

A copy of this preliminary short form prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authorities.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Dividend 15 Split Corp. at its head office located at 77 King Street West, Suite 4500, Toronto, Ontario, M5K 1K7 telephone: (416) 304-4443, and are also available electronically at www.sedar.com.

NEW ISSUE

PRELIMINARY SHORT FORM PROSPECTUS

March 2, 2010



Dividend 15

DIVIDEND 15 SPLIT CORP.

\$• (Maximum)

Up to • Preferred Shares and • Class A Shares

This short form prospectus qualifies for distribution up to • Preferred Shares and up to • Class A Shares of Dividend 15 Split Corp. (the “Company”) at a price of \$• per Preferred Share and \$• per Class A Share (the “Offering”). Preferred Shares and Class A Shares are issued only on a basis that an equal number of Preferred Shares and Class A Shares will be outstanding at all times. The Company is a mutual fund corporation incorporated under the laws of the Province of Ontario that invests primarily in a portfolio of dividend-yielding common shares (the “Portfolio”) which includes each of the 15 Canadian issuers listed below (the “Portfolio Companies”). The shares of the Portfolio Companies are currently among the highest dividend-yielding securities in the S&P/TSX 60 Index:

Bank of Montreal
The Bank of Nova Scotia
BCE Inc.
Canadian Imperial Bank
of Commerce
CI Financial Corp.

Enbridge Inc.
Manulife Financial Corporation
National Bank of Canada
Royal Bank of Canada
Sun Life Financial Inc.

TELUS Corporation
The Thomson Corporation
The Toronto-Dominion Bank
TransAlta Corporation
TransCanada Corporation

The Preferred Shares and the Class A Shares are listed and posted for trading on the Toronto Stock Exchange (the “TSX”) under the symbols “DFN.PR.A” and “DFN”, respectively. On March 1, 2010, the closing price on the TSX of the Preferred Shares was \$10.40 and of the Class A Shares was \$11.97. The Company has applied to list the additional Preferred Shares and Class A Shares offered under this short form prospectus on the TSX. Listing will be subject to fulfilling all of the listing requirements of the TSX.

Prices: \$● per Preferred Share
\$● per Class A Share

	Price to the Public ⁽¹⁾	Agent's Fee	Net Proceeds to the Company ⁽²⁾
Per Preferred Share	\$●	\$●	\$●
Total Maximum Offering ⁽³⁾	\$●	\$●	\$●
Total Minimum Offering ⁽⁴⁾	\$●	\$●	\$●
Per Class A Share	\$●	\$●	\$●
Total Maximum Offering ⁽³⁾	\$●	\$●	\$●
Total Minimum Offering ⁽⁴⁾	\$●	\$●	\$●

- (1) The offering prices were established by negotiation between the Company and the Agent (as defined below).
- (2) Before deducting the expenses of issue which are estimated to be \$300,000. Such expenses, together with the Agent's fee, will be paid out of the proceeds of the Offering.
- (3) The Company has granted the Agent an option (the "Over-Allotment Option"), exercisable for a period of 30 days from the closing of the Offering, to offer up to ● additional Preferred Shares and up to ● additional Class A Shares on the same terms as set forth above, which additional Preferred Shares and Class A Shares are qualified for sale under this prospectus. If the Over-Allotment Option is exercised in full, the total price to the public under the Offering will be \$●, the Agent's fee will be \$● and the net proceeds to the Company, before expenses of the Offering, will be \$●. See "*Plan of Distribution*".
- (4) There will be no closing unless a minimum of ● Preferred Shares and ● Class A Shares are sold. If subscriptions for a minimum of ● Preferred Shares and ● Class A Shares have not been received within 90 days following the date of issuance of a receipt for the final short form prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date.

The following table sets out the number of Preferred Shares and Class A Shares that may be issued by the Company to the Agent pursuant to the Over-Allotment Option:

Agent's Position	Maximum Number of Additional Shares	Exercise Period	Exercise Price
Over-Allotment Option	● Preferred Shares	Prior to 30 days from the closing of the Offering	\$●
Over-Allotment Option	● Class A Shares	Prior to 30 days from the closing of the Offering	\$●

RBC Dominion Securities Inc.(the "Agent") conditionally offers the Preferred Shares and the Class A Shares, subject to prior sale, on a best efforts basis, if, as and when issued by the Company and accepted by the Agent in accordance with the conditions contained in the agency agreement among the Company, Quadravest Inc. as the manager of the Company, Quadravest Capital Management Inc. as the investment manager of the Company, and the Agent, and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP, on behalf of the Company, and McCarthy Tétrault LLP, on behalf of the Agent. In connection with the distribution of the Preferred Shares and the Class A Shares, the Agent may engage in market stabilization activities. See "*Plan of Distribution*".

An investment in the Preferred Shares or the Class A Shares involves a degree of risk. It is important for prospective purchasers to consider the risk factors described in this short form prospectus. See "*Risk Factors*".

Closing of this Offering is expected to take place on March 1, 2010, but in any event no later than March 1, 2010. Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Preferred Shares and Class A Shares distributed hereunder will be issued in registered form only to CDS Clearing and Depository Services Inc. (“CDS”), or its nominee, and will be deposited with CDS on the closing of this Offering. A purchaser of the Preferred Shares or Class A Shares will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Preferred Shares or Class A Shares are purchased. See “*Description of the Shares of the Company – Book-Based System*”.

TABLE OF CONTENTS

	Page
ELIGIBILITY FOR INVESTMENT.....	4
DOCUMENTS INCORPORATED BY REFERENCE.....	4
THE COMPANY.....	6
CONSOLIDATED CAPITALIZATION.....	8
USE OF PROCEEDS	8
DESCRIPTION OF THE SHARES OF THE COMPANY.....	8
DIVIDEND HISTORY.....	14
EARNINGS COVERAGE RATIOS	15
PRIOR SALES.....	15
TRADING PRICES AND VOLUMES	15
PLAN OF DISTRIBUTION.....	16
CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	16
RISK FACTORS	20
INTEREST OF EXPERTS	23
TRANSFER AGENT AND REGISTRAR, CUSTODIAN AND AUDITORS.....	23
PURCHASERS' STATUTORY RIGHTS	23
AUDITORS' CONSENT.....	C-1
CERTIFICATE OF THE COMPANY AND PROMOTER.....	C-2
CERTIFICATE OF THE AGENT.....	C-3

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Agent, the Preferred Shares and the Class A Shares, if issued on the date hereof, would each be a qualified investment under the *Income Tax Act* (Canada) (the "Tax Act") and the regulations thereunder for trusts governed by registered retirement savings plans, registered education savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts.

Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm's length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm's length with the Company within the meaning of the Tax Act, the Preferred Shares and the Class A Shares offered hereby will not be a prohibited investment for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm's length, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Company or any corporation related to the Company within the meaning of the Tax Act.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference into this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of documents incorporated herein by reference may be obtained upon request without charge from Quadravest Inc., the manager of the Company (the "Manager"), at Suite 4500, 77 King Street West, Toronto, Ontario, Canada, M5K 1K7, and are also available electronically at www.sedar.com. You may call the Manager to request such documents at (416) 304-4443. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the

permanent information record may be obtained from the Manager at the above-mentioned address and telephone number. Copies of documents incorporated by reference may also be obtained by accessing www.sedar.com.

