



Empire Life Investments[®]

Empire Life Mutual Funds[®]

Annual Information Form dated January 30, 2017

Series A units, Series T6 units, Series T8 units, Series F units and Series I units (unless otherwise indicated) of:

Empire Life Emblem Portfolios[®]

Empire Life Emblem Diversified Income Portfolio (Series A, Series T6, Series F and Series I units only)

Empire Life Emblem Conservative Portfolio (Series A, Series T6, Series F and Series I units only)

Empire Life Emblem Balanced Portfolio

Empire Life Emblem Moderate Growth Portfolio

Empire Life Emblem Growth Portfolio

Empire Life Emblem Aggressive Growth Portfolio

Empire Life Funds

Empire Life Small Cap Equity Mutual Fund (Series A, Series T6, Series T8 and Series I units only)

Empire Life Canadian Equity Mutual Fund (Series A, Series T6, Series T8 and Series I units only)

Empire Life Dividend Growth Mutual Fund

Empire Life Monthly Income Mutual Fund

Empire Life Money Market Mutual Fund (Series A and Series I units only)

No securities regulatory authority has expressed an opinion about these units. It is an offence to claim otherwise.

The funds and the securities of the funds offered under this annual information form are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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1. THE FUNDS

Empire Life Emblem Diversified Income Portfolio, Empire Life Emblem Conservative Portfolio, Empire Life Emblem Balanced Portfolio, Empire Life Emblem Moderate Growth Portfolio, Empire Life Emblem Growth Portfolio, Empire Life Emblem Aggressive Growth Portfolio, Empire Life Small Cap Equity Mutual Fund, Empire Life Canadian Equity Mutual Fund, Empire Life Dividend Growth Mutual Fund, Empire Life Monthly Income Mutual Fund and Empire Life Money Market Mutual Fund (each, a “**Fund**” and collectively, the “**Funds**”) are open-ended mutual fund trusts established under the laws of Ontario, pursuant to a Master Declaration of Trust dated January 3, 2012, as amended on January 10, 2013 to create Series F units for certain Funds and on January 17, 2014 to establish Empire Life Emblem Diversified Income Portfolio (the “**Declaration of Trust**”). The Funds are managed by Empire Life Investments Inc. (the “**Manager**”), which also serves as the trustee (the “**Trustee**”) of the Funds. The head office address of the Manager and of the Funds is 165 University Avenue, 9th Floor, Toronto, Ontario, M5H 3B8.

2. INVESTMENT RESTRICTIONS AND PRACTICES

The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including National Instrument 81-102 (“**NI 81-102**”). These restrictions and practices are designed in part to ensure that the investments of the Funds are diversified and relatively liquid. They also ensure the proper administration of the Funds. Each Fund is managed according to these restrictions and practices.

The fundamental investment objectives of each of the Funds are set out in the Funds’ Simplified Prospectus. These fundamental investment objectives of a Fund can be changed only if the change has been approved by a majority of the investors of the Fund who vote at a special meeting called by the Fund for that purpose.

Registered Plans

Each Fund qualifies as a mutual fund trust under the Income Tax Act (Canada) (“**Tax Act**”) and is expected to continue to so qualify at all material times in the future. Provided that a Fund qualifies as a mutual fund trust under the Tax Act effective at all material times, units of that Fund will be qualified investments under the Tax Act for registered retirement savings plans (“**RRSPs**”), locked-in retirement savings plans (“**LRSPs**”), locked-in retirement accounts (“**LIRAs**”), registered retirement income funds (“**RRIFs**”), life income funds (“**LIFs**”), prescribed retirement income funds (“**PRIFs**”), locked-in retirement income funds (“**LRIFs**”), deferred profit sharing plans (“**DPSPs**”), registered disability savings plans (“**RDSPs**”), registered education savings plans (“**RESPs**”) and Tax-free savings accounts (“**TFSA**s”) (collectively, “**registered plans**”). Annuitants of RRSPs and RRIFs, and holders of TFSA, should consult with their own tax advisors as to whether units of the Funds would be prohibited investments under the Tax Act in their particular circumstances. For purposes of the Tax Act, each Fund will restrict its undertakings to the investing of its funds in property (other than real property or an interest in real property).

3. DESCRIPTION OF UNITS

When you invest in a Fund, you are buying an interest in the Fund called a unit. The Funds may issue an unlimited number of units. Units are non-assessable and fully paid when issued. All units in a series of a Fund rank equally with respect to distributions (other than management fee distributions) and on a winding up of a Fund. A unitholder of a Fund is entitled to one vote for each whole unit owned. As well, a unitholder of each series of a Fund will be entitled to one vote on the same basis in connection with a meeting of unitholders of that series only. Fractional units may be issued which carry the same rights and privileges and are subject to the same restrictions and conditions applicable to whole units, except that the holder of a fractional unit is not entitled to vote in respect of a fractional unit. All units are redeemable on the basis as described under the "Redemption of Units" section of this document and they are also transferable without restriction subject to the reasonable requirements and approval of the Trustee.

The rights and conditions attached to the units of each of the Funds may be modified only in accordance with the provisions attached to such units and the provisions of the Declaration of Trust.

Unitholders of each Fund are permitted to vote at meetings of unitholders on all matters that require unitholder approval under NI 81-102 or the Declaration of Trust. These matters include:

- (a) with respect to all series of the Funds other than Series I Units, a change in the basis of the calculation of a fee or expense that is charged to the Fund or its unitholders that could result in an increase in charges to the Fund or its unitholders, unless (i) the fee or expense is charged by an arm's length party to the Fund, and (ii) unitholders of the Fund are given at least 60 days written notice before the effective date of the change;
- (b) with respect to all series of the Funds other than Series I Units, the introduction of a fee or expense to be charged to the Fund or its unitholders that could result in an increase in charges to the Fund or its unitholders, unless: (i) the fee or expense is charged by an arm's length party to the Fund; and (ii) unitholders of the Fund are given at least 60 days written notice before the effective date of the change;
- (c) a change of the manager, unless the new manager is an affiliate of the Manager;
- (d) a change in the fundamental investment objectives of the Fund;
- (e) a decrease in the frequency of the calculation of the series net asset value per unit of the Fund; and
- (f) certain reorganizations of the Fund with, or the transfer of its assets to, another mutual fund.

