

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

Toronto January 18, 2007

Attention: Business / Financial Editors

Charterhouse Preferred Share Index Corporation (the “Company”) is pleased to announce a return of capital distribution of \$ 0.2439 per PSI Preferred Share (“Share”) that will be paid in cash on January 31, 2007 to holders of record at the close of business on January 29, 2007. This distribution covers the Company’s fiscal second quarter ending January 31, 2007 and equates to an annualized current yield of approximately 4.4% based on the closing price of the Shares of \$ 22.26 on January 17, 2007.

Distributions paid by the Company vary from quarter to quarter as a result of changes in the make up and weighting of the Index Portfolio, the actual income received from securities underlying the Index Portfolio and borrowing costs.

The current distribution is approximately \$0.0082 per Share (or 3.25%) lower than the previous quarter’s distribution, net of the amount representing above estimate distributable net investment income earned in fiscal 2006. This stems from lower income from the Index Portfolio due to the (i) retraction by Shareholders of approximately 1.64% of the outstanding Shares in November 2006 and (ii) the redemption of certain higher coupon securities in the Index Portfolio.

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