The following documents, filed with the securities commission or similar authority in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the Company's annual information form dated February 23, 2010 (the "Current AIF");
- (b) the Company's audited annual financial statements, together with the accompanying report of the auditor, for the fiscal year ended November 30, 2009; and
- (c) the Company's annual management report of fund performance in respect of its fiscal year ended November 30, 2009.

All documents of the type referred to above, as well as any other documents of the type described in Item 11.1 of Form 44-101F1 to National Instrument 44-101 Short Form Prospectus Distributions, filed by the Company with the securities regulatory authorities after the date of this short form prospectus and before the termination of the Offering made hereby shall be deemed to be incorporated by reference into and form an integral part of this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of such modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

THE COMPANY

Dividend 15 Split Corp. (the “Company”) is a mutual fund corporation incorporated under the laws of Ontario by articles of incorporation dated January 9, 2004, as amended February 25, 2004 and May 23, 2007. Quadravest Inc. (the “Manager”) is the manager of the Company and Quadravest Capital Management Inc. (“Quadravest”) is the portfolio adviser. The principal office address of the Company is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7.

Although the Company is considered to be a mutual fund under the securities legislation of certain provinces of Canada, it has been exempted from certain requirements of National Instrument 81-102 Mutual Funds (“NI 81-102”) and National Instrument 81-106 Investment Fund Continuous Disclosure, each a policy statement or rule of the Canadian securities regulatory authorities governing public mutual funds.

This short form prospectus qualifies for distribution up to • Preferred Shares and up to • Class A Shares of the Company at a price of \$• per Preferred Share and \$• per Class A Share (the “Offering”). The Preferred Shares and Class A Shares are listed on the Toronto Stock Exchange (“TSX”) under the symbols DFN.PR.A. and DFN, respectively. The attributes of the Preferred Shares and the Class A Shares are described under “*Description of the Shares of the Company*”.

Investment Objectives and Strategy

The Company’s investment objectives with respect to the Preferred Shares are (a) to provide holders of the Preferred Shares with fixed cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share; and (b) on or about the Termination Date (as defined below), to pay holders of the Preferred Shares the original issue price of \$10.00 of those shares, through the redemption of each Preferred Share held on the Termination Date. Based on current market conditions, dividends payable to holders of the Preferred Shares are expected to be funded entirely from dividends received on the shares in the Portfolio (as defined below).

The Company’s investment objectives with respect to the Class A Shares are (a) to provide holders of Class A Shares with regular monthly cash dividends targeted to be \$0.10 per Class A Share; and (b) on or about the Termination Date, to pay holders of Class A Shares the original issue price of \$15.00 of those shares, through the redemption of each Class A Share held on the Termination Date. Holders of the Class A Shares will also be entitled to receive, on the Termination Date, the balance, if any, of the value of the Portfolio remaining after returning the original issue price to the holders of the Preferred Shares and Class A Shares. Dividends on the Class A Shares are expected to be primarily funded from dividends received on the shares in the Portfolio and from cash realized by the Company from its covered call writing activities.

The assets of the Company are invested in an actively managed portfolio of common shares (the “Portfolio”) which primarily includes securities of the following publicly traded Canadian companies (the “Portfolio Companies”), each of whose securities will generally represent no less than 4% and no more than 8% of the net asset value (“Net Asset Value”) of the Company:

Bank of Montreal	Enbridge Inc.	TELUS Corporation
The Bank of Nova Scotia	Manulife Financial Corporation	The Thomson Corporation
BCE Inc.	National Bank of Canada	The Toronto-Dominion Bank
Canadian Imperial Bank of Commerce	Royal Bank of Canada	TransAlta Corporation
CI Financial Corp.	Sun Life Financial Inc.	TransCanada Corporation

Up to 15% of the Net Asset Value of the Company may be invested in equity securities of issuers other than the Portfolio Companies. The Company may substitute Portfolio Companies as necessary to reflect changes in dividend yields or in extraordinary circumstances. The Company from time to time, based on Quadravest's assessment of market conditions, liquidity considerations, maintenance of the rating on the Preferred Shares and other considerations, hold short term debt instruments issued by the government of Canada or a province or short term commercial paper issued by Canadian corporations with a rating of at least R-1 (mid) by DBRS Limited ("DBRS") or the equivalent from another rating organization selected by Quadravest.

To supplement the dividends earned on the Portfolio and to reduce risk, the Company will from time to time write covered call options in respect of all or part of the Portfolio. The individual securities within the Portfolio which are subject to call options and the terms of such options will vary from time to time based on Quadravest's assessment of the market. The Company may also write cash covered put options or purchase call options with the effect of closing out existing call options written by the Company and may also purchase put options in order to protect the Company from declines in the market prices of the securities in the Portfolio. The Company may enter into trades to close out positions in such permitted derivatives. The Company may also use derivatives for hedging purposes or otherwise as permitted under NI 81-102. Such permitted derivatives may include exchange traded options, futures contracts or options on futures (subject to Quadravest obtaining any necessary registrations under the *Commodity Futures Act* (Ontario)), over-the-counter options and forward contracts.

Financing Activities

On March 16, 2004 and April 6, 2004, the Company completed its initial public offering of 8,400,000 Preferred Shares and 8,400,000 Class A Shares pursuant to a prospectus dated February 25, 2004 (the "Initial Prospectus"). Preferred Shares and Class A Shares are issued only on the basis that an equal number of Preferred Shares and Class A Shares (together, a "Unit") will be issued and outstanding at all times. On December 29, 2005 and January 19, 2006, the Company issued an additional 1,215,000 Preferred Shares and 1,215,000 Class A Shares in the aggregate pursuant to a prospectus dated December 20, 2005.

On May 24, 2007, the Company declared a special capital gains dividend of \$2.25 per Class A Share, payable as to \$0.50 per share in cash and as to \$1.75 per share in Class A Shares, to holders of Class A Shares of record on June 4, 2007. A total of 841,476 Class A Shares were accordingly issued on June 5, 2007 in partial payment of this special dividend. On the same date, the Company issued a total of 841,476 Preferred Shares pursuant to a prospectus dated May 29, 2007.

The Company issued 10,199,868 rights to acquire 2,549,967 Units to shareholders at a price of \$24.25 pursuant to a rights offering circular dated April 22, 2008. Such rights were exercisable on June 30, 2008, and a total of 110,013 Units were issued as a result of such exercise.

Pursuant to a rights offering circular dated October 9, 2009 (the "2009 Rights Offering"), the Company issued 10,037,713 rights to acquire up to 2,509,428 Units to Class A Shareholders of record as at the close of business on October 21, 2009. Each Class A Shareholder received one such right for each Class A Share held, and every four rights entitled the holder to subscribe for one Unit at the subscription price of \$19.75 per Unit. On November 16, 2009, the Company issued 1,181,421 Units for an aggregate of approximately \$23.3 million pursuant to the exercise of these rights.

