December 2008

FINANCIAL 15 SPLIT Monthly Update

Financial 15 Split Corp 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.

Distributions

	FTN	FTN (specials)	FTN.PR.A	Total
Total to Date	$6.0771	$0.50	$2.6926	$9.2697
2008 YTD	$1.1771		$0.5250	$1.7021
2007	$1.20		$0.5250	$1.7250
2006	$1.20	$0.25	$0.5250	$1.9750
2005	$1.20	$0.25	$0.525	$1.9750
2004	$1.20		$0.5250	$1.7250
2003 (one month)	$0.10		$0.0676*	$0.1676

For the period Nov 14/03 to Dec 31/03 (initial distribution)

Commentary

Financial markets continued to experience severe volatility through the month of December as most stock markets across the world hit new lows during the month. The theme of unprecedented government intervention continued as governments attempted to use a myriad of fiscal and monetary tools to stabilize the financial system and stimulate their economies. Notwithstanding the massive amounts of capital that have been injected into financial services companies around the world, the credit "freeze " still presents a major problem as lending activity has diminished to record low levels. The lack of available credit to even the most creditworthy corporations is weighing on economic growth. Unemployment levels are rising and even economic growth in China has started to falter. President elect Obama has telegraphed a very significant fiscal stimulus that will be announced in late January after the new President officially takes office on January 20, 2009. In Canada, the threat of a potential coalition government lead by the Liberals and supported by the NDP and Bloc injected another element of significant uncertainty into an already fragile environment in Canada and could slow down the timing of new fiscal stimulus measures. Record levels of redemptions in mutual funds and the continued de-leveraging of hedge funds continues to dominate trading patterns and has resulted in almost indiscriminate broad based selling as these funds are forced to raise cash. Also, there was additional downward pressure in the equity markets up until December 24th (the last day of tax loss selling in 2008) as investors realized tax losses on their investments. On the monetary front, central banks around the world continue to aggressively cut administered interest rates to multi-decade lows. At some point the cumulative impacts from these massive fiscal and monetary stimulus measures will begin to have traction and ignite the economic recovery.

The table below indicates the depth of this market downturn year to date as at December 31, 2008:

TSX	-35.0%
S&P 500	-38.5%
DJII	-33.8%
NASDAQ	-40.5%

When capital market liquidation slows or ceases and investors return to fundamentals of the underlying companies, we believe the portfolio will be fairly rewarded. Attractive dividend yields, low valuations and significant option premiums available in the market place all bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

Details

Total Net Assets:		$123,381,312
Units Outstanding:		7,725,512
Inception Date:		Nov 14, 2003
Termination Date:		Dec 1, 2015
Net Asset Value:		$14.33 (Dec 31/08)
Cash Weighting:		1%
U.S. Equity Weighting:		22%
Canadian Equity Weighting:		77%
FTN.PR.A	Trading Price:	$8.20 (Dec 31/08)
	Current Yield:	6.4% annually
	Asset Coverage:	143%
	Market Capitalization:	$63,349,198
FTN	Trading Price:	$4.45 (Dec 31/08)
	Market Capitalization:	$34,378,528

Top Holdings (sorted by weight)

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

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.financial15.com info@financial15.com