of Colombia 7.375% 01/27/2017	1,115,518	1,252,021

The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited) cont'd

	Number of Units/ Face Amount	Description	Average Cost (\$)	Fair Value (\$)
		Panama (3.3%)		
USD	600,000	Republic of Panama 6.7% 01/26/2036	722,742	676,894
USD	300,000	Republic of Panama 8.875% 09/30/2027	440,407	421,314
			1,163,149	1,098,208
		Philippines (1.9%)		
USD	600,000	Republic of Philippines 6.375% 01/15/2032	606,176	631,535
		Mexico (1.5%)		
USD	200,000	America Movil SAB de C.V. 5.625% 11/15/2017	193,068	227,355
USD	230,000	United Mexican States 6.75% 09/27/2034	197,697	269,775
			390,765	497,130
		Ireland (0.7%)		
USD	200,000	Transneft, Series 144A 6.103% 06/27/2012	212,610	225,631
		Commissions and other Portfolio Transaction Costs	-	
		Total Bonds & Equities (84.1%)	31,143,452	28,241,546
		Short-Term Notes (4.7%)	1,547,623	1,581,573
		DERIVATIVE INSTRUMENTS		
		Foreign Currency Forward Contracts (-5.7%) (see Schedule A)		(1,898,308)
		Short Option Contracts (-0.1%) (see Schedule B)	(9,938)	(3,721)
		Interest Rate Swap Contracts (1.7%) (see Schedule C)	306,207	556,405
		Credit Default Swap Contracts (-2.9%) (see Schedule D)	-	(964,068)
		Total Investments (81.8%)	32,987,344	27,513,427
		Other Assets (net) (18.2%)		6,083,752
		Total Net Assets (100.0%)		33,597,179

Currency Codes

USD - U.S. Dollar

The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited) cont'd

Schedule A

Foreign Currency Forward Contracts (-5.7%)

Contracts	Counterparty	Credit Rating	Price (\$)	Due Date	Pay	Receive	Unrealized gain (loss) (\$)
1	J. P. Morgan Securities Ltd.	A-1	1.53	2-Jul-09	(9,000) British Pound	13,780 US \$	(1,193)
1	J. P. Morgan Securities Ltd.	A-1	1.65	6-Aug-09	(9,000) British Pound	14,877 US \$	84
1	J. P. Morgan Securities Ltd.	A-1	0.91	4-Aug-09	(21,000) Canadian \$	19,032 US \$	1,130
1	Barclays Bank	A-1	1.40	27-Jul-09	(19,000) Euro	26,512 US \$	(164)
1	Citibank	A-1	0.02	6-Aug-09	(779,030) Philipino Peso	15,964 US \$	(183)
1	Barclays Bank	A-1	0.67	30-Jul-09	(344,362) Singaporean \$	229,728 US \$	(9,275)
1	Citibank	A-1	48.40	6-Aug-09	(10,000) US \$	484,000 Philipino Peso	18
1	Deutsche Bank	A-1	6.94	8-Sep-09	(100,000) US \$	694,250 Chinese Renminbi	1,821
1	J. P. Morgan Securities Ltd.	A-1	1.51	30-Jul-09	(101,938) US \$	153,548 Singaporean \$	4,713
1	Citibank	A-1	1.47	30-Jul-09	(130,000) US \$	190,814 Singaporean \$	1,994
1	J. P. Morgan Securities Ltd.	A-1	0.60	2-Jul-09	(14,878) US \$	9,000 British Pound	(84)
1	Barclays Bank	A-1	6.95	8-Sep-09	(23,654) US \$	164,300 Chinese Renminbi	445
1	J. P. Morgan Securities Ltd.	A-1	1.10	4-Aug-09	(27,081,298) US \$	29,657,000 Canadian \$	(1,832,966)
1	J. P. Morgan Securities Ltd.	A-1	1.14	4-Aug-09	(2,924,826) US \$	3,331,000 Canadian \$	(70,006)
1	J. P. Morgan Securities Ltd.	A-1	6.90	8-Sep-09	(40,000) US \$	276,120 Chinese Renminbi	460
1	HSBC Bank Plc	A-1+	6.97	8-Sep-09	(50,000) US \$	348,675 Chinese Renminbi	1,174
1	Deutsche Bank	A-1	6.95	8-Sep-09	(50,000) US \$	347,700 Chinese Renminbi	1,008
1	HSBC Bank Plc	A-1+	6.89	8-Sep-09	(50,000) US \$	344,700 Chinese Renminbi	498
1	Barclays Bank	A-1	6.90	8-Sep-09	(50,000) US \$	345,150 Chinese Renminbi	575
1	Citibank	A-1	6.94	8-Sep-09	(50,000) US \$	347,050 Chinese Renminbi	898
1	Citibank	A-1	47.88	6-Aug-09	(6,162) US \$	295,030 Philipino Peso	(66)
1	Deutsche Bank	A-1	6.90	8-Sep-09	(80,000) US \$	551,600 Chinese Renminbi	811
Total Foreign Currency Forward Contracts Value							(1,898,308)