Termination Date

The Company was initially scheduled to terminate on December 1, 2009 (the date of such termination, the "Termination Date"). On April 24, 2007, the shareholders voted at a special meeting to extend the term

of the Company to December 1, 2014. On May 23, 2007, articles of amendment were filed to effect this change.

CONSOLIDATED CAPITALIZATION

The Company is authorized to issue an unlimited number of Preferred Shares, an unlimited number of Class A Shares and 1,000 Class B Shares. The Preferred Shares and the Class A Shares are redeemable monthly at the option of the holder. Since November 30, 2009, no Preferred Shares and no Class A Shares have been redeemed in accordance with their terms. There have been no other material changes in the Company's share or loan capital since November 30, 2009. The following table sets forth the consolidated capitalization of the Company as at the dates indicated before and after giving effect to the Offering. This table should be read in conjunction with the annual financial statements of the Company (including the notes thereto) for the fiscal year ended November 30, 2009, incorporated by reference into this short form prospectus.

	Outstanding as at November 30, 2009	Outstanding as at March •, 2010	Outstanding as at March •, 2010 after giving effect to this Offering
Preferred Shares	\$112,191,340 (11,219,134 shares)	\$• (• shares)	\$• (• shares)
Class A Shares ⁽¹⁾	\$157,121,640 (11,219,134 shares)	\$• (• shares)	\$• (• shares)
Class B Shares	\$1,000 (1,000 shares)	\$1,000 (1,000 shares)	\$1,000 (1,000 shares)
Total Capitalization	\$269,322,298	\$•	\$•

Note:

⁽¹⁾ Includes all issue-related costs of this Offering, deemed to be deducted from the gross proceeds of the issuance of Class A Shares.

USE OF PROCEEDS

The estimated net proceeds received by the Company from this Offering will be \$• after deducting the Agent's fee and the expenses of the Offering, estimated to be \$300,000. The Company intends to use the net proceeds of the Offering for investment purposes as described under "*The Company – Investment Objectives and Strategy*" above.

DESCRIPTION OF THE SHARES OF THE COMPANY

Certain Provisions of the Preferred Shares

Dividends

The Company will pay, as and when declared by the Board of Directors of the Company, a fixed cumulative preferential monthly dividend of \$0.04375 per Preferred Share to holders of Preferred Shares of record on the last day of each month (each a "Dividend Record Date"). Dividends that are declared by the Board of Directors of the Company will be payable to holders of Preferred Shares of record at 5:00 p.m. (Eastern Standard Time) on the applicable Dividend Record Date with payment being made within 15 days thereafter.

Rating

The Preferred Shares have been rated Pfd-3 (high) by DBRS. A security rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by DBRS.

Payments on Termination

All Preferred Shares outstanding on the Termination Date will be redeemed by the Company on such date. Immediately prior to the Termination Date, the Company will, to the extent possible, convert the Portfolio to cash and will pay or make adequate provision for all of the Company's liabilities. The Company will, to the extent possible, after receipt of the net cash proceeds of the liquidation of the Portfolio, distribute the original issue price of the Preferred Shares under the Initial Prospectus of \$10.00 per Preferred Share to holders of Preferred Shares through the redemption of the Preferred Shares as soon as practicable after the Termination Date.

Retraction Privileges

Preferred Shares may be surrendered at any time for retraction to Computershare Investor Services Inc. ("Computershare"), the Company's registrar and transfer agent, but will be retracted only as of the last business day of each month (a "Retraction Date"). Preferred Shares surrendered for retraction by a shareholder at least 10 business days prior to a Retraction Date will be retracted and the holder will receive payment on or before the 15th day following such Retraction Date (the "Retraction Payment Date"). If a holder of Preferred Shares makes such surrender after 5:00 p.m. (Eastern Standard Time) on the 10th business day immediately preceding a Retraction Date, the Preferred Shares will be retracted on the Retraction Date in the following month and the holder will receive payment for the retracted shares as of the Retraction Payment Date in respect of the Retraction Date in the following month.

Except as noted below, holders of Preferred Shares whose shares are surrendered for retraction will be entitled to receive a price per share (the "Preferred Share Retraction Price") equal to the lesser of (i) \$10.00 and (ii) 96% of the Net Asset Value per Unit determined as of the Retraction Date, less the cost to the Company of the purchase of a Class A Share in the market for cancellation and less any other applicable costs. For this purpose, the cost of the purchase of a Class A Share includes the purchase price of the Class A Share and commissions and costs, if any (to a maximum of 1% of the Net Asset Value per Unit), related to the liquidation of any portion of the Portfolio to fund the purchase of the Class A Share and the payment of the Preferred Share Retraction Price. Any accrued or declared and unpaid dividends payable on or before a Retraction Date in respect of Preferred Shares tendered for retraction on such Retraction Date will also be paid on the Retraction Payment Date.

Shareholders also have an annual retraction right under which they may concurrently retract a Preferred Share and a Class A Share on the August Retraction Date in each year. The price paid by the Company for such a concurrent retraction will be equal to the Net Asset Value per Unit calculated as of that date, less any related commissions and other costs (to a maximum of 1% of the Net Asset Value per Unit) related to liquidating the Portfolio to pay such redemption amount.

As disclosed below under "*Description of the Shares of the Company – Resale of Shares Tendered for Retraction*", if a holder of Preferred Shares tendered for retraction has not withheld his or her consent thereto in the manner provided in the retraction notice delivered to CDS Clearing and Depository Services Inc. ("CDS") through a participant in the CDS book-based system (a "CDS Participant"), the Company may, but is not obligated to, require the Recirculation Agent (as defined below) to use its best efforts to find purchasers for any Preferred Shares tendered for retraction prior to the relevant Retraction Payment Date pursuant to the Recirculation Agreement (as defined below). Holders of Preferred Shares are free to withhold their consent to such treatment and to require the Company to retract their Preferred Shares in accordance with their terms.

Subject to the Company's right to require the Recirculation Agent to use its best efforts to find purchasers prior to the relevant Retraction Payment Date for any Preferred Shares tendered for retraction, any and all Preferred Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the Preferred Share Retraction Price is not paid on the Retraction Payment Date, in which event such Preferred Shares will remain outstanding.

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described below under "*Description of the Shares of the Company—Book-Entry System*". Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Preferred Shares which are not retracted by the Company on the relevant Retraction Payment Date.

If any Preferred Shares are tendered for retraction and are not resold in the manner described below under "*Description of the Shares of the Company – Resale of Shares Tendered for Retraction*", the Company will, prior to the Retraction Payment Date, purchase for cancellation that number of Class A Shares which equals the number of Preferred Shares so retracted. Any Class A Shares so purchased for cancellation will be purchased in the market.

Priority

The Preferred Shares rank in priority to the Class A Shares with respect to the payment of dividends (no dividends are payable on the Class B Shares) and in priority to the Class A Shares and the Class B Shares with respect to the repayment of capital on the dissolution, liquidation or winding-up of the Company.

