



Dividend 15

January 2008

# Monthly 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	\$1.40	-	\$0.6335	\$2.0335
2008 YTD	\$0.10	-	\$0.0438	\$0.1438
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

Overall financial markets during the latter half of the year were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At January 31, 2008, the Company's portfolio remained primarily invested in the 15 core high yielding Canadian stocks. The dividend income in the portfolio continues to be supplemented by a limited covered call writing program which provides some additional income to the portfolio.

TELUS Corporation (TSX: T) increased its quarterly non-voting share dividend to \$0.45 a share, a 20% increase (Nov 07).

AGF Management (TSX: AGF) increased its annual dividend to \$1.00 a share, a 25% increase. (Jan 08).

T and AGF are holdings of Dividend 15 Split II.

The Dividend 15 Split II portfolio has a current dividend yield of approximately 3.7%.

## Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	Nov 16, 2006
Termination Date:	Dec 1, 2014
Net Asset Value:	\$21.11 (Jan 31/08)

Cash Weighting:	6%
Canadian Equity Weighting:	94%

<b>DF.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.26 (Jan 31/08)
Current Yield:	5.1% annually
Asset Coverage:	211%
Market Capitalization:	\$57,353,400

<b>DF</b> Issue Price:	\$15.00
Trading Price:	\$11.05 (Jan 31/08)
Current Yield:	10.9% annually
Market Capitalization:	\$61,769,500

## Top Holdings (sorted by weight)

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

Weightings subject to change at any time.

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