



**Dividend 15**

August 2009

# Monthly Update

**Dividend 15 Split Corp II** is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified portfolio consisting of 15 high-yielding Canadian companies. Two types of shares are available, a Class A and a Preferred.

## Distributions (by record date)

	DF	DF (specials)	DF.PR.A	Total
Total to Date	\$2.70	-	\$1.4647	\$4.1647
2009 YTD	\$0.30	-	\$0.3500	\$0.6500
2008	\$1.10	-	\$0.5250	\$1.6250
2007	\$1.20	-	\$0.5250	\$1.7250
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

August continued to raise hopes for a second half economic recovery as certain key economic indicators continued to improve. The volume of new home sales in both Canada and the United States increased in August helping to lower housing inventories in both countries. The price performance of housing in Canada remains very resilient. The monthly unemployment numbers in both Canada and United states showed further improvement in August. Of particular note was an increase in commodity prices which appears to be indicative of a rebound in economic growth, especially in the developing economies. Financial services companies, which have raised significant amounts of capital in recent months, continued an impressive recovery as share prices continue to rebound from their March lows. The historic low interest rate environment appears to be providing very favorable conditions for these companies to rebuild their earnings power. In particular Q3 reported earnings from the Canadian banks generally surpassed analyst's estimates and led to improved share price performance.

During the month of August, the TSX topped the 11,000 mark for the first time in over 10 months and the S&P 500 reached an impressive 50% recovery in the past 5 months since its March low making it the third strongest recovery on record.

It appears that governments around the world continue to ensure that fiscal and monetary conditions are supportive of economic growth. The popular cash for clunkers program in the United States proved to be an example of the supportive measures governments are willing to undertake to stimulate growth.

The historic high levels of low yielding cash and money market instruments "sitting on the sidelines" could prove to be a catalyst for further market gains if investors shift some of this money towards equities.

Attractive dividend yields, low historic valuations and significant option premiums available in the market place continue to bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

	One Month to Aug 31, 2009	Year to Date Aug 31, 2009
TSX	0.75%	20.92%
S&P 500	3.36%	12.99%
DJII	3.54%	8.20%
NASDAQ	1.54%	27.40%

## Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	Nov 16, 2006
Termination Date:	Dec 1, 2014
Net Asset Value:	\$16.97 (Aug 31/09)
Cash Weighting:	9%
Canadian Equity Weighting:	91%

<b>DF.PR.A</b>	Trading Price:	\$9.99 (Aug 31/09)
	Current Yield:	5.3% annually
	Asset Coverage:	170%
	Market Capitalization:	\$55,444,500
<b>DF</b>	Trading Price:	\$7.85 (Aug 31/09)
	Market Capitalization:	\$43,567,500

## Top Holdings (sorted by weight)

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

Weightings subject to change at any time.

77 King Street West, P.O. Box 341, Toronto, ON M5K 1K7 416-304-4443 1-877-478-2372

[www.dividend15.com](http://www.dividend15.com)

[info@dividend15.com](mailto:info@dividend15.com)