4. CALCULATION OF NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES

Net Asset Value

The net asset value (“**NAV**”) of each series of each Fund is calculated on each day that The Toronto Stock Exchange (or its successor) is open for trading (a “**Valuation Day**”), subject to any temporary suspension of the right to redeem units as described under “Redemption of Units” on page 7 below.

For Funds other than Empire Life Money Market Mutual Fund, the NAV of each series is the value of all assets of that series of that Fund less its liabilities. A separate NAV per unit is calculated for each series of units of a Fund (the “series NAV per unit”). The series NAV per unit of a particular series of each Fund is calculated at the close of business on a Valuation Day by:

- taking the series’ proportionate share of all the investments and other assets of the Fund;
- subtracting the series’ liabilities and its proportionate share of common fund liabilities; and
- dividing that number by the total number of outstanding units in that series.

Empire Life Money Market Mutual Fund is designed to keep a constant series NAV per unit of \$5.00. This is achieved by accruing to each unitholder net income and applicable net realized capital gains (less applicable losses and management fee distributions) on each Valuation Day (with settlements being made monthly) so that the total number of units outstanding varies in proportion with that Fund’s liabilities and assets. The Manager cannot guarantee that Empire Life Money Market Mutual Fund will always maintain a constant series NAV per unit.

All of the Funds are valued and can be bought only in Canadian dollars.

The series NAV per unit is the basis for all sales or switches of units as well as for the automatic reinvestment of distributions and for redemptions as described in this Annual Information Form. The issue or redemption of units as well as switches of units of a Fund is reflected in the next calculation of the series NAV per unit made after the time such transaction becomes binding. The series NAV per unit of each series of units calculated on each Valuation Day remains in effect until such series NAV per unit is next calculated.

Portfolio transactions (purchases, sales and switches) are reflected in the first calculation of the series NAV per unit made after the date on which they become binding. The series NAV per unit of each Fund calculated on each Valuation Day remains in effect until the series NAV per unit of that Fund is next calculated.

The daily NAV for each Fund and the series NAV per unit of each Fund is available, free of charge, to any unitholder of the Fund upon request by calling 1-855-823-6883 or by sending an e-mail to mutualfund@empire.ca. Such information is also available on the Funds’ website at www.empirelifeinvestments.ca.

In calculating the value of the assets of each Fund:

- (a) liquid assets (which term includes cash on hand or on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared and interest accrued and not yet received) will be valued at the full amount thereof unless the Manager determines an otherwise fair value;
- (b) securities listed on a public securities exchange are valued, subject to clause (d), at their last sale or closing price as reported on that Valuation Day or, if no sale is reported to have taken place on that Valuation Day and there is no reported closing price, at the average of the closing bid and ask prices on that Valuation Day;
- (c) unlisted securities traded on an over-the-counter market are valued at their last sale or closing price on that Valuation Day, in the absence of closing traded price the value may be determined by taking the mean of the most recently published bid and ask prices;
- (d) securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by the Manager;
- (e) restricted securities that are not illiquid are valued at the lesser of:
 - (i) the value thereof based on reported quotations in common use on that Valuation Day; and
 - (ii) that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Fund's acquisition cost was of the market value of such securities at the time of acquisition, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;
- (f) long positions in clearing corporation options, options on futures, over the counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;
- (g) where a covered clearing corporation option, option on futures or over the counter option is written by the Fund, the premium received by the Fund will be reflected as a deferred credit which will be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option which would have the effect of closing the position; any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; the deferred credit shall be deducted in arriving at the Net Asset Value of the Fund; the securities, if any, which are the subject of a written covered clearing corporation option or over-the-counter option will be valued in the manner described above for listed securities;

- (h) securities quoted in currencies other than the Canadian dollar are translated to Canadian dollars using the applicable rate of exchange as quoted by customary banking sources on that Valuation Day;
- (i) the value of a futures contract, forward contract or swap shall be the gain or loss, if any, that would arise as a result of closing the position in the futures contract or forward contract or swap, as the case may be, on that Valuation Day unless daily limits are in effect, in which case fair market value shall be based on the current value of the underlying interest;
- (j) the value of securities of a mutual fund held by a Fund will be the net asset value per security on the applicable date, and if such date is not a Valuation Day of the underlying fund, then the value of securities of the underlying fund will be the net asset value per security on the most recent Valuation Day;
- (k) if securities are interlisted or traded on more than one exchange or market, the Manager shall use the last sale price or the closing bid price, as the case may be, reported on the exchange or market determined by the Manager;
- (l) margin paid or deposited in respect of futures contracts, forward contracts, and swaps shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin; and
- (m) short-term securities may be valued using market quotations, amortized cost or original cost plus accrued interest, unless the Manager determines that these no longer approximate market value of the assets.

Since the Funds' inception, the Manager has not exercised its discretion to deviate from the Funds' valuation principles set out above for any of the Funds.

The Declaration of Trust contains details of the method of determining the value of liabilities to be deducted in determining the NAV of each Fund. In arriving at the NAV, the Manager will generally use the latest reported information available to it on the Valuation Day.

5. PURCHASES AND SWITCHES OF UNITS

Purchases of Units

An investor may only purchase units of the Funds through a registered dealer, except for purchases made by investors pursuant to exemptions from the prospectus and registration requirements under securities legislation. A completed purchase order received by the Manager in good order prior to 4:00 p.m. Eastern time (or such earlier time as the Toronto Stock Exchange closes) on a Valuation Day will be processed at the series NAV per unit calculated on that Valuation Day. A purchase order received after 4:00 p.m. Eastern time (or such earlier time as the Toronto Stock Exchange closes) on a Valuation Day or on a day other than a Valuation Day will be processed at the series NAV per unit calculated on the next following Valuation Day.

