



# UPDATE

**Dividend 15 Split Corp II** 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: DF.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: DF):

(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)

	DF	DF (specials)	DF.PR.A	Total
Total to Date	\$0.90	-	\$0.4147	\$1.3147
2007 YTD	\$0.80	-	\$0.3500	\$1.1500
2006 (initial)	\$0.10	-	\$0.06473 <sup>(1)</sup>	\$0.16473

(1) Initial distribution for the period Nov 16/06 to Dec 31/06.

## 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 II.

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

## Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	Nov 16, 2006
Termination Date:	Dec 1, 2014
Net Asset Value:	\$23.87 (Aug 31/07)
Cash Weighting:	9%
Canadian Equity Weighting:	91%
<b>DF.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.18 (Aug 31/07)
Current Yield:	5.2% annually
<b>DF</b> Issue Price:	\$15.00
Trading Price:	\$14.77 (Aug 31/07)
Current Yield:	8.1% annually

## Top Holdings Sorted By Weight Symbol

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

Weightings subject to change at any time.