The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statement of Investment Portfolio (as at June 30, 2009) (unaudited) cont'd

Schedule B

Short Option Contracts (-0.1%)

Contracts	No. of underlying interest		Expiry Date	Strike Price (\$)	Premium Paid (Received) (\$)	Fair Value (\$)
(600,000)	(6,000)	IRO USD 2Y P 2.0 07-27-09 DUB	27-Jul-09	3.50	(4,152)	(556)
(500,000)	(5,000)	IRO USD 7Y P 4.4 08-03-09 BRC	3-Aug-09	4.40	(1,715)	(1,055)
(1,000,000)	(10,000)	IRO USD 7Y P 4.4 08-03-09 RYL	3-Aug-09	4.40	(4,071)	(2,110)
Total Short Option Contracts Value					(9,938)	(3,721)

Schedule C

Interest Rate Swap Contracts (1.7%)

Contracts	Notional (Local)		Price (\$)	Due Date	Credit Rating	Cost (\$)	Fair Value (\$)
600,000	52,172	IRS EUR R 6ME-4.5 03-18-09 GLM (Rec Fix)	7.42	18-Mar-14	A-1	(12,464)	72,653
100,000	7,185	IRS GBP R 6ML-5.0 03-18-09 GLM (Rec Fix)	5.99	18-Mar-14	A-1	(2,283)	11,463
100,000	7,341	IRS GBP R 6ML-5.0 03-18-09 RYL (Rec Fix)	5.99	18-Mar-14	A-1	(2,583)	11,463
17,000,000	40,397	IRS USD R 3ML-3.0 12-16-09 BOA (Rec Fix)	1.58	16-Dec-10	A-1	264,943	311,926
1,000,000	5,896	IRS USD R 3ML-3.5 06-24-09 RYL (Rec Fix)	0.59	24-Jun-16	A-1	-	6,858
5,500,000	71,749	IRS USD R 3ML-4.0 12-17-08 LSI (Rec Fix)	2.22	17-Dec-10	A-1	58,594	142,042
Total Interest Rate Swap Contracts Value						306,207	556,405

Schedule D

Credit Default Swap Contracts (-2.9%)

Contracts	Notional (Local)		Price (\$)	Due Date	Credit Rating	Cost (\$)	Fair Value (\$)
4,500,000	(828,401)	CDX HY-10 100 25-35% SP MEI (Rec Cpn)	(18.41)	20-Jun-11	A-1	-	(963,472)
500,000	(8,068)	Mex SP LSI 04/20/11- 0.75 (Rcv Cpn)	(1.61)	20-Apr-11	A-1	-	(9,383)
150,000	(3,202)	Nalco SP LSI (Rcv Cpn)	(2.13)	20-Dec-12	A-1	-	(3,724)
400,000	(3,200)	Ohio Edison Cred Def - 0.47 WNA (Rec Cpn)	(0.80)	22-Mar-10	A-1	-	(3,721)
500,000	13,956	Telefonos BP LSI 04/20/11 - 0.55 (Pay Cpn)	2.79	20-Apr-11	A-1	-	16,232
Total Credit Default Swap Contracts Value						-	(964,068)

The accompanying notes are an integral part of these financial statements.
Percentages shown in brackets relate investments at fair value to total net assets of the Trust.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statements of Net Assets (unaudited) (in \$000's except for per unit amounts and number of units outstanding)

