This is the annual Management Report of Fund Performance (MRFP) for the year ended November 30, 2017. This MRFP contains financial highlights but does not contain the complete financial statements of the Company. The annual financial statements and accompanying notes are attached to this report.

Investors may also obtain a copy of the Company's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure by visiting our website at www.lifesplit.com or by writing to the Company at Investor Relations, 200 Front Street West, Suite 2510, Toronto, Ontario M5V 3K2.

These reports are available to view and download at www.lifesplit.com or www.sedar.com.

Investment Objectives and Strategies

Canadian Life Companies Split Corp. invests primarily in a portfolio of commons shares which will include each of the Canadian life insurance companies listed below:

Great West Lifeco Inc.	Manulife Financial Corporation
Industrial-Alliance Insurance & Financial Services	Sun Life Financial Inc.

The Company may also invest up to 20% of its net asset value in equity securities of foreign life insurance companies or other Canadian or foreign financial services corporations other than the four Canadian life insurance companies listed above. In order to supplement the dividends received on the portfolio and to reduce risk, the Company will from time to time write covered call options in respect of some or all of the common shares in the portfolio.

The Company offers two types of shares:

Preferred shares

The investment objectives with respect to the Preferred shares are as follows:

1. To provide holders with fixed cumulative preferential monthly cash dividends in the amount of $0.05208 per Preferred share to yield 6.25% per annum on the original issue price ($10) of the Preferred shares; and
2. On or about the termination date of December 1, 2018 (subject to further 6 year extensions thereafter) to pay holders the original issue price.

Class A shares

The investment objectives with respect to the Class A shares are as follows:

1. To provide holders with such dividends as the directors of the Company may from time to time determine; and
2. On or about the termination date to pay holders such amounts as remain after paying the holders of the Preferred shares the amounts owing to them.

Risk

The risks of investing in the Company remain as discussed in the Annual Information Form dated February 26, 2018. In addition, note 5 of the annual financial statements ("Management of Risk of Financial Instruments") contains disclosure on specific types of risks related to the financial investments held by the Company.

Results of Operations

The market performance of the life insurance companies held in the portfolio improved during the year benefiting from the prospects for a continued rise in long term interest rates.

The prospect of a sustained period of rising longer term rates would allow life insurance companies to earn better rates of return on their longer term portfolios thereby improving earnings potential.

Canada and the U.S. continue to have several demographic trends working in favour of insurers, especially those with wealth and asset management businesses, as an aging population increasingly looks to manage its savings. The wealth management units of life insurance companies continue to be significant drivers of earnings for these companies. This growing component of the earnings of these companies contributes to a more favorable valuation profile.

The net assets per unit (consisting of one Preferred share and one Class A share) finished at $15.51 as at November 30, 2017, after the payment of $0.63 to Preferred shareholders and nine monthly payments to Class A shareholders in the amount of $0.90.

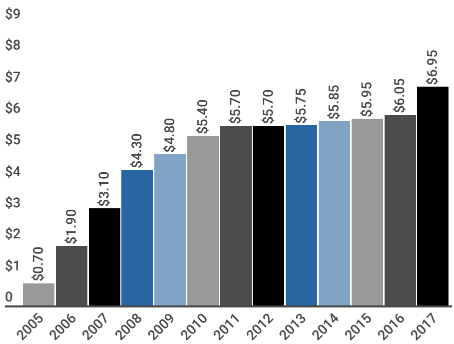
The Company continued to utilize its ability to invest up to 20% of its net assets in financial services companies other than the 4 core life insurance companies.

Net assets of the Company finished the year at $214.2 million.

The covered call writing program continued to provide additional income and supplemented the dividend income earned in the portfolio.

Class A shares – Distributions

Class A shareholders will receive dividends as the directors of the Company may from time to time determine. The net asset value per unit must remain above the required $15 per unit threshold for monthly distributions to be paid. Total distributions per Class A share during the year amounted to $0.90.