An investor's dealer is required to forward a purchase order to the Manager on the same day on which the completed purchase order is received or, if received by the dealer after normal business hours or on any day that is not a business day, on the next business day. Whenever

practicable, a dealer is required to transmit an investor's purchase order by courier, priority post or telecommunications facilities in order to expedite its receipt by the Manager. It is the responsibility of each dealer to transmit orders to the Manager in a timely manner. The cost of this transmittal, regardless of its form, must be borne by the dealer.

If the Manager does not receive payment in full within three business days of processing an investor's order, the Manager will redeem the units that the investor bought on the next Valuation Day or when the Manager first learns that the investor's payment will not be honoured. If the Manager redeems the units for more than what the investor paid, the Fund will keep the difference. If the Manager redeems them for less than what the investor paid, the Manager will charge the investor's dealer for the difference plus any associated costs. The dealer may be entitled to recover any losses from the investor.

The Manager may refuse to accept any order to buy within one business day of receiving it. If the Manager refuses an order, the Manager will return the investor's money to the investor without interest or charges.

If a dealer suffers any losses arising from a failed settlement of a purchase of units, the dealer may seek to recover the shortfall from the investor.

Purchase Options

Series A, Series T6 and Series T8: When you buy these series of units of the Funds, you may pay a fee. The purchase option you choose determines the amount of the fee and when you pay it. Generally, you have three different purchase options:

Initial Sales Charge option. You and your dealer negotiate the fee, which may be up to 5% of the cost of the units, and you pay this fee to your dealer when you buy the units.

Deferred Sales Charge option. You do not pay a fee when you buy the units. However, if you redeem the units before six years from the date you bought them, you will pay a redemption fee to us that starts at 6% of the original cost in the first year and declines over time.

Low Load option. You do not pay a fee when you buy the units. However, if you redeem the units before three years from the date you bought them, you will pay a redemption fee to us that starts at 3% of the original cost in the first year and declines over time.

Series F: There are no sales commissions payable to dealers on the purchase of Series F units nor are there any redemption fees payable on redemption of Series F units.

Series I: There are no sales commissions payable to dealers on the purchase of Series I units nor are there any redemption fees payable on redemption of Series I units.

Your choice of purchase option will determine the different fees that you pay and will affect the amount of compensation your dealer will receive.

Switching between Funds

An investor can redeem units of a series of a Fund and use the proceeds to buy units of a series of another Fund if the investor is eligible to purchase the new series. The redemption is a disposition for tax purposes and will generally result in a capital gain or loss, except when the switch is between Funds within a registered account. See the "Income Tax Considerations" section of this document for more details. The investor negotiates the fee with his or her financial advisor. A short-term trading fee may also be payable. See "Switch Fees" below for details.

If an investor switches from units of a Fund purchased under the Deferred Sales Charge option or the Low Load option to new units under the same purchase option, the investor's new units will have the same redemption fee schedule as the original units.

Switching between Series of the Same Fund

An investor may switch the investor's units of one series of a Fund into units of a different series of the same Fund if the investor is eligible to purchase the new series. This switch is processed as a redesignation and is not considered to be a disposition of units for tax purposes. An investor will not realize a capital gain or loss upon a redesignation unless units are redeemed to pay any fees or charges.

The following are additional considerations an investor should keep in mind about switching between series:

- If an investor switches between Funds while staying within the Deferred Sales Charge option or the Low Load option, the investor will not pay any redemption fees, and the investor's new units will have the same redemption fee schedule as the old units.
- If an investor purchased units of a Fund under the Initial Sales Charge option, the investor cannot switch them for Deferred Sales Charge option or the Low Load option units of the same or another Fund.
- If an investor purchased units of a Fund under the Deferred Sales Charge option, the investor cannot switch them for Low Load option units of the same or another Fund, or vice versa.
- Switching from one series to another series will likely result in a change (which may be an increase or a decrease) in the number of units of the Fund an investor holds since the series of a Fund generally have a different series NAV per unit.

Switch Fees

An investor may have to pay a switch fee of up to 2% of the value of the investor's units to his or her dealer when the investor switches units of one Fund to units of another Fund or when the investor switches units of one series of a Fund into units of a different series of the same Fund. The investor negotiates the charge with his or her financial advisor. An investor will not be charged a deferred sales charge on a switch to another Fund.

If an investor switches units within 30 days of buying them or switching into them, the investor may be charged a short-term trading fee.

To implement a switch, an investor must follow certain procedures. See "How to redeem units of the Funds" in the Funds' Simplified Prospectus for more details.

6. REDEMPTION OF UNITS

You can redeem your units of a Fund by selling them back to the Fund. Other than Empire Life Money Market Mutual Fund, you will receive proceeds equal to the series NAV per unit calculated on the applicable Valuation Day. In the case of Empire Life Money Market Mutual Fund, although no assurance can be given that this will always be the case, you will receive proceeds at an expected value of \$5.00 per unit plus a portion of that Fund's net income and net capital gains, if any, accrued since the last distribution date. We will deduct any deferred sales charge or other fees payable by you from the proceeds and send you the balance.

You must place your order to redeem in writing and sign it. An acceptable guarantor must guarantee your signature if the redemption is \$1,000 or more. If a corporation, partnership, agent, fiduciary or surviving joint owner holds the units, we may also ask for other documents.

If we receive your order before 4:00 p.m. Eastern Time on a Valuation Day, we will process your order as of that Valuation Day. Otherwise, we will process the order as of the next Valuation Day. If the TSX closes earlier than 4:00 p.m. on a particular Valuation Day, the Manager will impose an earlier deadline for that Valuation Day. Any orders received after this earlier deadline would be processed as of the next Valuation Day.