	As at June 30, 2009	As at December 31, 2008
ASSETS		
Investments at fair value*	28,242	27,390
Cash	4,961	6,843
Short-term investments	1,582	5,840
Daily variation margin on derivative investments	954	1,906
Unrealized gain on derivative investments	288	–
Premium paid for swap contract	306	–
Receivable for securities sold	–	–
Management fee rebate receivable	9	12
Dividends and accrued interest receivable	190	165
Income receivable from investments	–	–
	36,532	42,156
LIABILITIES		
Bank overdraft	–	–
Payable for securities purchased	–	2,344
Unrealized loss on derivative investments	2,894	205
Premium received from swap contracts	–	242
Premium received from options contract	10	–
Distributions payable	–	728
Management fees payable	26	30
Accrued expenses	5	4
	2,935	3,553
Net assets and unitholders' equity	33,597	38,603
UNITHOLDERS' EQUITY		
Unit capital	52,501	62,230
Contributed surplus	12,159	8,643
Retained earnings (deficit)	(31,063)	(32,270)
Net assets and unitholders' equity	33,597	38,603
*Investments at cost	31,143	31,542
Net assets per unit (Note 2 and Note 8)	21.88	21.21
Number of units outstanding (Note 3)	1,535,571	1,820,093

The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statements of Operations and Retained Earnings (Deficit) (unaudited) (in \$000's except for per unit amounts)

	For the periods ended June 30	
	2009	2008
INVESTMENT INCOME		
Interest	463	472
Derivative income	147	81
Income distribution from investments	577	956
Management fee rebate	42	75
Less: Foreign withholding taxes	–	(5)
	1,229	1,579
EXPENSES		
Management fees (Note 4)	138	218
Administrative expenses (Note 4)	8	35
Interest expense	1	2
Legal	2	2
Audit	15	–
Goods and services tax	8	13
	172	270
Net investment income (loss) for the period	1,057	1,309
Realized and unrealized gain (loss) on investments and commissions and other portfolio transaction costs		
Realized gain (loss) on investments	2,648	320
Foreign exchange gain (loss)	(185)	238
Commissions and other portfolio transaction costs	(6)	(7)
Change in unrealized appreciation (depreciation) of investments and derivatives	(1,079)	(2,083)
Net gain (loss) on investments	1,378	(1,532)
Increase (decrease) in net assets from operations	2,435	(223)
Increase (decrease) in net assets from operations per unit⁽¹⁾	1.57	(0.12)
STATEMENTS OF RETAINED EARNINGS (DEFICIT)		
Retained earnings (deficit), beginning of period	(32,270)	(21,603)
Increase (decrease) in net assets from operations	2,435	(223)
Distribution from net income	–	–
Distribution from realized gains	(1,228)	(946)
Retained earnings (deficit), end of period	(31,063)	(22,772)

⁽¹⁾ Increase (decrease) in net assets from operations per unit is calculated by dividing the increase (decrease) in net assets from operations of the Trust by the weighted-average number of units outstanding during the period. The accompanying notes are an integral part of these financial statements.

SKYLON GLOBAL HIGH YIELD TRUST

Financial Statements

Statements of Changes in Net Assets (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
Net assets, beginning of period	38,603	61,335
CAPITAL TRANSACTIONS		
Cost of units redeemed	(9,729)	(12,615)
(Excess) deficiency on amounts paid on units redeemed	3,516	2,416
	(6,213)	(10,199)
DISTRIBUTIONS TO UNITHOLDERS		
From net income	–	–
From realized gains	(1,228)	(946)
From return of capital	–	(874)
	(1,228)	(1,820)
Increase (decrease) in net assets from operations	2,435	(223)
Net assets, end of period	33,597	49,093

Statements of Cash Flows (unaudited) (in \$000's)

	For the periods ended June 30	
	2009	2008
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Net investment income (loss)	1,057	1,309
Proceeds from disposition of investments	11,714	17,450
Purchase of investments	(7,403)	(8,951)
Net change in non-cash balances related to operations	919	1,463
	6,287	11,271
FINANCING ACTIVITIES		
Distributions paid	(1,956)	(2,256)
Cost of units redeemed	(6,213)	(10,199)
	(8,169)	(12,455)
Increase (decrease) in cash during the period	(1,882)	(1,184)
Cash (Bank overdraft), beginning of period	6,843	215
Cash (Bank overdraft), end of period	4,961	(969)

The accompanying notes are an integral part of these financial statements.