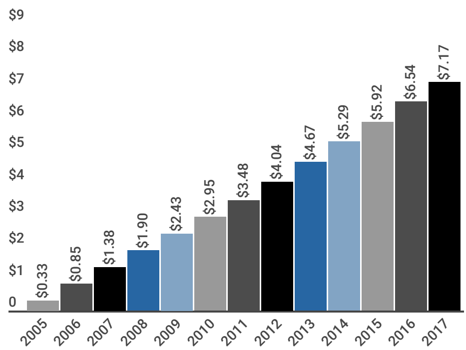
Class A Share Distributions Since Inception

6.95

Cumulative total of distributions paid to Class A share since inception

Preferred shares – Distributions

Preferred Shareholders are entitled to fixed, cumulative preferential monthly cash dividends in the amount of $0.05208 per Preferred Share to yield 6.25% per annum on the original issue price. Distributions during the year were at the fixed rate for a total $0.6250 per Preferred share.



Preferred Share Distributions Since Inception

7.17

Cumulative total of distributions paid to Preferred share since inception

Recent Developments

There were no developments during the year.

Related Party Transactions

Quadravest Capital Management Inc. ("Quadravest") as investment manager and manager earns fees from the Company as described below in the Management Fees section.

Financial Highlights

The following tables show selected financial information about the Company and are intended to help you understand the Company's financial performance for the past five years. This information is derived from the Company's annual financial statements and previous audited annual financial statements. The information in the following table is presented in accordance with National Instrument ("NI") 81-106 and, as a result, does not act as a continuity of opening and closing net assets per unit.

The Company's net assets per unit

	Years ended November 30[4]				
	2017	**2016**	**2015**	**2014**	**2013**
Net assets per unit, beginning of year[1]	15.95	14.97	15.06	14.35	12.48
Increase (decrease) from operations					
Total revenue	0.45	0.52	0.45	0.40	0.42
Total expenses	(0.17)	(0.15)	(0.15)	(0.20)	(0.32)
Realized gains for the year	0.98	0.39	0.20	0.26	0.03
Unrealized gains for the year	(0.18)	0.82	0.12	0.86	2.66
Total increase from operations[2]	1.08	1.58	0.62	1.32	2.79
Distributions[3]					
Canadian dividends	(1.52)	(0.73)	(0.73)	(0.73)	(0.68)
Total annual distributions	(1.52)	(0.73)	(0.73)	(0.73)	(0.68)
Net assets per unit at end of year	15.51	15.95	14.97	15.06	14.34
Net assets per Preferred share	10.00	10.00	10.00	10.00	10.00
Net assets per Class A share	5.51	5.95	4.97	5.06	4.34
Net assets per unit at end of year	15.51	15.95	14.97	15.06	14.34

(1) Net assets per unit is the difference between the aggregate amount of the Company's assets and the aggregate amount of its liabilities, excluding Preferred shares and net assets attributable to holders of redeemable Class A shares, at the valuation date, divided by the number of units then outstanding.

(2) Total increase (decrease) from operations is before the payment of Preferred and Class A share distributions and is calculated based on the weighted average number of units outstanding during the year.

(3) Distributions on the Preferred shares and Class A shares are based on the number of Preferred shares and Class A shares outstanding on the record date for each distribution and were paid in cash. Characterization of distributions is based on the tax treatment that is received by investors.

(4) Per unit figures presented for 2014 and onwards are derived from the Company's audited annual financial statements which were prepared in accordance with International Financial Reporting Standards ("IFRS"). Per unit figures presented for years prior to 2014 were derived from the Company's audited annual financial statements which were prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP") as defined in Part V of the CPA Handbook.

Ratios and Supplemental Data

	Years ended November 30 2017	2016	2015	2014	2013
Net asset value (millions)(1)	$230.0	$236.6	$240.6	$245.4	$190.0
Number of units outstanding	14,830,286	14,830,286	16,074,020	16,291,846	12,489,480
Base management expense ratio(2)	1.03%	0.95%	0.96%	1.31%	2.31%
Management expense ratio including one time offering expenses(3)	1.03%	0.95%	0.96%	1.43%	2.69%
Management expense ratio per Class A share(4)	14.9%	18.61%	16.71%	18.10%	25.14%
Portfolio turnover rate(5)	24.82%	14.82%	8.6%	24.10%	86.0%
Trading expense ratio(6)	0.07%	0.07%	0.01%	0.04%	0.12%
Closing market price (TSX): Preferred shares	$10.31	$10.26	$10.23	$10.27	$10.02
Closing market price (TSX): Class A shares	$6.27	$5.55	$4.30	$4.70	$4.90

(1) This information is provided as at November 30.

