

Monthly Update

US Financial 15 Split Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, portfolio consisting of 15 U.S. financial services companies. Two types of shares are available, a Class A and a Preferred.

One Month to
July 29, 2011

Year to Date
July 29, 2011

TSX	-2.67%	-3.70%
S&P 500	-2.15%	2.75%
DJII	-2.18%	4.89%
NASDAQ	-0.62%	3.90%

Distributions (by record date)

	FTU	FTU.PR.A	Total
Total to Date	\$3.70	\$2.8258	\$6.5258
2011 YTD	\$0.00	\$0.3063	\$0.3063
2010	\$0.00	\$0.4438	\$0.4438
2009	\$0.00	\$0.0438	\$0.0438
2008	\$0.30	\$0.5250	\$0.8250
2007	\$1.20	\$0.5250	\$1.7250
2006	\$1.20	\$0.5250	\$1.7250
2005	\$1.00	\$0.4570*	\$1.4570

*Initial Distribution was for the period Feb 15/05 to Apr 29/05

Commentary

The North American financial markets continued to weaken during the month largely as result of US economic data suggesting the economic recovery had begun to moderate significantly. US second quarter GDP of 1.3% combined with a revised GDP of 0.4% for the first quarter growth provided clear evidence of a very sluggish 6 month period. A number of macro issues including 1) the end of the US Federal Reserve's "QE2" program 2) the uncertainty of the US debt limit negotiations in Washington and 3) the continued concerns over Euro sovereign debt issues all conspired to create a high level of uncertainty in equity markets during the month.

Both the US and the several Euro zone countries will have to deal with significant reductions in spending to reign in record deficits and market participants are concerned that this will further impact growth in these countries with a spillover to overall world growth. As mentioned in previous commentaries, the key question of whether economic growth can become sustainable without the continued record levels of fiscal and monetary stimulus, remains to be answered in the coming months and years.

Canadian economic indicators generally remain relatively strong with housing and employment conditions much stronger than most other developed economies. A higher level of political stability in Canada as a result of the recent election of a conservative majority government and relatively strong government financial position should help Canada to remain among the better performing economies for the coming years.

Record low interest rates in North America are expected to remain until economic growth is deemed to be on a self sustaining growth path. In the context of these low rates, the valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios and current dividend yields and this should continue to act as a major support at these current market prices. The dividend income continues to be supplemented by income generated from the covered call writing program.

Details

Gross Proceeds:	\$121,857,000
Units Issued:	4,875,000
Inception Date:	February 15, 2005
Termination Date:	December 1, 2012
Net Asset Value	\$5.03
Cash Weighting:	4%
U.S. Equity Weighting:	96%
Portfolio Currency Hedging:	80-90%
FTU.PR.A Trading Price:	\$5.25
Current Yield*:	10.00%
Market Capitalization:	\$16,177,749
FTU Trading Price:	\$0.56
Current Yield*:	0.00%
Market Capitalization:	\$1,725,627

*Last distribution annualized.

Top Holdings (sorted by weight)

Goldman Sachs Group Inc.
 J.P. Morgan Chase & Co.
 CME Group Inc.
 Bank of America Corp.
 Fifth Third Bancorporation
 US Bancorp.
 Morgan Stanley
 SunTrust Banks Inc.
 Citigroup Inc.
 State Street Corp
 Knight Capital Group Inc.
 Bank of New York Mellon Corp.
 Wells Fargo & Co.
 City National Corporation
 Regions Financial Corp.

Weightings subject to change at any time.