1. THE TRUSTS

Skylon Global Capital Yield Trust (the "Trust") is a closed-end investment trust established under the laws of the Province of Ontario on June 26, 2002. On July 24, 2002, the Trust completed an initial public offering of 1,600,000 units at \$25 per unit. The Trust's units are listed on the Toronto Stock Exchange, under the symbol SLP.UN. On August 23, 2002, an over-allotment option granted to agents was exercised for further issuance of 80,000 units at \$25 per unit. The Trust will terminate operations on July 31, 2012 (the "Termination Date"), and the net assets will be distributed pro rata to unitholders unless an alternative later termination date is approved by the unitholders.

Skylon Global Capital Yield Trust II (the "Trust II") is a closed-end investment trust established under the laws of the Province of Ontario on January 22, 2003. On February 14, 2003, the Trust II completed an initial public offering of 5,200,000 units at \$25 per unit. The Trust II's units are listed on the Toronto Stock Exchange, under the symbol SPO.UN. On March 14, 2003, an over-allotment option granted to agents was exercised for further issuance of 160,000 units at \$25 per unit. The Trust II will terminate operations on July 31, 2012 (the "Termination Date"), and the net assets will be distributed pro rata to unitholders unless an alternative later termination date is approved by the unitholders.

Through a forward agreement or agreements (the "Forward Agreement") with TD Global Finance and Royal Bank of Canada, the Trust and the Trust II, respectively, provide unitholders with exposure to the performance of the Skylon Global High Yield Trust.

Skylon Global High Yield Trust is an investment trust established under the laws of the Province of Ontario on June 26, 2002. The Trust closed its initial exempt offering on July 30, 2002, issuing 1,600,000 redeemable, transferable units of the Trust at \$25 per unit. The Skylon Global High Yield Trust will terminate operations on July 31, 2012 (the "Termination Date"), and the net assets will be distributed pro rata to unitholders unless an alternative later termination date is approved by the unitholders.

The manager of the Trust, the Trust II and Skylon Global High Yield Trust (the "Trusts") is CI Investments Inc. (the "Manager" and the "Trustee").

Pacific Investment Management Company LLC ("PIMCO") (the "Investment Advisor") has been engaged to provide advisory services to the Manager pursuant to an Investment Advisory Agreement dated June 26, 2002. The Manager pays a fee to the Investment Advisor for services rendered.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Significant accounting policies used in preparing the semi-annual financial statements are consistent with those used in preparing the annual financial statements. The semi-annual financial statements should be read in conjunction with the Trusts' December 31, 2008 annual financial statements.

(a) Valuation of Investments

Investments are categorized as held for trading in accordance with Section 3855, "Financial Instruments – Recognition and Measurement" and are recorded at their fair value for financial reporting purposes. Listed securities are valued based on the bid price for securities held long and the ask price for securities held short on the financial reporting date. Unlisted securities are valued based on price quotations from recognized investment dealers, or failing that, their fair value is determined by the Manager on the basis of the latest reported information available. Fixed income securities, debentures, money market investments and other debt instruments are valued at the bid quotation from recognized investment dealers.

The Canadian Securities Administrators ("CSA") amended section 14.2 of National Instrument 81-106 on September 5, 2008. The amended section 14.2 requires the Net Asset Value of an investment fund to be calculated using the fair value of the fund's assets and liabilities. The adoption of Section 3855 results in a different valuation method for calculating Net Asset Value for financial reporting purposes. For the purpose of processing unitholder transactions, Net Asset Value is calculated based on the closing market price (referred to as "Net Asset Value"), while for financial statement purposes, Net Asset Value is calculated based on bid/ask price (referred to as "Net Assets"). In accordance with NI 81-106, a comparison between the Net Asset Value per unit and the Net Assets per unit is disclosed in Note 8.

(b) Forward Contracts

The Trusts may enter into forward contracts. Forward foreign currency contracts are valued using a bid price on the related public exchange, on each valuation day according to the gain (loss) that would be realized if the contracts were closed out.