(2) A separate base management expense ratio has been presented to reflect the normal operating expenses of the Company excluding any one time offering expenses. Management expense ratio is based on total expenses for the stated year and is expressed as an annualized percentage of average net asset value during the year.

(3) Share issue expenses, representing all Agents' fees and other offering expenses are one time initial expenses connected with the launch of the Company or any subsequent secondary offering.

(4) Management expense ratio for Class A shares is based on the requirements of NI 81-106. This instrument requires that all split share companies produce an expense ratio which allocates all operating expenses of the Company, all distributions on Preferred shares and all issuance costs to the Class A shares and expresses this as an annualized percentage of net assets applicable only to the Class A shares during the year. The management expense ratio per Class A shares should not be interpreted as the required return necessary for the Company or the Class A shares to cover the operating expenses of the Company. This calculation is based only on a portion of the Company's assets whereas the Company utilizes its entire assets to generate investment returns. Management believes that the base management expense ratio per unit disclosed in the table above is the most representative ratio in assessing the ongoing efficiency of the administration of the Company, making comparisons to the expense ratios of single unit mutual funds or determining the minimum investment returns necessary by the Company to achieve growth in net asset value per unit.

(5) The Company's portfolio turnover rate indicates how actively Quadravest manages the portfolio investments. A portfolio turnover rate of 100% is equivalent to the Company buying and selling all of the securities in its portfolio once in the course of the year. The Company employs a covered call writing strategy which can cause the portfolio turnover rate to be higher than conventional mutual funds. The higher the Company's portfolio turnover rate in a year, the greater the trading costs payable by the Company in the year and the greater chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of the Company.

(6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of average net asset value during the year.

Management Fees

Pursuant to the terms of the investment management agreement, Quadravest is entitled to a base management fee payable in arrears at an annual rate equal to 0.65% of the transactional net assets of the Company, which include the outstanding Preferred shares, calculated as at each month-end valuation date. In addition, Quadravest is entitled to receive a performance fee subject to the achievement of certain pre-established total return thresholds.

Pursuant to the management agreement, Quadravest is entitled to an administration fee payable monthly in arrears at an annual rate equal to 0.1% of the net asset value of the Company, which includes the outstanding Preferred shares, calculated as at each month-end valuation date and an amount equal to the service fee payable to dealers on the Class A shares at a rate of 0.50% per annum. No service fee will be paid in any calendar quarter if regular dividends are not paid to holders of Class A shares in respect of each month in such calendar quarter.

The base management fee was used by Quadravest to provide investment analysis, make investment decisions, and make brokerage arrangements for the purchase and sale of securities including the covered call writing program. The administration fee was used to provide or arrange administrative services required by the Company which includes all operational services, financial accounting, shareholder reporting and regulatory reporting.

Past Performance

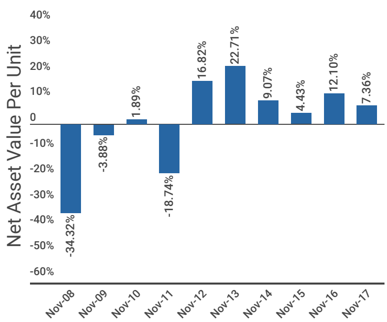
Year-by-Year Returns

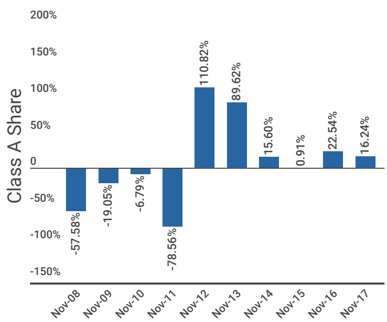
The past performance of 1) the net asset value per unit; 2) the Preferred share on a net asset value basis; and 3) the Class A share on a net asset value basis for each of the last 10 years are presented in the bar charts below. Each bar in the chart reflects the change in percentage terms of how a unit, a Preferred share or a Class A share would have increased or decreased during the applicable year. In respect to the charts displayed below, please note the following:

a) The performance information shown assumes that all cash distributions made by the Company during the years shown were reinvested in the applicable additional securities of the Company;

b) The performance information does not take into account sales, redemption, distribution or other optional charges that would have reduced returns or performance; and

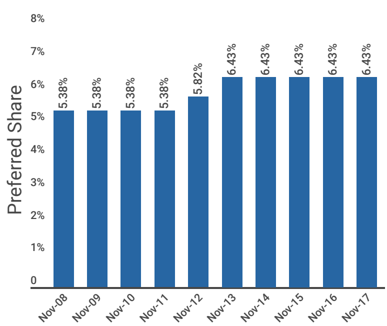
c) Past performance of the Company does not necessarily indicate how it will perform in the future.





