



Dividend 15

May 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	\$1.80	-	\$0.8085	\$2.6085
2008 YTD	\$0.50	-	\$0.2188	\$0.7188
2007	\$1.20	-	\$0.5250	\$1.7250
2006 (initial)	\$0.10	-	\$0.06473 ⁽¹⁾	\$0.16473

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

Commentary

In April dramatic action was taken by central banks around the world including the Bank of Canada which lowered the overnight lending rate another ½ percentage point. Lowering interest rates and providing liquidity to the market appears to have stabilized the credit crisis situation and allowed the market a confidence that has not been seen this year. This action by the BOC appears to have continued to stabilize the market throughout the month of May. The Toronto Stock Market hit an all time high (14,714) up 6.4% year to date with the crux of the return stemming from the commodity sector. The financial services sector has not performed well during this period of time with concerns about the ongoing announcements of the credit crisis / loan write downs. The nervousness is keeping large extended balances of cash in many investors' pockets until the credit concerns dissipate. It should be noted that the Canadian financial sector has little overall exposure to the U.S. sub prime loans.

TSX Group Inc. (TSX: X) and Montreal Exchange Inc. (TSX: MX) announced the completion of their business combination to create TMX Group Inc. (May 08). X is a holding of Dividend 15 Split II.

The Dividend 15 Split II portfolio has a current dividend yield of approximately 3.8%.

Details

Gross Proceeds:	\$139,750,000
Units Issued:	5,590,000
Inception Date:	Nov 16, 2006
Termination Date:	Dec 1, 2014
Net Asset Value:	\$21.04 (May 31/08)
Cash Weighting:	5%
Canadian Equity Weighting:	95%
DF.PR.A Trading Price:	\$10.15 (May 31/08)
Current Yield:	5.2% annually
Asset Coverage:	210%
Market Capitalization:	\$56,738,500
DF Trading Price:	\$11.00 (May 31/08)
Current Yield:	10.9% annually
Market Capitalization:	\$61,490,000

Top Holdings (sorted by weight)

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

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