

FIRST NATIONAL

FINANCIAL INCOME FUND



For Immediate Release

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FIRST NATIONAL FINANCIAL INCOME FUND ANNOUNCES JULY MONTHLY DISTRIBUTION

Toronto, Ontario, July 15, 2010 – First National Financial Income Fund (TSX: FN.UN) today announced its monthly cash distribution of \$0.125 per unit for the period July 1 to July 31, 2010. This distribution will be payable on August 16, 2010 to unitholders of record at the close of business on July 30, 2010.

About First National Financial Income Fund

First National Financial Income Fund (TSX: FN.UN) owns a 21% interest in First National Financial LP, a Canadian-based originator, underwriter and servicer of predominantly prime residential (single family and multi-unit) and commercial mortgages. With nearly \$49 billion in mortgages under administration, First National is Canada's largest non-bank originator and underwriter of mortgages and is among the top three in market share in the growing mortgage broker distribution channel. For more information, please visit www.firstnational.ca.

Forward-Looking Information

Certain information included in this news release may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. This forward-looking information should not be read as providing guarantees of future performance or results, and will not necessarily be an accurate indication of whether or not, or the times by which, those results will be achieved. This forward-looking

information is as of the date of this release, and is subject to change after such date. However, management and the Fund disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required under applicable securities regulations.

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