(1) The returns per unit and per Class A share for the year ended November 30, 2013 were calculated using the diluted net asset value per unit and diluted net asset value per Class A share, respectively.

(2) The return per Class A share for the year ended November 30, 2012 reflects the consolidation of Class A shares on June 25, 2012 and was calculated using the diluted net asset value per Class A share.



Annual Compound Performance

The following table shows the Company's annual compound return for the one, three, five and ten years ended November 30, 2017 and since inception:

	One years	Three years	Five years	Ten years	Since inception
Canadian Life Companies Split Corp. - Unit	7.36%	7.92%	10.96%	0.27%	2.76%
Canadian Life Companies Split Corp. - Preferred share	6.43%	6.43%	6.43%	5.95%	5.83%
Canadian Life Companies Split Corp. - Class A share	16.24%	12.85%	25.80%	-7.56%	-2.76%
Market indices					
S&P TSX Financial Index[(1)]	16.50%	10.02%	14.64%	7.97%	9.50%

(1) As a result of the Company being limited to a specific universe of stocks and that a covered call writing program is implemented to generate additional income, the investment profile of the Company is quite unique and any comparisons with any other external market indices may not be appropriate.

Summary of Investment Portfolio

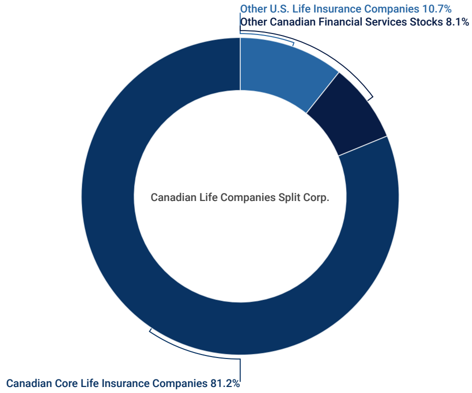
All holdings as at November 30, 2017

Name	Weighting (%)
Manulife Financial Corporation	25.0
Sun Life Financial Inc.	19.5
Industrial Alliance Insurance & Financial Services Inc.	13.7
Great-West Lifeco Inc.	13.3
Royal Bank of Canada	3.7
Lincoln National Corp.	2.8
Aflac Inc.	2.6
Metlife Inc.	2.6
Toronto-Dominion Bank	2.4
Prudential Financial Inc	1.3
Bank of Nova Scotia	1.0
Total long positions as a percentage of net assets	**87.9**
Cash	15.1
Other net assets (liabilities)	-3.0
	100.0

The summary of investment portfolio may change due to ongoing portfolio transactions of the Company. Updates are available quarterly.

Portfolio Breakdown

The following pie chart shows the division of the Company's holdings between Canadian core insurance, Canadian financial services and U.S. financial services investments.



Canadian Life Companies Split Corp.
Management's Responsibility for Financial Reporting

The financial statements of Canadian Life Companies Split Corp. (the "Company") and all the information in this annual report are the responsibility of management and have been approved by the Board of Directors of the Company.

The Company maintains appropriate procedures to ensure that relevant and reliable financial information is produced. Statements have been prepared in accordance with International Financial Reporting Standards. The significant accounting policies applicable to the Company are described in note 3 to the financial statements.

The Board of Directors of the Company is responsible for ensuring that management fulfills its responsibilities for financial reporting and has reviewed and approved these financial statements.

The Company with the approval of its Board of Directors has appointed the external firm PricewaterhouseCoopers LLP as the auditor of the Company. They have audited the financial statements of the Company in accordance with Canadian generally accepted auditing standards to enable them to express to shareholders their opinion on the financial statements. The auditor has full and unrestricted access to the Audit Committee to discuss its findings.