

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.

PROSPECTUS

Initial Public Offering

October 27, 2010

Dividend Select



\$250,000,000 (Maximum)

25,000,000 Shares

Dividend Select 15 Corp. (the “**Company**”), a closed-end investment fund incorporated under the laws of the Province of Ontario, is offering up to 25,000,000 equity shares (the “**Shares**”) under this prospectus at a price of \$10.00 per Share (the “**Offering**”).

The Company has been created to provide investors with an opportunity to invest in a portfolio (the “**Portfolio**”) of 15 Canadian companies (the “**Portfolio Companies**”) whose shares offer investors an above-average dividend yield, and which have shown solid earnings growth and have a history of capital appreciation. The Portfolio Companies will be selected from among the following 20 companies (the “**Portfolio Universe**”) listed on the Toronto Stock Exchange (“**TSX**”):

Bank of Montreal	Husky Energy Inc.	The Bank of Nova Scotia
BCE Inc.	National Bank of Canada	The Toronto-Dominion Bank
Canadian Imperial Bank of Commerce	Power Corporation of Canada	Thomson Reuters Corporation
CI Financial Corp.	Royal Bank of Canada	TMX Group Inc.
Enbridge Inc.	Shoppers Drug Mart Corporation	TransAlta Corporation
EnCana Corporation	Sun Life Financial Inc.	TransCanada Corporation
Great-West Lifeco Inc.	TELUS Corporation	

The selection of the Portfolio Companies from among the Portfolio Universe will be made by Quadravest Capital Management Inc. (“**Quadravest**”), the Company’s investment manager, based on its assessment from time to time as to which companies in the Portfolio Universe have the most stable dividends and attractive growth potential. The Portfolio will be actively managed by Quadravest. Initially, the investment in the Portfolio Companies will be made on an approximately equally-weighted basis. See “*Overview of the Sector the Company Invests In*”.

Quadravest believes that the companies in the Portfolio Universe present opportunities for future capital appreciation, and thus represent an attractive long-term investment, but that there may be significant volatility in the market prices of those shares over the coming months or even years. Quadravest therefore believes that active covered call writing from time to time will permit the Company to capitalize on this volatility and increase cash flow available for distribution, and will further provide for downside protection and lower overall volatility of returns. Quadravest believes that this balanced approach is a

superior investment strategy to simply holding a portfolio of equity securities of the Portfolio Companies, and one that should provide attractive risk adjusted returns in a variety of different market environments.

The Company’s investment objectives are to provide holders of Shares of the Company (“**Shareholders**”) with (i) monthly cash distributions, plus (ii) the opportunity for capital appreciation, through investment in the common shares of the Portfolio Companies. See “*Investment Objectives*”.

The initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of \$10.00 per Share. The Company’s call option writing, which will initially involve approximately 25% of the Portfolio, will be actively managed by QuadraVest taking into account current market conditions, current dividend yields and option premiums available from the companies in the Portfolio Universe. Call options sold (or “written”) by the Company may be either options traded on a North American stock or options exchange or “over-the-counter” options. Generally, QuadraVest intends to write “at-the-money” options (that is, the options will be written at a price which is at or close to the current market price of the Portfolio shares at the time the option is written).

The writing of options may have the effect of limiting or reducing the total returns of the Company, particularly in a rising market, since the premiums associated with writing covered call options may be outweighed by the foregone opportunity of remaining fully invested in the Portfolio. However, QuadraVest believes that in a slightly rising, flat or downward trending market, a portfolio that is subject to covered call option writing from time to time will generally provide higher relative returns and lower volatility than one in which no options are written.

Price: \$10.00 per Share

	Price to the Public⁽¹⁾	Agents’ Fees	Net Proceeds to the Company⁽²⁾
Per Share	\$10.00	\$0.525	\$9.475
Total Maximum Offering ^{(3),(4)}	\$250,000,000	\$13,125,000	\$236,875,000
Total Minimum Offering ⁽⁴⁾	\$20,000,000	\$1,050,000	\$18,950,000

- (1) The offering price was established by negotiation between the Company and the Agents (as defined below).
- (2) Before deducting the expenses of issue, which are estimated to be \$500,000. Such expenses, together with the Agents’ fee, will be paid out of the proceeds of the Offering; provided, however, that the expenses of the Offering to be borne by the Company shall not exceed 1.5% of the gross proceeds of the Offering.
- (3) The Company has granted the Agents an option (the “**Over-Allotment Option**”), exercisable for a period of 30 days from the closing of the Offering, to offer up to 3,750,000 additional Shares on the same terms as set forth above, which additional Shares are qualified for sale under this prospectus. A purchaser who acquires Shares forming part of the Over-Allotment Option acquires those Shares under this prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. If the Over-Allotment Option is exercised in full, the total price to the public under the Offering will be \$287,500,000, the Agents’ fee will be \$15,093,750 and the net proceeds to the Company, before expenses of the Offering, will be \$272,406,250. See “*Plan of Distribution*”.
- (4) There will be no closing unless a minimum of 2,000,000 Shares are sold. If subscriptions for a minimum of 2,000,000 Shares have not been received within 90 days following the date of issuance of a receipt for this prospectus, the Offering may not continue without the consent of the securities authorities and those who have subscribed on or before such date.

As noted above, the initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of \$10.00 per Share. The Company will monitor this distribution target on a monthly basis and amend it as required, taking into account the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors. **The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Company will make any distributions in any particular month or months.** See “*Distribution Policy*”. Based on the current dividends paid by the companies in the Portfolio Universe, the Company is initially expected to generate dividend income of approximately 4.03% per annum. The Company would be required to generate an additional return of approximately 4.97% per annum, including from dividend growth, capital appreciation and option premiums from the Portfolio, in order for the Company to pay the initial targeted distribution level and maintain a stable net asset value.

Distributions paid on the Shares may consist of ordinary dividends, capital gains dividends which are treated as realized capital gains, and returns of capital, which are not immediately taxable, but which reduce the adjusted cost base of a holder’s Shares. See “*Income Tax Considerations*”.

Commencing in 2012, Shares may be retracted by the holder on the last business day in March (the “**Annual Retraction Date**”) in each year. Shares properly surrendered for retraction at least 20 business days prior to the Annual Retraction Date will be redeemed on such Annual Retraction Date, subject to the Company’s right to suspend redemptions. Shareholders retracting Shares on an Annual Retraction Date will be entitled to receive a retraction price per Share equal to the net asset value per Share on the Annual Retraction Date, less any costs associated with the retraction including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction. Any unpaid distribution payable on or before the Annual Retraction Date in respect of Shares tendered for retraction on such Annual Retraction Date will also be paid on the same day as the retraction proceeds are paid.

The Shares will be redeemed in connection with the termination of the Company on December 1, 2017 or such other date as the Company may terminate. See “*Termination of the Company*”.

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Agents, provided that the Shares are listed on a designated stock exchange (which includes the TSX), the Shares will be a qualified investment under the *Income Tax Act* (Canada) (the “**Tax Act**”) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered disability savings plans and tax-free savings accounts (“**Registered Plans**”). Prospective investors should consult their own tax advisors as to the effect of acquiring Shares in a registered education savings plan.

Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in the Company or in any person or partnership that does not deal at arm’s length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm’s length with the Company within the meaning of the Tax Act, the Shares offered hereby will not be a prohibited investment for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm’s length, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Company or any corporation related to the Company within the meaning of the Tax Act.

The TSX has conditionally approved the listing of the Shares, subject to the Company fulfilling all of the requirements of the TSX on or before December 27, 2010, including distribution of the Shares to a minimum number of public holders.

There is currently no market through which the Shares may be sold and purchasers may not be able to resell securities purchased under this prospectus. This may affect the pricing of such securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent to which the Company is subject to regulation. There is no assurance that the Company will meet its distribution and other objectives. Although the Company is considered to be a “mutual fund” as defined under Canadian securities laws, the Company has applied for an exemption from certain of the policies and regulations that apply to conventional open-end mutual funds. There are risks associated with the use of options and the Company’s reliance on the investment manager. See “*Risk Factors*” for a discussion of certain factors that should be considered by prospective investors in the Shares.

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Raymond James Ltd., Canaccord Genuity Corp., Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Manulife Securities Incorporated (the “**Agents**”) conditionally offer the Shares, subject to prior sale, on a best efforts basis, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the agency agreement among the Company, Quadinvest and the Agents, and subject to the approval of certain legal matters by Blake, Cassels & Graydon LLP, on behalf of the Company, and Osler, Hoskin & Harcourt LLP, on behalf of the Agents. See “*Plan of Distribution*”.

Subscriptions for the Shares will be received subject to acceptance or rejection in whole or in part, and the right is reserved to close the subscription books at any time. Closing of this Offering is expected to occur on or about November 18, 2010, but in any event no later than November 30, 2010. Registrations and transfers of Shares will be effected only through the book-entry only system administered by CDS Clearing and Depository Services Inc. Beneficial owners of Shares will not have the right to receive physical certificates evidencing their ownership. See “*Plan of Distribution*”, “*Attributes of the Shares – Book-Entry Only System*”.

TABLE OF CONTENTS

PROSPECTUS SUMMARY	1
Summary of the Offering	1
Organization and Management of the Company	6
Agents	6
Summary of Fees and Expenses	7
INFORMATION REGARDING PUBLIC ISSUERS	8
CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION	8
OVERVIEW OF THE LEGAL STRUCTURE OF THE COMPANY	9
INVESTMENT OBJECTIVES	9
INVESTMENT STRATEGIES	9
Covered Call Option Writing	10
Other Uses of Derivatives	11
No Use of Leverage	11
Securities Lending	11
Sensitivity Analysis	12
Average Volatility Levels	13
OVERVIEW OF THE SECTOR THE COMPANY INVESTS IN	13
Trading History of the Common Shares of the Companies in the Portfolio Universe	14
Dividend History of the Common Shares of the Companies in the Portfolio Universe	15
Summary Information Regarding the Common Shares of the Companies in the Portfolio Universe	15
Selected Portfolio Universe Data	16
Voting Rights in the Common Shares of the Portfolio Companies	18
Replacement of the Companies in the Portfolio Universe	18
INVESTMENT RESTRICTIONS	18
FEES AND EXPENSES	19
Initial Expenses	19
Management and Service Fees	20
Operating Expenses	20
RISK FACTORS	20
Operating History and Lack of Public Trading Market	20
Concentration Risk	20
Risks Relating to and Risk Disclosure Made by the Portfolio Companies	21
Fluctuations in Net Asset Value	21
No Assurances of Achieving Objectives	21

TABLE OF CONTENTS

Interest Rate Fluctuations	21
Use of Options	21
Reliance on the Investment Manager.....	22
Conflicts of Interest	22
Trading Prices of Shares	22
Retractions; Suspension of Retractions	22
Changes in Legislation.....	22
Treatment of Proceeds of Disposition, Option Premiums and Other Derivatives	23
Tax Proposals Regarding Mutual Fund Corporation Status	23
Status of the Company	23
DISTRIBUTION POLICY	24
REDEMPTIONS AND RETRACTIONS OF SHARES	24
Annual Retraction	24
Monthly Retractions.....	25
Exercise of Retraction Right.....	25
Resale of Shares Tendered for Retraction.....	26
Suspension of Retractions.....	26
Redemptions of Shares	26
PURCHASES OF SHARES.....	26
CONSOLIDATED CAPITALIZATION.....	27
INCOME TAX CONSIDERATIONS.....	27
Status of the Company	28
Taxation of the Company.....	28
Taxation of Shareholders	30
Taxation of Registered Plans	32
ORGANIZATION AND MANAGEMENT DETAILS OF THE COMPANY	32
Officers and Directors of the Company	32
Manager and Investment Manager of the Company.....	33
Officers and Directors of the Manager	34
Conflicts of Interest	35
Independent Review Committee.....	35
Custodian	36
Auditors	36
Transfer Agent and Registrar.....	36
Promoter.....	36

TABLE OF CONTENTS

CALCULATION OF NET ASSET VALUE	37
Valuation Policies and Procedures of the Company	37
Reporting of Net Asset Value	38
ATTRIBUTES OF THE SHARES.....	38
Description of Shares Distributed in this Offering	38
Book-Entry Only System.....	38
SECURITYHOLDER MATTERS.....	39
Meetings of Securityholders	39
Matters Requiring Securityholder Approval.....	39
Reporting to Securityholders	40
TERMINATION OF THE COMPANY	40
Payments on the Termination Date.....	41
Early Termination	41
USE OF PROCEEDS	41
PLAN OF DISTRIBUTION.....	41
PRINCIPAL HOLDERS OF SECURITIES OF THE COMPANY	42
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	43
PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD	43
MATERIAL CONTRACTS	43
EXPERTS	44
EXEMPTIONS AND APPROVALS.....	44
LEGAL OPINIONS.....	44
PURCHASER’S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION	45
AUDITORS’ CONSENT.....	1
AUDITORS’ REPORT	2
STATEMENT OF FINANCIAL POSITION.....	1
NOTES TO STATEMENT OF FINANCIAL POSITION.....	2
CERTIFICATES OF THE COMPANY, THE MANAGER AND THE PROMOTER.....	1
CERTIFICATE OF THE AGENTS	2

PROSPECTUS SUMMARY

The following is a summary of the principal features of this distribution and should be read together with the more detailed information and financial data and statements contained elsewhere in this prospectus. Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars.

Summary of the Offering

- Issuer: Dividend Select 15 Corp. (the “**Company**”) is an investment fund incorporated under the laws of the Province of Ontario on August 26, 2010. The principal office address of the Company is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7. The website address of the Company is www.DividendSelect15.com. Quadravest Capital Management Inc. (“**Quadravest**”) acts as the manager and investment manager of the Company. See “*Overview of the Legal Structure of the Company*” and “*Organization and Management Details of the Company*”.
- Maximum Issue: \$250,000,000 (25,000,000 Shares).
- Minimum Issue: \$20,000,000 (2,000,000 Shares).
- Price: \$10.00 per Share.
- Minimum Purchase: 200 Shares. See “*Purchases of Shares*”.
- Investment Objectives: The Company’s investment objectives are to provide holders of the Shares of the Company (“**Shareholders**”) with (i) monthly cash distributions, plus (ii) the opportunity for capital appreciation, through investment in the common shares of the Portfolio Companies (as defined below). See “*Investment Objectives*”.
- Investment Strategies: The Company has been created to provide investors with an opportunity to invest in a portfolio (the “**Portfolio**”) of 15 Canadian companies (the “**Portfolio Companies**”) whose shares offer investors an above-average dividend yield, and which have shown solid earnings growth and have a history of capital appreciation. The Portfolio Companies will be selected from among 20 companies (the “**Portfolio Universe**”) listed on the Toronto Stock Exchange (“**TSX**”) set out below:

Bank of Montreal	Royal Bank of Canada
BCE Inc.	Shoppers Drug Mart Corporation
Canadian Imperial Bank of Commerce	Sun Life Financial Inc.
CI Financial Corp.	TELUS Corporation
Enbridge Inc.	The Bank of Nova Scotia
EnCana Corporation	The Toronto-Dominion Bank
Great-West Lifeco Inc.	Thomson Reuters Corporation
Husky Energy Inc.	TMX Group Inc.
National Bank of Canada	TransAlta Corporation
Power Corporation of Canada	TransCanada Corporation

The selection of the Portfolio Companies from among the Portfolio Universe will be made by Quadravest based on its assessment from time to time as to which companies in the Portfolio Universe have the most stable dividends and attractive growth potential. The Portfolio will be actively managed by Quadravest. Initially, the investment in the Portfolio Companies will be made on an approximately equally-weighted basis. See “*Overview of the Sector the Company Invests In*”.

