



# UPDATE

**Dividend 15 Split Corp** is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, high quality portfolio consisting of 15 high-yielding Canadian companies. Two types of shares are available, a Class A and a Preferred.

## Objectives

### Preferred Shares (TSX: DFN.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2009 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

### Class A Shares (TSX: DFN):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield **8.0% per annum** on the original issue price; and (ii) on or about December 1, 2009 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions (by record date)

|                 | DFN    | DFN (specials) | DFN.PR.A                 | Total     |
|-----------------|--------|----------------|--------------------------|-----------|
| Total to Date   | \$3.40 | \$1.25         | \$1.5085                 | \$6.1585  |
| 2007 YTD        | \$0.10 |                | \$0.0438                 | \$0.1438  |
| 2006            | \$1.20 | \$0.75         | \$0.5250                 | \$2.4750  |
| 2005            | \$1.20 | \$0.50         | \$0.525                  | \$2.225   |
| 2004 (8 months) | \$0.80 |                | \$0.35                   | \$1.15    |
| Apr 30/04       | \$0.10 |                | \$0.06473 <sup>(1)</sup> | \$0.16473 |

(1) Initial distribution for the period Mar 16/04 to Apr 30/04.

## Commentary

Manulife (MFC) increased their dividend 14% to \$0.80 per share annually (November 2006).

BMO boosts quarterly dividend by 4.8% to \$0.65 per share or \$2.60 per annum (November 2006).

AGF Management increased their dividend 11% from \$0.18 to \$0.20 per quarter (January 2007).

MFC, BMO and AGF are holdings of Dividend 15 Split.

The Dividend 15 Split portfolio has a current dividend yield of approximately 3.2%.

## Details

|                             |                     |
|-----------------------------|---------------------|
| Gross Proceeds:             | \$243,060,000       |
| Units Issued:               | 9,540,000           |
| Inception Date:             | March 16, 2004      |
| Termination Date:           | Dec 1, 2009         |
| Net Asset Value:            | \$29.99 (Jan 31/07) |
| Cash Weighting:             | 8%                  |
| Canadian Equity Weighting:  | 92%                 |
| <b>DFN.PR.A</b> Issue Price | \$10.00             |
| Trading Price:              | \$10.40 (Jan 31/07) |
| Current Yield:              | 5.0% annually       |
| <b>DFN</b> Issue Price:     | \$15.00             |
| Trading Price:              | \$18.57 (Jan 31/07) |
| Current Yield:              | 6.5% annually       |

## Holdings Sorted By Weight

| Holdings Sorted By Weight          | Symbol |
|------------------------------------|--------|
| AGF Management                     | AGF    |
| CI Fund Management                 | CIX    |
| BCE Inc.                           | BCE    |
| Canadian Imperial Bank of Commerce | CM     |
| Royal Bank                         | RY     |
| Bank of Montreal                   | BMO    |
| Sun Life Financial                 | SLF    |
| The Thomson Corporation            | TOC    |
| National Bank of Canada            | NA     |
| Manulife Financial                 | MFC    |
| TransAlta                          | TA     |
| Toronto-Dominion Bank              | TD     |
| TransCanada Corporation            | TRP    |
| Telus Corporation                  | T      |
| Bank of Nova Scotia                | BNS    |

Weightings subject to change at any time.