Please see Determining the series NAV per unit in the Purchases, switches and redemptions section of this document for more information on how we calculate series NAV per unit on a Valuation Day.

We will not process redemption requests for a past date, a future date or specific price and redemption requests will not be processed before the applicable Fund has received payment for the units that are the subject of the redemption request.

We will send you your money within three business days of receiving your order, as long as the order is complete. If we do not receive your properly completed order on or before the close of business on the tenth business day after receipt of your redemption order, we will buy back the units you redeemed on the tenth business day after the redemption. If the Manager buys them back for less than the investor redeemed them for, the Fund will keep the difference. If we buy them back for more than you redeemed them for, we will charge your dealer for the difference plus any associated costs. Your dealer may be entitled to recover any losses from you.

When an investor redeems Series A, Series T6 and Series T8 units that were bought under the Deferred Sales Charge option or Low Load option, the investor may pay a redemption fee. The fee is a percentage of what the investor paid for the units, and it declines over the period that the units were held as set out below:

Deferred Sales Charge option

If Redeemed and Units were Held for the Following Period	Redemption Fee as % of Original Cost
Less than 1 year	6.00%
1 year to less than 2 years	5.50%
2 years to less than 3 years	5.00%
3 years to less than 4 years	4.50%
4 years to less than 5 years	4.00%
5 years to less than 6 years	3.00%
6 years or more	Nil

Low Load option

If Redeemed and Units were Held for the Following Period	Redemption Fee as % of Original Cost
Less than 1 year	3.00%
1 year to less than 2 years	2.50%
2 years to less than 3 years	2.00%
3 years or more	Nil

If an investor chooses the Deferred Sales Charge or the Low Load options for a Fund and then switches into another Fund under the same purchase option, the new units will have the same redemption fee schedule as the original units and any deferred sales charge will be determined based on the cost of the original units held.

There is no redemption fee payable for units received from reinvested distributions.

If an investor has held the units for less than 30 days, the investor may also have to pay a short-term trading fee.

Units bought under either the Deferred Sales Charge or the Low Load options are redeemed in the following order:

- units that qualify for free redemption entitlement (in order of maturity date) – see further details below;
- matured units (units that are no longer subject to a redemption fee); then
- units that have a fee remaining, starting with those that will mature first.

If an investor bought Series A, Series T6 or Series T8 units under the Deferred Sales Charge or the Low Load options, each year the investor can generally redeem the following series units at no charge:

- up to 10% of the number of units held on December 31 of the previous year; plus
- up to 10% of the number of units bought during the current year prior to the date of redemption.

An investor cannot carry forward unused free redemption entitlement to the next year.

The Manager will deduct the amount of any cash distributions an investor has received from his or her free redemption entitlement.

It is up to an investor or an investor's advisor to advise the Manager if the investor wishes to claim his or her 10% free redemption entitlement.

Investors in the Empire Life Emblem Portfolios must keep a balance of at least \$2,500 in the fund and investors in the Empire Life Funds must keep a balance of at least \$500 in the fund. These minimums are based on the amount an investor paid for the units in order to prevent an

involuntary redemption due to market volatility. If an investor's investment in the fund falls below \$2,500 or \$500, as applicable, the Manager may give the investor 30 days notice to make another investment to bring the investor's investment in the fund up to the required minimum amount. If the investor's investment in the fund stays below the required minimum despite having been given 30 days notice, the Manager may redeem all of the units in the account and send the proceeds to the investor less any fees and other charges.

The Manager may, in its sole discretion, redeem all of the units in an investor's account if it is, in the sole discretion of the Manager, in the best interests of a Fund, including if the investor fails to provide his or her identity and residency details and other information required under enhanced tax information reporting requirements of the Tax Act.

The Manager may under exceptional circumstances temporarily suspend the right to tender units of a Fund for redemption or may postpone the date of payment upon redemption: (i) during any period when normal trading is suspended on any exchange on which securities or derivatives are listed which, in the aggregate, represent more than 50% by value or underlying market exposure of the total assets of the Fund and the securities or derivatives are not traded on any other exchange that is a reasonable alternative for the Fund; or (ii) with the prior permission of the securities regulators. For the purposes of the foregoing list, the value of permitted derivatives shall be deemed to be their underlying market exposure. During any period of suspension there will be no calculation of Net Asset Value per unit and no units will be issued or redeemed by the Fund. The calculation of the Net Asset Value per unit will resume when trading resumes on the exchange referred to in (i) or when the permission of the Ontario Securities Commission referred to in (ii) allows.

If the right to redeem units is suspended as described above and if a redemption request received during the period of suspension is not withdrawn by the end of the suspension period, the units will be redeemed by the Fund in accordance with the redemption request at the series NAV per unit first calculated following the end of the suspension period. See the "Calculation of Net Asset Value and Valuation of Portfolio Securities" section of this document for more information.

7. MANAGEMENT OF THE FUNDS

Manager

The Funds are managed by the Manager, which also serves as trustee of the Funds. The head office of the Funds and the Manager is at 165 University Avenue, 9th Floor, Toronto, Ontario, M5H 3B8. The Manager's toll free telephone number is 1-855-823-6883 and the website address is www.empirelifeinvestments.ca. The Manager is a direct, wholly-owned subsidiary of The Empire Life Insurance Company.

The Manager is responsible for the day-to-day business, operations and affairs of the Funds, and provides investment advisory, marketing and administrative services to the Funds. As the portfolio manager of the Funds, the Manager is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Funds. The Manager is also responsible for furnishing or causing to be furnished the office space and facilities, clerical help, valuation services, bookkeeping and internal accounting services required by each of the Funds. The Manager arranges for the distribution of the units of the Funds through registered dealers.

