



# 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	\$0.10	\$0.06329	\$0.16329
2005 YTD	\$0.10	\$0.06329	\$0.16329

*\*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 initial regular monthly distribution on May 18th (for record date May 31, 2005) at the amount of \$0.10 for each Class A share and \$0.06329 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:	\$23.77 (May 31/05)
Cash Weighting:	18%
Canadian Equity Weighting:	82%
<b>LFE.PR.A</b> Issue Price	\$10.00
Trading Price:	\$10.95 (May 31/05)
Current Yield:	4.8% annually
<b>LFE</b> Issue Price:	\$15.00
Trading Price:	\$15.80 (May 31/05)
Current Yield:	7.6% annually

## Holdings Sorted By Weight Symbol

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

*Weightings subject to change at any time.*