



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

	DFN	DFN.PR.A	Total
Total to Date	\$1.50	\$0.6772	\$2.1772
2005 YTD	\$0.60	\$0.2625	\$0.8625
2004 (8 months)	\$0.80	\$0.35	\$1.15
Apr 30/04	\$0.10	\$0.06473*	\$0.16473

*For the period Mar 16/04 to Apr 30/04 (initial distribution)

Commentary

Royal Bank of Canada (RY-T), Bank of Montreal (BMO-T) Canadian Imperial Bank of Commerce (CM-T), The Toronto-Dominion Bank (TD-T) and The Bank of Nova Scotia (BNS-T) all reported 2nd quarter results in May 2005.

CM raised its quarterly dividend to \$0.68 per share, up 4.6% from \$0.65 per share last quarter.

BNS raised its quarterly dividend to \$0.34 per share, up 6.2% from \$0.32 per share last quarter.

RY raised its quarterly dividend to \$0.61 per share, up 10.9% from \$0.55 per share last quarter.

The average dividend yield on the five Canadian Banks is currently 3.4% per annum.

RY, BMO, CM, TD and BNS are holdings of Dividend 15 Split.

Details

Gross Proceeds:	\$210,000,000
Units Issued:	8,400,000
Inception Date:	March 16, 2004
Termination Date:	Dec 1, 2009
Net Asset Value:	\$26.21 (Jun 30/05)
Cash Weighting:	9%
Canadian Equity Weighting:	91%
DFN.PR.A Issue Price	\$10.00
Trading Price:	\$10.70 (Jun 30/05)
Current Yield:	4.9% annually
DFN Issue Price:	\$15.00
Trading Price:	\$14.80 (Jun 30/05)
Current Yield:	8.1% annually

Holdings Sorted By Weight

	Symbol
Canadian Imperial Bank of Commerce	CM
TransAlta	TA
BCE Inc.	BCE
Royal Bank	RY
National Bank of Canada	DFS
Bank of Montreal	BMO
Toronto-Dominion Bank	TD
The Thomson Corporation	TOC
Enbridge Inc.	ENB
CI Fund Management	CIX
Telus Corporation	T
TransCanada Corporation	TRP
Manulife Financial	MFC
Noranda	NRD
Sun Life Financial	SLF

Weightings subject to change at any time.