Quadravest believes that the companies in the Portfolio Universe present opportunities for future capital appreciation, and thus represent an attractive long-term investment, but that there may be significant volatility in the market prices of those shares over the coming months or even years. Quadravest therefore believes that active covered call writing from time to time will permit the Company to capitalize on this volatility and increase cash flow available for distribution, and will further provide for downside protection and lower overall volatility of returns. Quadravest believes that this balanced approach is a superior investment strategy to simply holding a portfolio of equity securities of the Portfolio Companies, and one that should provide attractive risk adjusted returns in a variety of different market environments.

The initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of \$10.00 per Share.

The Company’s call option writing, which will initially involve approximately 25% of the Portfolio, will be actively managed by Quadravest taking into account current market conditions, current dividend yields and option premiums available from the companies in the Portfolio Universe. Call options sold (or “written”) by the Company may be either options traded on a North American stock or options exchange or “over-the-counter” options. Generally, Quadravest intends to write “at-the-money” options (that is, the options will be written at a price which is at or close to the current market price of the Portfolio shares at the time the option is written).

No Use of Leverage: The Company will not borrow money or use leverage as part of its investment strategies. See “*Investment Strategies – No Use of Leverage*”.

Use of Proceeds: The Company will invest the net proceeds of the Offering in common shares of the Portfolio Companies, as discussed under “*Investment Strategies*” above. See “*Use of Proceeds*”.

Risk Factors: An investment in the Shares is subject to certain risks, including:

- (a) the Company’s lack of operating history and the current absence of a public trading market for the Shares;
- (b) the risks relating to the concentration of the Portfolio primarily in the securities of the Portfolio Companies;

- (c) the risks relating to the risk disclosure made by the Portfolio Companies;
- (d) the effect of the financial performance of the Portfolio Companies on the net asset value of the Company;
- (e) there can be no assurance that the Company will be able to meet its monthly distribution and capital appreciation objectives;
- (f) the risks associated with interest rate fluctuations;
- (g) the risks associated with the use of options;
- (h) the Company's reliance on its investment manager, Quadravest;
- (i) the conflicts of interest that may arise in connection with other business activities of Quadravest;
- (j) the Shares may trade in the market at a premium or a discount to the net asset value per Share;
- (k) the risks associated with retractions and with the suspension of retractions;
- (l) the risks associated with possible changes in tax legislation;
- (m) the risks associated with the Company's intended treatment of the proceeds of disposition and option premiums for tax purposes;
- (n) the risks of tax changes impacting the Company's status as a mutual fund corporation; and
- (o) the risks associated with the Company's status for securities law purposes.

See "*Risk Factors*".

Income Tax
Considerations:

Taxation of the Company

At the date of the closing of the Offering, provided that the Shares are listed on a designated stock exchange in Canada, the Company will qualify, and intends to continue to qualify, as a mutual fund corporation under the Tax Act. As a mutual fund corporation, the Company will be entitled in certain circumstances to capital gains refunds in respect of its net realized capital gains. To the extent that the Company earns income (other than dividends from taxable Canadian corporations and taxable capital gains), including interest, the Company will be subject to income tax on such income and no refund of such tax will be available.

Taxation of Shareholders Resident in Canada

Dividends other than capital gains dividends ("**Ordinary Dividends**")

received by individuals on the Shares will generally be subject to the normal gross-up and dividend tax credit rules for dividends received from a taxable Canadian corporation. An enhanced gross-up and dividend tax credit is available on “eligible dividends” received or deemed to be received from taxable Canadian corporations which are so designated by the corporation.

Ordinary Dividends received by corporations (other than specified financial institutions) on the Shares will generally be deductible in computing taxable income. Ordinary Dividends received by specified financial institutions on the Shares will be deductible in computing taxable income provided certain conditions generally applicable to retractable shares, such as the 10% ownership restriction, are met. Corporations (other than private corporations and certain other corporations) should consult their own tax advisors with respect to whether Ordinary Dividends on the Shares are subject to Part IV.1 tax when received by such corporations.

The amount of any capital gains dividend received by a Shareholder from the Company will be considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

The Company may make returns of capital in respect of the Shares. A return of capital in respect of a Share will not be included in the income of the Shareholder, but will reduce the adjusted cost base of such Share to the Shareholder. To the extent that the adjusted cost base of a Share would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Shareholder from the disposition of the Share and the adjusted cost base to the Shareholder will be increased by the amount of such deemed capital gain.

A disposition of a Share held as capital property, whether by way of redemption, retraction or otherwise, will generally result in a capital gain or capital loss to the holder thereof.

See “*Income Tax Considerations*”.

Retractions of Shares:

Commencing in 2012, Shares may be retracted by the holder on the last business day in March (the “**Annual Retraction Date**”) in each year. Shares properly surrendered for retraction at least 20 business days prior to the Annual Retraction Date will be redeemed on such Annual Retraction Date, subject to the Company’s right to suspend redemptions. Shareholders retracting Shares on an Annual Retraction Date will be entitled to receive a retraction price per Share equal to the net asset value per Share on the Annual Retraction Date, less any costs associated with the retraction including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction. Any unpaid distribution payable on or before the Annual Retraction Date in respect of Shares tendered for retraction on such Annual Retraction Date will also be paid on the same day as the retraction proceeds are paid.

Shareholders may also retract Shares monthly.

See “*Redemptions and Retractions of Shares*”.

Distributions:

The initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of \$10.00 per Share. The Company will monitor this distribution target on a monthly basis and amend it as required, taking into account the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors. **The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Company will make any distributions in any particular month or months.** See “*Distribution Policy*”.

Based on the current dividends paid by the companies in the Portfolio Universe, the Company is initially expected to generate dividend income of approximately 4.03% per annum. The Company would be required to generate an additional return of approximately 4.97% per annum, including from dividend growth, capital appreciation and option premiums from the Portfolio, in order for the Company to pay the initial targeted distribution level and maintain a stable net asset value.

Distributions declared by the Board of Directors of the Company will be payable to Shareholders of record at 5:00 p.m. (Toronto time) on the applicable Dividend Record Date with payment being made within 15 days thereafter. Distributions paid on the Shares may consist of Ordinary Dividends, capital gains dividends which are treated as realized capital gains, and returns of capital, which are not immediately taxable, but which reduce the adjusted cost base of a Shareholder’s Shares. See “*Income Tax Considerations*”.

Each Shareholder will be mailed annually, no later than February 28, information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year.

Termination of the Company:

The Shares will be redeemed by the Company in connection with its termination, scheduled to be on or about December 1, 2017 (the “**Termination Date**”). The Company may also be terminated and the Shares redeemed prior to the Termination Date in certain circumstances, and the termination date may be extended with the approval of Shareholders. See “*Termination of the Company*”.

Eligibility for Investment:

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Agents, provided that the Shares are listed on a designated stock exchange (which includes the TSX), the Shares will be a qualified investment under the Tax Act for Registered Plans. Prospective investors should consult their own tax advisors as to the

effect of acquiring Shares in a registered education savings plan.

Provided that the holder of a tax-free savings account does not hold a significant interest (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm's length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm's length with the Company within the meaning of the Tax Act, the Shares offered hereby will not be a prohibited investment under the Tax Act for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm's length, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Company or any corporation related to the Company within the meaning of the Tax Act.

See *"Income Tax Considerations – Status of the Company"*.

Organization and Management of the Company

Management Function	Name and Municipality of Residence	Services Provided to the Company
Manager, Investment Manager and Promoter	Quadravest Capital Management Inc. 77 King Street West Suite 4500, Toronto, Ontario M5K 1K7	As manager, it manages the overall business and operations of the Company; as investment manager, it provides investment advisory and portfolio management services to the Company; and as promoter, it has been responsible for the creation of the Company.
Custodian	RBC Dexia Investor Services Trust Toronto, Ontario	Provides custody services to the Company. It also provides certain administrative services to the Company with respect to fund accounting and the calculation of net asset values.
Auditors	PricewaterhouseCoopers LLP Toronto, Ontario	Provides audit services to the Company.
Registrar and Transfer Agent	Computershare Investor Services Inc. Toronto, Ontario	Maintains the securities register and the register of transfers of Shares.

See *"Organization and Management Details of the Company"*.

Agents

Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Raymond James Ltd.,

Canaccord Genuity Corp., Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Manulife Securities Incorporated (the “Agents”) will act as agents for the Offering. The Company has granted the Agents an option (the “Over-Allotment Option”) on the basis set forth below. See “Plan of Distribution”.

<u>Agents’ Position</u>	<u>Maximum Size</u>	<u>Exercise Period</u>	<u>Exercise Price</u>
Over-Allotment Option	3,750,000 Shares	Within 30 days of the closing of the Offering	\$10.00 per Share

Summary of Fees and Expenses

The following table contains a summary of the fees and expenses payable by the Company. The fees and expenses payable by the Company will reduce the value of your investment in the Company. For further particulars, see “Fees and Expenses”.

Fees and Expenses Payable by the Company

<u>Type of Fee</u>	<u>Amount and Description</u>
Fees Payable to the Agents:	\$0.525 per Share.
Expenses of Issue:	The expenses of the Offering (including the costs of creating and organizing the Company, the costs of printing and preparing this prospectus, legal expenses of the Company, marketing expenses and legal and other out of pocket expenses incurred by the Agents and certain other expenses) will be paid by the Company out of the gross proceeds of the Offering to a maximum of 1.5% of such gross proceeds.
Management Fees:	Pursuant to the Management and Investment Management Agreement (as defined herein), Quadinvest is entitled to a management fee at an annual rate equal to 0.75% of the Company’s net asset value calculated as at the last Valuation Date (as defined herein) in each month, plus an amount equal to the service fee (the “Service Fee”) of 0.40% payable to dealers, together with applicable taxes.
Operating Expenses of the Company:	In addition to the management fee referred to above, the Company will pay for all other expenses incurred in connection with the ongoing operation and administration of the Company, estimated to be approximately \$300,000 per annum. These expenses are expected to include, without limitation, mailing and printing expenses for periodic reports to shareholders; fees payable to RBC Dexia Investor Services Trust for acting as custodian of the assets of the Company and performing certain administrative services under the Custodian Agreement (as defined herein); fees payable to Computershare Investor Services Inc., as registrar and transfer agent with respect to the Shares; fees payable to the independent directors of the Company and the fees and other expenses of the members of, and other expenses of maintaining, an independent review committee under National Instrument 81-107 <i>Independent Review Committee</i> for Investment Funds; fees payable to the auditors and legal advisors of the Company; regulatory filing and stock exchange fees; and expenditures incurred

upon the dissolution of the Company. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Quadravest is entitled to indemnity by the Company. The Company will also be responsible for all commissions and other costs of Portfolio transactions.

Service Fees: Quadravest will pay the Service Fee to each registered dealer whose clients hold Shares. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the value of the Shares held by clients of the dealer, plus applicable taxes.

INFORMATION REGARDING PUBLIC ISSUERS

Certain information contained in this prospectus relating to publicly traded securities and the issuers of those securities is taken from and based solely upon information published by those issuers or otherwise publicly available. Neither Quadravest, the Company nor the Agents have independently verified the accuracy or completeness of any such information or assume any responsibility for the completeness or accuracy of such information.

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING INFORMATION

Certain statements made by the Company or Quadravest in this prospectus are “forward-looking statements”. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects”, “does not expect”, “is expected”, “anticipates”, “does not anticipate”, “plans”, “estimates”, “believes”, “does not believe” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or achieved) are not statements of historical fact and may be “forward-looking statements”. Forward-looking statements are based on expectations, estimates and projections at the time the statements are made that involve a number of risks and uncertainties which could cause actual results or events to differ materially from those presently anticipated. These include, but are not limited to, the investment risks inherent in the pursuit of the investment objectives and strategies of the Company. See “*Risk Factors*”. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this prospectus, and neither the Company, Quadravest nor the Agents undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable laws.

OVERVIEW OF THE LEGAL STRUCTURE OF THE COMPANY

Dividend Select 15 Corp. (the “**Company**”) is a closed-end investment fund incorporated under the laws of the Province of Ontario by certificate and articles of incorporation dated August 26, 2010, as amended effective October 27, 2010. The principal office address of the Company is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7. The website address of the Company is www.DividendSelect15.com. Quadravest Capital Management Inc. (“**Quadravest**”) acts as the manager and investment manager of the Company.

The authorized capital of the Company consists of an unlimited number of non-voting equity shares (the “**Shares**”) and 1,000 voting non-participating shares designated as class B shares (the “**Class B Shares**”).

Although the Company is considered to be a “mutual fund” as defined under Canadian securities laws, the Company has received an exemption from certain of the requirements that apply to conventional open-end mutual funds. See “*Exemptions and Approvals*”.

INVESTMENT OBJECTIVES

The Company’s investment objectives are to provide holders of Shares of the Company (“**Shareholders**”) with (i) monthly cash distributions, plus (ii) the opportunity for capital appreciation, through investment in the common shares of the Portfolio Companies (as defined below). There can be no assurance the Company’s investment objectives will be achieved. See “*Risk Factors*”.

INVESTMENT STRATEGIES

The Company has been created to provide investors with an opportunity to invest in a portfolio (the “**Portfolio**”) of 15 Canadian companies (the “**Portfolio Companies**”) whose shares offer investors an above-average dividend yield, and which have shown solid earnings growth and have a history of capital appreciation. The Portfolio Companies will be selected from among 20 companies (the “**Portfolio Universe**”) listed on the Toronto Stock Exchange (“**TSX**”) set out below:

Bank of Montreal	Husky Energy Inc.	The Bank of Nova Scotia
BCE Inc.	National Bank of Canada	The Toronto-Dominion Bank
Canadian Imperial Bank of Commerce	Power Corporation of Canada	Thomson Reuters Corporation
CI Financial Corp.	Royal Bank of Canada	TMX Group Inc.
Enbridge Inc.	Shoppers Drug Mart Corporation	TransAlta Corporation
EnCana Corporation	Sun Life Financial Inc.	TransCanada Corporation
Great-West Lifeco Inc.	TELUS Corporation	

The selection of the Portfolio Companies from among the Portfolio Universe will be made by Quadravest, the Company’s investment manager, based on its assessment from time to time as to which companies in the Portfolio Universe have the most stable dividends and attractive growth potential. The Portfolio will be actively managed by Quadravest. Initially, the investment in the Portfolio Companies will be made on an approximately equally-weighted basis. See “*Overview of the Sector the Company Invests In*”.

Quadravest believes that the companies in the Portfolio Universe present opportunities for future capital appreciation, and thus represent an attractive long-term investment, but that there may be significant volatility in the market prices of those shares over the coming months or even years. Quadravest therefore believes that active covered call writing from time to time will permit the Company to capitalize

on this volatility and increase cash flow available for distribution, and will further provide for downside protection and lower overall volatility of returns. Quadravest believes that this balanced approach is a superior investment strategy to simply holding a portfolio of equity securities of the Portfolio Companies, and one that should provide attractive risk adjusted returns in a variety of different market environments.

The initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of \$10.00 per Share. The Company will establish periodic distribution targets based on the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors.

The Company's call option writing, which will initially involve approximately 25% of the Portfolio, will be actively managed by Quadravest taking into account current market conditions, current dividend yields and option premiums available from the companies in the Portfolio Universe.