Certain Provisions of the Class A Shares

Dividends

The Class A Share conditions provide that the Company may pay dividends on the Class A Shares in such amounts as are determined by the directors in their discretion. The current policy of the Board of Directors of the Company is to pay monthly non-cumulative dividends of at least \$0.10 to the holders of Class A Shares of record on each Dividend Record Date. In addition, if any amounts remain available for the payment of dividends, a special year-end dividend of such amount will be payable to Class A Shareholders of record on the last day of November in each year.

No regular monthly dividends will be paid on the Class A Shares in any month as long as any dividends on the Preferred Shares are then in arrears or so long as the Net Asset Value per Unit is equal to or less than \$15.00. Additionally, it is currently intended that no special year-end dividends will be paid if after payment of such a dividend the Net Asset Value per Unit would be less than \$25.00. The amount of dividends in any particular month will be determined by the Board of Directors of the Company on the advice of QuadraVest, having regard to the investment objectives of the Company, the net income and net realized capital gains of the Company during the month and in the year to date, the net income and net realized capital gains of the Company anticipated in the balance of the year, the Net Asset Value per Unit and dividends paid in previous months. Dividends declared by the Board of Directors of the Company will be payable to holders of Class A Shares of record at 5:00 p.m. (Eastern Standard Time) on the applicable Dividend Record Date with payment being made within 15 days thereafter.

Payments on Termination

All Class A Shares outstanding on the Termination Date will be redeemed by the Company on such date. Immediately prior to the Termination Date, the Company will, to the extent possible, convert the Portfolio to cash and pay or make provision for all of the Company's liabilities and will, to the extent possible,

distribute to holders of the Preferred Shares the original investment amount for each Preferred Share then outstanding through the redemption of the Preferred Shares. The Company will return the initial investment amount of \$1,000 (\$1.00 per Class B Share) to the holder thereof upon the redemption of the Class B Shares on the Termination Date. Thereafter, the Company will distribute to holders of the Class A Shares the remaining assets of the Company, if any, as soon as practicable after the Termination Date.

Retraction Privileges

Class A Shares may be surrendered at any time for retraction to Computershare, but will be retracted only as of a Retraction Date. Class A Shares surrendered for retraction by a shareholder at least 10 business days prior to a Retraction Date will be retracted and the holder will receive payment on or before the Retraction Payment Date. If a holder of Class A Shares makes such surrender after 5:00 p.m. (Eastern Standard Time) on the 10th business day immediately preceding a Retraction Date, the Class A Shares will be retracted as of the Retraction Date in the following month and the holder will receive payment for the retracted shares on the Retraction Payment Date in respect of the Retraction Date in the following month.

Except as noted below, holders of Class A Shares whose shares are surrendered for retraction will be entitled to receive a retraction price per share (“Class A Share Retraction Price”) equal to 96% of the Net Asset Value per Unit determined as of the Retraction Date, less the cost to the Company of the purchase of a Preferred Share in the market for cancellation and less any other applicable costs. For this purpose, the cost of the purchase of a Preferred Share will include the purchase price of the Preferred Share and commissions and costs, if any (to a maximum of 1% of the Net Asset Value per Unit), related to the liquidation of any portion of the Portfolio to fund the purchase of the Preferred Share and the payment of the Class A Share Retraction Price. Any accrued or declared and unpaid dividends payable on or before a Retraction Date in respect of Class A Shares tendered for retraction on such Retraction Date will also be paid on the Retraction Payment Date.

Shareholders also have an annual retraction right under which they may concurrently retract a Preferred Share and a Class A Share on the August Retraction Date in each year. The price paid by the Company for such a concurrent retraction will be equal to the Net Asset Value per Unit calculated as of that date, less any related commissions and other costs (to a maximum of 1% of the Net Asset Value per Unit) related to liquidating the Portfolio to pay such redemption amount.

As disclosed below under “*Description of the Shares of the Company – Resale of Shares Tendered for Retraction*”, if the holder of Class A Shares tendered for retraction has not withheld his consent thereto in the manner provided in the retraction notice delivered to CDS through a CDS Participant, the Company may, but is not obligated to, require the Recirculation Agent to use its best efforts to find purchasers for any Class A Shares tendered for retraction prior to the relevant Retraction Payment Date pursuant to the Recirculation Agreement. Holders of Class A Shares are free to withhold their consent to such treatment and to require the Company to retract their Class A Shares in accordance with their terms.

Subject to the Company’s right to require the Recirculation Agent to use its best efforts to find purchasers prior to the relevant Retraction Payment Date for any Class A Shares tendered for retraction, any and all Class A Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the Class A Share Retraction Price is not paid on the Retraction Payment Date, in which event such Class A Shares will remain outstanding.

The retraction right must be exercised by causing written notice to be given within the notice periods prescribed herein and in the manner described below under “*Description of the Shares of the Company –*

Book-Entry System". Such surrender will be irrevocable upon the delivery of notice to CDS through a CDS Participant, except with respect to those Class A Shares which are not retracted by the Company on the relevant Retraction Date.

If any Class A Shares are tendered for retraction and are not resold in the manner described below under "*Description of the Shares of the Company – Resale of Shares Tendered for Retraction*", the Company will, prior to the Retraction Payment Date, purchase for cancellation that number of Preferred Shares which equals the number of Class A Shares so retracted. Any Preferred Shares so purchased for cancellation will be purchased in the market.

Priority

The Class A Shares rank subordinate to the Preferred Shares with respect to the payment of dividends (no dividends are payable on the Class B Shares) and subordinate to the Preferred Shares and the Class B Shares with respect to the repayment of capital on the dissolution, liquidation or winding-up of the Company.

Resale of Shares Tendered for Retraction

The Company has entered into an agreement dated February 25, 2004 (the "Recirculation Agreement") with CIBC World Markets Inc. (the "Recirculation Agent") and Computershare whereby the Recirculation Agent has agreed to use its best efforts to find purchasers for any Preferred Shares or Class A Shares tendered for retraction prior to the relevant Retraction Payment Date, provided that the holder of the shares so tendered has not withheld consent thereto. The Company is not obligated to require the Recirculation Agent to seek such purchasers but may elect to do so. In the event that a purchaser for such shares is found in this manner, the notice of retraction will be deemed to have been withdrawn prior to the relevant Retraction Date and the shares shall remain outstanding. The amount to be paid to the holder of such shares on the relevant Retraction Payment Date will be an amount equal to the proceeds of the sale of such shares less any applicable commission. Such amount will not be less than the applicable Preferred Share Retraction Price or the Class A Share Retraction Price, as the case may be.

Suspension of Retractions or Redemptions

The Company may suspend the retraction or redemption of Preferred Shares and Class A Shares or payment of retraction or redemption proceeds during any period when normal trading is suspended on one or more stock exchanges on which more than 50% of the equity securities held by the Company are listed or, with the prior permission of the Ontario Securities Commission, for any period not exceeding 120 days during which the Company determines that conditions exist which render impractical the sale of assets of the Company or which impair the ability of the Company to determine the value of the assets of the Company. The suspension may apply to all requests for retraction received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect.

All shareholders making such requests shall be advised by the Company of the suspension and that the retraction will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such shareholders shall have and shall be advised that they have the right to withdraw their requests for retraction. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Company shall be conclusive.

