



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	\$0.50	\$0.2383	\$0.7383
2005 YTD	\$0.50	\$0.2383*	\$0.7383

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

Commentary

Canadian Life Companies Split closed on April 18, 2005 with gross aggregate proceeds of \$207,551,950. The core portfolio is comprised of four names: Manulife Financial, Sun Life Financial, Great-West Life and Industrial Alliance.

Manulife (MFC-T) reported 2nd quarter results on August 4, 2005 with a 28% rise in income. MFC reported slightly better than expected results. Sales in the U.S. individual insurance, wealth management in U.S., Japan and Canada were strong in the quarter. JHF integration is on track and continues to be a positive acquisition as it positions Manulife for new opportunities globally.

Great-West Lifeco (GWO-T) reported 2nd quarter results on August 4 2005. Results were in line with expectations and a 12% improvement over last quarter. Performance was strong in the U.S. Financial Services division, Canada and Europe. Solid results have lead GWO to boost its quarterly dividend to \$0.21 a share from \$0.195, a 7.7% increase.

Canadian Life Companies Split declared its regular monthly distribution on September 20th (for record date Sept 30/05) at the amount of \$0.10 for each Class A share and \$0.04375 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:	\$24.79 (Sep 30/05)

Cash Weighting:	6%
Canadian Equity Weighting:	94%

LFE.PR.A Issue Price	\$10.00
Trading Price:	\$10.90 (Sep 30/05)
Current Yield:	4.8% annually

LFE Issue Price:	\$15.00
Trading Price:	\$15.50 (Sep 30/05)
Current Yield:	7.7% annually

Holdings Sorted By Weight Symbol

Great-West Lifeco	GWO
Sun Life Financial	SLF
Manulife Financial	MFC
Canadian Imperial Bank of Commerce	CM

Weightings subject to change at any time.