



# 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   | \$4.20 | \$3.50         | \$1.8585                 | \$9.5585  |
| 2007 YTD        | \$0.90 | \$2.25         | \$0.3938                 | \$3.5438  |
| 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 <sup>(1)</sup> | \$0.16473 |

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

## Commentary

Sun Life Financial (TSX: SLF) increased their quarterly dividend 6% to \$0.34 per common share, up 13% year over year (July 07).

Toronto-Dominion Bank (TSX: TD) increased its quarterly common share dividend to \$0.57 a share, an 8% increase (Aug 07).

Royal Bank of Canada (TSX: RY) increased its quarterly common share dividend to \$0.50 a share, a 9% increase (Aug 07).

Bank of Montreal (TSX: BMO) increased its quarterly common share dividend to \$0.70 a share, a 2.9% increase (Aug 07).

Canadian Imperial Bank of Commerce (TSX: CM) increased its quarterly common share dividend to \$0.87 a share, a 12% increase (Aug 07).

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

The Dividend 15 Split portfolio has a current dividend yield of approximately 3.4%.

## Details

|                              |                     |
|------------------------------|---------------------|
| Total Net Assets:            | \$289,338,382       |
| Units Outstanding:           | 10,244,976          |
| Inception Date:              | March 16, 2004      |
| Termination Date:            | Dec 1, 2014         |
| Net Asset Value:             | \$28.37 (Sep 28/07) |
| Cash Weighting:              | 7%                  |
| Canadian Equity Weighting:   | 93%                 |
| <b>DFN.PR.A</b> Issue Price: | \$10.00             |
| Trading Price:               | \$10.30 (Sep 28/07) |
| Current Yield:               | 5.1% annually       |
| <b>DFN</b> Issue Price:      | \$15.00             |
| Trading Price:               | \$17.32 (Sep 28/07) |
| Current Yield:               | 6.9% annually       |

## Top Holdings Sorted By Weight Symbol

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

Weightings subject to change at any time.