

US Financial 15 Split Corp.

Fund Update

US Financial 15 Split Corp. (the "Company") was created to provide exposure to a portfolio of dividend-yielding high quality common shares of 15 US financial companies through two classes of securities, the Preferred Shares and the Class A Shares (a "Unit"). Holders of the Preferred Shares are to be provided with a stable yield and downside protection on the return of their initial investment of \$10.00. Class A Shares are to be provided with leveraged exposure to the underlying holdings including both increases and decreases in the value of the shares and the benefit of any increases in the dividends paid by the underlying holdings its portfolio of shares. The financial service sector has had a challenging year producing a negative return of 33% year to date (as of July 16th, 2008).

A myriad of issues have affected the financial markets and have had a dramatic impact on the Company's portfolio. Overall financial markets continue to be adversely impacted by the confluence of record high commodity prices and the continuing credit related problems originating from the US sub prime lending market. These conditions have caused economic growth to slow considerably in both Canada and the United States while at the same time high commodity prices are beginning to lead to a marked increase in inflationary pressures. In particular, the dramatic increase in oil prices has become a large obstacle for economic recovery. The US Financial Services sector is down approx. 34% year to date and in the last month closed at its lowest level since 1997 (over 11 years).

The combined effect of the market declines and the monthly distributions paid since inception has resulted in a decline in the net asset value of the Company to \$9.25 as at July 15, 2008. The recent two day rally in the market has improved the net asset value of the Company by approximately 25% as at July 17, 2008.

Performance of Core Holdings

	% Change	
	Dec 31/07 to July 15/08	July 15/08 to July 17/08
AMERICAN INTL GROUP INC	-65%	21%
AMERICAN EXPRESS CO	-29%	13%
BANK OF AMERICA CORP NEW	-55%	43%
CITIGROUP INC	-51%	23%
FIFTH THIRD BANCORP	-58%	32%
GOLDMAN SACHS GROUP INC	-27%	15%
JPMORGAN CHASE & CO	-29%	32%
LEHMAN BROTHERS HLDGS INC	-80%	43%
MERRILL LYNCH & CO INC	-54%	24%
MORGAN STANLEY	-54%	24%
SUNTRUST BANKS INC	-57%	28%
US BANCORP NEW	-28%	21%
WACHOVIA CORP NEW	-76%	48%
WASHINGTON MUTUAL INC	-73%	38%
WELLS FARGO & CO NEW	-32%	36%
Average	-51%	29%

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