

# Warrant Offering

Canadian Life Companies Split Corp.

## Q & A

**One portfolio,  
two classes of  
shares:**

- **LFE.PR.A**  
Preferred Shares - fixed, cumulative monthly payments, with repayment of issue price taking priority at windup.
- **LFE**  
Class A Shares - targeted monthly payments with potential for upside in the portfolio.

### What is a Warrant Offering?

It is the issuance of "Warrants" to current Class A shareholders, allowing them to purchase additional Units at a given price within a fixed period of time, potentially below trading price.

### What does a Unit consist of?

A Unit consists of one Canadian Life Companies Split ("the Company") Class A Share (TSX: LFE) and one Preferred Share (TSX: LFE.PR.A).

### How many Warrants will I receive?

You will receive one Warrant for every Class A Share held on the record date of January 15, 2010. The Warrants will be deposited into your brokerage account.

### What does each Warrant entitle me to?

Each Warrant entitles the holder to purchase a Unit consisting of one Class A Share and one Preferred Share (Canadian residents only).

### What is the subscription price for a Unit under the Warrants Offering?

Units can be purchased at the subscription price of \$15.65.

### How long do I have to purchase Units under the Offering?

Warrants not exercised by 5:00 p.m. (Toronto time)

on October 27, 2010 (expiry date) will be void and of no value.

### Are the Warrants callable?

Warrants can be called by the Company earlier than the October 27, 2010 expiry date with 20 business days notice via press release.

### Am I obligated to exercise my Warrants to purchase Units?

No, if a holder does not want to exercise they may sell their Warrants in the open market as the Warrants are fully transferable and will be listed for trading on the TSX. A holder that does not wish to do anything has that option and their Warrants will expire with no value.

### Will the Warrants trade on the TSX and if so, when will they begin trading?

Yes, the Warrants will trade on the TSX under the symbol LFE.WT on January 13, 2010 (2 days before record date) until they expire or get called.

### What are the maximum net proceeds anticipated to be raised from this offering?

If all Warrants are exercised, the Company will issue approximately 8,872,379 Units and will

receive net proceeds of \$136,634,636.60.

### What will LifeSplit do with the proceeds raised under the Warrants Offering?

The proceeds will be invested in common stock of the 4 core holdings which are Great West Lifeco, Manulife Financial, Sun Life Financial and Industrial Alliance (please refer to Prospectus).

### May I purchase additional Units, above my initial subscription amount?

Yes, additional units may be purchased through the "Additional Subscription Privilege".

### How does the Additional Subscription Privilege work?

To apply for additional Warrants on a pro rata basis, Warrant holders must forward a request to a CDS Participant prior to 5:00 p.m. on the expiry date. All Warrants received through the Basic Subscription Privilege must be exercised in full before holders can be eligible to apply for Additional Warrants.

## Q & A

### What is the reason for the Offering?

It allows management to capitalize on certain attractive investment opportunities in the Lifeco sector.

### How can a Warrants Offering benefit the Company?

The offering can benefit the Company and its existing shareholders in a number of ways. Any premium as a result of the exercise of Warrants would go to the net asset value, the additional shares could increase liquidity, and the capital raised could decrease the MER.

### Are there any risks involved in the Warrants Offering?

If a unitholder does not exercise or sells their Warrants, the value of their units held may be diluted as a result of other unitholders exercising their Warrants. Please refer to the Preliminary Prospectus dated December 18, 2009 for "Risk Factors".

### When can I exercise my warrants and when do I have to pay for the Units once I exercise?

Warrants may be exercised commencing on January 18, 2010. Warrant holders that wish to acquire Units pursuant

to the Offering must provide the CDS Participant holding their Warrants with instructions and the required payment sufficiently in advance of the Expiry Date to permit the proper exercise of their Warrants.

### Why would I exercise my Warrant to buy a Unit, if I only want one of the two shares?

The Warrants Offering gives investors the opportunity to buy both shares potentially at a discount to the trading price. You may decide there are benefits to holding both shares. If not, you can sell either share on the TSX at a potential premium to the subscription price. It also allows you to buy units without paying commission in most cases.

### Can you tell me more about the Preferred share?

Preferred shareholders receive a fixed, cumulative monthly distribution at a rate of 5.25% a year on the \$10 issue price. Payment of the \$10 issue price takes priority over the Class A share at windup. Unlike most Preferred shares, the LFE.PR.A preferred shares are non-callable, so you won't be forced to surrender your shares for \$10 if they are trading higher in the market.

### Can you tell me more about the Class A share?

Class A shareholders receive a monthly distribution at a rate of 8% a year on the \$15 issue price. At windup, Class A shareholders are entitled to the balance of the net asset value, after the \$10 Preferred shareholder obligation has been met. Therefore any growth in the portfolio goes to the Class A shareholder only.

### Why would I own LifeSplit instead of buying the underlying common shares myself?

The Company is professionally managed and the investor will receive an increased distribution over just receiving the average dividend rate of the underlying Common shares. Also, in the event of an appreciation in the portfolio, holders of Class A Shares will experience greater capital appreciation than an investor who holds the Common shares directly due to the split share structure.

### How do I find out more information about the fund?

Please visit the website at [www.lifesplit.com](http://www.lifesplit.com) or call us at 416-304-4443.



*"...Warrants allow shareholders to purchase additional units...potentially below trading price."*

### Canadian Life Companies Split Corp.

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Please read the filed Prospectus for full details.

**TSX: LFE.WT**