
DIVIDEND SELECT 15 CORP.
ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE
NOVEMBER 30, 2018

This is the annual Management Report of Fund Performance (MRFP) for the year ended November 30, 2018. This MRFP contains financial highlights but does not contain the complete financial statements of the Company. The annual financial statements and accompanying notes are attached to this report.

Investors may also obtain a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by visiting our website at www.dividendselect15.com or by writing to the Company at Investor Relations, 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2.

These reports are available to view and download at www.dividendselect15.com or www.sedar.com.

INVESTMENT OBJECTIVES AND STRATEGIES

The Company invests in a portfolio of dividend yielding common shares which will include 15 of the 20 Canadian companies listed below:

Bank of Montreal	Power Corporation of Canada
BCE Inc.	Royal Bank of Canada
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.
Loblaw Companies Ltd.	TransAlta Corporation
National Bank of Canada	TransCanada Corporation

The selection of the 15 portfolio companies from among the portfolio universe listed above will be made by the Company's investment manager, Quadravest Capital Management Inc. ("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. In order to supplement the dividends received on the portfolio and to reduce risk, the Company will employ an active covered call writing program.

Investment Objectives

The Company's objectives are to provide Equity shareholders with:

- (i) monthly cash distributions, currently targeted to be at a rate of 10% annualized based on the volume weighted average market price of the Equity shares for the last three trading days of the preceding month; and
 - (ii) the opportunity for capital appreciation.
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RISK

The risks of investing in the Company remain as discussed in the Annual Information Form dated February 25, 2019. In addition, note 5 of the annual financial statements ("Management of Risk of Financial Instruments") contains disclosure on specific types of risks related to the financial investments held by the Company.

RESULTS OF OPERATIONS

The year ended November 30, 2018 was characterized by a myriad of factors which conspired to produce lower Canadian equity markets.

The Bank of Canada raised interest rates 3 times during the fiscal year, and signaled further interest rate increases, which created a significant headwind for equity markets. Simultaneously, the yield curve flattened during the year, putting increasing pressure on net interest margins and investment income for banks and life insurance companies. During the year, extremely low Western Canadian crude oil prices have had an adverse impact on the Canadian economy, resulting in lower exports and national income. A new Canada-United States-Mexico Agreement in October 2018 finally alleviated some of the trade-related market uncertainties experienced earlier in the year; however, ongoing trade tensions between the U.S. and China and growing concerns of a global economic slowdown contributed to a softening of Canadian markets towards the end of the year. Notwithstanding these developments, the Canadian economy posted reasonable economic growth with unemployment levels at a 40-year low.

Against this backdrop, most of the companies in the portfolio were generally flat to down during the year. The core portfolio companies continue to rank among the highest dividend yielding companies in the S&P TSX 60 and most of these companies have exhibited consistent dividend growth, which should continue to make them relatively attractive investments in the current market environment.

The net assets finished the year at \$7.36 per Equity share as at November 30, 2018, after the payment of \$0.83 in distributions. Total distributions of \$6.36 have been paid since inception.

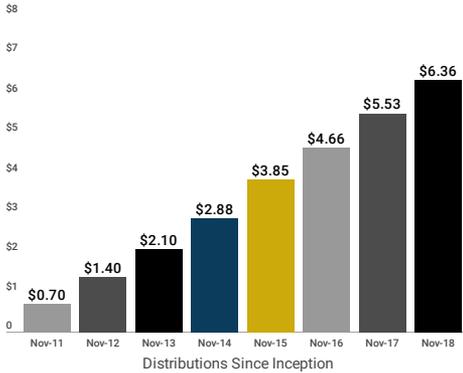
On March 21, 2018 the Company completed a secondary offering of 914,000 Equity shares for net proceeds of \$7.4 million (gross proceeds of \$7.8 million). The issuance of shares was accretive to existing shareholders.

Net assets of the Company finished the year at \$72.7 million.

The covered call writing program continued to provide additional income and supplemented the dividend income earned in the portfolio.

Equity shares - Distributions

Total distributions during the year amounted to \$0.8306.



6.36

Cumulative total of distributions paid since inception

RECENT DEVELOPMENTS

There were no developments during the year.