Covered Call Option Writing

As noted above, the Company will from time to time sell (or "write") call options on securities in the Portfolio that it holds. A call option is a right, but not an obligation, of the holder of the call option to purchase a security from the writer of the call option at a specified purchase or "strike" price at any time during a specified time period. The call options to be written by the Company may be either exchange traded options or over-the-counter options. As call options are written only in respect of shares that the Company holds, and as the investment restrictions of the Company prohibit the sale of shares by it that are subject to an outstanding option, the options will be "covered" at all times. Call options written by the Company may be either options traded on a North American stock or options exchange or "over-the-counter" options. Generally, Quadravest intends to write "at-the-money" options (that is, the options will be written at a price which is at or close to the current market price of the Portfolio shares at the time the option is written).

By writing call options, the Company will receive option premiums, which are generally paid within one business day of the writing of the option. If at any time during the term of a call option the market price of the securities which are the subject of the call option is above the strike price, such that the call option is "in-the-money", the holder of the option may exercise the option and the Company will be obligated to sell the securities to the holder at the strike price per share. Alternatively, the Company may repurchase a call option which is in-the-money by paying the market value of the call option. However, if at expiration of a call option the strike price is greater than the current market price of the underlying security such that the option is "out-of-the-money", the holder of the option will likely not exercise the option and the option will expire. In each case, the Company will retain the option premium.

If a call option is written on a Portfolio security, the amounts that the Company will be able to realize on the security during the term of the call option will be limited to the dividends (if any) received during such period plus an amount equal to the sum of the strike price and the premium received from writing the option. In essence, the Company will forego potential returns resulting from any price appreciation of the share above the strike price in favour of the certainty of receiving the option premium. **The use of options may therefore have the effect of limiting or reducing the total returns of the Company, particularly in a rising market since the premiums associated with writing covered call options may be outweighed by the foregone opportunity of remaining fully invested in the Portfolio.** However, Quadravest believes that in a slightly rising, flat or downward trending market, a portfolio that is subject to covered call option writing from time to time will generally provide higher relative returns and lower volatility than one in which no options are written.

Option Pricing

Many investors and financial market professionals price call options based on the Black-Scholes Model, a widely used option pricing model. In practice, however, actual option premiums are determined in the marketplace and there can be no assurance that the values generated by the Black-Scholes Model can be attained in the market. Under the Black-Scholes Model (modified to include dividends), the primary factors which affect the option premium received by the seller of a call option are the following:

The volatility of the price of the underlying security: the volatility of the price of an underlying security measures the tendency of the price of the security to vary during a specified period. The higher the price volatility, the more likely the price of that security will fluctuate (either positively or negatively) and the greater the option premium. Price volatility is generally measured in percentage terms on an annualized basis, based on price changes during a period of time immediately prior to or “trailing” the date of calculation.

The difference between the strike price and the market price of the underlying security at the time the option is written: the smaller the positive difference (or the larger the negative difference), the greater the option premium.

The term of the option: the longer the term, the greater the option premium.

The “risk-free” or benchmark interest rate in the market in which the option is issued: the higher the risk-free interest rate, the greater the option premium.

The dividends expected to be paid on the underlying security during the relevant term: the greater the dividends, the lower the option premium.

Other Uses of Derivatives

In addition to writing covered call options, the Company may also write cash covered put options or purchase call options with the effect of closing out existing call options written by the Company and may also purchase put options in order to protect the Company from declines in the market prices of the common shares of the Portfolio Companies or other Portfolio securities that it holds.

The Company may enter into trades to close out positions in such permitted derivatives. The Company may also use derivatives for hedging purposes as QuadraVest determines appropriate from time to time. Such derivatives may include exchange traded options, futures contracts or options on futures (subject to QuadraVest obtaining any necessary registrations under the *Commodity Futures Act* (Ontario)), over-the-counter options and forward contracts.

No Use of Leverage

The Company will not borrow money or use leverage as part of its investment strategies.

Securities Lending

The Company has no current intention of lending its portfolio securities, but is not precluded from doing so. If it chooses to lend its Portfolio securities, the Company will do so pursuant to the requirements in this regard set out in National Instrument 81-102 *Mutual Funds* (“**NI 81-102**”).

Sensitivity Analysis

The table below represents an assessment of the sensitivity of the net return to holders of the Shares from dividends and option premiums of the Company (excluding any gains or losses on portfolio investments, dividend increases or decreases and any amounts paid to close out in-the-money options) to the average volatility of the common shares of the Portfolio Companies. That is, the price the Company will receive when it writes call options (the premiums) will vary depending upon whether the option is written at the money or some percentage out-of-the-money, and the volatility levels applicable to the shares of the Portfolio Companies. This table indicates the return the Company could get, expressed as a percentage of its assets, if it were to write at-the-money call options on 25% of the shares of the Portfolio Companies, at average volatility levels ranging from 10% to 50%, and based on the other assumptions set out below.

The table is based on the following assumptions:

1. the gross proceeds from the Offering are \$100 million, which is fully invested in common shares of the companies in the Portfolio Universe on an equally-weighted basis (this assumption is for illustrative purposes only; the Company will only hold securities of 15 of the companies in the Portfolio Universe);
2. 25% of Portfolio securities are subject to 30 day call options throughout the relevant period (this assumption is for illustrative purposes only; the Company may write options on a greater or lesser percentage of the Portfolio from time to time);
3. all call options are exercisable at any time during their term and are all written at-the-money;
4. the risk-free or benchmark interest rate is 1.00%;
5. the average return from the dividends paid on the common shares of the companies in the Portfolio Universe is 4.03%;
6. the range of volatility shown in the table encompasses the range of the historical average volatility of common shares of the companies in the Portfolio Universe;
7. there are no capital gains or losses on the Portfolio for the period during which the call options are outstanding (this assumption is for illustrative purposes only and the Company expects that there will be capital gains and losses which may have a positive or negative effect on the value of the Company); and
8. annual expenses of the Company (ordinary and extraordinary) are \$300,000 plus the management fees payable to Quadravest described under “*Fees and Expenses*”.

Return (Net of Expenses) on Shares from Dividends and Option Premiums (Annualized %)

Average Volatility of the Common Shares of the Portfolio Companies

<u>10%</u>	<u>15%</u>	<u>20%</u>	<u>25%</u>	<u>30%</u>	<u>35%</u>	<u>40%</u>	<u>45%</u>	<u>50%</u>
5.2%	6.8%	8.5%	10.1%	11.7%	13.3%	15.0%	16.6%	18.2%

The information in the table is provided for illustrative purposes only and should not be construed as a forecast or projection. No assurance can be given that the returns shown in this sensitivity analysis will ever be available or realized.

Average Volatility Levels

The following chart shows the average volatility levels of the common shares of the companies in the Portfolio Universe over the past five years ending October 20, 2010.

	Volatilities			
	Average	Low	High	Current
Bank of Montreal	26.3%	6.1%	82.4%	13.3%
BCE Inc.	25.4%	4.8%	142.2%	11.9%
Canadian Imperial Bank of Commerce	27.6%	6.7%	91.3%	11.3%
CI Financial Corp.	31.3%	9.4%	97.7%	20.4%
Enbridge Inc.	20.3%	9.2%	69.4%	11.2%
EnCana Corporation	36.5%	16.4%	126.8%	21.4%
Great-West Lifeco Inc.	27.2%	8.4%	112.2%	15.7%
Husky Energy Inc.	32.0%	10.1%	82.1%	15.8%
National Bank of Canada	26.1%	7.4%	102.8%	13.9%
Power Corporation of Canada	28.7%	10.2%	95.9%	14.3%
Royal Bank of Canada	25.9%	7.7%	84.4%	13.4%
Shoppers Drug Mart Corporation	18.5%	9.1%	39.9%	17.6%
Sun Life Financial Inc.	31.9%	9.4%	121.7%	20.3%
TELUS Corporation	26.2%	11.5%	59.0%	13.7%
The Bank of Nova Scotia	25.2%	7.7%	82.8%	12.0%
The Toronto-Dominion Bank	24.8%	6.9%	78.1%	12.7%
Thomson Reuters Corporation	25.5%	9.0%	76.2%	10.4%
TMX Group Inc.	32.3%	12.5%	77.3%	16.9%
TransAlta Corporation	26.3%	10.4%	94.2%	10.6%
TransCanada Corporation	18.9%	8.6%	73.7%	10.2%

Source: Bloomberg

OVERVIEW OF THE SECTOR THE COMPANY INVESTS IN

Each of the companies in the Portfolio Universe is among the highest paying dividend stocks in the S&P/TSX 60 Index, an index of large capitalization Canadian stocks. Information regarding the companies in the Portfolio Universe, including risk factor disclosure, may be found in each company's

continuous disclosure record, including its audited annual and quarterly unaudited financial statements and current annual information form, available at www.sedar.com.

Trading History of the Common Shares of the Companies in the Portfolio Universe

The following table sets forth the closing market prices of the common shares of the companies in the Portfolio Universe on the TSX on the dates indicated below.

	Closing Price as at October 20, 2010	Closing Share Price as at December 31(1)				
		2009	2008	2007	2006	2005
Bank of Montreal	\$61.70	\$55.85	\$31.25	\$56.33	\$69.00	\$65.00
BCE Inc.	\$34.38	\$29.00	\$25.13	\$39.65	\$31.40	\$27.73
Canadian Imperial Bank of Commerce	\$79.50	\$68.15	\$51.09	\$70.55	\$98.30	\$76.41
CI Financial Corp.	\$21.46	\$22.00	\$14.50	\$28.07	\$26.72	\$25.00
Enbridge Inc.	\$55.58	\$48.63	\$39.56	\$40.01	\$40.27	\$36.34
EnCana Corporation	\$29.13	\$34.11	\$30.24	\$35.84	\$28.49	\$27.91
Great-West Lifeco Inc.	\$25.70	\$26.88	\$20.70	\$35.57	\$33.80	\$30.70
Husky Energy Inc.	\$25.13	\$30.08	\$30.87	\$44.59	\$39.02	\$29.50
National Bank of Canada	\$67.70	\$60.24	\$31.30	\$52.29	\$65.84	\$60.32
Power Corporation of Canada	\$27.26	\$29.21	\$22.42	\$40.13	\$35.29	\$31.66
Royal Bank of Canada	\$56.85	\$56.40	\$36.10	\$50.74	\$55.50	\$45.41
Shoppers Drug Mart Corporation	\$39.32	\$45.41	\$48.05	\$53.26	\$50.09	\$43.98
Sun Life Financial Inc.	\$27.63	\$30.25	\$28.44	\$55.71	\$49.32	\$46.73
TELUS Corporation	\$46.62	\$34.11	\$37.17	\$49.44	\$53.52	\$47.86
The Bank of Nova Scotia	\$55.35	\$49.22	\$33.31	\$50.28	\$52.10	\$46.14
The Toronto-Dominion Bank	\$76.00	\$65.96	\$43.45	\$69.50	\$69.72	\$61.13
Thomson Reuters Corporation	\$39.50	\$33.95	\$35.60	\$40.29	\$48.38	\$39.66
TMX Group Inc.	\$31.91	\$33.13	\$25.19	\$52.80	\$46.61	\$46.83
TransAlta Corporation	\$21.77	\$23.48	\$24.30	\$33.35	\$26.64	\$25.41
TransCanada Corporation	\$38.85	\$36.19	\$33.17	\$40.54	\$40.61	\$36.65

Source: Bloomberg

Note:

(1) Share prices are adjusted for stock splits.

Dividend History of the Common Shares of the Companies in the Portfolio Universe

The following table sets forth the dividends paid on the common shares of the companies in the Portfolio Universe for the calendar years indicated below.

	<u>Dividends for the 12 months ended December 31⁽¹⁾</u>				
	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Bank of Montreal	\$2.80	\$2.80	\$2.71	\$2.26	\$1.85
BCE Inc.	\$1.58	\$0.73	\$1.46	\$1.38	\$1.44
Canadian Imperial Bank of Commerce	\$3.48	\$3.48	\$3.28	\$2.78	\$2.69
CI Financial Corp.	\$0.63	\$1.69	\$2.21	\$1.49	\$0.66
Enbridge Inc.	\$1.48	\$1.32	\$1.23	\$1.15	\$1.04
EnCana Corporation	\$1.60	\$1.72	\$0.86	\$0.43	\$0.33
Great-West Lifeco Inc.	\$1.23	\$1.20	\$1.06	\$0.93	\$0.81
Husky Energy Inc.	\$1.20	\$1.73	\$1.33	\$0.75	\$0.83
National Bank of Canada	\$2.48	\$2.48	\$2.36	\$2.02	\$1.78
Power Corporation of Canada	\$1.16	\$1.11	\$0.92	\$0.76	\$0.65
Royal Bank of Canada	\$2.00	\$2.00	\$1.82	\$1.44	\$1.18
Shoppers Drug Mart Corporation	\$0.86	\$0.86	\$0.64	\$0.48	\$0.40
Sun Life Financial Inc.	\$1.44	\$1.44	\$1.32	\$1.15	\$0.99
TELUS Corporation	\$1.90	\$1.83	\$1.58	\$1.20	\$0.88
The Bank of Nova Scotia	\$2.45	\$1.45	\$1.79	\$1.56	\$1.36
The Toronto-Dominion Bank	\$2.44	\$2.36	\$2.11	\$1.36	\$1.64
Thomson Reuters Corporation	\$1.28	\$1.17	\$1.05	\$1.00	\$0.97
TMX Group Inc.	\$1.52	\$1.52	\$1.52	\$1.32	\$0.90
TransAlta Corporation	\$1.16	\$1.08	\$1.00	\$1.00	\$1.00
TransCanada Corporation	\$1.52	\$1.44	\$1.36	\$1.28	\$1.22

Source: Bloomberg

Note:

(1) Dividends are adjusted for stock splits, but do not include extraordinary distributions.

Summary Information Regarding the Common Shares of the Companies in the Portfolio Universe

The following table sets forth a summary of the recent closing market prices on the TSX, annual dividends, dividend yield and average annual total return of the common shares of the companies in the Portfolio Universe.