The Manager acts as manager of the Funds pursuant to a master management agreement dated as of January 3, 2012, together with an amended and restated Schedule A dated January 17, 2014 (the “**Management Agreement**”). In consideration of the services provided to the Funds, each Fund pays the Manager management fees in respect of Series A, Series T6, Series T8 and Series F units of the Fund. The management fees are calculated and accrued daily and paid monthly. No management fees are charged to the Funds with respect to Series I units and instead, each Series I investor negotiates a separate fee that is paid directly to the Manager. The Management Agreement continues indefinitely for each Fund unless terminated upon 60 days’ written notice by either the Manager or a Fund. In addition, the Management Agreement may be immediately terminated by a Fund or the Manager by notice in writing to the other if: (i) the other party ceases to carry on business, becomes bankrupt or insolvent, resolves to wind up or liquidate or if a receiver of any of the assets of the other party is appointed; or (ii) the other party commits any material breach of the provisions of the Management Agreement, including with respect to the Manager ceasing to be registered pursuant to securities legislation or any other relevant law to provide the services under the Management Agreement, and has not remedied such breach within 30 days after written notice requiring the same to be remedied. The Management Agreement permits the Manager to appoint agents to assist it in performing all necessary services required by the Funds. The Management Agreement may not be assigned by the Manager without the consent of the applicable securities regulatory authorities and the prior approval of the unitholders of the applicable Fund, unless the assignment is to an affiliate of the Manager.

Officers and Directors of the Manager

The following are the names, municipalities of residence, offices held and principal occupations or business activities during the 5 years preceding the date hereof of the directors and executive officers of the Manager.

Name and Municipality of Residence	Office Held	Principal Occupation for Last Five Years
Mark A. Sylvia Burlington, Ontario	President and Chief Executive Officer, Chair of the Board and Director	Since February 2015, President & Chief Executive Officer of Empire Life Investments Inc. and since June 2014, Chair of the Board and Director of Empire Life Investments Inc. and President & Chief Executive Officer, The Empire Life Insurance Company; from August 2010 to June 2014, President, Clarity Underwriting Managers Inc.
Ian D. Hardacre Toronto, Ontario	Senior Vice President and Chief Investment Officer	Since December 2016, Senior Vice President and Chief Investment Officer, Empire Life Investments Inc. and since December 2016, Senior Vice President and Chief Investment Officer, The Empire Life Insurance Company; from May 2016 to December 2016, Senior Portfolio Manager, Empire Life Investments Inc.; from January 1997 to January 2016, Portfolio Manager, Invesco Canada Ltd.

Name and Municipality of Residence	Office Held	Principal Occupation for Last Five Years
Richard B. Carty Toronto, Ontario	Secretary, Director	Since September 2016, Secretary of Empire Life Investments Inc. and General Counsel and SVP, Human Resources and Communication Services, The Empire Life Insurance Company and since September 2011, Director, Empire Life Investments Inc., and since August 2006, Vice President, General Counsel and Corporate Secretary, E-L Financial Corporation Limited.
Scott F. Ewert Burlington, Ontario	Director	Since March 2015, Director, Empire Life Investments Inc. and since January 2015, Vice President and Chief Financial Officer of E-L Financial Corporation Limited; from September 1999 to December 2014, Auditor, PricewaterhouseCoopers LLP.
Glenda C. Kaye Kingston, Ontario	Chief Financial Officer	Since May 2013, Chief Financial Officer, Empire Life Investments Inc., and since January 2016, Vice President, Finance and Chief Reporting Officer, The Empire Life Insurance Company; from April 2014 to January 2016, Vice President, Finance and Controller, The Empire Life Insurance Company; from June 2009 to March 2014, Vice President, Financial Reporting, The Empire Life Insurance Company.
Jennifer N. Argiropoulos Toronto, Ontario	Chief Compliance Officer	Since March 2016, Chief Compliance Officer, Empire Life Investments Inc.; from July 2013 to March 2016, Senior Compliance Officer, Empire Life Investments Inc.; from May 2012 to May 2013, Associate, CIBC Asset Management.
Rob G. Lord Kingston, Ontario	Vice President and Controller	Since February 2016, Vice President and Controller, The Empire Life Insurance Company and since March 2016, Vice President and Controller, Empire Life Investments Inc.; from February 2014 to January 2016, Controller, Manulife Asset Management Private Markets; from June 2009 to February 2014, Director of International Accounting and Reporting, Manulife Financial.

Name and Municipality of Residence	Office Held	Principal Occupation for Last Five Years
Paul E. Holba Kitchener, Ontario	Vice President, Retail Distribution	Since January 2012, Vice President, Retail Distribution, Empire Life Investments Inc.; and since January 2016, Vice President, Retail Distribution, The Empire Life Insurance Company; and July 2009 to December 2012, Regional Vice President, Ontario, The Empire Life Insurance Company.
John M. Stocks Cambridge, Ontario	Vice President and Chief Marketing Officer	Since April 2016, Vice President and Chief Marketing Officer, The Empire Life Insurance Company; from June 2013 to March 2016, Vice President, Insurance Marketing, The Empire Life Insurance Company; from April 2012 to January 2013, Vice President Marketing, Fusenet Inc.; from July 2009 to January 2012, Director of Marketing, ResMor Trust Company.

Trustee

The Manager has been appointed the trustee of the Funds under the Declaration of Trust, which establishes the fundamental operating structure for the Funds. In its capacity as trustee, the Manager has ultimate responsibility for the business and undertaking of the Funds and must carry out the terms of the Declaration of Trust. Currently, the Manager receives no compensation in its capacity as trustee. The Manager may resign as trustee of a Fund by giving 90 days' prior written notice to unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by investors in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

Portfolio Manager

Pursuant to the Management Agreement, the Manager is also the portfolio manager of the Funds and, in such capacity, is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Funds. The Manager has an investment committee that has oversight of the portfolio management of the Funds.

The Manager uses a team approach to investing and employs a disciplined, fundamental value investing approach to the management of each Fund. Portfolio construction and investment management for each Fund are implemented by applicable asset class teams (such as Canadian equities, fixed income and foreign securities). Each team is made up of investment professionals supported by the Manager's research analysts. Each member on each investment team share the same value philosophy while having his or her own industry expertise. As a team, the investment professionals review industry and company analyses, make buy and sell decisions derived from internally generated research and provide regular monitoring of the Funds and their respective holdings.

