



# 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, 2014 (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, 2014 (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	\$3.80	\$3.50	\$1.6835	\$8.9835
2007 YTD	\$0.50	\$2.25	\$0.2188	\$2.9688
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
May 31/04	\$0.10		\$0.06473 <sup>(1)</sup>	\$0.16473

<sup>(1)</sup> Initial distribution for the period Mar 16/04 to May 31/04.

## Commentary

Toronto Dominion Bank (TSX: TD) increased its quarterly dividend of \$0.48 to \$0.53 a share, a 10% increase (Feb 07). Thomson Corp. (TSX: TOC) increased its quarterly dividend of \$0.22 to \$0.245 a share, an 11% increase (Feb 07).

CIBC (TSX: CM) increased its quarterly common share dividend from \$0.70 to \$0.77 a share, a 10% increase (Mar 07). Bank of Montreal (TSX: BMO) increased its quarterly dividend from \$0.65 to \$0.68 a share, a 4.6% increase (Mar 07). Royal Bank (RY on TSX & NYSE) increased its quarterly common share dividend from \$0.40 to \$0.46 a share, a 15% increase (Mar 07).

Manulife Financial (TSX: MFC) increased its quarterly common share dividend from \$0.20 to \$0.22 a share, a 10% increase (May 07).

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

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

Due to strong growth in the underlying portfolio, on May 24<sup>th</sup> a special dividend of \$2.25 per Class A share was declared for record date June 4/07 (a \$0.50 cash dividend and a \$1.75 stock dividend). As a result of the special Class A share stock dividend, the fund issued an additional \$8,709,276 of Preferred shares.

## Details

Gross Proceeds:	\$243,060,000
Units Issued:	9,540,000
Inception Date:	March 16, 2004
Termination Date:	Dec 1, 2014
Net Asset Value:	\$29.79 (May 31/07)

Cash Weighting:	8%
Canadian Equity Weighting:	92%

<b>DFN.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.42 (May 31/07)
Current Yield:	5.0% annually

<b>DFN</b> Issue Price:	\$15.00
Trading Price:	\$19.24 (May 31/07)
Current Yield:	6.2% annually

## Holdings Sorted By Weight Symbol

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

*Weightings subject to change at any time.*