	Closing Price⁽¹⁾	Annual Dividend⁽²⁾	Dividend Yield⁽³⁾	Average Annual Total Return⁽⁴⁾
Bank of Montreal	\$61.70	\$2.80	4.54%	11.81%
BCE Inc.	\$34.38	\$1.83	5.32%	7.49%
Canadian Imperial Bank of Commerce	\$79.50	\$3.48	4.38%	6.89%
CI Financial Corp.	\$21.46	\$0.78	3.63%	16.47%
Enbridge Inc.	\$55.58	\$1.70	3.06%	14.09%
EnCana Corporation ⁽⁵⁾	\$29.13	\$0.82	2.83%	19.04%
Great-West Lifeco Inc.	\$25.70	\$1.23	4.79%	7.37%
Husky Energy Inc.	\$25.13	\$1.20	4.78%	20.80%
National Bank of Canada	\$67.70	\$2.48	3.66%	17.16%
Power Corporation of Canada	\$27.26	\$1.16	4.26%	5.70%
Royal Bank of Canada	\$56.85	\$2.00	3.52%	20.39%
Shoppers Drug Mart Corporation	\$39.32	\$0.90	2.29%	2.33%
Sun Life Financial Inc.	\$27.63	\$1.44	5.21%	1.51%
TELUS Corporation	\$46.62	\$2.00	4.29%	3.99%
The Bank of Nova Scotia	\$55.35	\$1.96	3.54%	11.44%
The Toronto-Dominion Bank	\$76.00	\$2.44	3.21%	13.61%
Thomson Reuters Corporation ⁽⁵⁾	\$39.50	\$1.19	3.02%	-0.74%
TMX Group Inc.	\$31.91	\$1.52	4.76%	16.97%
TransAlta Corporation	\$21.77	\$1.16	5.33%	12.31%
TransCanada Corporation	\$38.85	\$1.60	4.12%	8.72%

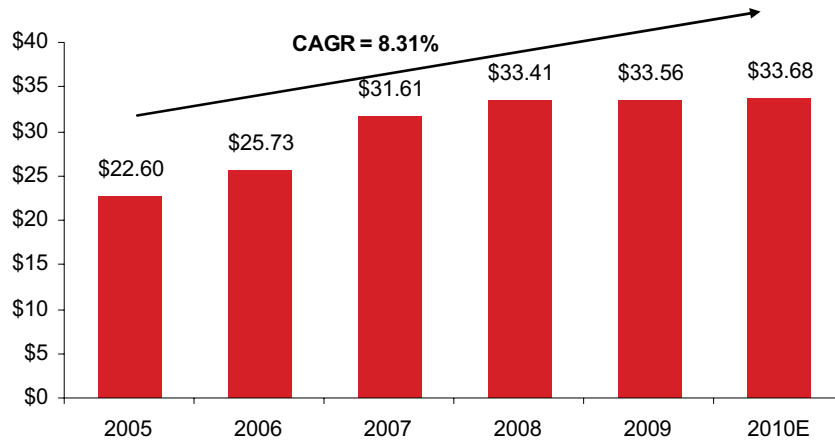
Source: Bloomberg

Notes:

- (1) As at October 20, 2010.
- (2) Based on the most recently declared dividend per share annualized.
- (3) As at October 20, 2010.
- (4) Average annual total return is calculated from January 1, 2005 to December 31, 2009 and is calculated by dividing the sum of the appreciation in market price and dividends paid in the year by the market price of the common shares at the beginning of the year.
- (5) Company pays dividends in U.S. dollars. Dividends shown as Canadian dollar equivalent on October 20, 2010.

Selected Portfolio Universe Data

The companies in the Portfolio Universe have a history of consistently increasing their dividends.

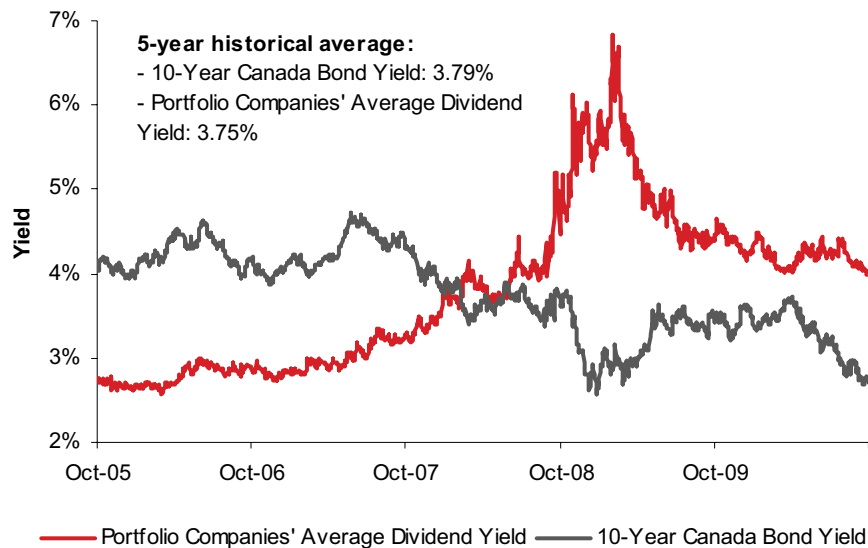


Source: Bloomberg

Note:

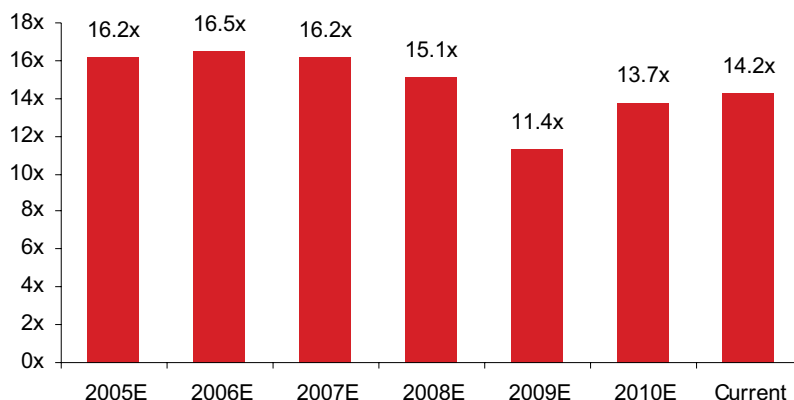
(1) Dividend income represents dividends in a given year on a basket of one share of each of the Portfolio Companies, and assumes that dividends for 2010 will be paid at most recently announced rates.

In a low interest rate environment, dividends act a reliable source of income, and the dividend yields of the companies in the Portfolio Universe are still at highs relative to their historical relationship with the 10-year Government of Canada bond. The companies in the Portfolio Universe have raised annual dividends by a compound annual growth rate of approximately 8.3% since 2005.



Source: Bloomberg.

The common shares of the companies in the Portfolio Universe are currently trading at attractive valuations compared to their forward price/earnings ratios over the past five years.



Source: Capital IQ and Bloomberg.

Note:

- (1) Forward price/earnings ratios are based on Capital IQ next twelve months (“NTM”) estimates as at January 1 of each year for the 20 companies in the Portfolio Universe. Current forward price/earnings ratio is based on Capital IQ NTM estimates as at October 20, 2010. CI Financial Corp. is excluded for the 2005 – 2008 period due to its income trust structure at that time.

Voting Rights in the Common Shares of the Portfolio Companies

Shareholders will not have any voting rights in respect of the common shares of the Portfolio Companies held by the Company. QuadraVest will determine whether and how to vote such shares from time to time, and is responsible for advising the Company as to any voting rights it may have. See “*Proxy Voting Disclosure for Portfolio Securities Held*”.

Replacement of the Companies in the Portfolio Universe

From time to time, QuadraVest may replace a company included in the list of 20 Portfolio Companies in response to mergers, take-over bids, going private transactions, or insolvency or other material changes in financial condition affecting the companies in the Portfolio Universe. The approval of Shareholders is not required for a change in the composition of the Portfolio Universe. The Company will issue a press release in the event any changes are made by QuadraVest to the 20 companies included in the Portfolio Universe.

INVESTMENT RESTRICTIONS

The Company is subject to certain investment restrictions that, among other things, limit the securities the Company may acquire. The Company’s investment restrictions may not be changed without the approval of the holders of the Shares by a two-thirds majority vote at a meeting called for such purpose. See “*Securityholder Matters – Matters Requiring Securityholder Approval*” The Company’s investment restrictions provide that the Company may not:

1. purchase equity securities of any issuer unless (i) they are common shares or other equity securities of a company in the Portfolio Universe and (ii) after such purchase, no more than 10% of the net asset value of the Company is invested in the securities of any one Portfolio Company;

2. write a call option in respect of a Portfolio security unless such security is held by the Company at the time the option is written or dispose of such a security that is subject to a call option written by the Company unless that option has either been terminated or has expired;
3. purchase debt securities unless such securities are “cash equivalents” within the meaning of NI 81-102;
4. purchase currency forwards or futures, unless purchased for the purposes of hedging as defined in NI 81-102;
5. make any investment or conduct any activity that would result in the Company failing to qualify as a “mutual fund corporation” within the meaning of the Tax Act;
6. enter into any arrangement (including the acquisition of securities and the writing of covered call options in respect thereof) where the main reason for entering into the arrangement is to enable the Company to receive a dividend on such securities in circumstances where, under the arrangement, someone other than the Company bears the risk of loss or enjoys the opportunity for gain or profit with respect to such securities in any material respect;
7. acquire or continue to hold any security that is a “specified property” as defined in subsection 18(1) of the legislative proposals to amend the Tax Act released by the Minister of Finance (Canada) on September 16, 2004 if the total of all amounts each of which is the fair market value of a specified property would exceed 10% of the total of all amounts each of which is the fair market value of a property of the Company; and
8. invest in or hold (i) securities of or an interest in any non-resident entity, an interest in or a right or option to acquire such property, or an interest in a partnership which holds any such property if the Company (or the partnership) would be required to include any significant amounts in income pursuant to section 94.1 of the Tax Act, (ii) an interest in a trust which would require the Company to report income in connection with such interest pursuant to the rules in paragraph 94(1)(d) of the Tax Act, or (iii) any interest in a non-resident trust other than an “exempt foreign trust” for the purposes of proposed section 94 of the Tax Act, as set forth in the proposed amendments to the Tax Act dealing with non-resident trusts set out in the Notice of Ways and Means Motion to Amend the Tax Act dated March 4, 2010 (or amendments to such proposals, provisions as enacted into law or successor provisions thereto).

The Company is also subject to the standard investment restrictions and practices set forth in NI 81-102.

FEES AND EXPENSES

Initial Expenses

The expenses of the Offering (including the costs of creating and organizing the Company, the costs of printing and preparing this prospectus, legal expenses of the Company, marketing expenses and legal and other out of pocket expenses incurred by the Agents (as defined below) and certain other expenses) will be paid by the Company out of the gross proceeds of the Offering to a maximum of 1.5% of such gross proceeds. In addition, the Agents' fee will be paid to the Agents from the gross proceeds as described under “*Plan of Distribution*”.

Management and Service Fees

Pursuant to the Management and Investment Management Agreement (as defined herein), Quadravest is entitled to a management fee at an annual rate equal to 0.75% of the Company's net asset value calculated as at the last Valuation Date in each month, plus an amount equal to the service fee (the "**Service Fee**") of 0.40% payable to dealers, together with applicable taxes. Quadravest will pay the Service Fee to each registered dealer whose clients hold Shares. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the value of the Shares held by clients of the dealer, plus applicable taxes.

Operating Expenses

The Company will pay for all other expenses incurred in connection with the operation and administration of the Company, estimated to be approximately \$300,000 per annum. These expenses are expected to include, without limitation, mailing and printing expenses for periodic reports to shareholders; fees payable to RBC Dexia Investor Services Trust for acting as custodian of the assets of the Company and performing certain administrative services under the Custodian Agreement (as defined herein); fees payable to Computershare Investor Services Inc. as registrar and transfer agent with respect to the Shares; fees payable to the independent directors of the Company and the fees and other expenses of the members of, and other expenses of maintaining, an independent review committee under National Instrument 81-107 *Independent Review Committee for Investment Funds* ("**NI 81-107**"); fees payable to the auditors and legal advisors of the Company; regulatory filing and stock exchange fees (including any such fees payable by Quadravest in respect of the services it provides to the Company); and expenditures incurred upon the dissolution of the Company. Such expenses will also include expenses of any action, suit or other proceedings in which or in relation to which Quadravest is entitled to indemnity by the Company. See "*Organization and Management Details of the Company*". The Company will also be responsible for all commissions and other costs of Portfolio transactions.

RISK FACTORS

In addition to the risks discussed elsewhere in this prospectus, the following are certain considerations relating to an investment in Shares which prospective investors should consider before purchasing such shares.

Operating History and Lack of Public Trading Market

The Company is a newly organized investment fund with no previous operating history. There is currently no public market for the Shares and there can be no assurance that an active public market will develop or be sustained after the completion of the Offering.

Concentration Risk

The assets of the Company will initially consist primarily of common shares of the Portfolio Companies and its net asset value will always be primarily dependent upon the value of the shares of such Portfolio Companies. As a result, the Portfolio is highly concentrated, and this lack of diversification could have a negative impact on the value of the Shares.

Risks Relating to and Risk Disclosure Made by the Portfolio Companies

Investors should consider carefully the risk disclosure made by the companies in the Portfolio Universe, as set forth in their continuous disclosure documents discussed under “*Overview of the Sector the Company Invests In*”.

Fluctuations in Net Asset Value

The net asset value of the Company will vary primarily according to the value of the common shares of the Portfolio Companies it holds. The value of such shares will be influenced by factors which are not within the control of the Company, including the financial performance of the Portfolio Companies, their dividend payment policies and financial market and economic conditions generally. An investment in the Shares is appropriate only for investors who have the capacity to absorb a loss. The net asset value of the Company at any time may be more or less than the issue price of the Shares or the price at which an investor can purchase Shares on any stock exchange on which they may be listed on or following the closing of the Offering.

No Assurances of Achieving Objectives

There is no assurance that the Company will be able to achieve its monthly distribution and long-term capital appreciation objectives. In particular, there can be no assurance that the Company will be able to pay the currently targeted monthly distributions on the Shares. An investment in the Shares is therefore appropriate only for investors who have the ability to withstand distributions not being paid on the Shares for any period of time.

Interest Rate Fluctuations

It is anticipated that the market price of the Shares will, at any time, be affected by the level of interest rates prevailing at such time. A rise in interest rates may have a negative effect on the market price of the Shares.

Use of Options

The Company is subject to the full risk of its investment position in the common shares of the Portfolio Companies, including those shares that are subject to outstanding call options, should the market price of such shares decline. In addition, the Company will not participate in any gain on the shares that are subject to outstanding call options above the strike price of the options.

There can be no assurance that a liquid exchange or over-the-counter market will exist to permit the Company to write covered call options on desired terms or to close out option positions should Quadravest desire to do so. In purchasing call options, the Company is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments, or other third party in the case of over-the-counter instruments) may be unable to meet its obligations. The ability of the Company to close out its positions may also be affected by exchange-imposed daily trading limits on options. If the Company is unable to repurchase a call option which is in-the-money, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires.

The use of options may have the effect of limiting or reducing the total returns of the Company if Quadravest’s expectations concerning future events or market conditions prove to be incorrect. If the value of the common shares of the Portfolio Companies decreases, it may be difficult for the Company to recover losses on those shares and meet its annual targeted distributions.

Reliance on the Investment Manager

Quadravest will manage the assets of the Company in a manner consistent with the investment objectives, strategies and restrictions of the Company. The officers of Quadravest who will be primarily responsible for the management of the Company have extensive experience in managing investment portfolios. There is no certainty that such individuals will continue to be employees of Quadravest throughout the term of the Company.

Conflicts of Interest

Quadravest is engaged in a variety of investment management, investment advisory and other business activities. The services of Quadravest under the Management and Investment Management Agreement (as defined herein) are not exclusive and nothing in the Management and Investment Management Agreement prevents Quadravest or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Company) or from engaging in other activities. Quadravest's investment decisions for the Company will be made independently of those made for its other clients and independently of its own investments. However, Quadravest may make the same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of Quadravest are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Trading Prices of Shares

The Shares may trade in the market at a premium or discount to the price implied by the net asset value per Share, and there can be no assurance that the Shares will trade at a price equal to such amount. This risk is separate and distinct from the risk that the net asset value per Share may decrease, or possibly be zero.

Retractions; Suspension of Retractions

If holders of a substantial number of Shares exercise their retraction rights, the number of such shares outstanding and the net asset value of the Company could be significantly reduced, with the effect of decreasing the liquidity of the Shares in the market and increasing the management expense ratio of the Company. The Company may suspend the retraction of Shares or payment of redemption proceeds during any period when normal trading is suspended on any stock exchange on which the common shares of the Portfolio Companies are listed and traded, if those common shares represent more than 50% by value of the total assets of the Company without allowance for liabilities and provided such shares are not traded on any other stock exchange which represents a reasonably practical alternative for the Company, or otherwise with the consent of the securities regulatory authorities. In the event of a suspension of retractions, Shareholders would experience reduced liquidity. See "*Redemptions and Retractions of Shares – Suspension of Retractions*".

