

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	\$3.30	\$1.4633	\$4.7633
2008 YTD	\$0.10	\$0.0438	\$0.1438
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

Overall financial markets during the latter half of the year were adversely impacted by deteriorating credit conditions originating from the US sub-prime lending market. At January 31, 2008, the Company's portfolio remained primarily invested in the 4 core Canadian Life Insurance stocks. The dividend income in the portfolio continues to be supplemented by a limited covered call writing program which provides some additional income to the portfolio.

The LifeSplit portfolio has a current dividend yield of approximately 2.8%.

Details

Gross Proceeds:	\$241,751,950
Units Issued:	9,670,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$24.73 (Jan 31/08)

Cash Weighting:	3%
Canadian Equity Weighting:	97%

LFE.PR.A Issue Price	\$10.00
Trading Price:	\$10.55 (Jan 31/08)
Current Yield:	5.0% annually
Asset Coverage:	247%
Market Capitalization:	\$100,038,571

LFE Issue Price:	\$15.00
Trading Price:	\$13.80 (Jan 31/08)
Current Yield:	8.7% annually
Market Capitalization:	\$130,856,140

Core Holdings By Weight

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

Weightings subject to change at any time.