Book-Entry System

Registration of interests in and transfers of the Preferred Shares and Class A Shares will be made only through a book-based system administered by CDS (the “book-entry only system”). On the closing of the Offering, the Company will deliver to CDS certificates evidencing the aggregate Preferred Shares and Class A Shares subscribed for under the Offering. Preferred Shares and Class A Shares must be purchased, transferred and surrendered for retraction or redemption through a CDS Participant. All rights of an owner of Preferred Shares or Class A Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Preferred Shares or Class A Shares. Upon purchase of any Preferred Shares or Class A Shares, the owner will receive only the customary confirmation.

The ability of a beneficial owner of Preferred Shares or Class A Shares to pledge such shares or otherwise take action with respect to such owner’s interest in such shares (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of Preferred Shares or Class A Shares who desires to exercise retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner’s intention to retract shares, no later than 5:00 p.m. (Eastern Standard Time) on the relevant notice date. An owner who desires to retract Preferred Shares or Class A Shares should ensure that the CDS Participant is provided with notice (the “Retraction Notice”) of his intention to exercise his retraction privilege sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Retraction Notice will be available from a CDS Participant or Computershare, the Company’s transfer agent and registrar. Any expense associated with the preparation and delivery of Retraction Notices will be for the account of the owner exercising the retraction privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner’s intention to retract shares, an owner shall be deemed to have irrevocably surrendered his shares for retraction and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any retraction notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the owner’s instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or the owner.

The Company has the option to terminate registration of the Preferred Shares or Class A Shares through the book-entry only system, in which case certificates for Preferred Shares or Class A Shares, as the case may be, in fully registered form would be issued to beneficial owners of such shares, or their nominees.

Meetings of Shareholders and Acts Requiring Shareholder Approval

Except as required by law or set out below, holders of Preferred Shares and Class A Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

The following matters require the approval of the holders of Preferred Shares and Class A Shares by a two-thirds majority vote (other than matters referred to in paragraphs (c), (l) and (m), which require approval of a simple majority vote) at a meeting called and held for such purpose: (a) a change in the fundamental investment objectives and strategy of the Company; (b) a change in the investment criteria of

the Company as described under “*Investment Restrictions*” in the Current AIF; (c) the entering into by the Company of transactions involving derivatives, other than as described in the Initial Prospectus and other than the use of derivatives as permitted for a mutual fund under NI 81-102; (d) any change in the basis of calculating fees or other expenses that are charged to the Company which could result in an increase in charges to the Company; (e) the introduction of a fee or expense to be charged to the Company or directly to shareholders by the Company or the Manager in connection with the holding of securities of the Company that could result in an increase in charges to the Company or its shareholders; (f) the approval to the appointment of a successor to the Manager following the resignation of the Manager unless an affiliate is appointed; (g) the removal of the Manager and the appointment of a successor in the event the Manager is insolvent, or is in breach or default of its obligations under the Management Agreement and such breach or default is not cured within 30 days of notice of such breach or default being given to the Manager; (h) the approval of any other change of the Manager of the Company unless an affiliate of the Manager becomes the manager; (i) the approval of the assignment of the Investment Management Agreement by Quadravest, except to an affiliate; (j) the confirmation of the appointment of a successor to Quadravest in the event the Company terminates the Investment Management Agreement unless an affiliate is appointed; (k) the approval of the termination of the Investment Management Agreement by Quadravest, unless the reason for such termination is a material breach or default by the Company of its obligations under the Investment Management Agreement where notice of such breach or default has been provided by Quadravest to the Company and it remains uncured for 30 days, or there has been a material change to the fundamental investment objectives, strategies or criteria of the Company; (l) a decrease in the frequency of calculating the Net Asset Value; (m) a change of the auditors of the Company, unless such change does not require shareholder approval under applicable securities legislation; (n) any merger of the Company for which shareholder approval under NI 81-102 would be required; (o) an amendment, modification or variation in the provisions or rights attaching to the Preferred Shares, Class A Shares or Class B Shares; and (p) any other change for which the approval of the holders of the Preferred Shares and the Class A Shares is required under the provisions of the *Business Corporations Act* (Ontario).

Each Preferred Share and Class A Share will have one vote at such a meeting and will not vote separately as a class in respect of any vote taken (except for a vote in respect of the matters referred to in paragraphs (a), (b) and (o) above and any other matters referred to above if a class is affected by the matter in a manner different from the other classes of shares of the Company). Ten per cent of the outstanding Preferred Shares and Class A Shares, respectively, represented in person or by proxy at the meeting will constitute a quorum. If no quorum is present, the holders of Preferred Shares and Class A Shares then present will constitute a quorum at an adjourned meeting.

Reporting to Shareholders

The Company will deliver (or, if permitted by law, make available) to each shareholder annual and semi-annual financial statements of the Company or such other statements as may be required by law. Each holder of Preferred Shares or Class A Shares will be mailed annually, no later than February 28, information necessary to enable such shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year.

DIVIDEND HISTORY

Since the Company commenced investment operations on March 16, 2004, the aggregate dividends paid on the Preferred Shares have been \$3.1272 per share, representing 71 monthly dividends of \$0.04375 per Preferred Share (\$0.06473 per Preferred Share for the first dividend) paid each month since the commencement of investment operations.

During the same period, the aggregate dividends paid on the Class A Shares have been \$10.60 per share, representing 71 regular monthly dividends of \$0.10 per Class A Share paid each month since the commencement of investment operations plus six special dividends totalling \$3.50 per Class A Share.

EARNINGS COVERAGE RATIOS

The Company's dividend requirements on all of its Preferred Shares, after giving effect to the issue of the Preferred Shares in this Offering, amounted to \$• million for the 12 month period ended November 30, 2009. The Company's net income available for the payment of dividends on the Preferred Shares for that period was \$6,359,782, which is • times the aggregate dividend requirements on the Preferred Shares for that period.

If the net proceeds of this Offering had been invested since the inception of the Company, the Company's net income available for the payment of dividends on the Preferred Shares for the 12 month period ended November 30, 2009 would have been \$• million, which is • times the aggregate dividend requirements on the Preferred Shares for that period.

PRIOR SALES

The only sales of Preferred Shares or Class A Shares made by the Company in the past 12 months were the issuance on November 16, 2009 of 1,181,421 Preferred Shares and 1,181,421 Class A Shares pursuant to the 2009 Rights Offering at prices of \$10.00 per Preferred Share and \$9.75 per Class A Share.

TRADING PRICES AND VOLUMES

The following table sets forth the reported high and low sale prices and the trading volume for the Preferred Shares and the Class A Shares on the TSX for each of the months indicated.