Changes in Legislation

There can be no assurance that income tax laws relating to the treatment of a mutual fund corporation under the Tax Act will not be changed in a manner which adversely affects the distributions received by Shareholders and/or the value of the Shares.

Treatment of Proceeds of Disposition, Option Premiums and Other Derivatives

In determining its income for tax purposes, the Company will treat gains and losses realized on the disposition of securities held by it, option premiums received on the writing of covered call options, any gains and losses sustained on closing out options and derivatives (if any) used for hedging purposes with respect to securities held as capital property as capital gains and capital losses in accordance with the published administrative practices of the Canada Revenue Agency (“CRA”). The Company will make the election under the Tax Act to treat each of its “Canadian securities” (as defined in subsection 39(6) of the Tax Act) as capital property. CRA’s practice is not to grant advance income tax rulings on the character of items as capital or income and no advance income tax ruling has been applied for or received from CRA.

If, contrary to CRA’s published administrative practice, some or all of the transactions undertaken by the Company in respect of options and other derivatives were treated on income rather than capital account, the after-tax returns to holders of Shares could be reduced and the Company may be subject to non-refundable income tax in respect of income from such transactions, and the Company may be subject to penalty taxes in respect of excessive capital gains dividend elections.

Tax Proposals Regarding Mutual Fund Corporation Status

The tax treatment of the Company and Shareholders depends in part upon the Company being a “mutual fund corporation” for tax purposes. If the Company ceases to qualify as a mutual fund corporation under the Tax Act, such tax treatment would be materially and adversely different in certain respects.

On September 16, 2004, the Minister of Finance (Canada) released certain proposals to amend the Tax Act (the “**September 2004 Tax Proposals**”) pursuant to which a corporation, such as the Company, would lose its status as a mutual fund corporation if at any time after 2004 the aggregate fair market value of all issued and outstanding shares of the corporation held by one or more non-resident persons or by partnerships that are not Canadian partnerships for purposes of the Tax Act, or any combination thereof, is more than 50% of the aggregate fair market value of all the issued and outstanding shares of the corporation unless no more than 10% (based on fair market value) of the corporation’s property is at any time taxable Canadian property or certain other types of specified property. The September 2004 Tax Proposals currently do not provide any means of rectifying the loss of mutual fund corporation status. On December 6, 2004, such Minister tabled a Notice of Ways and Means Motion to implement measures proposed in the 2004 Budget. Such Notice was incorporated into Bill C-33, which received Royal Assent on May 13, 2005, and did not include the September 2004 Tax Proposals. This omission was specifically referred to in the accompanying release.

The Shares are marketed only in Canada, and provided the Company complies with its investment criteria and restrictions, it is not anticipated that more than 10% of the fair market value of the Company’s assets will at any time consist of taxable Canadian property or such other specified property, with the result that QuadraVest does not anticipate that the September 2004 Tax Proposals (even if enacted in their current form) would lead to a loss of mutual fund corporation status for the Company.

Status of the Company

Although the Company is considered to be a “mutual fund” as defined under Canadian securities laws the Company has received an exemption from certain of the requirements that apply to conventional open-end mutual funds. As a result, some of the protections provided to investors in mutual funds under Canadian securities laws will not apply to the Company. See “*Exemptions and Approvals*”.

Potential purchasers may wish to consult with their own investment advisors for advice in connection with an investment in the Shares.

DISTRIBUTION POLICY

The initial distribution target established by the Company is to pay regular monthly cash distributions of \$0.0583 per Share to yield 7.00% per annum on the original issue price of the Shares to Shareholders of record on the last business day of each month (each a “**Dividend Record Date**”). The Company will monitor this distribution target on a monthly basis and amend it as required, taking into account the actual and expected dividends received by the Company on the Portfolio, actual and expected net premiums received from call options written on the securities in the Portfolio and the estimated expenses of the Company, among other factors. **The amount of the monthly distributions may fluctuate from month to month and there can be no assurance that the Company will make any distributions in any particular month or months.**

Based on the current dividends paid by the Portfolio Shares, the Company is initially expected to generate dividend income of approximately 4.03% per annum. The Company would be required to generate an additional return of approximately 4.97% per annum, including from dividend growth, capital appreciation and option premiums from the Portfolio, in order for the Company to pay initial targeted distribution level and maintain a stable net asset value.

Distributions declared by the Board of Directors of the Company will be payable to Shareholders of record at 5:00 p.m. (Toronto time) on the applicable Dividend Record Date with payment being made within 15 days thereafter. Distributions paid on the Shares may consist of Ordinary Dividends, capital gains dividends which are treated as realized capital gains, and returns of capital, which are not immediately taxable, but which reduce the adjusted cost base of a Shareholder’s Shares. See “*Income Tax Considerations*”.

Each Shareholder will be mailed annually, no later than February 28, information necessary to enable such Shareholder to complete an income tax return with respect to amounts paid or payable by the Company in respect of the preceding calendar year.

REDEMPTIONS AND RETRACTIONS OF SHARES

Annual Retraction

Commencing in 2012, Shares may be retracted by the holder effective the last business day in March (the “**Annual Retraction Date**”) in each year. Shares properly surrendered for retraction at least 20 business days prior to the Annual Retraction Date will be redeemed on such Annual Retraction Date, and payment of the retraction price will be made on or before the 15th business day of the following month, (the “**Retraction Payment Date**”), subject to the Company’s right to suspend retractions in certain circumstances. Shareholders retracting Shares on an Annual Retraction Date will be entitled to receive a retraction price per Share equal to the net asset value per Share on the Annual Retraction Date, less any costs associated with the retraction including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction. Any unpaid distribution payable on or before the Annual Retraction Date in respect of Shares tendered for retraction on such Annual Retraction Date will also be paid on the Retraction Payment Date.

Monthly Retractions

Shares may be retracted at the option of Shareholders on the last business day of each month (a “**Monthly Retraction Date**”). In order to effect such a retraction, the Shares must be surrendered by no later than 5:00 p.m. (Toronto time) on the date which is 20 business days prior to the Monthly Retraction Date. Payment of the retraction price will be made on or before the Retraction Payment Date in the immediately following month, subject to the Company’s right to suspend retractions in certain circumstances. Shareholders surrendering a Share for retraction, except in connection with the Annual Retraction Date, will receive a retraction price equal to the lesser of (i) 95% of the weighted average trading price of the Shares on the principal exchange or market on which the Shares are quoted for trading for the 10 business days immediately preceding the applicable Monthly Retraction Date, (ii) 100% of the closing market price of a Share on the applicable Monthly Retraction Date, and (iii) 95% of the net asset value of a Share on the last business day of the month; less in each case any costs associated with the redemption including commissions and other such costs, if any, related to the liquidation of any portion of the Portfolio required to fund such retraction.

Exercise of Retraction Right

A Shareholder who desires to exercise retraction privileges must do so by causing the CDS Participant through which he or she holds his or her Shares to deliver to CDS at its office in the City of Toronto on behalf of the Shareholder, a written notice of the Shareholder’s intention to retract Shares by no later than 5:00 p.m. (Toronto time) on the applicable notice date described above. A Shareholder who desires to retract Shares should ensure that the CDS Participant is provided with notice of his or her intention to exercise his or her retraction right sufficiently in advance of the applicable retraction date deadline so as to permit the CDS Participant to deliver a notice to CDS by 5:00 p.m. (Toronto time) on the notice date described above.

By causing a CDS Participant to deliver to CDS a notice of the Shareholder’s intention to retract Shares, the Shareholder will be deemed to have irrevocably surrendered his or her Shares for retraction and appointed such CDS Participant to act as his or her exclusive settlement agent with respect to the exercise of such retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise, provided that Quadravest may from time to time prior to the applicable retraction date permit the withdrawal of a retraction notice on such terms and conditions as Quadravest may determine, in its sole discretion, provided that such withdrawal will not adversely affect the Company. Any expense associated with the preparation and delivery of the retraction notice will be for the account of the Shareholder exercising the retraction privilege.

Any retraction notice that CDS determines to be incomplete, not in proper form or not duly executed will, for all purposes, be void and of no effect and the retraction privilege to which it relates will be considered, for all purposes, not to have been exercised thereby. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with a Shareholder’s instructions will not give rise to any obligations or liability on the part of the Company or Quadravest to the CDS Participant or the Shareholder.

Quadravest may, without the approval of Shareholders, change the retraction rights attached to the Shares on not less than 30 days’ notice to Shareholders by increasing the number of times in each year that Shares may be retracted by Shareholders (at a retraction price per Share to be determined by Quadravest), provided that no such change may be made without Shareholder approval if it would eliminate the rights of Shareholders to retract their Shares on a Monthly Redemption Date.

Subject to the Company's right to require the Recirculation Agent to use commercially reasonable efforts to find purchasers prior to the relevant Retraction Payment Date for any Shares tendered for retraction (see "*Redemptions and Retractions of Shares – Resale of Shares Tendered for Retraction*"), any and all Shares which have been surrendered to the Company for retraction are deemed to be outstanding until (but not after) the close of business on the relevant Retraction Date, unless the retraction price is not paid on the Retraction Payment Date, in which event such Shares will remain outstanding.

Resale of Shares Tendered for Retraction

The Company has entered into an agreement dated October 27, 2010 (the "**Recirculation Agreement**") with Scotia Capital Inc. (the "**Recirculation Agent**") and Computershare whereby the Recirculation Agent has agreed to use commercially reasonable efforts to find purchasers for any Shares tendered for retraction prior to the relevant Retraction Payment Date, provided that the holder of the Shares so tendered has not withheld consent thereto. The Company is not obligated to require the Recirculation Agent to seek such purchasers but may elect to do so. In the event that a purchaser for such Shares is found in this manner, the notice of retraction shall be deemed to have been withdrawn prior to the relevant Retraction Date and the Shares, as the case may be, shall remain outstanding. The amount to be paid to the holder of the Shares on the relevant Retraction Payment Date will be an amount equal to the proceeds of the sale of the Shares less any applicable commission. Such amount will not be less than the applicable retraction price.

Suspension of Retractions

The Company may suspend the retraction of Shares or payment of retraction proceeds during any period when normal trading is suspended on any stock exchange on which the shares of the Portfolio Companies are listed and traded, if those shares represent more than 50% by value of the total assets of the Company without allowance for liabilities and provided such shares are not traded on any other stock exchange which represents a reasonably practical alternative for the Company, or otherwise with the consent of the securities regulatory authorities. The suspension may apply to all requests for retraction received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Shareholders making such requests shall be advised by the Company of the suspension and that the retraction will be effected at a price determined on the first Valuation Date following the termination of the suspension. All such shareholders shall have and shall be advised that they have the right to withdraw their requests for retraction. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over the Company, any declaration of suspension made by the Company shall be conclusive.

Redemptions of Shares

The Shares will be redeemed by the Company on or about its Termination Date (as defined herein) for a redemption price equal to the net asset value per Share. See "*Termination of the Company*".

PURCHASES OF SHARES

Prospective purchasers may pay the purchase price for Shares in cash from the Agents in this Offering or from an investment dealer forming part of any sub-agency group that the Agents may appoint to assist in the distribution of the Shares, as discussed under "*Plan of Distribution*". The minimum purchase is 200 Shares.

CONSOLIDATED CAPITALIZATION

The capitalization of the Company at October 27, 2010 and at such date as adjusted to give effect to the issue and sale of the Shares offered under this prospectus, is set forth in the table below.

<u>Share Capital</u>	<u>Authorized</u>	<u>Outstanding as at October 27, 2010</u>	<u>To be outstanding as at October 27, 2010 after giving effect to the Offering⁽¹⁾</u> (unaudited)
Shares	Unlimited	Nil	\$250,000,000 (25,000,000 shares)
Class B Shares	1,000	\$20.00 (1,000 shares)	\$20.00 (1,000 shares)
Issue Costs		Nil	\$(13,625,000)
Total Capitalization		\$20.00	\$236,375,020

Note:

(1) Assumes the maximum amount of the Offering.

INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Agents, the following is a summary of the principal Canadian federal income tax considerations generally relevant to investors who acquire Shares under the Offering and who, for purposes of the Tax Act, are resident in Canada, deal at arm's length and are not affiliated with the Company, hold their Shares as capital property and have not elected to compute their Canadian tax results using a currency other than Canadian dollars. This summary is based upon the facts set out in this prospectus, the current provisions of the Tax Act, the regulations thereunder, and counsel's understanding of the current administrative policies and assessing practices of the CRA made publicly available in writing prior to the date hereof and relies as to certain factual matters on certificates of an officer of the Company, QuadraVest and Scotia Capital Inc.

This summary is based on the assumptions that:

- (a) the Shares will at all times be listed on a designated stock exchange in Canada (which currently includes the TSX);
- (b) the Company was not established and will not be maintained primarily for the benefit of non-residents of Canada and at no time will the total fair market value of the shares of the Company held by persons who are non-residents of Canada and/or partnerships (other than Canadian partnerships within the meaning of the Tax Act) exceed 50% of the fair market value of all of the outstanding shares of the Company;
- (c) the issuers of securities held by the Company will not be foreign affiliates of the Company or any Shareholder; and

- (d) the investment strategies and investment restrictions of the Company will at all relevant times be as set out under “*Investment Strategies*” and “*Investment Restrictions*” and that the Company will at all times comply with such investment strategies and investment restrictions.

This summary also takes into account specific proposals to amend the Tax Act and the regulations thereunder announced prior to the date hereof by or on behalf of the Minister of Finance (Canada) (the “**Proposed Amendments**”) and assumes that the Proposed Amendments will be enacted as proposed. No assurances can be given that the Proposed Amendments will become law.

This summary is not exhaustive of all possible federal income tax considerations and does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, other than the Proposed Amendments. This summary does not deal with foreign, provincial or territorial income tax considerations, which may differ from the federal considerations. This summary does not apply to Shareholders that are “financial institutions” as defined in section 142.2 of the Tax Act or to shareholders an interest in which is a “tax shelter investment” as defined in subsection 143.2(1) of the Tax Act.

This summary is of a general nature only and does not constitute legal or tax advice to any particular investor. Prospective investors are advised to consult their own tax advisors with respect to their individual circumstances and in particular the draft proposals to amend the Tax Act released on October 31, 2003 relating to the deductibility of interest and other expenses (the “October 2003 Proposals”).

Status of the Company

The Company will qualify, and intends at all relevant times to qualify, as a “mutual fund corporation” as defined in the Tax Act. The Company has informed counsel that it intends to file the necessary election under the Tax Act so that it will be deemed to be a “public corporation” from incorporation and therefore can qualify as a mutual fund corporation throughout its first taxation year.

Provided that the Shares are listed on a “designated stock exchange” within the meaning of the Tax Act (which includes the TSX), the Shares will be a qualified investment under the Tax Act for Registered Plans. Prospective investors should consult their own tax advisors as to the effect of acquiring Shares in a registered education savings plan.

