



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	\$2.90	\$1.2883	\$4.1883
2007 YTD	\$0.90	\$0.3938	\$1.2938
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

Sun Life Financial (TSX: SLF) increased their quarterly dividend 6% to \$0.34 per common share, up 13% year over year (July 07).

Industrial Alliance (TSX: IAG) increased their quarterly dividend 11% to \$0.20 per common share, up 25% year over year (July 07).

Great West Life (TSX: GWO) increased their quarterly dividend 8% to \$0.2750 per common share. Dividends paid on the common shares for the six months ended June 30, 2007 were 14% higher than a year ago (Aug 07).

The LifeSplit portfolio has a current dividend yield of approximately 2.6%.

Details

Gross Proceeds:	\$241,751,950
Units Issued:	9,670,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$27.45 (Sep 28/07)

Cash Weighting:	10%
Canadian Equity Weighting:	90%

LFE.PR.A Issue Price	\$10.00
Trading Price:	\$10.35 (Sep 28/07)
Current Yield:	5.1% annually

LFE Issue Price:	\$15.00
Trading Price:	\$15.25 (Sep 28/07)
Current Yield:	7.9% annually

Core Holdings By Weight Symbol

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

Weightings subject to change at any time.