All gains (losses) arising from forward foreign currency contracts are recorded as part of "Change in unrealized appreciation (depreciation) of investments and derivatives" in the Statements of Operations and "Unrealized gain (loss) on derivative instruments" in the Statements of Net Assets until the contracts are closed out or expire, at which time the gains (losses) are realized and reported as "Realized gain (loss) on investments" in the Statements of Operations.

The value of the forward on the valuation date is equal to the gain or loss that would be realized if the contract were closed out or expired. Investments sold forward as part of the forward agreement are valued at the market close price, and the Underlying Fund is valued at its net asset value as reported by the Underlying Fund's manager on the valuation date for purposes of determining the value of the forward contract. All gains (losses) arising from the forward agreement are recorded as part of "Change in unrealized appreciation (depreciation) of investments and derivatives" in the Statements of Operations and "Unrealized gain (loss) on derivative instruments" in the Statements of Net Assets until the contracts are closed out or expire; at which time the gains (losses) are realized and reported as "Realized gain (loss) on investments" in the Statements of Operations.

(c) Options Contracts

Option contracts are valued each valuation day according to the gain or loss that would be realized if the contracts were closed out. All gains or losses arising from option contracts are recorded as part of "Change in unrealized appreciation (depreciation) of investments" until the contracts are closed out or expire, at which time the gains (losses) are realized and reflected in the Statements of Operations in "Realized gain (loss) on investments".

(d) Interest Rate Swaps

The fair value of interest rate swaps are determined using indicative bid values obtained from third-party broker-dealers. The broker-dealers determine the fair value using valuation models that are based on assumptions that are supported by observable market inputs, including the interest rates for that day. The indicative bid values are independently assessed internally to ensure that they are reasonable.

Any income received for interest rate swaps contracts is recorded as "Derivative income (loss)" in the Statements of Operations.

(e) Credit Default Swaps

The fair value of credit default swaps with exposures to underlying mortgage backed securities and asset backed securities are determined using indicative bid values obtained from third-party broker-dealers. The broker-dealers determine the fair value using valuation models that are based, in part, on assumptions that are not supported by observable market inputs. The indicative bid values are independently assessed internally to ensure that they are reasonable. The fair values of credit default swaps are affected by the perceived credit risk of the underlying issuers, movements in credit spreads and the length of time to maturity.

The fair value of credit default swaps with exposures to underlying marketable issuers are determined using indicative bid values obtained from third-party broker-dealers. The broker-dealers determine the fair value using valuation models that are based, previously, on assumptions that are supported by observable market inputs. The indicative bid values are independently assessed internally to ensure that they are reasonable. The fair values of credit default swaps are affected by the perceived credit risk of the underlying issuers, movements in credit spreads and the length of time to maturity.

Entering into credit default swaps involves, to varying degrees, elements of credit and market risk. Such risks involve, but are not limited to, the possibility that there will be no liquid market for the agreements, and that the counterparty to the agreements may default on its obligations.

Any income received for credit default swaps contracts is recorded as "Derivative income (loss)" in the Statements of Operations, when the credit default swaps contracts are closed out or expire, any gains (losses) are recorded as "Realized gain (loss) on investments" in the Statements of Operations. The difference between the cost and fair value of credit default swaps is included in "Unrealized gain (loss)" in the Statements of Net Assets.

3. UNITHOLDERS' EQUITY

Units issued and outstanding represent the capital of the Trust and the Trust II.

The relevant changes pertaining to subscription and redemption of the Trust and the Trust II units are disclosed in the Statements of Changes in Net Assets, respectively. In accordance with the objectives and risk management policies outlined in Note 12, the Trust and the Trust II endeavor to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions through utilizing a short-term borrowing facility or disposal of investments when necessary.

The Trust and Trust II are 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 respective Trusts. Unitholders are entitled to redeem their units outstanding monthly ("Monthly Redemption") or at the end of each year ("Annual Redemption"). Monthly redemption price per unit is equal to the lesser of: (a) 90% of the 10 day average trading price on the applicable monthly valuation date; and (b) the "closing market price" per unit on the applicable monthly valuation date. Annual redemption price per unit is equal to Net Asset Value per unit determined on the annual valuation date.

Unless the transfer agent and registrar is directed that units are being surrendered for redemption pursuant to a monthly redemption, units surrendered for redemption within the period commencing 45 days and ending five business days prior to the second last day of December in any year will be deemed to have been surrendered for the Annual Redemption.