Month	Class A Shares			Preferred Shares		
	High	Low	Volume	High	Low	Volume
March 2009	7.00	4.91	491,500	8.70	7.36	388,900
April 2009	8.83	6.65	370,500	9.00	8.02	191,200
May 2009	9.74	8.36	371,100	9.64	8.81	323,300
June 2009	9.87	9.01	328,500	9.97	9.11	197,800
July 2009	10.74	9.05	295,900	10.21	9.32	194,800
August 2009	13.25	10.19	295,100	10.58	10.05	187,800
September 2009	13.08	10.95	554,000	10.69	9.80	270,900
October 2009	12.64	10.08	612,300	10.35	9.95	144,900
November 2009	10.70	9.38	1,309,300	10.45	9.87	802,700
December 2009	11.10	9.91	546,300	10.31	9.97	376,000
January 2010	12.48	11.10	573,500	10.38	10.20	180,100
February 2010	12.14	11.50	432,400	10.43	10.25	153,200
March 1, 2010	12.05	11.96	11,100	10.35	10.35	700

On March 1, 2010, the closing prices of the Class A Shares and Preferred Shares on the TSX were \$10.40 and \$11.97, respectively. As at February 28, 2010, the net asset value per Unit was \$19.39.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of March 1, 2010 (the "Agency Agreement") between Quadravest, the Manager, the Company and RBC Dominion Securities Inc. (the "Agent"), the Agent has agreed to offer the Preferred Shares and the Class A Shares for sale, as agents of the Company, on a best efforts basis, if, as and when issued by the Company. The offering prices for the Preferred Shares and the Class A Shares were established by negotiation between the Company and the Agent. The Agent will receive a fee equal to \$0.25 for each Preferred Share sold and \$0.25 for each Class A Share sold, and will be reimbursed for out of pocket expenses incurred. The Agent may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agent out of its fee. While the Agent has agreed to use its best efforts to sell the Preferred Shares and the Class A Shares offered under this short form prospectus, the Agent will not be obligated to purchase Preferred Shares or Class A Shares which are not sold.

Under the terms of the Agency Agreement, the Agent may, at its discretion on the basis of its assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Subscriptions for Preferred Shares and Class A Shares will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing is expected to occur on March 1, 2010, but no later than March 1, 2010.

The Agent may not, throughout the period of distribution, bid for or purchase the Preferred Shares or the Class A Shares. The foregoing restriction is subject to certain exemptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Preferred Shares or the Class A Shares. These exceptions include a bid or purchase permitted under the by-laws and rules of applicable stock exchanges relating to market stabilization and passive market-making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. In connection with this Offering, the Agent may effect transactions which stabilize or maintain the market price of the Preferred Shares or the Class A Shares at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

The Preferred Shares and the Class A Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and, subject to certain exemptions, may not be offered or sold within the United States or to U.S. persons. The distribution of this short form prospectus and the offering and sale of the Preferred Shares and the Class A Shares are also subject to certain restrictions under the laws of certain jurisdictions outside of Canada. The Agent has agreed that it will not offer for sale or sell or deliver the Preferred Shares or the Class A Shares in any such jurisdiction except in accordance with the laws thereof.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and McCarthy Tétrault LLP, counsel to the Agent, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who, for purposes of the Tax Act, are resident in Canada, deal at arm's length with the Company, hold their Preferred Shares and Class A Shares as capital property, are not affiliated with the Company and have not elected to compute their Canadian tax results using a currency other than Canadian dollars. This summary is based upon the facts set out in this short form prospectus and the Current AIF, the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative policies and assessing practices of the Canada

Revenue Agency (“CRA”) published in writing by it or made publicly available prior to the date hereof, and relies as to certain factual matters on certificates of an officer of the Company and QuadraVest.

This summary is based on the assumptions that:

- (a) the Preferred Shares and the Class A Shares will at all times be listed on a designated stock exchange in Canada (which currently includes the TSX);
- (b) the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada and at no time will the total fair market value of the shares of the Company held by persons who are non-residents of Canada and/or partnerships (other than Canadian partnerships within the meaning of the Tax Act) exceed 50% of the fair market value of all of the outstanding shares of the Company;
- (c) the issuers of securities in the Portfolio will not be foreign affiliates of the Company or any shareholder;
- (d) the investment objectives and restrictions applicable to the Company will at all relevant times be as set out in the Current AIF and that the Company will at all times comply with such investment objectives and restrictions; and
- (e) the securities in the Portfolio will not be participating interests in foreign investment entities within the meaning of the draft amendments to the Tax Act contained in the Notice of Ways and Means Motion tabled in the House of Commons on November 9, 2006 (as such legislation may be enacted, and thereafter amended from time to time).

This summary also takes into account specific proposals to amend the Tax Act announced prior to the date hereof by the Minister of Finance (Canada) (the “Proposed Amendments”) and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations. This summary does not apply to shareholders that are “financial institutions” as defined in section 142.2 of the Tax Act.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Investors are advised to consult their own tax advisors with respect to their individual circumstances and in particular the draft proposals to amend the Tax Act released on October 31, 2003 relating to the deductibility of interest and other expenses (the “October 2003 Proposals”).

Tax Treatment of the Company

The Company qualifies, and intends at all relevant times to qualify, as a “mutual fund corporation” as defined in the Tax Act. As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains. In certain circumstances where the Company has recognized a capital gain in a taxation year, it may elect not to pay capital gains dividends in that taxation year in respect thereof and instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or

capital gains redemptions. Also, as a mutual fund corporation, the Company maintains a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends (“capital gains dividends”) which are treated as capital gains in the hands of the shareholders of the Company (see “*Canadian Federal Income Tax Considerations – Tax Treatment of Shareholders*” below).

The Company will be required to include in computing its income all dividends received. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations. Dividends received by the Company on other shares will, however, be included in computing the income of the Company, and will not be deductible in computing its taxable income.

The Company is a “financial intermediary corporation” (as defined in the Tax Act) and, as such, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on “taxable preferred shares” (as defined in the Tax Act). As a mutual fund corporation (which is not an “investment corporation” as defined in the Tax Act), the Company will generally be subject to a refundable tax of 33 ¹/₃% under Part IV of the Tax Act on taxable dividends received during the year to the extent such dividends are deductible in computing taxable income of the Company. This tax is fully refundable upon payment of sufficient dividends other than capital gains dividends (“Ordinary Dividends”) by the Company.

The Company will purchase shares in the Portfolio with the objective of earning dividends thereon over the life of the Company, and intends to treat and report transactions undertaken in respect of such shares on capital account. Generally, the Company will be considered to hold such shares on capital account unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade.

The Company will write covered call options with the objective of increasing the yield on the Portfolio beyond the dividends received on the Portfolio. In accordance with CRA’s published administrative practice, transactions undertaken by the Company in respect of such options will be treated and reported for purposes of the Tax Act on capital account.

Premiums received on call options written by the Company (to the extent such call options relate to securities actually owned by the Company at the time the option is written and such securities are held on capital account as discussed above) will constitute capital gains of the Company in the year received, and gains or losses realized upon dispositions of securities owned by the Company (whether upon the exercise of call options written by the Company or otherwise) will constitute capital gains or capital losses of the Company in the year realized. Where a call option is exercised the proceeds received by the Company for the option will be included in the proceeds of disposition of the securities sold pursuant to the option and the premium received for such option will not give rise to a capital gain at the time the option is written.

To the extent that the Company earns income (other than dividends from taxable Canadian corporations and taxable capital gains) including interest or dividends from corporations other than taxable Canadian corporations, the Company will be subject to income tax on such income and no refund will be available in respect thereof.