RELATED PARTY TRANSACTIONS

Quadravest as investment manager and manager earns fees from the Company as described below in the Management Fees section.

FINANCIAL HIGHLIGHTS

The following tables show selected financial information about the Company and are intended to help you understand the Company's financial performance for the past five years. This information is derived from the Company's annual financial statements and previous audited annual financial statements. The information in the following table is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing net assets per Equity share.

The Company's net assets per Equity share

	Years ended November 30				
	2018	2017	2016	2015	2014
Net assets per Equity share, beginning of year ⁽¹⁾	8.50	8.69	8.49	9.97	9.74
Increase (decrease) from operations					
Total revenue	0.31	0.31	0.33	0.34	0.34
Total expenses	(0.12)	(0.15)	(0.14)	(0.15)	(0.16)
Realized gains for the year	0.11	0.21	0.05	0.25	0.44
Unrealized gains (losses) for the year	(0.60)	0.32	0.75	(0.98)	0.39
Total increase (decrease) from operations ⁽²⁾	<u>(0.30)</u>	<u>0.69</u>	<u>0.99</u>	<u>(0.54)</u>	<u>1.01</u>
Distributions ⁽³⁾					
Canadian dividends	(0.73)	(0.66)	(0.76)	(0.98)	(0.35)
Capital gains dividends	(0.10)	(0.21)	(0.05)	-	(0.43)
Total distributions	<u>(0.83)</u>	<u>(0.87)</u>	<u>(0.81)</u>	<u>(0.98)</u>	<u>(0.78)</u>
Net assets per Equity share, end of year	<u>7.36</u>	<u>8.50</u>	<u>8.69</u>	<u>8.49</u>	<u>9.97</u>

- (1) Net assets per Equity share is the difference between the aggregate amount of the assets of the Company and the aggregate amount of the liabilities of the Company on that date divided by the number of Equity shares then outstanding.
- (2) Total increase (decrease) from operations is calculated based on the weighted average number of Equity shares outstanding during the year.
- (3) Distributions on the Equity shares are based on the number of Equity shares outstanding on the record date for each distribution in the year and were paid in cash. Characterization of distributions is based on the tax treatment that is received by investors.

RATIOS AND SUPPLEMENTAL DATA (BASED ON NET ASSET VALUE)

	┌ 2018	Years ended November 30			┐ 2014
	2018	2017	2016	2015	2014
Net asset value (millions) ⁽¹⁾	\$72.7	\$76.3	\$78.8	\$80.3	\$77.3
Number of Equity shares outstanding	9,883,588	8,969,588	9,071,688	9,455,088	7,755,088
Base Management expense ratio ⁽²⁾	1.47%	1.71%	1.59%	1.63%	1.56%
Management expense ratio including one time offering expenses ⁽³⁾	2.04%	1.71%	1.59%	2.72%	1.65%
Portfolio turnover rate ⁽⁴⁾	7.84%	13.97%	2.44%	17.2%	36.80%
Trading expense ratio ⁽⁵⁾	0.03%	0.04%	0.04%	0.03%	0.04%
Closing market price (TSX):	\$7.08	\$8.71	\$8.63	\$8.62	\$10.33

(1) This information is provided as at November 30.

(2) A separate base management expense ratio has been presented to reflect the normal operating expenses of the Company excluding any one time offering expenses. Management expense ratio is based on total expenses for the stated year and is expressed as an annualized percentage of average net asset value during the year.

(3) Share issue expenses, representing all Agents' fees and other offering expenses are one time initial expenses connected with the launch of the Company or any subsequent secondary offering. Any expenses incurred with secondary offerings were offset by the accretion to net assets per share of such offerings.

(4) The Company's portfolio turnover rate indicates how actively Quadravest manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The Company employs a covered call writing strategy which can cause the portfolio turnover rate to be higher than conventional mutual funds. The higher the Company's portfolio turnover rate in a year, the greater the trading costs payable by the Company in the year and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Company.

(5) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net asset value during the year.

MANAGEMENT FEES

Pursuant to the management and investment management agreement, Quadravest is entitled to a management fee at an annual rate equal to 1.10% of the Company's net asset value calculated as at the month-end valuation date, out of which a service fee of 0.40% will be paid by Quadravest to dealers.

