

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

Distributions (by record date)

	LFE	LFE.PR.A	Total
Total to Date	\$4.30	\$2.1633	\$6.4633
2009 YTD	\$0.00	\$0.2188	\$0.2188
2008	\$1.10	\$0.5250	\$1.6250
2007	\$1.20	\$0.5250	\$1.7250
2006	\$1.20	\$0.5250	\$1.7250
2005	\$0.80	\$0.3695*	\$1.1695

*Initial distribution for the period Apr 18/05 to May31/05.

Commentary

Most major equity market indices extended the rally which began during the first week of March. Gains made in May seemed to reinforce market conviction that equities had become too oversold and that the worst outcomes that were being discounted into the markets earlier in the year would not come to fruition. May's market gains combined with the advance made in March have lifted the broad based North American market indices anywhere from 25 to 40% higher than the March lows.

Although economic conditions continue to remain difficult, it appears the cumulative efforts of governments around the world to stabilize the financial system have gained some traction. Confidence in the ability of the financial system to improve increased during the month as more details of the government stabilization efforts were released. First quarter financial results from major North American companies were for the most part better than analyst expectations which helped share prices and supported the view that the worst of the economic recession may already have past. Selected leading economic and confidence indicators are showing early, albeit modest signs that point to an increased chance for a rebound in economic growth in the coming months.

The volatility in financial markets has subsided significantly from the "panic" period from Sept 2008 to early March 2009. It appears that the worst of the deleveraging and capital market liquidation may have already occurred and if so, this will be positive for investors focusing on fundamentals of the underlying companies.

Attractive dividend yields, low valuations and significant option premiums available in the market place continue to bode well for the portfolio. The Manager continues to actively manage the relative weightings of the companies held within the portfolio.

	One Month to May 29, 2009	Year to Date May 29, 2009
TSX	11.21%	15.38%
S&P 500	5.31%	1.76%
DJII	4.07%	-3.15%
NASDAQ	3.32%	12.51%

Details

Gross Proceeds:	\$241,751,950
Units Issued:	9,670,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$15.37 (May 29/09)
Cash Weighting:	6%
Equity Weighting:	94%

LFE.PR.A Trading Price:	\$8.20 (May 29/09)
Current Yield:	6.4% annually
Asset Coverage:	154%
Market Capitalization:	\$74,296,338
LFE Trading Price:	\$4.70 (May 29/09)
Market Capitalization:	\$42,584,468

Core Holdings By Weight

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

Weightings subject to change at any time.