INDIVIDUAL	LENGTH OF SERVICE WITH THE MANAGER AND DETAILS OF EXPERIENCE	FUNDS MANAGED
Ian Hardacre	Since December 2016, Senior Vice President and Chief Investment Officer, Empire Life Investments Inc.; from May 2016 to December 2016, Senior Portfolio Manager Canadian Equities, Empire Life Investments Inc.; from January 1997 to January 2016, Portfolio Manager, Invesco Canada Ltd.; from February 1995 to January 1997, Assistant Portfolio Manager, Ontario Teachers' Pension Plan Board.	Empire Life Emblem Diversified Income Portfolio, Empire Life Emblem Conservative Portfolio, Empire Life Emblem Balanced Portfolio, Empire Life Emblem Moderate Growth Portfolio, Empire Life Emblem Growth Portfolio, Empire Life Emblem Aggressive Growth Portfolio, Empire Life Dividend Growth Mutual Fund and Empire Life Canadian Equity Mutual Fund
Amber Sinha	Since April 2016, Senior Portfolio Manager Foreign Equities, Empire Life Investments Inc.; from January 2012 to April 2016, Portfolio Manager Foreign Equities, Empire Life Investments Inc.; from January 2007 to December 2011, Portfolio Manager Foreign Equities, The Empire Life Insurance Company.	Empire Life Emblem Diversified Income Portfolio, Empire Life Emblem Conservative Portfolio, Empire Life Emblem Balanced Portfolio, Empire Life Emblem Moderate Growth Portfolio, Empire Life Emblem Growth Portfolio and Empire Life Emblem Aggressive Growth Portfolio
Virginia Wai-Ping	Since January 2012, Portfolio Manager Equities, Empire Life Investments Inc.; from August 2011 to December 2011, Portfolio Manager Equities, The Empire Life Insurance Company; from July 2010 to March 2011, Analyst, KJ Harrison and Partners.	Empire Life Canadian Small Cap Equity Mutual Fund, and Empire Life Monthly Income Mutual Fund
Geoffrey Johnston	Since January 2012, Senior Portfolio Manager Fixed Income, Empire Life Investments Inc.; from July 2004 to December 2011, Senior Portfolio Manager, Fixed Income, The Empire Life Insurance Company.	Empire Life Emblem Diversified Income Portfolio, Empire Life Emblem Conservative Portfolio, Empire Life Emblem Balanced Portfolio, Empire Life Emblem Moderate Growth Portfolio, Empire Life Emblem Growth Portfolio and Empire Life Monthly Income Mutual Fund

INDIVIDUAL	LENGTH OF SERVICE WITH THE MANAGER AND DETAILS OF EXPERIENCE	FUNDS MANAGED
Mark Vallee	Since June 2012, Senior Portfolio Manager Fixed Income, Empire Life Investments Inc.; from April 2008 to June 2012, Senior Portfolio Manager, Addenda Capital Inc.	Empire Life Emblem Diversified Income Portfolio, Empire Life Emblem Conservative Portfolio, Empire Life Emblem Balanced Portfolio, Empire Life Emblem Moderate Growth Portfolio, Empire Life Emblem Growth Portfolio and Empire Life Monthly Income Mutual Fund
Michael Shook	Since January 2012, Portfolio Manager Fixed Income and Money Market, Empire Life Investments Inc.; since November 1992, Portfolio Manager Fixed Income and Money Market, The Empire Life Insurance Company.	Empire Life Money Market Mutual Fund

Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Manager, as the portfolio manager of each Fund. In effecting portfolio transactions, the Manager seeks to obtain best execution of orders as required by applicable securities regulations. In effecting portfolio transactions, the Manager may direct brokerage commissions paid by a Fund in return for the provision of certain goods or services by the dealer or third-party as permitted by securities legislation. The only goods and services that can be received in return for directing brokerage commissions are:

- advice relating to the value of a security or the advisability of effecting the transaction in a security;
- an analysis, or report, concerning a security, portfolio strategy, issuer, industry, or an economic or political factor or trend; and
- a database, or software, to the extent that it supports goods or services described above (collectively, “Research Goods and Services”), or
- order execution and goods or services to the extent that they are directly related to order execution (collectively, “Order Execution Goods and Services”).

The Manager has arrangements in place with dealers for portfolio transactions regarding the Funds. The Manager seeks to deal with broker-dealers that can meet a high standard of quality and reliability regarding execution services. The Manager may also place value on a broker-dealer’s ability to provide useful research assistance. In selecting a broker-dealer, the Manager takes into account all the factors it considers relevant, including but not limited to: the quality and reliability of brokerage services, services provided in exchange for brokerage

transactions, research and investment information and other services provided by the broker-dealer.

In certain instances, the Manager may receive Order Execution Goods and Services and/or Research Goods and Services from broker-dealers in exchange for directing brokerage transactions to those broker-dealers. Services acquired may include, among other things, research services used by portfolio managers and investment analysts in making investment decisions such as reports or databases containing corporate fundamental and technical analyses, portfolio modeling strategies, execution systems and trading analytics. Where a broker-dealer offers such services, the Manager makes a good faith determination that its clients, including the Funds for which it acts as portfolio manager, receive reasonable benefit by considering whether the commissions paid to the broker-dealer are reasonable in relation to the value of the services or products provided by the broker-dealer, taking into account that particular client's transaction and the Manager's overall responsibility to all of its clients.

On an annual basis, the Manager systematically reviews the performance of the broker-dealers that execute transactions for its clients, including the commission rates paid to broker-dealers by considering the value and quality of brokerage and research services provided. The quality of a broker-dealer's services is measured by analyzing various factors that could affect the execution of trades. These factors include the ability to execute trades with a minimum of market impact, the speed and efficiency of executions, electronic trading capabilities, adequacy of capital, information provided, and the accommodation of any special needs.