Provided that the holder of a tax-free savings account does not hold a “significant interest” (as defined in the Tax Act) in the Company or any person or partnership that does not deal at arm’s length with the Company within the meaning of the Tax Act, and provided that such holder deals at arm’s length with the Company within the meaning of the Tax Act, the Shares offered hereby will not be a “prohibited investment” for a trust governed by such tax-free savings account. Generally, a holder will have a significant interest in the Company if the holder, together with persons with whom the holder does not deal at arm’s length, owns directly or indirectly 10% or more of the issued shares of any class of the capital stock of the Company or any corporation related to the Company within the meaning of the Tax Act.

Taxation of the Company

As a mutual fund corporation, the Company is entitled in certain circumstances to a refund of tax paid by it in respect of its net realized capital gains determined on a formula basis which is based in part on the redemption of its shares (“**capital gains redemptions**”). Also, as a mutual fund corporation, the

Company maintains a capital gains dividend account in respect of capital gains realized by the Company and from which it may elect to pay dividends (“**capital gains dividends**”) which are treated as capital gains in the hands of Shareholders. In certain circumstances where the Company has recognized a capital gain in a taxation year and does not have sufficient capital gains redemptions to offset tax payable on capital gains, it may elect not to pay capital gains dividends in that taxation year in respect thereof and may instead pay refundable capital gains tax, which may in the future be fully or partially refundable upon the payment of sufficient capital gains dividends and/or capital gains redemptions.

The Company will be required to include in computing its income for a taxation year all dividends received in the year. In computing its taxable income, the Company will generally be entitled to deduct all taxable dividends received on shares of taxable Canadian corporations (which include the Portfolio Companies).

The Company qualifies as a “financial intermediary corporation” (as defined in the Tax Act) and, as such, is not subject to tax under Part IV.1 of the Tax Act on dividends received by the Company nor is it generally liable to tax under Part VI.1 of the Tax Act on dividends paid by the Company on “taxable preferred shares” (as defined in the Tax Act). As a mutual fund corporation (which is not an “investment corporation” as defined in the Tax Act), the Company will generally be subject to a refundable tax of 33 $\frac{1}{3}$ % under Part IV of the Tax Act on taxable dividends received during the year to the extent such dividends are deductible in computing the taxable income of the Company for the year. This tax is fully refundable upon payment of sufficient Ordinary Dividends by the Company.

The Company will purchase Portfolio securities with the objective of earning dividends thereon over the life of the Company, and intends to treat and report transactions undertaken in respect of such shares on capital account. Generally, the Company will be considered to hold such shares on capital account unless the Company is considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Company has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Company has advised counsel that it intends to elect in accordance with the Tax Act to have each of its “Canadian securities” (as defined in subsection 39(6) of the Tax Act), which includes the common shares of the Portfolio Companies, treated as capital property. Such an election will ensure that gains or losses realized by the Company on dispositions of Canadian securities will be taxed as capital gains or capital losses.

In computing the adjusted cost base of any particular security, the Company will generally be required to average the cost of that security with the adjusted cost base of all other identical securities owned by the Company and held as capital property at the time of acquisition.

The Company will write covered call options with the objective of increasing the yield on its assets beyond the dividends received on the common shares of the Portfolio Companies or other Portfolio securities. In accordance with CRA’s published administrative practice, transactions undertaken by the Company in respect of such options will be treated and reported for purposes of the Tax Act on capital account.

Premiums received on call options written by the Company (to the extent such call options relate to securities actually owned by the Company at the time the option is written and such securities are held on capital account as discussed above) will constitute capital gains of the Company in the year received, and gains or losses realized upon dispositions of securities owned by the Company (whether upon the exercise of call options written by the Company or otherwise) will constitute capital gains or capital losses of the Company in the year realized. Where a call option is exercised, the proceeds received by the Company for the option will be included in the proceeds of disposition of the securities sold pursuant to the option

and the premium received for such option will not give rise to a capital gain at the time the option is written.

Generally, the Company will include gains and deduct losses on income account in connection with investments made through derivative securities (except where such derivatives are used to hedge, and are sufficiently linked with, Portfolio securities held on capital account), and will recognize such gains or losses for tax purposes at the time they are realized by the Company. The Company may also use derivative instruments for hedging purposes. In accordance with CRA's published administrative practice, gains or losses realized on such derivatives hedging Portfolio securities held on capital account will be treated and reported for tax purposes on capital account, where there is sufficient linkage between such derivatives and such Portfolio securities.

To the extent that the Company earns income (other than taxable dividends from taxable Canadian corporations and taxable capital gains), such as interest, the Company will be subject to income tax on such income and no refund will be available in respect thereof.

In computing its income for tax purposes, the Company may deduct reasonable administrative and other expenses incurred to earn income. The Company may generally deduct any costs and expenses of the Offering paid by the Company and not reimbursed at a rate of 20% per year, pro-rated where the Company's taxation year is less than 365 days.

The October 2003 Proposals were released by the Department of Finance (Canada) for public comment and propose that the Tax Act be amended to require, for taxation years commencing after 2004, that there be a "reasonable expectation of cumulative profit" from a business or property in order for a taxpayer to deduct any loss incurred by the taxpayer from the business or property, and would provide that profit, for this purpose, does not include capital gains. The October 2003 Proposals could potentially have an adverse effect on the deductibility by the Company of certain otherwise deductible expenses. On February 23, 2005, the Minister of Finance (Canada) announced that an alternative proposal to replace the October 2003 Proposals would be released for comment at an early opportunity. There can be no assurance that such alternative proposal, which has not yet been released, will not adversely affect the Company.

If the Company designates Ordinary Dividends as eligible dividends, and any portion of such designation is an "excessive eligible dividend designation" as determined by the detailed rules in the Tax Act, the Company will generally be liable to a penalty tax of 20% of the amount of such portion under Part III.1 of the Tax Act.

Taxation of Shareholders

Shareholders must include in income Ordinary Dividends received from the Company. For individual shareholders, Ordinary Dividends will be subject to the usual gross-up and dividend tax credit rules with respect to taxable dividends paid by taxable Canadian corporations under the Tax Act. An enhanced gross-up and dividend tax credit is available on "eligible dividends" received or deemed to be received from a taxable Canadian corporation which are so designated by the corporation. Ordinary Dividends received by a corporation other than a "specified financial institution" (as defined in the Tax Act) will normally be deductible in computing its taxable income.

In the case of a holder that is a "specified financial institution", Ordinary Dividends received on the Shares will be deductible in computing its taxable income only if either (a) the specified financial institution did not acquire the Shares in the ordinary course of its business; or (b) at the time of the receipt of the dividends by the specified financial institution, the Shares are listed on a designated stock exchange

in Canada, and dividends are received in respect of not more than 10% of the issued and outstanding Shares by (i) the specified financial institution, or (ii) the specified financial institution and persons with whom it does not deal at arm's length (within the meaning of the Tax Act). For these purposes, a beneficiary of a trust will be deemed to receive the amount of any dividend received by the trust and designated to that beneficiary, effective at the time the dividend was received by the trust, and a member of a partnership will be considered to have received that partner's share of a dividend received by the partnership, effective at the time the dividend was received by the partnership.

Corporations (other than a "private corporation" or a "financial intermediary corporation", as defined in the Tax Act) should consult their own tax advisors with respect to whether Ordinary Dividends on the Shares are subject to Part IV.1 tax when received by such corporations.

A Shareholder which is a private corporation for purposes of the Tax Act, or any other corporation controlled directly or indirectly by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) may be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on Ordinary Dividends received on Shares, to the extent that such dividends are deductible in computing the corporation's taxable income. Where Part IV.1 tax also applies to an Ordinary Dividend received by a particular corporation, the rate of Part IV tax payable by such corporation on such dividend is reduced to 23 $\frac{1}{3}$ %.

The amount of any capital gains dividend received by a Shareholder from the Company will be considered to be a capital gain of the Shareholder from the disposition of capital property in the taxation year of the Shareholder in which the capital gains dividend is received.

The Company may make returns of capital in respect of the Shares. A return of capital in respect of a Share will not be included in the income of the holder of the Share, but will reduce the adjusted cost base of such Share to the Shareholder. To the extent that the adjusted cost base of a Share would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the Shareholder from the disposition of the Share and the adjusted cost base will be increased by the amount of such deemed capital gain.

Upon the redemption, retraction or other disposition of a Share, a capital gain (or a capital loss) will be realized by the Shareholder to the extent that the proceeds of disposition of the Share exceed (or are less than) the aggregate of the adjusted cost base of the Share and any reasonable costs of disposition. If the Shareholder is a corporation, any capital loss arising on the disposition of a Share may in certain circumstances be reduced by the amount of any Ordinary Dividends received on the Share. Analogous rules apply to a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. For purposes of computing the adjusted cost base of each Share, a Shareholder must average the cost of such Share with the adjusted cost base of any Shares already held as capital property.

One-half of a capital gain is included in computing a Shareholder's income as a taxable capital gain and one-half of a capital loss may be deducted against taxable capital gains to the extent and under the circumstances prescribed in the Tax Act. A Shareholder that is a Canadian-controlled private corporation will be subject to an additional refundable tax of 6 $\frac{2}{3}$ % on its aggregate investment income, which includes an amount in respect of taxable capital gains.

Individuals (other than certain trusts) realizing net capital gains or receiving dividends may be subject to an alternative minimum tax under the Tax Act.

The Shares will generally qualify as “Canadian securities” for purposes of the election to treat all such “Canadian securities” as capital property as provided for in certain circumstances under the Tax Act. Investors considering making such an election should consult their own tax advisors.

Taxation of Registered Plans

Registered Plans, as holders of Shares, generally will be exempt from tax on any dividend or other income derived from such shares and on any capital gain realized upon the sale, redemption or other disposition of such shares. If and when cash or securities are withdrawn from a Registered Plan, other than from a tax-free savings account, the holder of the Registered Plan generally will be liable to pay income tax based on the amount of cash or the fair market value of the securities withdrawn, unless the cash or securities are transferred to another Registered Plan in accordance with the Tax Act.

ORGANIZATION AND MANAGEMENT DETAILS OF THE COMPANY

Officers and Directors of the Company

The Board of Directors of the Company currently consists of six members. The following are the names, municipalities of residence, office and principal occupations of the directors and officers of the Company.

<u>Name and Municipality of Residence</u>	<u>Office</u>	<u>Principal Occupation</u>
S. Wayne Finch ⁽¹⁾ Brampton, Ontario	Chairman, President, Chief Executive Officer and Director	Chief Executive and Chief Investment Officer, QuadraVest Capital Management Inc.
Laura L. Johnson Oakville, Ontario	Secretary and Director	Managing Director and Portfolio Manager, QuadraVest Capital Management Inc.
Peter F. Cruickshank Brampton, Ontario	Chief Financial Officer and Director	Managing Director and Chief Financial Officer, QuadraVest Capital Management Inc.
William C. Thornhill Mississauga, Ontario	Director	President, William C. Thornhill Consulting Inc.
Michael W. Sharp ⁽¹⁾ Toronto, Ontario	Director	Partner, Blake, Cassels & Graydon LLP
John D. Steep ⁽¹⁾ Stratford, Ontario	Director	President, S Factor Consulting Inc.

(1) Member of the Audit Committee.

All of the directors and officers of the Company have held the same principal occupation for the five years preceding the date hereof. Each serves in a similar capacity with respect to each of the other TSX-listed corporate funds established by QuadraVest or its affiliates.

Manager and Investment Manager of the Company

Quadravest acts as the manager and investment manager of the Company. Quadravest is the investment manager of 15 other public mutual fund corporations and one public mutual fund trust with aggregate assets under management in excess of \$1.2 billion. Quadravest is one of Canada's foremost leaders in option writing expertise and experience. Mr. Finch and Ms. Johnson have combined over 35 years experience with this unique investment strategy. Quadravest combines their fundamental expertise with the most sophisticated proprietary trading systems to enhance returns available to their clients. Mr. Finch has been a featured author and speaker for industry events and was a member of the board of directors of the Montreal Exchange, Canada's derivative market. The Montreal Exchange also owned the Canadian Derivatives Trading Corp. and a majority stake in the Boston Options Exchange.

The principal office address of Quadravest is 77 King Street West, Suite 4500, Toronto, Ontario M5K 1K7. Quadravest is controlled by Quadravest Inc., which is in turn controlled by S. Wayne Finch.

Duties and Services to be Provided by Quadravest

Pursuant to an agreement between the Company and Quadravest dated October 27, 2010 (the "**Management and Investment Management Agreement**"), Quadravest was appointed to act as the manager of the Company and, as such, has overall responsibility for the business and affairs of the Company and is responsible for providing or arranging for administrative services required by the Company including, without limitation, authorizing the payment of operating expenses incurred on behalf of the Company; preparing financial statements and financial and accounting information as required by the Company; ensuring that shareholders are provided with such financial statements (including semi-annual and annual financial statements) as they have requested and such other reports as are from time to time required by applicable law; ensuring that the Company complies with regulatory requirements and applicable stock exchange listing requirements; preparing the Company's reports to shareholders and the Canadian securities regulatory authorities; determining the amount of dividends to be paid by the Company; and negotiating contractual agreements with third-party providers of services, including registrars, transfer agents, auditors and printers.

Quadravest also acts as the Company's investment manager under the Management and Investment Management Agreement. Quadravest will manage the Company's investment portfolio in a manner consistent with the investment objectives, strategy and restrictions of the Company. Quadravest relies on fundamental analysis in managing equity portfolios, such that it focuses on a company's earnings history, relative price-earnings multiple, cash flow, dividend yield, market position and growth prospects.

The services to be provided by Quadravest as investment manager pursuant to the Management and Investment Management Agreement will include the making of all investment decisions for the Company and managing the Company's covered call option writing in accordance with the investment objectives, strategy and restrictions of the Company. Decisions as to the purchase and sale of securities for the Company and as to the execution of all Portfolio and other transactions will be made by Quadravest. In the purchase and sale of securities for the Company and the writing of options contracts, Quadravest will seek to obtain overall services and prompt execution of orders on favourable terms.

Details of the Management and Investment Management Agreement

Quadravest is required to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of Shareholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent manager and investment manager would exercise in similar circumstances. The Management and Investment Management Agreement provides that Quadravest will

not be liable in any way for any default, failure or defect in or diminution in the value of any of the securities held by the Company if it has satisfied the standard of care, diligence and skill set forth above. Quadravest will incur liability for wilful misconduct, bad faith, negligence or other breach of this standard of care.

Quadravest may resign upon 60 days notice to Shareholders and the Company or such lesser notice as the Company may accept. If Quadravest resigns, it may appoint its successor, but its successor must be approved by Shareholders unless it is an affiliate of Quadravest. If Quadravest commits certain events of bankruptcy or insolvency or is in material breach or default of its obligations under the Management and Investment Management Agreement and such breach or default has not been cured within 30 days after notice of same has been given to Quadravest, the Company shall give notice thereof to Shareholders and the Shareholders may remove Quadravest and appoint a successor or successors as manager and investment manager. Except as described above, Quadravest cannot be terminated as manager or investment manager of the Company.

Quadravest is entitled to fees for its services under the Management and Investment Management Agreement as described under “*Fees and Expenses*” and will be reimbursed for all reasonable costs and expenses incurred by it on behalf of the Company. In addition, Quadravest and each of its directors, officers, employees and agents will be indemnified by the Company from and against all legal fees, judgments and amounts paid in settlement, actually and reasonably incurred by Quadravest or any of its officers, directors, employees or agents in the exercise of its duties as manager and/or investment manager, unless those fees, judgments or amounts paid in settlement were incurred as a result of a breach by Quadravest of the standard of care described above and provided the Company has reasonable grounds to believe that the action or inaction that caused the payment of fee, judgment or amount paid in settlement was in the best interests of the Company.

