



# 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

	FFN	FFN.PR.A	Total
<b>Total to Date</b>	<b>\$0.80</b>	<b>\$0.3724</b>	<b>\$1.1724</b>
2005 YTD	\$0.60	\$0.26250	\$0.86250
2004 (two months)	\$0.20	\$0.10991	\$0.30991

*\*For the period Oct 15/04 to Nov 30/04 (initial distribution)*

## Commentary

Royal Bank of Canada (RY-T), Bank of Montreal (BMO-T) Canadian Imperial Bank of Commerce (CM-T), The Toronto-Dominion Bank (TD-T) and The Bank of Nova Scotia (BNS-T) all reported 2nd quarter results in May 2005.

CM raised its quarterly dividend to \$0.68 per share, up 4.6% from \$0.65 per share last quarter.

BNS raised its quarterly dividend to \$0.34 per share, up 6.2% from \$0.32 per share last quarter.

RY raised its quarterly dividend to \$0.61 per share, up 10.9% from \$0.55 per share last quarter.

The average dividend yield on the five Canadian Banks is currently 3.4% per annum.

RY, BMO, CM, TD and BNS 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:	\$24.03 (Jun 30/05)

Cash Weighting:	8%
U.S. Equity Weighting:	26%
Canadian Equity Weighting:	66%

<b>FFN.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.60 (Jun 30/05)
Current Yield:	5.0% annually

<b>FFN</b> Issue Price:	\$15.00
Trading Price:	\$14.04 (Jun 30/05)
Current Yield:	8.5% annually

## Holdings Sorted By Weight

	Symbol
Canadian Imperial Bank of Commerce	CM-T
Manulife Financial	MFC-T
CI Fund Management	CIX-T
Merrill Lynch	MER-N
Sun Life Financial	SLF-T
Great-West Lifeco	GWO-T
Royal Bank	RY-T
National Bank	NA-T
Toronto-Dominion Bank	TD-T
Citigroup	C-N
Bank of Montreal	BMO-T
JP Morgan	JPM-N
Wells Fargo	WFC-N
Bank of America	BAC-N
Bank of Nova Scotia	BNS-T

*Weightings subject to change at any time.*