



# UPDATE

US 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 U.S. financial services companies. Two types of shares are available, a Class A and a Preferred.

## Objectives

### Preferred Shares (TSX: FTU.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, 2012 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

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

(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, 2012 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

## Distributions

	FTU	FTU.PR.A	Total
Total to Date	\$0.40	\$0.1945	\$0.5945
2005 YTD	\$0.40	\$0.1945	\$0.5945

*\*For the period Feb 15/05 to Apr 29/05 (initial distribution)*

## Commentary

US Financial 15 Split closed on February 15, 2005 with gross aggregate proceeds of \$121,875,000.

The managers of the fund have actively invested the cash in the select 15 names: American Express, American International Group, Bank of America, Citigroup, Fifth Third Bancorp, The Goldman Sachs Group, J.P. Morgan Chase, Lehman Brothers, Merrill Lynch, Morgan Stanley, SunTrust Banks, U.S. Bancorp, Wachovia Corporation, Washington Mutual and Wells Fargo.

The regular monthly distribution was declared on June 20th (for record date June 30, 2005) at the amount of \$0.10 for each Class A share and \$0.04375 for each Preferred share.

## Details

Gross Proceeds:	\$121,875,000
Units Issued:	4,875,000
Inception Date:	Feb 15, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$22.53 (Jun 30/05)

Cash Weighting:	6%
U.S. Equity Weighting:	94%
Currency Hedging:	60%-75%

<b>FTU.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.71 (Jun 30/05)
Current Yield:	4.9% annually

<b>FTU</b> Issue Price:	\$15.00
Trading Price:	\$11.90 (Jun 30/05)
Current Yield:	10.1% annually

## Holdings Sorted By Weight

	Symbol
Citigroup	C
Morgan Stanley	MWD
JP Morgan & Co.	JPM
American Express	AXP
Merrill Lynch	MER
The Goldman Sachs Group	GS
Bank of America	BAC
Wells Fargo	WFC
Lehman Brothers	LEH
SunTrust Banks	STI
US Bancorp	USB
Wachovia	WB
American International Group	AIG
Fifth Third Bancorp	FITB
Washington Mutual	WM

*Weightings subject to change at any time.*