



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	\$1.30	\$0.5883	\$1.8883
2006 YTD	\$0.50	\$0.21875	\$0.71875
2005	\$0.80	\$0.3695*	\$1.1695

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

Commentary

On May 18th Canadian Life Companies Split declared its regular monthly distribution for record May 31, 2006, payable June 9, 2006. The LFE Class A share will be paid at the annual targeted rate of 8% and the LFE.PR.A will be paid at the fixed rate of 5.25% annually.

The average dividend yield earned on the net asset value is currently 2.5%.

Details

Gross Proceeds:	\$207,551,950
Units Issued:	8,302,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$24.93 (May 31/06)
Cash Weighting:	17%
Canadian Equity Weighting:	83%
LFE.PR.A Issue Price:	\$10.00
Trading Price:	\$10.94 (May 31/06)
Current Yield:	4.8% annually
LFE Issue Price:	\$15.00
Trading Price:	\$15.15 (May 31/06)
Current Yield:	7.9% 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.