Since January 20, 2016, no companies affiliated to the Manager have provided Research Goods and Services to the Manager in return for the allocation of brokerage transactions. Similarly, since January 20, 2016, services other than Order Execution Goods and Services provided to the Manager by non-affiliated dealers and third parties in return for the allocation of brokerage transactions were those that are described as Research Goods and Services, such as research support and research reports or databases with information or analyses on particular companies, industries, or sectors, general economic conditions or portfolio strategies.

Where brokerage transactions involving client brokerage commissions of the Funds have been or might be directed to a broker in return for the provision of any Research Goods and Services by the broker or a third party, the names of such dealers or third parties will be provided upon request by contacting the Manager at 1-855-823-6883 or via email at mutualfund@empire.ca.

Custodian

The Manager entered into a custodial services agreement dated August 15, 2016 with RBC Investor Services Trust (the "Custodian") to act as custodian of the Funds. RBC Investor Services Trust is a trust company incorporated under the laws of Canada. The Custodian is located at 155 Wellington Street West, RBC Centre, Toronto, Ontario M5V 3L3. The Custodian holds all securities for the accounts of the Funds with the exception of foreign securities. All cash property received for the Funds may be held by the Custodian at specified banks or trust companies. Upon certain instructions, the Custodian shall release and deliver securities of the Funds held by the Custodian.

The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Funds hold securities. The foreign sub-custodians have been appointed under arrangements

made to the satisfaction and order of the Custodian and in compliance with applicable regulatory requirements. Foreign securities will be held in the offices of the sub-custodian in the relevant foreign jurisdiction.

The custodial services agreement may be terminated by either party by giving a minimum of 120 days prior written notice.

Auditor

The auditor of the Funds is PricewaterhouseCoopers LLP of Toronto, Ontario. Any change in the auditor of a Fund may be made only with the approval of the IRC of the Funds and upon 60 days prior written notice to unitholders of the Fund in accordance with securities regulations.

Registrar and Transfer Agent

The Empire Life Insurance Company became the registrar and transfer agent of the Funds on Monday, June 20, 2016. The Empire Life Insurance Company maintains the register of units of the Funds at its offices in Kingston, Ontario.

Securities Lending Agent

If a Fund engages in a securities lending transaction, the Fund's custodian or sub-custodian will be appointed as the Fund's securities lending agent, to administer the securities lending transactions entered into by the Fund. The Fund's custodian is currently RBC Investor Services Trust, which is located in Toronto, Ontario. The securities lending agent will be independent of us. The agreement entered into with the securities lending agent will comply with all terms and conditions required under NI 81-102.

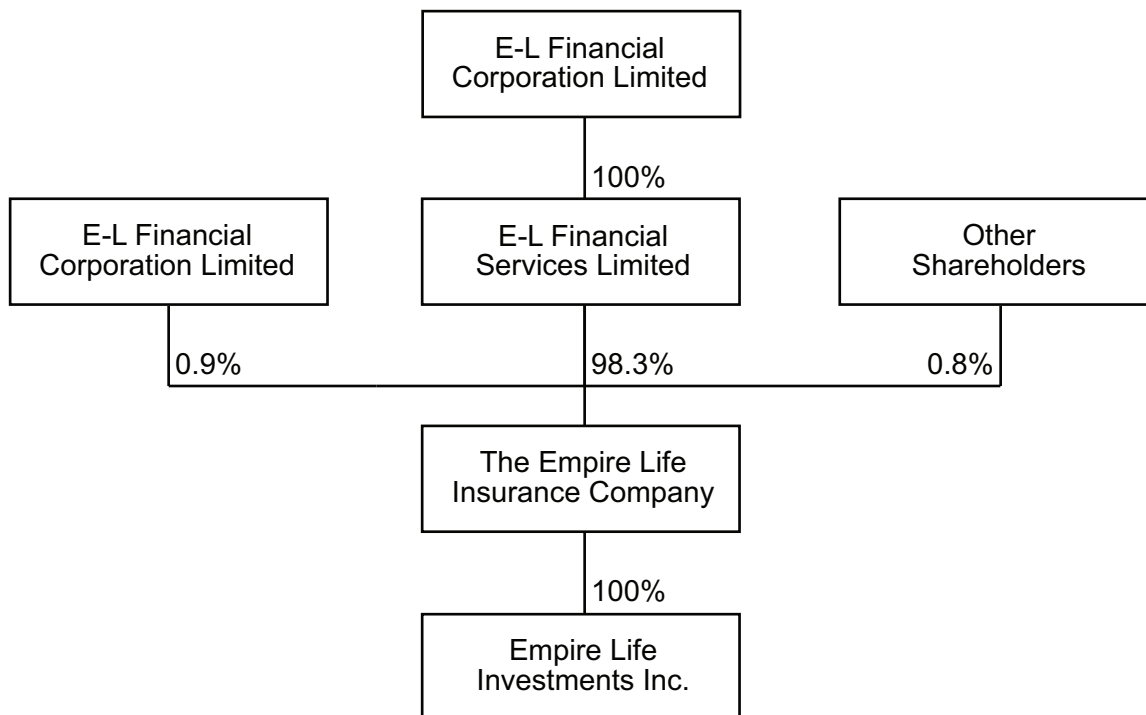
Other Service Providers

Pursuant to a letter agreement dated August 11, 2016 (the "Administrative Services Agreement"), RBC Investor Services Trust of Toronto, Ontario has been retained by the Manager to provide certain administrative services in connection with the ongoing operation and administration of the Funds, including fund valuation and accounting services. A party may terminate the Administrative Services Agreement upon 120 days' written notice. A party may also terminate the Administrative Services Agreement if the other party becomes insolvent or bankrupt, or commits a material breach of a provision of the agreement and such breach is not cured immediately upon being notified in writing by the other party. It is expected that the letter agreement will be replaced by a formal agreement with substantially similar terms.

