



**Dividend 15**

As at June 30, 2011

# 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.

	One Month to June 30, 2011	Year to Date June 30, 2011
TSX	-3.64%	-1.06%
S&P 500	-1.83%	5.01%
DJII	-1.24%	7.23%
NASDAQ	-2.18%	4.55%

## Distributions (by record date)

	DF	DF (specials)	DF.PR.A	Total
Total to Date	\$4.90	-	\$2.4272	\$7.33
2011 YTD	\$0.60	-	\$0.2625	\$0.8625
2010	\$1.20	-	\$0.5250	\$1.7250
2009	\$0.70	-	\$0.5250	\$1.2250
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

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

## Commentary

The North American financial markets weakened during the month largely as result of US economic data suggesting the economic recovery had begun to moderate significantly. The impact of the Japanese tsunami disaster on the supply chain for the automotive and technology industry was a contributing factor for some of the slower economic growth. Higher commodity prices, especially energy costs were also seen to be impacting growth.

The U.S. housing market and unemployment market continue to exert a drag on the U.S. economy. The anticipated end of the US Federal Reserve's "QE2" policy at the end of June has also been a source of apprehension by market participants. Market participants have worried that the removal of this major source of monetary stimulus will adversely impact equity markets which has in large part been credited for fueling a significant increase in equity markets since its announcement and implementation in the fall of 2010. The question of whether this economic growth can become sustainable without the continued record levels of fiscal and monetary stimulus remains to be answered in the coming months and years. European debt worries have also been weighing heavily on the market.

Canadian economic indicators generally remain relatively strong with housing and employment conditions much stronger than most other developed economies.

Record low interest rates in North America are expected to remain until economic growth is deemed to be on a self sustaining growth path. In the context of these low rates, the valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. The dividend income continues to be supplemented by income generated from the covered call writing program.

## Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	November 16, 2006
Termination Date:	December 1, 2014
Net Asset Value	\$17.11
Cash Weighting:	8%
Canadian Equity Weighting:	92%

DF.PR.A	Trading Price:	\$10.32
	Current Yield*:	5.1%
	Asset Coverage:	171%
	Market Capitalization:	\$52,208,880
DF	Trading Price:	\$10.55
	Current Yield*:	11.4%
	Market Capitalization:	\$53,372,450

\*Last distribution annualized.

## Top Holdings (sorted by weight)

Telus Corporation  
 Canadian Imperial Bank of Commerce  
 Manulife Financial Corporation  
 CI Financial Corp.  
 TMX Group Inc.  
 Enbridge Inc.  
 Toronto-Dominion Bank  
 Sun Life Financial Inc.  
 Royal Bank of Canada  
 BCE Inc.  
 TransAlta Corporation  
 Thomson Reuters Corp.  
 Bank of Nova Scotia  
 Bank of Montreal  
 AGF Management Ltd.

Weightings subject to change at any time.

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