For Skylon Global Capital Yield Trust, monthly distributions of \$0.1510 per unit (\$1.81 per annum to yield 7.25% on the subscription price of \$25.00 per unit) commenced on August 30, 2002, and are expected to be paid monthly thereafter until termination of the Trust.

For the periods ending June 30, net capital transactions of Skylon Global Capital Yield Trust consisted of the following:

Unit Transactions	2009	2008
Balance, beginning of period	315,963	393,108
Units issued on reinvested distributions	–	–
Units redeemed	–	–
Balance, end of period	315,963	393,108

For Skylon Global Capital Yield Trust II, monthly distributions of \$0.1510 per unit (\$1.81 per annum to yield 7.25% on the subscription price of \$25.00 per unit) commenced on March 31, 2003, and are expected to be paid monthly thereafter until termination of the Trust II.

For the periods ending June 30, net capital transactions of Skylon Global Capital Yield Trust II consisted of the following:

Unit Transactions	2009	2008
Balance, beginning of period	1,376,963	1,613,793
Units issued on reinvested distributions	–	–
Units redeemed	–	–
Balance, end of period	1,376,963	1,613,793

Units issued and outstanding represent the capital of the Skylon Global High Yield Trust.

Notes to the Financial Statements (unaudited) (cont'd)

The relevant changes pertaining to subscription and redemption of the Skylon Global High Yield Trust units are disclosed in the Statements of Changes in Net Assets. In accordance with the objectives and risk management policies outlined in Note 12, the Skylon Global High Yield Trust endeavors to invest subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions through utilizing a short-term borrowing facility or disposal of investments when necessary.

Skylon Global High Yield Trust 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 Skylon Global High Yield Trust. Unitholders are entitled to redeem their units daily. Units will be redeemed at the Net Asset Value per unit on such date.

For Skylon Global High Yield Trust, monthly distributions of \$0.1510 per unit (\$1.81 per annum to yield 7.25% on the subscription price of \$25.00 per unit) commenced on August 30, 2002, and are expected to be paid monthly thereafter until termination of the Skylon Global High Yield Trust.

For the periods ending June 30, net capital transactions of Skylon Global High Yield Trust consisted of the following:

Unit Transactions	2009	2008
Balance, beginning of period	1,820,093	2,178,320
Consolidation of units	-	-
Units redeemed	(284,522)	(358,227)
Balance, end of period	1,535,571	1,820,093

4. FEES AND OTHER EXPENSES

(a) Management Fees

The Manager is entitled to an annual fee of 0.25% of the net asset value (“NAV”) of Skylon Global Capital Yield Trust and Skylon Global Capital Yield Trust II, payable monthly in arrears, and an amount equal to the service fee which is equal to 0.40% annually of the Net Asset Value of units held by clients of the sales representatives of such dealers, payable semi-annually in arrears.

Skylon Global High Yield Trust pays to the Manager an annual fee (the “Management Fee”) equal to 0.85% of its net asset value calculated and paid monthly in arrears. Skylon Global High Yield Trust made investments in PIMCO Developing Local Markets Fund, PIMCO Diversified Income Fund Institutional Accumulation, PIMCO Emerging Markets Bond Fund, and PIMCO GIS High Yield Bond Fund. As a result, the management fee was reduced such that there would not be a duplication of fees to the unitholders. These management fee reductions were 0.65% for PIMCO Developing Local Markets Fund, 0.45% for PIMCO Diversified Income Fund Institutional Accumulation, 0.59% for PIMCO Emerging Markets Bond Fund and 0.39% for PIMCO GIS High Yield Bond Fund for 2009.

(b) Administrative Expenses

The Trusts are also responsible for all their expenses incurred in connection with their operations and administration, including trustee fees, audit and legal fees, transfer agency, custody and accounting fees.

(c) Service Fees

The Manager will pay to registered dealers of the Trust and Trust II an annual fee of 0.40% of the Net Asset Value per unit for units held by clients of the sales representatives of the registered dealers, calculated and payable semi-annually in arrears.

(d) Advisory Fees

A portion of the Management Fee payable to the Manager will be paid to the Investment Advisor by the Manager.

