



## 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

Total to Date	\$0.10	\$0.0662	\$0.1662
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Record Date	FFN	FFN.PR.A	Pay Date
Nov 30/04	\$0.10	\$0.0662*	Dec 10/04

\*For the period Oct 15/04 to Nov 30/04

### Commentary – Dividend Increases

Scotia Bank (BNS-T) reported record annual profits after solid gains in mortgage & consumer lending and strong securities gains, allowing the bank to raise its quarterly dividend on common shares by 6.6% from \$0.30 per share to \$0.32 per share.

Royal Bank of Canada (RY-T) reported 4<sup>th</sup> quarter results on Nov. 30<sup>th</sup> with lower than expected earnings due to one-time charges. Capital markets reported quarterly contribution that was the highest in several years, and the insurance & global services operations had solid quarters. Royal Bank raised its quarterly dividend to \$0.55 per share, up 8% from \$0.52 per share last quarter.

Canadian Imperial Bank of Commerce (CM-T) reported 4<sup>th</sup> quarter results on Dec. 2<sup>nd</sup> with lower than expected profit due to one-time charges (Enron related issues). CIBC raised its quarterly dividend \$0.65 per share, up 8.3% from \$0.60 per share last quarter.

BNS, RY and CM are holdings of Financial 15 Split Corp 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:	\$23.06 (Nov 30/04)

Cash Weighting:	4%
U.S. Equity Weighting:	28%
Canadian Equity Weighting:	68%

<b>FFN.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.61 (Nov 30/04)
Current Yield:	4.9% annually

<b>FFN</b> Issue Price:	\$15.00
Trading Price:	\$14.70 (Nov 30/04)
Current Yield:	8.2% annually

### Holdings Sorted By Weight Symbol

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

Weightings subject to change at any time.