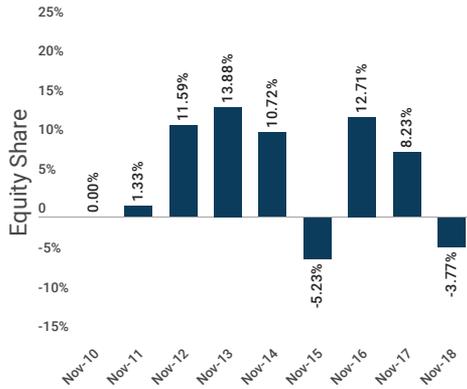
The management fee was used by Quadravest to provide investment analysis, make investment decisions, make brokerage arrangements for the purchase and sale of securities including the covered call writing program and to provide or arrange administrative services required by the Company which includes all operational services, financial accounting, shareholder reporting and regulatory reporting.

PAST PERFORMANCE

Year-by-Year Returns

The past performance of an Equity share since inception is presented in the bar charts below. Each bar in the chart reflects the change in percentage terms of how an Equity share would have increased or decreased during the applicable year. In respect to the charts displayed below, please note the following:

- The performance information shown assumes that all cash distributions made by the Company during the years shown were reinvested in the applicable additional securities of the Company;
- The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and
- Past performance of the Company does not necessarily indicate how it will perform in the future.



⁽¹⁾ The return for the year ended November 30, 2010 is for the initial period from November 18, 2010 to November 30, 2010.

ANNUAL COMPOUND PERFORMANCE

The following table shows the Company's annual compound return for the one, three and five years ended November 30, 2018 and since inception:

	One year	Three years	Five years	Since inception
Equity shares	-3.77%	5.49%	4.26%	5.98%

MARKET INDICES

S&P TSX 60 ⁽¹⁾	-1.05%	8.10%	6.57%	5.73%
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- (1) As a result of the Company being limited to a specific universe of stocks and that a covered call writing program is implemented to generate additional income, the investment profile of the Company is quite unique and any comparisons with any other external market indices may not be appropriate.

SUMMARY OF INVESTMENT PORTFOLIO

All holdings as at November 30, 2018

Name	Weighting (%)
Toronto-Dominion Bank	8.9
Canadian Imperial Bank of Commerce	8.9
Royal Bank of Canada	8.6
Sun Life Financial Inc.	7.8
Bank of Nova Scotia	7.7
BCE Inc.	7.2
Enbridge Inc.	7.1
TransCanada Corporation	6.6
National Bank of Canada	6.3
Thomson Reuters Corporation	6.3
TELUS Corporation	5.2
Power Corporation of Canada	5.1
Husky Energy Inc.	3.7
CI Financial Corp.	3.7
TransAlta Corporation	1.8
Total long positions as a percentage of net assets	94.9
Cash	5.9
Other net assets (liabilities)	(0.8)
	100.0

The summary of investment portfolio may change due to ongoing portfolio transactions of the Company. Updates are available quarterly.

DIVIDEND SELECT 15 CORP.**MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING**

The financial statements of Dividend Select 15 Corp. (the "Company") have been prepared by Quadravest Capital Management Inc. (the "Manager" of the Company) and approved by the Board of Directors of the Company. The Manager is responsible for the information and representations contained in these financial statements and the other sections of the annual report.

The Manager maintains appropriate procedures to ensure that relevant and reliable financial information is produced. Statements have been prepared in accordance with International Financial Reporting Standards. The significant accounting policies applicable to the Company are described in note 3 to the financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Manager with the approval of the Board of Directors of the Company has appointed PricewaterhouseCoopers LLP as the external auditor of the Company. They have audited the financial statements of the Company in accordance with Canadian generally accepted auditing standards to enable them to express to shareholders their opinion on the financial statements. The auditor has full and unrestricted access to the Audit Committee to discuss its findings.

**WAYNE FINCH**

Chief Executive Officer, President and Director
Quadravest Capital Management Inc.

**SILVIA GOMES**

Chief Financial Officer
Quadravest Capital Management Inc.