(e) Forward Agreement Fees

Each of the Trust and Trust II will pay to the counterparties under the Forward Agreement a fee of approximately 0.65% per annum of the market value of notional exposure to Skylon Global High Yield Trust under the Forward Agreements ("spread fee"), plus an ongoing fee ("borrowing fee") which may vary based upon hedging costs associated with the Forward Agreement, calculated and paid monthly in arrears.

5. MARKET REPURCHASE PROGRAM

In accordance with the Trust's prospectus, and to enhance liquidity and to provide support to the units, the Trust has a mandatory market purchase program under which the Trust, subject to exceptions contained in the Trust Agreement and in compliance with any regulatory requirements, is obligated to purchase its own units for cancellation. If, on any business day, the price at which units are offered for sale is less than 90% of the net asset value per unit determined as at the close of the most recent valuation date, the Trust will offer to purchase for cancellation any units offered in the market at the then prevailing market price. The maximum number of units to be purchased in any three month period will not be over 1.25% of the number of units outstanding at the beginning of such period. During the periods ended June 30, 2009 and 2008, the Trust made no purchase of units for cancellation.

In accordance with the Trust II's prospectus, and to enhance liquidity and to provide support to the units, the Trust II has a mandatory market purchase program under which the Trust II, subject to exceptions contained in the Trust II Agreement and in compliance with any regulatory requirements, is obligated to purchase its own units for cancellation. If, on any business day, the price at which units are offered for sale is less than 90% of the net asset value per unit determined as at the close of the most recent valuation date, the Trust II will offer to purchase for cancellation any units offered in the market at the then prevailing market price. The maximum number of units to be purchased in any three month period will not be over 1.25% of the number of units outstanding at the beginning of such period. During the periods ended June 30, 2009 and 2008, the Trust II made no purchase of units for cancellation.

6. SECURITIES LENDING

The Trust may engage in securities lending provided a number of conditions are satisfied, including that the loan is fully collateralized. The minimum level of collateralization in respect of a loan of Common Share Portfolio securities will be 105%. The Global High Yield Trust may also receive a fee or interest on the collateral, and may pay lending fees to a party arranging the loan. As at June 30, 2009 and 2008, the Trust was not engaged in securities lending.

The Trust II may engage in securities lending provided a number of conditions are satisfied, including that the loan is fully collateralized. The minimum level of collateralization in respect of a loan of Common Share Portfolio securities will be 105%. The Global High Yield Trust may also receive a fee or interest on the collateral, and may pay lending fees to a party arranging the loan. As at June 30, 2009 and 2008, the Trust II was not engaged in securities lending.

The Skylon Global High Yield Trust may engage in a securities lending provided a number of conditions are satisfied, including that the loan is fully collateralized. The minimum level of collateralization in respect of a loan of Global High Yield Portfolio securities will be 100%. The Trust may also receive a fee or interest on the collateral, and may pay lending fees to a party arranging the loan. As at June 30, 2009 and 2008, the Skylon Global High Yield Trust was not engaged in securities lending.

7. INCOME TAX LOSSES CARRIED FORWARD

Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses arising in taxation years up to 2003 may be carried forward seven years. Non-capital losses arising in taxation years 2004 and 2005 may be carried forward ten years. Non-capital losses arising in taxation years after 2005 may be carried forward twenty years. Non-capital losses and net capital losses are reported in the tables below.

Skylon Global Capital Yield Trust had no net capital losses carried forward or non-capital losses carried forward as at December 31, 2008.

Notes to the Financial Statements (unaudited) (cont'd)

The Skylon Global Capital Yield Trust II has the following income tax losses carried forward as at December 31, 2008.

Loss carry forwards (in \$000's)		2008							
Net capital loss carried forward		1,366							
Year of expiry	2009	2010	2014	2015	2026	2027	2028	Total	
Non-capital loss carried forward	-	-	-	-	-	-	400	400	

The Skylon Global High Yield Trust has the following income tax losses carried forward as at December 31, 2008.

