



**Dividend 15**

September 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.

	One Month to Sept 30, 2009	Year to Date Sept 30, 2009
TSX	4.85%	26.78%
S&P 500	3.57%	17.03%
DJII	2.27%	10.66%
NASDAQ	5.64%	34.58%

## Distributions (by record date)

	DF	DF (specials)	DF.PR.A	Total
Total to Date	\$2.80	-	\$1.5085	\$4.3085
2009 YTD	\$0.40	-	\$0.3938	\$0.7938
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

September showed a continuation in the upward market trends that have been in place since the lows in March. Fueled by record low interest rates and increasing optimism of economic recovery, all major market indices showed very impressive gains as shown below.

Most economists now believe the worst recession since the Great Depression will have officially ended in the quarter ending September 2009 and that Q3 GDP for both Canada and the United States will be positive. Market participants are now grappling with what the recovery may look like over the next few quarters and how that assessment will be reflected in equity prices.

Although many leading economic indicators are pointing to a growing economy, unemployment rates (a lagging indicator) continue to be problematic, especially in the United States. The official US unemployment rate at 9.8% is now at a 27 year high and remains the biggest challenge to a robust recovery. Policy makers in the United States have become very focused on this metric and as a result it is likely that US interest rates will remain low and government stimulus will continue until this trend starts reversing.

Canada's economy appears to be in much stronger shape with a stronger financial system, lower unemployment levels, improving commodity prices and a much stronger housing market.

Against the historic low level of current interest rates, equity markets appear to be fairly supported by attractive dividend yields. The 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 as the economy continues to recover.

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.

## Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	Nov 16, 2006
Termination Date:	Dec 1, 2014
Net Asset Value:	\$17.27 (Sept 30/09)
Cash Weighting:	2%
Canadian Equity Weighting:	98%

<b>DF.PR.A</b>	Trading Price:	\$10.00 (Sept 30/09)
	Current Yield:	5.3% annually
	Asset Coverage:	173%
	Market Capitalization:	\$50,590,000
<b>DF</b>	Trading Price:	\$7.33 (Sept 30/09)
	Market Capitalization:	\$37,082,470

## Top Holdings (sorted by weight)

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

info@dividend15.com