



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

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|---------------|--------|----------|----------|
| Total to Date | \$0.70 | \$0.3272 | \$1.0272 |
|---------------|--------|----------|----------|

| Record Date | DFN | DFN.PR.A | Pay Date |
|-------------|-----|----------|----------|
|-------------|-----|----------|----------|

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|-----------|--------|----------|-----------|
| Oct 29/04 | \$0.10 | \$0.0438 | Nov 10/04 |
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| Sep 30/04 | \$0.10 | \$0.0438 | Oct 8/04 |
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| Aug 31/04 | \$0.10 | \$0.0438 | Sep 10/04 |
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| July 30/04 | \$0.10 | \$0.0438 | Aug 10/04 |
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| Jun 30/04 | \$0.10 | \$0.0438 | July 9/04 |
|-----------|--------|----------|-----------|

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| May 31/04 | \$0.10 | \$0.0438 | Jun 10/04 |
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| Apr 30/04 (Initial) | \$0.10 | \$0.06473* | May 10/04 |
|---------------------|--------|------------|-----------|

*For the period Mar 16/04 to Apr 30/04.

Commentary

Telus is the largest telecommunications company in Western Canada and the second largest in the country with more than \$7 billion in annual revenue. Telus, which reported stronger than expected 3Q earnings with revenues rising 8% and increased earnings guidance for 2004, is a core holding of Dividend 15 Split. Based on the stronger earnings report, many analysts have increased their ratings on the company and the stock has responded positively. Over the past 6 months, Telus stock is up over 30%. Telus Corp. also raised its quarterly dividend to \$0.20 a share, a 33% increase from the \$0.15 declared last quarter.

Details

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|-------------------|---------------------|
| Gross Proceeds: | \$210,000,000 |
| Units Issued: | 8,400,000 |
| Inception Date: | March 16, 2004 |
| Termination Date: | Dec 1, 2009 |
| Net Asset Value: | \$24.56 (Oct 29/04) |

| | |
|----------------------------|-----|
| Cash Weighting: | 7% |
| Canadian Equity Weighting: | 93% |

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|-----------------------------|---------------------|
| DFN.PR.A Issue Price | \$10.00 |
| Trading Price: | \$10.55 (Oct 29/04) |
| Current Yield: | 5.0% annually |

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| DFN Issue Price: | \$15.00 |
| Trading Price: | \$14.20 (Oct 29/04) |
| Current Yield: | 8.5% annually |

Holdings Sorted By Weight Symbol

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|------------------------------------|-----|
| Canadian Imperial Bank of Commerce | CM |
| Brascan Corporation | BNN |
| BCE Inc. | BCE |
| Bank of Montreal | BMO |
| National Bank of Canada | DFS |
| Telus Corporation | T |
| Toronto-Dominion Bank | TD |
| The Thomson Corporation | TOC |
| Royal Bank | RY |
| Manulife Financial | MFC |
| Bank of Nova Scotia | BNS |
| Enbridge Inc. | ENB |
| Noranda Inc. | NRD |
| Sun Life Financial | SLF |
| TransAlta | TA |

Weightings subject to change at any time.