

Monthly Update

Financial 15 Split Corp II is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified 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.

Distributions (by record date)

	FFN	FFN (specials)	FFN.PR.A	Total
Total to Date	\$5.90	\$0.25	\$3.3037	\$9.4537
2011 YTD	\$0.10		\$0.0438	\$0.1438
2010	\$0.50		\$0.5250	\$1.0250
2009	\$0.50		\$0.5250	\$1.0250
2008	\$1.00		\$0.5250	\$1.5250
2007	\$1.20		\$0.5250	\$1.7250
2006	\$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

The North American financial markets ended the year on a strong note and that performance continued into the first month in 2011. The extension of the Bush tax cuts for all individuals in the United States for at least another two years combined with improving economic data seemed to provide the fuel for the continued rally in the month of January. The US housing market and unemployment market continue to exert a drag on the US economy. Other measures of economic activity including manufacturing activity and retail sales seemed to suggest that the economy continues to improve, albeit at a fairly modest pace. 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.

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. Many Canadian companies held in the portfolios are expected to raise their dividends over the next 6 months. The dividend income continues to be supplemented by income generated by the covered call writing program.

	One Month to Jan 31, 2011	Year to Date Jan 31, 2011
TSX	0.81%	0.81%
S&P 500	2.26%	2.26%
DJII	2.72%	2.72%
NASDAQ	1.78%	1.78%

Details

Gross Proceeds:	\$167,500,000
Units Issued:	6,700,000
Inception Date:	October 15, 2004
Termination Date:	December 1, 2014
Net Asset Value	\$15.17

Cash Weighting:	10%
Canadian Equity Weighting:	60%
U.S. Equity Weighting:	30%

FFN.PR.A Trading Price:	\$10.14
Current Yield*:	5.18%
Market Capitalization:	\$57,678,855

FFN Trading Price:	\$6.80
Current Yield*:	17.65%
Market Capitalization:	\$38,680,100

*Last distribution annualized.

Top Holdings (sorted by weight)

AGF Management Ltd.
 Goldman Sachs Group Inc.
 Wells Fargo & Co.
 CI Financial Corp.
 Canadian Imperial Bank of Commerce
 Bank of America Corp.
 Bank of Montreal
 J.P. Morgan Chase & Co.
 Toronto-Dominion Bank
 Royal Bank of Canada
 Manulife Financial Corporation
 TMX Group Inc.
 Sun Life Financial Inc.
 Great-West Lifeco Inc.
 National Bank of Canada

Weightings subject to change at any time.