Loss carry forwards (in \$000's)		2008							
Net capital loss carried forward		16,358							
Year of expiry	2009	2010	2014	2015	2026	2027	2028	Total	
Non-capital loss carried forward	-	-	-	-	-	-	-	-	

8. NET ASSETS RECONCILIATION

In accordance with the NI 81-106, a reconciliation of Net Assets per unit and Net Asset Value per unit, as at June 30, 2009 and 2008, is as follows:

Skylon Global Capital Yield Trust (in \$)		2009	2008
Net assets per unit		23.02	27.75
Section 3855 adjustment per unit		0.03	0.08
Net asset value per unit		23.05	27.83
Skylon Global Capital Yield Trust II (in \$)		2009	2008
Net assets per unit		19.17	23.60
Section 3855 adjustment per unit		0.04	0.08
Net asset value per unit		19.21	23.68
Skylon Global High Yield Trust (in \$)		2009	2008
Net assets per unit		21.88	26.97
Section 3855 adjustment per unit		-	0.01
Net asset value per unit		21.88	26.98

9. RELATED PARTY TRANSACTIONS

The Bank of Nova Scotia owns a interest in CI Financial Corp., the parent company of the Manager, and therefore is considered a related party to the Trusts. The Bank of Nova Scotia did not hold investments in the Trusts as at June 30, 2009.

10. FUTURE ACCOUNTING STANDARDS

"International Financial Reporting Standards"

On February 13, 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that the use of International Financial Reporting Standards ("IFRS") will be required in 2011 for all publicly accountable profit-oriented enterprises. IFRS will replace Canadian Generally Accepted Accounting Principles ("GAAP"). IFRS becomes effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

At June 30, 2009, the Manager is taking the following steps to transition to IFRS:

- Identification of areas where changes in disclosure will be required under IFRS standards.
- Identification of operational areas impacted by the adoption of IFRS.
- Identification of major differences between current accounting policies and IFRS standards.
- Assessment of impact, if any, on Net Asset Value per unit.
- Assessment of current reporting systems and their readiness for IFRS implementation.
- Implementation of an IFRS transition plan.

As at June 30, 2009, the Manager has determined that there is no expected impact to Net Asset Value per unit as a result of the transition to IFRS.

Amendments to Section 3862, "Financial Instruments - Disclosures"

Section 3862, was recently amended and requires publicly accountable enterprises to enhance their disclosures about fair value measurements and the liquidity risk of financial instruments. The amendments will be effective for annual financial statements relating to fiscal years ending after September 30, 2009, specifically the December 31, 2009 financial statements of the Trusts. These amendments have been made to address the need for increased consistency and comparability in fair value measurements, and to expand the disclosure surrounding fair value measurements, and do not have any impact on the Net Assets of the Trusts.

11. FINANCIAL INSTRUMENTS

The categorization of financial instruments in accordance with CICA 3855, Financial Instruments – Recognition and Measurement ("CICA 3855") are as follows: financial assets and financial liabilities held for trading which include investments and derivative instruments are stated at fair value. Due from brokers, interest and dividends receivable, subscriptions receivable and other receivables are designated as loans and receivables. They are recorded at amortized cost which approximates their fair value due to their short-term nature. Similarly, redemptions payable, due to brokers, accrued management fees, accrued expenses and other payables are designated as other liabilities and are carried at their amortized cost which approximates their fair value, due to their short-term nature.

12. FINANCIAL INSTRUMENTS RISK

Risk Management

The Trusts are exposed to a variety of financial instruments risks: credit risk, liquidity risk and market risk (including interest rate risk, currency risk and other price risk). The level of risk to which each Trust is exposed to depends on the investment objective and the type of investments the Trust holds. The value of the investments within the portfolio can fluctuate daily as a result of changes in prevailing interest rates, economic and market conditions and company specific news related to investments held by the Trusts. The Manager of the Trusts may minimize potential adverse effects of these risks on the Trusts' performance by, but not limited to, regular monitoring of the Trusts' positions and market events, diversification of the investment portfolio by asset type, industry, sector, term to maturity within the constraints of the stated objectives, and through the usage of derivatives to hedge certain risk exposures.

During the six-month period, the Trusts' exposure to financial instruments risks remained unchanged; therefore for details pertaining to Trusts' exposure to financial instruments risks, refer to the audited annual financial statements as at December 31, 2008.

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Listed

The Toronto Stock Exchange

Ticker Symbol

SLP.UN

SPO.UN

For more information on the Trust, visit us online
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