The Company has advised counsel that it has elected in accordance with the Tax Act to have each of its “Canadian securities” (as defined in subsection 39(6) of the Tax Act) treated as capital property. Such an

election ensures that gains or losses realized by the Company on dispositions of Canadian securities will be taxed as capital gains or capital losses.

The October 2003 Proposals were released by the Department of Finance (Canada) for public comment and propose that the Tax Act be amended to require, for taxation years commencing after 2004, that there be a “reasonable expectation of cumulative profit” from a business or property in order for a taxpayer to deduct any loss incurred by the taxpayer from the business or property, and would provide that profit, for this purpose, does not include capital gains. The October 2003 Proposals could potentially have an adverse effect on the deductibility by the Company of certain otherwise deductible expenses. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 2003 Proposals would be released for comment at an early opportunity; no such proposal has been released to date. There can be no assurance that such alternative proposal will not adversely affect the Company.

Tax Treatment of Shareholders

Shareholders must include in income Ordinary Dividends received from the Company. For individual shareholders, Ordinary Dividends will be subject to the usual gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act. An enhanced gross-up and dividend tax credit is available on “eligible dividends” received or deemed to be received from taxable Canadian corporations which are so designated by the corporation. Ordinary Dividends received by a corporation other than a “specified financial institution” (as defined in the Tax Act) will normally be deductible in computing its taxable income.

In the case of a holder that is a specified financial institution, Ordinary Dividends received on a particular class of shares will be deductible in computing its taxable income only if either (a) the specified financial institution did not acquire the shares in the ordinary course of its business; or (b) at the time of the receipt of the dividends by the specified financial institution the shares of that class are listed on a designated stock exchange in Canada, and dividends are received in respect of not more than 10% of the issued and outstanding shares of that class by (i) the specified financial institution, or (ii) the specified financial institution and persons with whom it does not deal at arm’s length (within the meaning of the Tax Act). For these purposes, a beneficiary of a trust will be deemed to receive the amount of any dividend received by the trust and designated to that beneficiary, effective at the time the dividend was received by the trust, and a member of a partnership will be considered to have received that partner’s share of a dividend received by the partnership, effective at the time the dividend was received by the partnership.

Ordinary Dividends on Preferred Shares will generally be subject to a 10% tax under Part IV.1 of the Tax Act when such dividends are received by a corporation (other than a “private corporation” or a “financial intermediary corporation”, as defined in the Tax Act) to the extent that such dividends are deductible in computing the corporation’s taxable income. In the opinion of counsel, Ordinary Dividends on the Class A Shares should not be subject to Part IV.1 tax when received by such corporations; however, such corporations should consult their own tax advisors in this regard.

A shareholder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 33 ¹/₃% refundable tax under Part IV of the Tax Act on Ordinary Dividends received on Class A Shares or Preferred Shares, to the extent that such dividends are deductible in computing the corporation’s taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a particular corporation on the Preferred Shares, the rate of Part IV tax payable by such corporation on such dividend is reduced to 23 ¹/₃%.

The amount of any capital gains dividend received by a shareholder from the Company will be considered to be a capital gain of the shareholder from the disposition of capital property in the taxation year of the shareholder in which the capital gains dividend is received.

The current policy of the Company is to pay monthly dividends and, in addition, to pay a special year-end dividend to holders of Class A Shares where the Company has net taxable capital gains upon which it would otherwise be subject to tax (other than taxable capital gains in respect of options that are outstanding at year end) or would not otherwise obtain a refund of refundable tax in respect of dividend income. Therefore, a person acquiring shares may become taxable on income and capital gains that accrued before such person acquired shares and on realized capital gains that have not been distributed before such time.

Upon the redemption, retraction or other disposition of a share, a capital gain (or a capital loss) will be realized to the extent that the proceeds of disposition of the share exceed (or are less than) the aggregate of the adjusted cost base of the share and any reasonable costs of disposition. If the holder is a corporation, any capital loss arising on the disposition of a share may in certain circumstances be reduced by the amount of any Ordinary Dividends received on the share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. For purposes of computing the adjusted cost base of each share of a particular class, a shareholder must average the cost of such share with the adjusted cost base of any shares of that class already held as capital property.

One-half of a capital gain is included in computing income as a taxable capital gain and one-half of a capital loss may be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. A shareholder that is a Canadian-controlled private corporation will be subject to an additional refundable tax of $6\frac{2}{3}\%$ of aggregate investment income, which includes an amount in respect of taxable capital gains.

Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to an alternative minimum tax under the Tax Act.

RISK FACTORS

The following are certain considerations relating to an investment in Preferred Shares or Class A Shares which prospective investors should consider. There can be no assurance that the Company will be successful in meeting its dividend and capital repayment objectives, and the Preferred Shares and Class A Shares may trade in the market at a premium or discount to their proportionate shares of the Company's Net Asset Value.

Interest Rate Fluctuations

It is anticipated that the market price of the Preferred Shares and Class A Shares will, at any time, be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Preferred Shares and Class A Shares.

Net Asset Value and Distributions

The Net Asset Value of the Company and the funds available for distribution to shareholders will vary, among other things, according to the value of the common shares in the Portfolio (which in turn will be influenced by factors which are not within the control of the Company, including the performance of the Portfolio Companies, their dividend payment policies and financial market and economic conditions generally), the dividends received by the Company on the shares in the Portfolio, and the level of option premiums received. There can be no assurance that the Company will be able to achieve its objectives of paying monthly dividends. A substantial drop in the Canadian or United States equities markets could be

expected to have a negative effect on the Company. In addition, a decline in the market price of the shares in the Portfolio may adversely affect the rating on the Preferred Shares, which in turn may have an adverse impact on the market price or demand for such shares. If such a drop were to lead to a significant decline in the value of the Portfolio, the Company could be prohibited from paying regular monthly or special annual dividends on the Class A Shares (see “*Description of the Shares of the Company – Certain Provisions of the Class A Shares*”), which in turn may have an adverse impact on the market price or demand for such shares.

Use of Options and other Derivative Instruments

The Company is subject to the full risk of its investment position in the shares of the Portfolio Companies, including those shares that are subject to outstanding call options, should the market price of the common shares decline. In addition, the Company will not participate in any gain on the common shares that are subject to outstanding call options above the strike price of the options. There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to write covered call options on desired terms or to close out option positions should Quadravest desire to do so. In purchasing call options, the Company is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations. The ability of the Company to close out its positions may also be affected by exchange-imposed daily trading limits on options. If the Company is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

Reliance on the Investment Manager

Quadravest manages the Portfolio in a manner consistent with the investment objectives, strategy and criteria of the Company. The officers of Quadravest who will be primarily responsible for the management of the Portfolio have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of Quadravest throughout the term of the Company.

