



Dividend 15

October 2008

Monthly 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.

among the lowest risk companies in Canada. When capital market liquidation slows or ceases and investors return to fundamentals of the underlying companies, we believe the portfolio will be fairly rewarded. Attractive dividend yields, low valuations and significant option premiums available in the market place all bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

Distributions (by record date)

	DFN	DFN (specials)	DFN.PR.A	Total
Total to Date	\$5.50	\$3.50	\$2.4272	\$11.4272
2008 YTD	\$1.00		\$0.4375	\$1.4375
2007	\$1.20	\$2.25	\$0.5250	\$3.9750
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
Jun 29/04	\$0.10		\$0.06473 ⁽¹⁾	\$0.16473

(1) Initial distribution for the period Mar 16/04 to Jun 29/04.

Commentary

Fueled by the intensification of the ongoing credit crisis, world financial markets reached a level of "panic" during October which arguably has never been seen by investors on such a global scale. Several of the largest financial institutions in the United States and around the world required unprecedented government intervention in order to rescue them from complete insolvency. Others were required to make emergency decisions to save their businesses by being acquired by other stronger partners. The volatility index reached record levels indicating investor fear was at historically high levels. In the short term, this financial crisis has had a very broad and severe impact on investments across the world. All sectors of the financial markets from financial services stocks to commodity based stocks were aggressively sold down. It appears the selling pressure has been greatly exacerbated by forced liquidation required by assorted investment funds responding to redemption demands and the need to de-lever their portfolios to meet margin calls. This caused dramatic short term moves as those funds tried to raise "cash" from the most liquid sources which in many cases are the large capitalization stocks. Governments around the world have delivered a clear message that they are willing to continue to take significant action and do whatever is necessary to support financial markets and restore confidence. The Manager believes these actions will ultimately prove to be the pivotal turning point in the recovery of financial markets.

The impact of the broad based selling has adversely impacted the portfolio, and not surprisingly, the net asset value has been adversely affected. The net asset value has declined by approx. 20% from Aug 31/08 to Oct 31/08. The Manager believes current valuations of many of the stocks in the portfolio are now trading at extremely attractive levels and already reflect and have "priced" in a significant economic slowdown. In particular, dividend yields on the portfolio have reached historically high levels compared against fixed income securities and the level of inflation. The current yield in the underlying portfolio is 4.4%. The companies in the portfolios have excellent earnings growth histories and have long records of maintaining and growing their dividends over time. This should provide meaningful support to the stock prices of these companies even through this economic slowdown. As a result of the volatility index reaching all time record highs, the option premiums available in the market are also attractive and are allowing the Manager to add significant levels of additional income to the portfolio. The Manager continues to view the underlying holdings of the portfolio as

Details

Total Net Assets:	\$196,123,374
Units Outstanding:	10,114,666
Inception Date:	March 16, 2004
Termination Date:	Dec 1, 2014
Net Asset Value:	\$19.39 (Oct 31/08)
Cash Weighting:	1%
Canadian Equity Weighting:	99%
DFN.PR.A Trading Price:	\$9.15 (Oct 31/08)
Current Yield:	5.7% annually
Asset Coverage:	194%
Market Capitalization:	\$92,549,194
DFN Trading Price:	\$9.95 (Oct 31/08)
Current Yield:	12.1% annually
Market Capitalization:	\$100,640,927

Top Holdings (sorted by weight)

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

Weightings subject to change at any time.

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