

**Charterhouse Preferred Share Index Corporation
Declares Quarterly Distribution**

Toronto, January 18, 2006

Attention: Business / Financial Editors

Charterhouse Preferred Share Index Corporation (the “Company”) is pleased to announce a return of capital distribution of \$ 0.2590 per PSI Preferred Share (“Share”) that will be paid in cash on January 31, 2006 to holders of record at the close of business on January 27, 2006. This distribution covers the Company’s second quarter ending January 31, 2006 and equates to an annualized current yield on the Shares of approximately 4.52% based on today’s closing price of \$22.90.

Distributions paid by the Company are based on the income received from securities underlying the Index Portfolio and vary as the make up and weighting of the Index Portfolio change.

The current distribution is \$0.0044 per Share (or 1.67%) lower than the previous quarter’s distribution, net of the amount representing above estimate distributable net investment income earned in fiscal 2005. This stems from:

1. lower income from the Index Portfolio due to the (i) retraction by Shareholders of approximately 1% of the outstanding Shares in November 2005 and (ii) the redemption of certain higher coupon securities in the Index Portfolio and the reinvestment of the proceeds by the Company in more recently issued, lower coupon securities; and
2. higher borrowing costs.

For more information, please contact:

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