The services of Quadravest under the Management and Investment Management Agreement are not exclusive and nothing in the Management and Investment Management Agreement prevents Quadravest from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Company) or from engaging in other activities.

Officers and Directors of the Manager

The name and municipality of residence of each of the directors and officers of Quadravest are as set out below.

<u>Name and Municipality of Residence</u>	<u>Office</u>
S. Wayne Finch Brampton, Ontario	Chairman, President, Secretary, Chief Executive Officer, Chief Investment Officer and Director
Laura L. Johnson Oakville, Ontario	Managing Director and Portfolio Manager
Peter F. Cruickshank Brampton, Ontario	Managing Director and Chief Financial Officer

Wayne Finch is the Chairman and Chief Investment Officer of Quadravest. Mr. Finch has over 23 years of experience in designing and managing investment portfolios. Prior to forming Quadravest in 1997, Mr. Finch was Vice-President at another investment management firm where he was a portfolio manager

of a number of publicly traded investment vehicles employing investment strategies similar to those of the Company, and prior to that was a portfolio manager in the treasury operations of a major Canadian trust company where he managed a number of common and preferred share portfolios and mutual funds.

Laura L. Johnson is the Portfolio Manager and Managing Director of Quadrainvest. Ms. Johnson has over 17 years of experience in the financial services industry, including extensive experience with investment products employing investment strategies similar to those of the Company. Prior to forming Quadrainvest with Mr. Finch, Ms. Johnson was employed in the structured finance, equity and fixed income areas at another investment management firm where she worked extensively on investment products.

Peter F. Cruickshank is the Chief Financial Officer and Managing Director of Quadrainvest. Mr. Cruickshank is a chartered accountant who has spent the last 24 years of his career in the investment industry. Prior to joining Quadrainvest, he was a director and the chief financial officer of another investment management firm from 1986 to 1999.

Conflicts of Interest

Quadrainvest is engaged in a variety of investment management, investment advisory and other business activities. The services of Quadrainvest under the Management and Investment Management Agreement are not exclusive and nothing in the Management and Investment Management Agreement prevents Quadrainvest or any of its affiliates from providing similar services to other investment funds and other clients (whether or not their investment objectives, strategies and policies are similar to those of the Company) or from engaging in other activities. Quadrainvest's investment decisions for the Company will be made independently of those made for its other clients and independently of its own investments. However, on occasion, Quadrainvest may make the same investment for the Company and for one or more of its other clients. If the Company and one or more of the other clients of Quadrainvest are engaged in the purchase or sale of the same security, the transactions will be effected on an equitable basis.

Independent Review Committee

As required by NI 81-107, the Company has established an independent review committee ("IRC"). Messrs. Thornhill and Steep, two of the independent directors of the Company, have agreed to serve as members of the IRC, together with Gordon Currie, who acts as the chair of the IRC. Quadrainvest and its affiliates have established a single IRC which is responsible for all of the public investment funds which they manage. None of the members of the IRC own any shares of the Company, Quadrainvest or any service provider to the Company.

William C. Thornhill is currently the President of William C. Thornhill Consulting Inc. Until July 2005, he was the Vice-Chairman of Quadrainvest. Prior to joining Quadrainvest, Mr. Thornhill spent over 30 years in the financial services business and held a number of senior positions at a major Canadian trust company including Executive Vice-President, Products, Senior Vice-President, Finance, and Vice-President, Treasury and Corporate Investments.

John D. Steep is currently the President of S Factor Consulting Inc. Prior to 2002, Mr. Steep spent over 30 years in the financial services business and including as a Senior Vice-President at a major Canadian chartered bank.

Gordon A. M. Currie is the Executive Vice President, Secretary and General Counsel of George Weston Limited, which he joined in 2005. Prior to that, he was the General Counsel of Direct Energy, the North American subsidiary of Centrica plc. Prior to that, he was a partner at Blake, Cassels & Graydon LLP, specializing in securities law, having joined the firm in 1983.

Under NI 81-107, Quadrainvest must refer conflict of interest matters for review or approval to the IRC, and imposes obligations upon Quadrainvest to establish written policies and procedures for dealing with conflict of interest matters, to maintain records in respect of these matters and to provide assistance to the IRC in carrying out its functions. Each of the three executive officers of Quadrainvest work with the IRC in respect of these matters.

The IRC will conduct regular assessments and provide reports to Quadrainvest and to shareholders on an annual basis in respect of its functions. Its initial annual report to shareholders, in respect of its activities on behalf of the Company to November 30, 2010, will be available at the time the annual financial statements of the Company for that fiscal year are made public. This report is required to be filed on SEDAR (the System for Electronic Document Analysis and Retrieval, found at www.sedar.com) and on the Company's website at www.DividendSelect15.com. The Company will provide a copy of this report to securityholders of the Company free of charge upon request to the Company at Investor Relations, Royal Trust Tower, 77 King Street West, P.O. Box 341, Toronto, Ontario M5K 1K7 or by emailing the Company at info@quadrainvest.com.

Members of the IRC currently receive aggregate annual compensation of \$55,000 plus reimbursement of expenses. These fees are apportioned among the various funds for which the IRC acts, including the Company, in Quadrainvest's discretion.

Custodian

Pursuant to an agreement (the "**Custodian Agreement**") to be entered into on or before the closing of this Offering, RBC Dexia Investor Services Trust ("**RBC Dexia**") will be the custodian of the assets of the Company and is also responsible for certain aspects of the day-to-day administration of the Company, including processing retractions, calculating net asset value and maintaining the fund valuation books and records of the Company. The address of RBC Dexia is 155 Wellington Street West, Toronto, Ontario M5V 3L3, Attention: International Investment Products. RBC Dexia will not have any responsibility or liability for any assets of the Company which it does not directly hold or have control over (including through its sub-custodians), including, without limitation, any assets of the Company pledged to a counterparty pursuant to derivatives transactions entered into by the Company, if any. RBC Dexia is entitled to receive fees from the Company and to be reimbursed for all expenses and liabilities which are properly incurred by RBC Dexia in connection with the activities of the Company.

Auditors

The auditors of the Company are PricewaterhouseCoopers LLP, 77 King Street West, Toronto, Ontario, M5K 1G8.

Transfer Agent and Registrar

Pursuant to a Transfer Agent, Registrar and Dividend Disbursing Agent Agreement to be entered into on or before the closing of this Offering, Computershare Investor Services Inc. ("**Computershare**"), at its principal office in Toronto has been appointed the registrar and transfer agent for the Shares.

Promoter

Quadrainvest has taken the initiative in organizing the Company and accordingly is a "promoter" of the Company within the meaning of applicable securities legislation. Quadrainvest will receive fees from the Company and will be entitled to reimbursement of expenses incurred in relation to the Company as described under "*Fees and Expenses*".

CALCULATION OF NET ASSET VALUE

The net asset value of the Company will be calculated by RBC Dexia as of each business day (each, a “**Valuation Date**”) by subtracting the aggregate amount of the Company’s liabilities from its total assets.

The net asset value per Share on any Valuation Date shall be calculated by dividing the net asset value on such Valuation Date by the total number of Shares then issued and outstanding.

Valuation Policies and Procedures of the Company

The Company is required under National Instrument 81-106 *Investment Fund Continuous Disclosure* to calculate its net asset value using “fair value”. The Company’s assets are valued by RBC Dexia in accordance with its usual policies in this regard, which QuadraVest believes will result in a calculation of the fair value of the Company. The following are the valuation principles currently used by RBC Dexia in this regard:

- (a) the value of any cash on hand, on deposit or on call, prepaid expenses, cash dividends declared and interest accrued and not yet received, shall be deemed to be the face amount thereof, unless RBC Dexia determines that any such deposit or call loan is not worth the face amount thereof, in which event the value thereof shall be deemed to be such value as RBC Dexia determines to be the reasonable value thereof;
- (b) the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices on a Valuation Date at such times as RBC Dexia, in its discretion, deems appropriate. Short-term investments including notes and money market instruments shall be valued at cost plus accrued interest;
- (c) the value of any security which is listed on any recognized exchange shall be determined by the sale price at the time of valuation or, if there is no sale price, the average between the bid and the asked price on the day on which the net asset value of the Company is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- (d) the value of any security or other asset for which a market quotation is not readily available shall be its fair market value as determined by RBC Dexia;
- (e) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- (f) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Company shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the net asset value of the Company. The securities, if any, which are the subject of a written clearing corporation option, or over-the-counter option shall be valued at their then current market value; and

- (g) all expenses or liabilities (including fees payable to Quadravest) of the Company shall be calculated on an accrual basis.

The value of any security or property to which, in the opinion of RBC Dexia, the above valuation principles cannot be applied (whether because no price or yield equivalent quotations are available as above provided, or for any other reason) shall be the fair value thereof determined in such manner as RBC Dexia from time to time provides. Quadravest does not have the discretion to require RBC Dexia to deviate from these valuation principles.

For financial statements reporting purposes, the Company is required to follow Canadian generally accepted accounting principles, which include Section 3855 “Financial Instruments – Recognition and Measurement” of the Handbook of the Canadian Institute of Chartered Accountants. This may result in a calculation of a different net asset value for transaction purposes (such as retracting Shares) than for financial statement reporting purposes. The notes to the Company’s financial statements will include a reconciliation of the net asset values calculated for purposes of determining the retraction price of a Share and the net asset values calculated for financial statement reporting purposes.

Reporting of Net Asset Value

The net asset value per Share will be provided by Quadravest to shareholders on request and will be available at any time to Shareholders via the Company’s website at www.DividendSelect15.com.

ATTRIBUTES OF THE SHARES

Description of Shares Distributed in this Offering

The Shares are non-voting, except as required by the provisions of the *Business Corporation Act* (Ontario), NI 81-102 or other applicable law, or the provisions of the Company’s articles of incorporation, as amended. For a summary of the situations in which the holders of the Shares may be entitled to vote, see “*Securityholder Matters – Matters Requiring Securityholder Approval*” below.

The Shares are entitled to such dividends or other distributions as the Board of Directors of the Company may determine, consistent with the policies of the Company in this regard as described under “*Distribution Policy*”. The retraction rights attached to the Shares are described under “*Redemptions and Retractions of Shares*”. Rights on termination of the Company are described under “*Termination of the Company – Payments on Termination*”.

The Shares rank subordinate to the Class B Shares with respect to the repayment of capital on the dissolution, liquidation or winding-up of the Company.

Book-Entry Only System

Registration of interests in and transfers of the Shares will be made only through CDS’ book-entry only system. On the closing of the Offering, the Company will direct that the Shares subscribed for under the Offering be electronically deposited with CDS. Shares must be purchased, transferred and as applicable surrendered for exercise or for retraction or redemption through a CDS Participant. All rights of an owner of Shares must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Shares. Upon the purchase of any Shares, the owner will receive only the customary confirmation. References in this prospectus to a holder of Shares means, unless the context otherwise requires, the owner of the beneficial interest in such securities.

The ability of a beneficial owner of Shares to pledge such securities or otherwise take action with respect to such owner's interest in such securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

An owner of Shares who desires to exercise retraction privileges thereunder must do so by causing a CDS Participant to deliver to CDS (at its office in the City of Toronto) on behalf of the owner a written notice of the owner's intention to retract shares, no later than 5:00 p.m. (Toronto time) on the relevant notice date. An owner who desires to retract Shares should ensure that the CDS Participant is provided with a Retraction Notice sufficiently in advance of the relevant notice date so as to permit the CDS Participant to deliver notice to CDS by the required time. The Retraction Notice will be available from a CDS Participant or Computershare, the Company's transfer agent and registrar. Any expense associated with the preparation and delivery of Retraction Notices will be for the account of the owner exercising the retraction privilege.

By causing a CDS Participant to deliver to CDS a notice of the owner's intention to retract shares, an owner shall be deemed to have irrevocably surrendered his shares for retraction and appointed such CDS Participant to act as his exclusive settlement agent with respect to the exercise of the retraction privilege and the receipt of payment in connection with the settlement of obligations arising from such exercise.

Any retraction notice which CDS determines to be incomplete, not in proper form or not duly executed shall for all purposes be void and of no effect, and the retraction privilege to which it relates shall be considered for all purposes not to have been exercised thereby. A failure by a CDS Participant to exercise retraction privileges or to give effect to the settlement thereof in accordance with the owner's instructions will not give rise to any obligations or liability on the part of the Company to the CDS Participant or the owner.

The Company has the option to terminate registration of the Shares through the book-entry only system, in which case certificates for Shares in fully registered form would be issued to beneficial owners of such shares, or their nominees.

SECURITYHOLDER MATTERS

Meetings of Securityholders

Except as required by law or set out below, holders of Shares will not be entitled to receive notice of, to attend or to vote at any meeting of shareholders of the Company.

Matters Requiring Securityholder Approval

The following matters require the approval of the holders of Shares by a majority vote (other than matters which require approval by a two-thirds majority vote under the *Business Corporations Act* (Ontario)) at a meeting called and held for such purpose:

- (a) a change in the fundamental investment objectives of the Company;
- (b) a change in the investment restrictions of the Company as described under "*Investment Restrictions*";
- (c) any change in the basis of calculating fees or other expenses that are charged to the Company which could result in an increase in charges to the Company;

- (d) the introduction of a fee or expense to be charged to the Company or directly to Shareholders by the Company or Quadravest that could result in an increase in charges to the Company or Shareholders;
- (e) the approval to the appointment of a successor to Quadravest as the manager and investment manager of the Company following its resignation or assignment of the Management and Investment Management Agreement, unless an affiliate is appointed;
- (f) the removal of Quadravest as the manager and investment manager of the Company and the appointment of a successor or successors in the event Quadravest is insolvent, or is in breach or default of its obligations under the Management and Investment Management Agreement and such breach or default is not cured within 30 days of notice of such breach or default being given to Quadravest;
- (g) any other change of the manager of the Company unless an affiliate of Quadravest becomes the manager;
- (h) a decrease in the frequency of calculating the net asset value;
- (i) any merger of the Company for which shareholder approval under NI 81-102 would be required;
- (j) any change to the Termination Date except as provided under “*Termination of the Company – Early Termination*”;
- (k) an amendment, modification or variation in the provisions or rights attaching to the Shares or Class B Shares; and
- (l) any other matter for which the approval of the holders of the Shares is required under the provisions of the *Business Corporations Act* (Ontario) or NI 81-102, each as amended from time to time.

Each Share will have one vote at such a meeting. Ten per cent of the outstanding Shares represented in person or by proxy at the meeting will constitute a quorum. If no quorum is present, the holders of Shares then present will constitute a quorum at an adjourned meeting.

Reporting to Securityholders

The Company will deliver (or, to the extent permitted by law, make available) to each Shareholder annual and semi-annual financial statements of the Company and an annual and semi-annual management report of fund performance.

TERMINATION OF THE COMPANY

The articles of incorporation of the Company, as amended, provide that the Company will terminate on December 1, 2017 (the “Termination Date”). Except as provided under “–Early Termination” below, any decision to change the Termination Date requires the approval of Shareholders. See “*Securityholder Matters – Matters Requiring Securityholder Approval*”.

Payments on the Termination Date

All Shares outstanding on the Termination Date will be redeemed by the Company on such date. Immediately prior to the Termination Date, the Company will, to the extent possible, convert the common shares of the Portfolio Companies or other assets of the Company to cash and pay or make provision for all of the Company's liabilities and will return to the holder of Class B Shares its aggregate initial investment amount of \$20.00 (\$0.02 per Class B Share). The Company will thereafter distribute to holders of the Shares, the remaining assets of the Company, if any, as soon as practicable after the Termination Date.

