

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

	FTN	FTN (specials)	FTN.PR.A	Total
Total to Date	\$5.40	\$0.50	\$2.3864	\$8.2864
2008 YTD	\$0.50		\$0.2188	\$0.7188
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

In April dramatic action was taken by central banks around the world including the Bank of Canada which lowered the overnight lending rate another ½ percentage point. Lowering interest rates and providing liquidity to the market appears to have stabilized the credit crisis situation and allowed the market a confidence that has not been seen this year. This action by the BOC appears to have continued to stabilize the market throughout the month of May. The Toronto Stock Market hit an all time high (14,714) up 6.4% year to date with the crux of the return stemming from the commodity sector. The financial services sector has not performed well during this period of time with concerns about the ongoing announcements of the credit crisis / loan write downs. The nervousness is keeping large extended balances of cash in many investors' pockets until the credit concerns dissipate. It should be noted that the Canadian financial sector has little overall exposure to the U.S. sub prime loans.

AGF Management (TSX: AGF) declared its quarterly dividend to \$0.25 a share, a 25% increase (Mar 08). AGF is a holding of Financial 15 Split.

The Financial 15 Split portfolio has a current dividend yield of approximately 4.3%.

Details

Gross Proceeds:	\$272,500,000
Units Issued:	10,900,000
Inception Date:	Nov 14, 2003
Termination Date:	Dec 1, 2008
Net Asset Value:	\$21.54 (May 31/08)

Cash Weighting:	3%
U.S. Equity Weighting:	17%
Canadian Equity Weighting:	80%

FTN.PR.A Trading Price:	\$10.05 (May 31/08)
Current Yield:	5.2% annually
Asset Coverage:	215%
Market Capitalization:	\$102,258,157

FTN Trading Price:	\$10.85 (May 31/08)
Current Yield:	11.1% annually
Market Capitalization:	\$110,398,110

Top Holdings (sorted by weight)

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

Weightings subject to change at any time.