



UPDATE

Canadian Life Companies Split Corp is an Investment Corporation designed to pay monthly cash dividends. The Corporation invests in a diversified, high quality portfolio consisting of four Canadian Life Insurance companies. Two types of shares are available, a Class A and a Preferred.

Objectives

Preferred Shares (TSX: LFE.PR.A):

(i) to provide holders of the Preferred Shares with fixed, cumulative preferential monthly cash dividends in the amount of \$0.04375 per Preferred Share to yield **5.25% per annum** on the original issue price; and (ii) on or about December 1, 2012 (termination date), to pay the holders of the Preferred Shares the original issue price of those shares.

Class A Shares (TSX: LFE):

(i) to provide holders of the Class A Shares with regular monthly cash dividends initially targeted to be \$0.10 per Class A Share to yield **8.0% per annum** on the original issue price; and (ii) on or about December 1, 2012 (termination date), to pay the holders of Class A Shares at least the original issue price of those shares.

Distributions

	LFE	LFE.PR.A	Total
Total to Date	\$0.80	\$0.3695	\$1.1695
2005 YTD	\$0.80	\$0.3695*	\$1.1695

*Initial distribution for the period Apr 18/05 to May 31/05.

Commentary

Manulife (TSX: MFC) reported 3rd quarter results on November 3, 2005 with a 5% increase in net income over a year earlier. Premiums and deposits hit record levels in the quarter. In addition, MFC had strong wealth management sales. Q3 was a solid quarter for Manulife despite some Hurricane (Katrina) related charges. GWO (TSX: GWO) reported 3rd quarter results on November 2, 2005 with solid operating results in the quarter. Net income was \$421 M which was an increase over the period a year earlier. Canadian operations continue to outperform while the U.S. operations show signs of improvement. Industrial Alliance (TSX: IAG) reported 3rd quarter results on November 2, 2005 with good operating results in the quarter. Premium and deposits were up 33% over the same period last year. IAG raised its annual dividend to \$0.56 per share, up 12% from \$0.50 per share last quarter. IAG has made an offer to buy Clarington Corp. (TSX: CFI) for \$15.00. CIBC (TSX: CM) reported 4th quarter results on December 1, 2005 in line with expectations. It was a solid quarter with positive retail contributions, trading revenues and expected loan losses. The bank also strengthened its balance sheet to 8.5% Tier 1 ratio. Royal Bank (TSX: RY) reported solid 4th quarter results on November 30, 2005. Personal and business banking showed solid volume growth and good expense controls. Bank of Montreal (TSX: BMO) reported 4th quarter results on November 29, 2005 with strength in banking and wealth management. Earnings were up 20% from 4th quarter a year ago. Higher net income, return of equity, productivity ratio and lower expense ratio all contributed to year over year improved results. Bank of Nova Scotia (TSX: BNS) reported 4th quarter results on November 29, 2005 in line with expectations. Solid revenue growth was tempered slightly by the currency exposure and higher expenses. TD Bank (TSX: TD) reported 4th quarter results on November 24, 2005 in line with expectations. Personal and commercial business reported strong earnings which were up 16% in the quarter. Wealth business had a solid quarter over the same period last year posting results of 116% compared to 4th quarter last year. Assets under administration grew, increase in trades per day, and strong growth in asset management.

All of the above companies are holdings of Canadian Life Companies Split.

Details

Gross Proceeds:	\$207,551,950
Units Issued:	8,302,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$25.68 (Dec 30/05)
Cash Weighting:	11%
Canadian Equity Weighting:	89%
LFE.PR.A Issue Price	\$10.00
Trading Price:	\$11.15 (Dec 30/05)
Current Yield:	4.7% annually
LFE Issue Price:	\$15.00
Trading Price:	\$16.48 (Dec 30/05)
Current Yield:	7.3% annually

Holdings Sorted By Weight Symbol

Sun Life Financial	SLF
Great-West Lifeco	GWO
Manulife Financial	MFC
Canadian Imperial Bank of Commerce	CM

Weightings subject to change at any time.