Early Termination

The Company will be terminated prior to the Termination Date if the Shares are delisted by the TSX or if notice of an impending delisting is received from the TSX, or if the net asset value of the Company declines to less than \$5,000,000, a level Quadravest views as constituting the Company uneconomic to maintain. This would protect investors from retaining an investment the assets of which were insufficient from a cost and efficiency standpoint for it to continue as an effective investment option. On any such early termination, each Shareholder would receive its pro rata share of the net asset value of the Company at the date of termination.

USE OF PROCEEDS

The net proceeds from the issue of the Shares offered hereby (after payment of the Agents' fee and expenses of the issue) are estimated to be \$18,650,000 (assuming the minimum Offering) and \$236,375,000 (assuming the maximum Offering and assuming in each case that the Over-Allotment Option (as defined under "*Plan of Distribution*" below) is not exercised). These net proceeds will be used to invest in the Portfolio Companies in accordance with the investment objectives, strategy and restrictions of the Company as described under "*Investment Objectives*", "*Investment Strategies*", and "*Investment Restrictions*".

The proceeds of the Offering (assuming the Over-Allotment Option is not exercised) will be as follows:

	<u>Minimum Offering</u>	<u>Maximum Offering</u>
Gross proceeds to the Company	\$20,000,000	\$250,000,000
Agents' fees	\$1,050,000	\$13,125,000
Expenses of Issue ⁽¹⁾	\$300,000	\$500,000
Net proceeds to the Company	\$18,650,000	\$236,375,000

(1) The maximum expenses of the Offering to be borne by the Company are equal to 1.5% of the gross proceeds of the Offering.

PLAN OF DISTRIBUTION

Pursuant to an agreement dated as of October 27, 2010 (the "**Agency Agreement**") between Quadravest, the Company and Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Raymond James Ltd., Canaccord Genuity Corp., Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Manulife Securities Incorporated (the "**Agents**"), the Agents have agreed to offer the Shares for sale, as agents of the Company, on a best efforts basis, if, as and when issued by the Company. The offering prices for the

Shares were established by negotiation between the Company and the Agents. The Agents will receive a fee equal to \$0.525 (5.25%) for each Share sold and will be reimbursed for out of pocket expenses incurred. The Agents may form a sub-agency group including other qualified investment dealers and determine the fee payable to the members of such group, which fee will be paid by the Agents out of their fee. While the Agents have agreed to use their best efforts to sell the Shares offered under this prospectus, the Agents will not be obligated to purchase Shares which are not sold.

The Company has granted the Agents an option (the “**Over-Allotment Option**”) to offer up to 3,750,000 additional Shares, which additional Shares are qualified for sale under this prospectus. A purchaser who acquires Shares forming part of the Over-Allotment Option acquires those shares under this prospectus, regardless of whether the over-allotment position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases. The Agents may exercise the Over-Allotment Option in whole or in part at any time on or before the close of business on the 30th day following the closing of the Offering and, to the extent the Over-Allotment Option is exercised, the additional Shares will be offered by the Agents at the offering price under this prospectus and the Agents will be entitled to receive a fee of \$0.525 (5.25%) for each Share sold.

In the event that the minimum amount is not obtained, and the closing does not occur, subscription proceeds received from prospective purchasers will be returned promptly without interest or deduction. Under the terms of the Agency Agreement, the Agents may, at their discretion on the basis of their assessment of the state of the financial markets and upon the occurrence of certain stated events, terminate the Agency Agreement. Subscriptions for Shares will be received subject to rejection or allotment in whole or in part. The right is reserved to close the subscription books at any time without notice. Closing is expected to occur on November 18, 2010, but in any event no later than November 30, 2010.

The Shares have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the U.S. Securities Act. The Agents have agreed that, except as permitted by the Agency Agreement, they will not offer or sell the Shares within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Pursuant to policy statements of certain securities regulators, the Agents may not, throughout the period of distribution, bid for or purchase Shares. The foregoing restriction is subject to certain exceptions, on the conditions that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the Shares. Such exceptions include a bid or purchase permitted under applicable by-laws and rules of the relevant self-regulatory authorities relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with the Offering, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Shares at levels other than those which might otherwise prevail on the open market. Such transactions, if commenced, may be discontinued at any time.

PRINCIPAL HOLDERS OF SECURITIES OF THE COMPANY

Only Class B Shares have currently been issued by the Company. The Class B Shares do not pay dividends. The holder of the Class B Shares will be entitled to one vote per share. The Class B Shares are retractable at a price of \$0.02 per share and have a liquidation entitlement of \$0.02 per share. The

Class B Shares rank prior to the Shares with respect to such nominal liquidation entitlement on the dissolution, liquidation or winding-up of the Company.

Dividend Select 15 Holding Trust (the “**Holding Trust**”), an Ontario trust of which S. Wayne Finch is the trustee, owns all of the issued and outstanding Class B Shares of the Company. S. Wayne Finch is the trustee of the Holding Trust and the beneficiaries of the Holding Trust are the holders of the Shares outstanding from time to time. The Class B Shares will be held in escrow by RBC Dexia pursuant to an agreement to be entered into on or before Closing (the “**Escrow Agreement**”) between the Holding Trust, RBC Dexia and the Company and will not be disposed of or dealt with in any manner until all the Shares have been retracted or redeemed, except in certain circumstances contemplated by the Escrow Agreement.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Quadravest will receive the fees described under “*Fees and Expenses*” for its services to the Company and will be reimbursed by the Company for all expenses incurred in connection with the operation and administration of the Company.

PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

Under the proxy voting policies and procedures adopted by the Company, Quadravest is required to vote (or decide to refrain from voting) all common shares of the Portfolio Companies or other voting securities of the Company in accordance with its best judgement in this regard; provided that Quadravest receives the proxy and related materials from the issuer or otherwise in sufficient time to cast such vote. Quadravest will consider each such proposal on its merits in light of the best interests of the Company and its shareholders. In order to aid in the evaluation process for each proxy proposal, Quadravest subscribes to the research services of Institutional Shareholder Services, a leading provider of proxy analysis and recommendations.

Where RBC Dexia as custodian must vote such securities in accordance with the instructions of Quadravest in this regard, Quadravest shall ensure that instructions are provided to RBC Dexia in accordance with its corporate action requirements in this regard.

Quadravest will maintain a proxy voting record which includes, each time the Company receives proxy voting materials, the name of the issuer in question; the stock exchange on which the securities are listed and the ticker symbol for such securities; the CUSIP number for the securities; the meeting date and whether the meeting was called by management or otherwise; a brief identification of the matters to be voted on at the meeting; whether, and if so how, the Company voted on such matters; and whether the votes cast by the Company were for or against the recommendations of management of the issuer.

The Company prepares by August 31 in each year a proxy voting record for the one-year period ending on June 30 of that year, and posts such record on its website. Upon request made by a shareholder by calling 1-877-478-2372 or writing to the Company at Investor Relations, Royal Trust Tower, 77 King Street West, P.O. Box 341, Toronto, Ontario M5K 1K7, the Company will deliver a copy of its most recent proxy voting record, or a copy of its policies and procedures with respect to proxy voting, to such shareholder without charge.

MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Shares:

- (a) the articles of incorporation of the Company, as amended, described under “*Overview of the Legal Structure of the Company*”;
- (b) the Management and Investment Management Agreement, described under “*Organization and Management Details of the Company – Manager and Investment Manager*”;
- (c) the Agency Agreement, described under “*Plan of Distribution*”;
- (d) the Recirculation Agreement, referred to under “*Redemption of Securities – Resale of Shares Tendered for Retraction or Redemption*”;
- (e) the Escrow Agreement, referred to under “*Principal Holders of Securities of the Company*”; and
- (f) the Custodian Agreement referred to under “*Organization and Management Details of the Company – Custodian*”.

Copies of the foregoing agreements, after they have been signed, may be inspected during business hours at the principal office of the Company during the course of distribution of the Shares offered under this prospectus.

EXPERTS

The following is a list of the persons or companies who have prepared or certified a report, statement or opinion in this prospectus:

- (a) Blake, Cassels & Graydon LLP, counsel to the Company;
- (b) Osler, Hoskin & Harcourt LLP, counsel to the Agents; and
- (c) PricewaterhouseCoopers LLP, the auditors of the Company.

One of the directors of the Company is a partner at Blake, Cassels & Graydon LLP. The Company’s auditors are PricewaterhouseCoopers LLP, who have prepared an independent auditors’ report dated October 27, 2010 in respect of the Company’s financial statement as at October 27, 2010. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

EXEMPTIONS AND APPROVALS

The Company has been exempted from certain of the provisions of NI 81-102 so as to permit the Company to conduct its operations as disclosed in this prospectus.

LEGAL OPINIONS

The matters referred to under “*Income Tax Considerations*” and certain other legal matters relating to the securities offered hereby will be passed upon by Blake, Cassels & Graydon LLP, on behalf of the Company, and Osler, Hoskin & Harcourt LLP, on behalf of the Agents.

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in several of the provinces of Canada provides a purchaser with the right to withdraw from an agreement to purchase mutual fund securities within two business days after receipt or deemed receipt of a prospectus and any amendment or within 48 hours after receipt of a confirmation of a purchase of such securities. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions to the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided such remedies for rescission, revision of price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the prospectus of Dividend Select 15 Corp. (the "**Company**") dated October 27, 2010 relating to the offering of up to 25,000,000 Shares. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the inclusion in the above-mentioned prospectus of our report to the Board of Directors of the Company on the statement of financial position of the Company as at October 27, 2010. Our report is dated October 27, 2010.

Toronto, Ontario
October 27, 2010

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

AUDITORS' REPORT

To the Board of Directors of Dividend Select 15 Corp.:

We have audited the statement of financial position of Dividend Select 15 Corp. (the “**Company**”) as at October 27, 2010. This statement of financial position is the responsibility of the Company’s management. Our responsibility is to express an opinion on this statement of financial position based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, this statement of financial position presents fairly, in all material respects, the financial position of the Company as at October 27, 2010 in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
October 27, 2010

(Signed) PricewaterhouseCoopers LLP
Chartered Accountants, Licensed Public Accountants

DIVIDEND SELECT 15 CORP.
STATEMENT OF FINANCIAL POSITION
OCTOBER 27, 2010

ASSETS	
Cash	\$20.00
SHAREHOLDER'S EQUITY	
Class B Shares (1,000 shares) (Note 1)	\$20.00

Approved by the Board of Directors:

(Signed) S. Wayne Finch
Director

(Signed) Peter F. Cruickshank
Director

The accompanying notes are an integral part of this statement of financial position

DIVIDEND SELECT 15 CORP.

NOTES TO STATEMENT OF FINANCIAL POSITION

As at October 27, 2010

1. ORGANIZATION AND SHARE CAPITAL

Dividend Select 15 Corp. (the “**Company**”) was established under the laws of the Province of Ontario by certificate and articles of incorporation dated August 26, 2010, as amended October 27, 2010.

The Company is authorized to issue an unlimited number of non-voting equity Shares (“**Shares**”) and 1,000 Class B Shares. On September 17, 2010, the Company issued 1,000 Class B Shares for \$20.00 cash. On the closing of the offering made under the prospectus referred to in Note 2, such shares will be held by Dividend Select 15 Holding Trust, an Ontario trust of which S. Wayne Finch is the trustee. The beneficiaries of Dividend Select 15 Holding Trust are the holders of the Shares outstanding from time to time.

2. AGENCY AND CUSTODIAN AGREEMENTS

The Company has engaged Scotia Capital Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., National Bank Financial Inc., TD Securities Inc., HSBC Securities (Canada) Inc., Raymond James Ltd., Canaccord Genuity Corp., Dundee Securities Corporation, Macquarie Capital Markets Canada Ltd., Wellington West Capital Markets Inc., Desjardins Securities Inc. and Manulife Securities Incorporated to offer the Shares for sale to the public pursuant to a prospectus dated October 27, 2010.

The Company will retain RBC Dexia Investor Services Trust (the “**Custodian**”) under a custody agreement to act as custodian of the assets of the Company and to be responsible for certain aspects of the Company’s day-to-day operations. In consideration for the services provided by the Custodian, the Company will pay the Custodian a monthly fee as set out in the custody agreement.

3. MANAGEMENT AND INVESTMENT MANAGEMENT AGREEMENT

The Company has retained Quadravest Capital Management Inc. (“**Quadravest**”) under a management and investment management agreement dated as of October 27, 2010 to act as the manager and investment manager of the Company. Pursuant to such agreement, Quadravest is entitled to a management fee at an annual rate equal to 0.75% of the Company’s net asset value calculated as at the last Valuation Date in each month, plus an amount equal to the service fee (the “**Service Fee**”) of 0.40% payable to dealers, together with applicable taxes.

The Company will pay to Quadravest an amount equal to the Service Fee, to be paid by Quadravest to each registered dealer whose clients hold Shares. The Service Fee will be calculated and paid at the end of each calendar quarter and will be equal to 0.40% annually of the value of the Shares held by clients of the dealer, plus applicable taxes.

CERTIFICATES OF THE COMPANY, THE MANAGER AND THE PROMOTER

Dated: October 27, 2010

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the Provinces of Canada.

DIVIDEND SELECT 15 CORP.

(Signed) S. WAYNE FINCH
President and Chief Executive Officer

(Signed) PETER F. CRUICKSHANK
Chief Financial Officer

On behalf of the Board of Directors

(Signed) LAURA L. JOHNSON
Director

(Signed) WILLIAM C. THORNHILL
Director

QUADRAVEST CAPITAL MANAGEMENT INC.
As Manager and Promoter

(Signed) S. WAYNE FINCH
President and Chief Executive Officer

(Signed) PETER F. CRUICKSHANK
Chief Financial Officer

On behalf of the Board of Directors

(Signed) S. WAYNE FINCH
Director

(Signed) LAURA L. JOHNSON
Director

(Signed) PETER F. CRUICKSHANK
Director

CERTIFICATE OF THE AGENTS

Dated: October 27, 2010

To the best of our knowledge, information and belief, this prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the Provinces of Canada.

SCOTIA CAPITAL INC.

(Signed) BRIAN D. MCCHESENEY

**CIBC WORLD
MARKETS INC.**

(Signed) SCOTT SMITH

**RBC DOMINION
SECURITIES INC.**

(Signed) EDWARD V. JACKSON

**BMO NESBITT
BURNS INC.**

(Signed) ROBIN TESSIER

**NATIONAL BANK
FINANCIAL INC.**

(Signed) TIMOTHY EVANS

TD SECURITIES INC.

(Signed) CAMERON
GOODNOUGH

**HSBC SECURITIES
(CANADA) INC.**

(Signed) BRENT LARKAN

RAYMOND JAMES LTD.

(Signed) J. GRAHAM FELL

**CANACCORD
GENUITY CORP.**

(Signed) RON SEDRAN

**DUNDEE
SECURITIES
CORPORATION**

(Signed) HAROLD M.
WOLKIN

**MACQUARIE
CAPITAL
MARKETS
CANADA LTD.**

(Signed) RAY SAWIKI

**WELLINGTON
WEST CAPITAL
MARKETS INC.**

(Signed) SCOTT D.
LARIN

**DESJARDINS
SECURITIES INC.**

(Signed) BETH SHAW

**MANULIFE
SECURITIES
INCORPORATED**

(Signed) WILLIAM PORTER

Dividend Select

