



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	\$0.20	\$0.1070	\$0.3070
2005 YTD	\$0.20	\$0.1070	\$0.3070

**For the period Apr 18/05 to May 31/05 (initial distribution)*

Commentary

Canadian Life Companies Split closed on April 18, 2005 with gross aggregate proceeds of \$207,551,950. The managers of the fund have actively invested the cash in the select four names: Manulife Financial, Sun Life Financial, Great-West Life and Industrial Alliance.

Manulife (MFC-T) reported 1st quarter results on May 5 2005. MFC reported record first quarter results with an 88% increase in shareholders' net income. MFC maintains a good strategic position in North America. There was overall strength in U.S Wealth Management, Japan and Canada. MFC raised its quarterly dividend to \$0.30 per share, up 15.3% from \$0.26 per share last quarter. MFC has raised the dividends 42% over the last two years.

Canadian Life Companies Split declared its regular monthly distribution on June 20th (for record date June 30, 2005) at the amount of \$0.10 for each Class A share and \$0.04375 for each Preferred share.

Details

Gross Proceeds:	\$207,551,950
Units Issued:	8,302,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$24.08 (Jun 30/05)
Cash Weighting:	11%
Canadian Equity Weighting:	89%
LFE.PR.A Issue Price	\$10.00
Trading Price:	\$10.85 (Jun 30/05)
Current Yield:	4.8% annually
LFE Issue Price:	\$15.00
Trading Price:	\$15.75 (Jun 30/05)
Current Yield:	7.6% annually

Holdings Sorted By Weight Symbol

Manulife Financial	MFC
Great-West Lifeco	GWO
Sun Life Financial	SLF
Toronto-Dominion Bank	TD

Weightings subject to change at any time.