



# UPDATE

Financial 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 financial services companies, made up of Canadian and U.S. issuers. Two types of shares are available, a Class A and a Preferred.

## Objectives

### Preferred Shares (TSX: FFN.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, 2009 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

### Class A Shares (TSX: FFN):

(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, 2009 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions (by record date)

	FFN	FFN (specials)	FFN.PR.A	Total
<b>Total to Date</b>	<b>\$2.60</b>	<b>\$0.25</b>	<b>\$1.1599</b>	<b>\$4.0099</b>
2006 YTD	\$1.20	\$0.25	\$0.5250	\$1.9750
2005	\$1.20		\$0.525	\$1.725
2004 (two months)	\$0.20		\$0.10991*	\$0.30991

\*Initial distribution for the period Oct 15/04 to Nov 30/04.

## Commentary

CIBC boosts quarterly dividend by 3% to \$0.70 per share to yield 3.7% per annum (June 2006).

SLF boosts quarterly dividend by 9% to \$1.20 per share annually (July 2006).

TD raises quarterly dividend to \$0.48 cents, an increase of 9% over the last quarterly payment (August 2006).

Manulife (MFC) increased their dividend 14% to \$0.80 per share annually (November 2006).

BMO boosts quarterly dividend by 4.8% to \$0.65 per share, or \$2.60 per annum (November 2006).

CIBC, SLF, TD, MFC and BMO are holdings of Financial 15 Split II.

## Details

Gross Proceeds:	\$167,500,000
Units Issued:	6,700,000
Inception Date:	Oct 15, 2004
Termination Date:	Dec 1, 2009
Net Asset Value:	\$27.74 (Dec 29/06)
Cash Weighting:	19%
U.S. Equity Weighting:	25%
Canadian Equity Weighting:	56%
<b>FFN.PR.A</b> Issue Price:	\$10.00
Trading Price:	\$10.70 (Dec 29/06)
Current Yield:	4.9% annually
<b>FFN</b> Issue Price:	\$15.00
Trading Price:	\$15.67 (Dec 29/06)
Current Yield:	7.7% annually

## Holdings Sorted By Weight

Holdings Sorted By Weight	Symbol
Royal Bank	RY-T
CI Fund Management	CIX-T
Great-West Lifeco	GWO-T
Sun Life Financial	SLF-T
Citigroup	C-N
AGF Management	AGF-T
Canadian Imperial Bank of Commerce	CM-T
National Bank	NA-T
Bank of America	BAC-N
Toronto-Dominion Bank	TD-T
Manulife Financial	MFC-T
Merrill Lynch	MER-N
Bank of Nova Scotia	BNS-T
Bank of Montreal	BMO-T
Fifth Third Bancorp	FITB-N

Weightings subject to change at any time.