

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 May 31, 2010	Year to Date May 31, 2010
TSX	-3.67%	0.14%
S&P 500	-8.20%	-2.30%
DJII	-7.92%	-2.79%
NASDAQ	-8.29%	-0.53%

Distributions (by record date)

	FTU	FTU.PR.A	Total
Total to Date	\$3.70	\$2.2133	\$5.9133
2010 YTD	\$0.00	\$0.1375	\$0.1375
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 Increased concerns over Greek sovereign debt and possible contagion effects consumed global markets throughout May and hampered stock markets throughout the world resulting in the most significant market declines in quite some time. After almost 13 months of improving economic growth and stock market recovery from the March 2009 lows, most broad based global markets have now experienced a market correction of at least 10% from their recent highs. In particular, the downgrading of Greek sovereign debt and the instability that it has caused in the EURO monetary unit required unprecedented financial intervention by the IMF and the other stronger EURO members to stabilize the situation. Investors worldwide sought the perceived "comparative" safety of the US dollar and gold which seemed to be the only beneficiaries during the month of May.

Despite an improving earnings profile from most North American companies, North American markets suffered in tandem with these events. The TSX 60 and the S&P 50 declined by -3.67% and -8.20% respectively. Economic conditions in Canada continue to remain stronger than in the US. Q1 GDP continues to outpace that in the United States and the Canadian housing and financial sectors remain comparatively much stronger than in the United States. The ecological and economic impact created by the BP oil spill disaster in the Gulf and the looming hurricane season creates a very uncertain impact on the US economy. Increased political tensions in the mid-east and between North and South Korea are also factors which could create more periods of market instability.

In short, the interconnectivity of global economies and financial interdependence was once again demonstrated in May. The impact of these global events has caused an increase in market volatility and once again demonstrated the extent to which equity markets across the world are correlated in times of global instability.

On a positive note, this increase in market volatility has increased option premium levels available for the Fund's covered call writing program. The Fund will try to take advantage of these periods of instability to generate higher income for the Fund. The valuations of the companies in the portfolio generally remain at very reasonable levels when measured by price to earnings ratios. Dividend yields should act as a major support at these current market prices.

In order for North American economies to sustain continued economic growth, there needs to be a greater transition from government led growth created through very stimulative fiscal and monetary policies, to private economic growth through the free market capitalist system. If this transition is successful, the companies in the portfolio will be significant beneficiaries of this growth.

Details

Gross Proceeds:	\$121,875,000
Units Issued:	4,875,000
Inception Date:	Feb 15, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$6.32* (May 31/10)

* Net of accrued Preferred share dividends.

Cash Weighting:	10%
U.S. Equity Weighting:	90%
Portfolio Currency Hedging:	65-75%

FTU.PR.A Trading Price:	\$5.97 (May 31/10)
Market Capitalization:	\$18,396,412
FTU Trading Price:	\$1.00 (May 31/10)
Market Capitalization:	\$3,081,476

Top Holdings (sorted by weight)

Bank of America Corp.
 Goldman Sachs Group Inc.
 J.P. Morgan Chase & Co.
 CME Group Inc.
 Citigroup Inc.
 American Express Company
 Morgan Stanley
 Fifth Third Bancorporation
 US Bancorp.
 SunTrust Banks Inc.
 PNC Financial Services Group Inc.
 Regions Financial Corp.
 Bank of New York Mellon Corp.
 City National Corporation
 BB & T Corporation

Weightings subject to change at any time.