



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 (by record date)

	LFE	LFE.PR.A	Total
Total to Date	\$1.10	\$0.5008	\$1.6008
2006 YTD	\$0.30	\$0.1313	\$0.4313
2005	\$0.80	\$0.3695*	\$1.1695

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

Commentary

Manulife (TSX: MFC) reported 4th quarter results on Feb 9, 2006 with EPS of \$1.13 versus \$0.98 cents during the same period last year. Steady earnings in Canada, strong U.S. operations and a growing Asian platform were contributing factors to the positive earning results and should continue to be a driving force for MFC. MFC increased their dividend by 17% to \$1.40 per share annually.

Sun Life Financial Inc. (TSX: SLF) reported 4th quarter results ending Dec 31, 2006 with a 13% increase in earnings over a year earlier. This quarter marked SLF's 5th consecutive year of increased earnings since going public 5 years ago. Results were driven by strong performance in Canada and the U.S. operations. SLF continued to repurchase shares and in the fourth quarter purchased 1.8 million shares. SLF also announced an 8% dividend increase.

Industrial Alliance (TSX: IAG) reported 4th quarter results in February with operating earnings up to \$0.60 with the growth coming from the wealth management and group pensions areas. IAG closed its purchase of Clarington in January 2006. IAG has executed a number of successful acquisitions and the integration of Clarington should be relatively smooth as there is little operational overlap.

GWO (TSX: GWO) reported 4th quarter results on Feb 16, 2006 with results in line with expectations. GWO raised its quarterly dividend by 6.5% or to \$0.22375 per share.

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:	\$26.27 (Mar 31/06)
Cash Weighting:	18%
Canadian Equity Weighting:	82%
LFE.PR.A Issue Price	\$10.00
Trading Price:	\$11.05 (Mar 31/06)
Current Yield:	4.8% annually
LFE Issue Price:	\$15.00
Trading Price:	\$16.75 (Mar 31/06)
Current Yield:	7.2% annually

Core Holdings By Weight

Symbol

Sun Life Financial	SLF
Manulife Financial	MFC
Great-West Lifeco	GWO
Industrial Alliance	IAG

Weightings subject to change at any time.