Conflicts of Interest

Quadravest is engaged in a variety of investment management, investment advisory and other business activities. The services of Quadravest under the Investment Management Agreement are not exclusive and nothing in the Investment Management Agreement prevents Quadravest or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Company or from engaging in other activities. Quadravest’s investment decisions for the Company will be made independently of those made for its other clients and independently of its own investments. However, on occasion, Quadravest may make the same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of Quadravest are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Treatment of Proceeds of Disposition and Option Premiums

In determining its income for tax purposes, the Company will treat gains and losses realized on the disposition of securities in the Portfolio, option premiums received on the writing of covered call options and any losses sustained on closing out options as capital gains and capital losses in accordance with CRA’s published administrative practice. CRA’s practice is not to grant advance income tax rulings on the character of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

If, contrary to CRA's published administrative practice, some or all of the transactions undertaken by the Company in respect of options and securities in the Portfolio were treated on income rather than capital account, after-tax returns to holders of Class A Shares and Preferred Shares could be reduced and the Company may be subject to non-refundable income tax in respect of income from such transactions and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections.

Risks Associated with the Company's Use of Options

The use of options may have the effect of limiting or reducing the total returns of the Company if Quadravest's expectations concerning future events or market conditions prove to be incorrect. If the value of the common shares of the Portfolio Companies decreases, it may be more difficult for the Company to recover losses on those shares and meet its annual targeted distributions. In such an event, the Company may have to increase the percentage of the Portfolio that is subject to covered call options in order to meet its annual targeted distributions.

Status of the Company under Securities Legislation

Although the Company is considered to be a mutual fund under the securities legislation of certain provinces of Canada, it has been granted an exemption from certain requirements of NI 81-102, and so is not subject to all the same rules as conventional public mutual funds.

Tax Proposals Regarding Mutual Fund Corporation Status

The tax treatment of the Company and its shareholders depends in part upon the Company being a "mutual fund corporation" for tax purposes. On September 16, 2004, the Minister of Finance (Canada) released certain proposals to amend the Tax Act (the "September Tax Proposals") pursuant to which a corporation, such as the Company, would lose its status as a mutual fund corporation if at any time after 2004 the aggregate fair market value of all issued and outstanding shares of the corporation held by one or more non-resident persons and/or by partnerships which are not Canadian partnerships for purposes of the Tax Act is more than 50% of the aggregate fair market value of all the issued and outstanding shares of the corporation unless no more than 10% (based on fair market value) of the corporation's property is at any time taxable Canadian property and certain other types of specified property. The September Tax Proposals currently do not provide any means of rectifying the loss of mutual fund corporation status. On December 6, 2004, such Minister tabled a Notice of Ways and Means Motion to implement measures proposed in the 2004 Budget. Such Notice did not include the September Tax Proposals and this fact was specifically referred to in the accompanying release.

The Preferred Shares and Class A Shares of the Company are marketed only in Canada, and provided the Company complies with its investment criteria and restrictions, it is not anticipated that more than 10% of the fair market value of the Company's assets will at any time consist of taxable Canadian property and such other specified property, with the result that the Manager does not anticipate that the September Tax Proposals (even if enacted in their current form) would lead to a loss of mutual fund corporation status for the Company.

Suspension of Retractions

The Company may suspend the retraction of Preferred Shares and Class A Shares or payment of retraction proceeds during any period when normal trading is suspended on any stock exchange within or outside Canada on which securities of the Company are listed which represent more than 50% by value of the total assets of the Company without allowance for liabilities for any period not exceeding 120 days during which the Company determines that conditions exist which render impractical the sale of assets of the Company or which impair the ability of the Company to determine the value of the assets of the Company. In the event of a suspension of retractions, holders of Preferred Shares and Class A Shares

would experience reduced liquidity. See “*Description of the Shares of the Company – Suspension of Retractions and Redemptions*”.

Effects of Substantial Retractions

If holders of a substantial number of Preferred Shares or Class A Shares exercise their retraction rights, the number of Preferred Shares and Class A Shares outstanding and the Net Assets of the Company could be reduced, with the effect of decreasing the liquidity of the Preferred Shares and Class A Shares in the market and increasing the management expense ratio of the Company.

INTEREST OF EXPERTS

Certain legal matters in connection with this distribution have been passed upon on behalf of the Company by Blake, Cassels & Graydon LLP and on behalf of the Agent by McCarthy Tétrault LLP. As of the date of this short form prospectus, the partners and associates of Blake, Cassels & Graydon LLP as a group and the partners and associates of McCarthy Tétrault LLP as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company.

The Company’s auditors are PricewaterhouseCoopers LLP, Chartered Accountants, who have prepared an independent auditors’ report dated February 23, 2010 in respect of the Company’s financial statements as at November 30, 2009 and November 30, 2008 and for each of the years ended November 30, 2009 and November 30, 2008. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

TRANSFER AGENT AND REGISTRAR, CUSTODIAN AND AUDITORS

Pursuant to a Registrar and Transfer Agency Agreement dated February 25, 2004, Computershare, at its principal office in Toronto, has been appointed the registrar and transfer agent for the Preferred Shares and the Class A Shares.

Pursuant to an agreement (the “Custodian Agreement”) dated February 25, 2004, The Royal Trust Company was appointed as the custodian of the assets of the Company. Such agreement was assigned to RBC Dexia Investor Services Trust (“RBC Dexia”) effective January 1, 2006. RBC Dexia is, in addition to acting as custodian, also responsible for certain aspects of the day-to-day administration of the Company, including processing retractions, calculating Net Asset Value and maintaining the fund valuation books and records of the Company. The address of RBC Dexia is 77 King Street West, 11th Floor, Royal Trust Tower, Toronto-Dominion Centre, Toronto, Ontario M5W 1P9 Attention: International Investment Products. RBC Dexia will not have any responsibility or liability for any assets of the Company which it does not directly hold or have control over (including through its sub-custodians), including, without limitation, any assets of the Company pledged to a counterparty pursuant to derivatives transactions entered into by the Company, if any. RBC Dexia is entitled to receive fees from the Company and to be reimbursed for all expenses and liabilities which are properly incurred by RBC Dexia in connection with the activities of the Company.

The auditors of the Company are PricewaterhouseCoopers LLP, 77 King Street West, Toronto, Ontario M5K 1G8.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada,

securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the short form prospectus of Dividend 15 Split Corp. (the "Company") dated March •, 2010 relating to the issue and sale of Preferred Shares and Class A Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use through incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Company on the statement of portfolio investments as at November 30, 2009, the statements of financial position of the Company as at November 30, 2009 and 2008, and the statements of operations and deficit, changes in shareholders' equity and cash flow for the years then ended. Our report is dated February 23, 2010.

Toronto, Canada,
March •, 2010

(Signed) •
Chartered Accountants

CERTIFICATE OF THE COMPANY AND PROMOTER

Dated: March 2, 2010

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) S. Wayne Finch
President and Chief Executive Officer

(Signed) Peter F. Cruickshank
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Laura L. Johnson
Director

(Signed) William C. Thornhill
Director

QUADRAVEST CAPITAL MANAGEMENT INC.

As Promoter

(Signed) S. Wayne Finch
President and Chief Executive Officer

CERTIFICATE OF THE AGENT

Dated: March 2, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada.

RBC DOMINION SECURITIES INC.

(Signed) EDWARD V. JACKSON

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