

Update



Quadravest

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Split Yield Corporation

October 1999

Class II Preferred Shares

Symbol	Current Price	Current Yield	Red. Price	Yield to Red.	Shares O/S
YLD.PR.B	\$12.00	8.75%	\$15.00	10.5% (Feb 1, 2006)	1.53mm

Split Yield Corporation is a publicly traded investment portfolio that invests in selected shares of companies included in the TSE 100 Index or the S&P 100 Index. In order to generate additional returns, the company sells call options on shares in its portfolio.

Enhanced Dividend Coverage & Downside Protection:

Unlike traditional synthetic preferred shares (or split shares) whose dividend coverage comes only from dividends received (and is therefore 1:1), Split Yield generates substantial additional income through its covered call writing program. This provides enhanced dividend coverage for preferred shareholders. Dividend coverage for Class I shares is expected to be greater than 5 times and dividend coverage for Class II shares after payment of Class I dividends is expected to be greater than 4.5 times. Split Yield Corporation's investment portfolio is actively managed unlike most split shares whose portfolios are static. This allows the company to raise cash in a market downturn. This, along with the company's covered call option writing program provides for enhanced protection for shareholders. In addition, Split Yield may hold put options which further protect preferred shareholders capital.

Largest Holdings:

Toronto Dominion Bank, CIBC, Royal Bank, Trimark, Monsanto, TransCanada Pipelines, Computer Sciences, BCE, Merrill Lynch, CitiGroup, General Electric.

Class II Preferreds - Extremely Attractive Versus Comparables:

Issue	Symbol	Current Price	Current Yield	Red. Price	Yield to Red.	Shares O/S	Rating
Split Yield Class II Preferreds	YLD.PR.B	\$12.00	8.75%	\$15.00	10.50%	1.53mm	P3
Pipe NT	PIP.PR.A	\$24.45	5.37%	\$25.00	5.74%	4.85mm	P3H
TRP NT	TP.PR.A	\$15.50	5.58%	\$16.00	6.12%	3.23mm	P3H
Integrated Oil	ION.PR.A	\$10.00	5.00%	\$10.00	5.34%	3.9mm	P2L
35 Split Corp	TFS.PR.A	\$23.40	5.43%	\$25.00	5.88%	3mm	P3



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