



# 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.

## Objectives

### Preferred Shares (TSX: FTN.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, 2008 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

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

(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, 2008 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions

Total to Date	\$1.50	\$0.6801	\$2.1801
<b>Record Date</b>	<b>FTN</b>	<b>FTN.PR.A</b>	<b>Total</b>
2005 YTD	\$0.20	\$0.0875	\$0.2875
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

Manulife Financial (TSX: "MFC") is a leading Canadian based financial services group serving millions of customers in 19 countries worldwide. Total funds under management were \$348 billion (\$C) as at December 31, 2004. MFC is the second largest North American life insurer by market capitalization, generating approximately 23% of its earnings in Canada, about 50% in the U.S. and the remainder in Asia and reinsurance.

Manulife Financial reported 4<sup>th</sup> quarter results on February 10<sup>th</sup> with increased profits that were 77% higher than the same period in 2003. The strong fourth quarter earnings reflect contribution from the John Hancock unit (Canada's biggest insurer), strong sales growth, improved profitability due to product restructuring and strong investment, credit and equity market performance.

Stock performance has been strong producing a 32% increase year over year ending December 31, 2004.

BMO Financial Group (TSX: "BMO") reported 1<sup>st</sup> quarter results on Feb 22/05 with a rise in profit and a 15% earnings growth. BMO also raised its quarterly dividend to \$0.46 per share, up 4.5% from \$0.44 per share last quarter.

MFC and BMO are holdings of Financial 15 Split Corp.

## Details

Gross Proceeds:	\$272,500,000
Units Issued:	10,900,000
Inception Date:	Nov 14, 2003
Termination Date:	Dec 1, 2008
Net Asset Value:	\$25.61 (Feb 28/05)

Cash Weighting:	6%
U.S. Equity Weighting:	25%
Canadian Equity Weighting:	69%

<b>FTN.PR.A</b> Issue Price	\$10.00
Trading Price:	\$11.0 (Feb 28/05)
Current Yield:	4.8% annually

<b>FTN</b> Issue Price:	\$15.00
Trading Price:	\$15.25 (Feb 28/05)
Current Yield:	7.9% annually

## Holdings Sorted By Weight Symbol

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

Weightings subject to change at any time.