

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.

Distributions (by record date)

	LFE	LFE.PR.A	Total
Total to Date	\$4.10	\$1.8133	\$5.9133
2008 YTD	\$0.90	\$0.3938	\$1.2938
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

The month of September 2008 will long be remembered as one of the most dramatic and volatile months ever for world financial markets. Fueled by the intensification of the ongoing credit crisis, world financial markets reached a level of "panic" at levels which arguably have never been seen by investors on such a global scale. Several of the largest financial institutions in the United States and around the world required unprecedented government intervention in order to rescue them from complete insolvency while others were required to make emergency decisions to save their businesses by being acquired by other stronger partners. Fannie Mae and Freddie Mac, the two most important mortgage organizations in the United States and AIG, the world's largest insurance company were rescued through direct intervention taken by the U.S government. Major investment banks on Wall Street were severely impacted during the month as Lehman Bros filed for bankruptcy, Merrill Lynch was hastily acquired by Bank of America and Goldman Sachs and Morgan Stanley made a dramatic decision to convert their business model into a regulated bank. Washington Mutual, the largest savings and Loan Company in the United States was acquired by JP Morgan after its share price fell more than 90% over the last year. The month concluded with a failed vote on a U.S. government sponsored rescue plan which sent markets reeling and caused dramatic stock market losses across the world. The volatility index as measured by the VIX reached record levels indicating fear was at historically high levels. It is clear the credit crisis is having a far reaching impact on the economy and will now require major intervention by governments around the world to stabilize conditions and restore confidence. Many think this type of unprecedented government involvement, although not always welcome by capitalist economies, will prove to be a turning point in rebuilding and restoring confidence in the worldwide credit markets. When pessimism and fear reach extreme levels, markets have often provided the best buying opportunities for longer term investors. Many believe current stock market levels have already discounted much of the impact of this credit crisis and that current valuations in some sectors may turn out to be very attractive on a longer term basis.

The LifeSplit portfolio has a current dividend yield of approximately 3.2%.

Details

Gross Proceeds:	\$241,751,950
Units Issued:	9,670,078
Inception Date:	April 18, 2005
Termination Date:	Dec 1, 2012
Net Asset Value:	\$21.98 (Sep 30/08)
Cash Weighting:	1%
Canadian Equity Weighting:	99%

LFE.PR.A	Trading Price:	\$9.16 (Sep 30/08)
	Current Yield:	5.7% annually
	Asset Coverage:	220%
	Market Capitalization:	\$82,998,110
LFE	Trading Price:	\$10.28 (Sep 30/08)
	Current Yield:	11.7% annually
	Market Capitalization:	\$93,146,350

Core Holdings By Weight

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

Weightings subject to change at any time.