8. CONFLICTS OF INTEREST

Principal Holders of Securities

The Manager is a wholly-owned subsidiary of The Empire Life Insurance Company which owns all common voting shares in the Manager. As at December 31, 2016, E-L Financial Corporation Limited owned 100%, of the issued and outstanding voting shares of E-L Financial Services Limited, which owned 98.3% of the issued and outstanding voting shares of The Empire Life Insurance Company. E-L Financial Corporation Limited directly owns 0.9% of the issued and outstanding voting shares of The Empire Life Insurance Company. Other shareholders comprise the remaining 0.8% of the issued and outstanding voting shares of The Empire Life Insurance Company. A diagram representing the ownership structure described herein is provided below:



As at December 31, 2016, the following persons owned more than 10% of the issued and outstanding units of the following series of the Funds. To protect the privacy of investors, we have omitted the names of individual investors. This information is available on request by contacting us at the telephone number on the back cover of this Annual Information Form.

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
INVESTOR 1	Empire Life Emblem Diversified Income Portfolio	F	17,869	16.50%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Emblem Diversified Income Portfolio	F	11,278	10.41%
INVESTOR 2	Empire Life Emblem Diversified Income Portfolio	F	10,972	10.13%
EMBLEM DIVERSIFIED INCOME PORTFOLIO GIF	Empire Life Emblem Diversified Income Portfolio	I	2,999,441	90.77%
BIRDSEYE ENTERPRISES LTD.	Empire Life Emblem Conservative Portfolio	F	17,937	12.53%
NORIKO HOLDINGS LTD.	Empire Life Emblem Conservative Portfolio	F	18,088	12.63%

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
EMBLEM CONSERVATIVE PORTFOLIO GIF	Empire Life Emblem Conservative Portfolio	I	8,307,114	97.10%
ERAMOSIA UNION CEMETERY	Empire Life Emblem Conservative Portfolio	T6	13,749	12.54%
INVESTOR 3	Empire Life Emblem Conservative Portfolio	T6	21,201	19.33%
INVESTOR 4	Empire Life Emblem Conservative Portfolio	T6	20,616	18.80%
INVESTOR 5	Empire Life Emblem Balanced Portfolio	F	41,359	21.59%
INVESTOR 6	Empire Life Emblem Balanced Portfolio	F	24,555	12.82%
INVESTOR 7	Empire Life Emblem Balanced Portfolio	F	25,029	13.07%
EMBLEM BALANCED PORTFOLIO GIF	Empire Life Emblem Balanced Portfolio	I	10,118,577	96.29%
INVESTOR 8	Empire Life Emblem Balanced Portfolio	T8	5,099	10.00%
RAYMOND KRIEGER LOGGING LTD.	Empire Life Emblem Balanced Portfolio	T8	6,126	12.01%
INVESTOR 9	Empire Life Emblem Balanced Portfolio	T8	5,645	11.06%
INVESTOR 10	Empire Life Emblem Balanced Portfolio	T8	16,949	33.22%
INVESTOR 11	Empire Life Emblem Moderate Growth Portfolio	F	20,176	12.26%
INVESTOR 12	Empire Life Emblem Moderate Growth Portfolio	F	18,031	10.96%
EMBLEM MODERATE GROWTH PORTFOLIO GIF	Empire Life Emblem Moderate Growth Portfolio	I	12,349,430	96.95%
INVESTOR 13	Empire Life Emblem Moderate Growth Portfolio	T8	36,624	10.17%
INVESTOR 14	Empire Life Emblem Moderate Growth Portfolio	T8	57,651	16.01%

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
INVESTOR 15	Empire Life Emblem Growth Portfolio	F	9,126	10.80%
AVRIA INVESTMENTS LTD.	Empire Life Emblem Growth Portfolio	F	8,649	10.24%
INVESTOR 16	Empire Life Emblem Growth Portfolio	F	9,897	11.72%
EMBLEM GROWTH PORTFOLIO GIF	Empire Life Emblem Growth Portfolio	I	8,378,112	95.50%
INVESTOR 17	Empire Life Emblem Growth Portfolio	T8	23,184	12.45%
INVESTOR 18	Empire Life Emblem Growth Portfolio	T8	19,573	10.51%
DEEBS KALGOORLIE LIMITED	Empire Life Emblem Growth Portfolio	T8	19,453	10.44%
INVESTOR 19	Empire Life Emblem Aggressive Growth Portfolio	F	3,226	12.11%
INVESTOR 20	Empire Life Emblem Aggressive Growth Portfolio	F	5,725	21.49%
INVESTOR 21	Empire Life Emblem Aggressive Growth Portfolio	F	5,432	20.39%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Emblem Aggressive Growth Portfolio	I	252,122	10.43%
ROYAL TRUST CORPORATION OF CANADA	Empire Life Emblem Aggressive Growth Portfolio	I	927,711	38.36%
EMBLEM AGGRESSIVE GROWTH PORTFOLIO GIF	Empire Life Emblem Aggressive Growth Portfolio	I	1,024,389	42.36%
INVESTOR 22	Empire Life Emblem Aggressive Growth Portfolio	6	2,893	18.29%
INVESTOR 23	Empire Life Emblem Aggressive Growth Portfolio	6	2,682	16.96%
INVESTOR 24	Empire Life Emblem Aggressive Growth Portfolio	8	6,443	15.62%
INVESTOR 25	Empire Life Emblem Aggressive Growth Portfolio	8	26,553	64.38%

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Small Cap Equity Mutual Fund	I	31,558	50.34%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Small Cap Equity Mutual Fund	I	17,610	28.09%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Small Cap Equity Mutual Fund	T6	1,436	99.05%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Small Cap Equity Mutual Fund	T8	1,596	30.50%
INVESTOR 26	Empire Life Small Cap Equity Mutual Fund	T8	2,445	46.74%
INVESTOR 27	Empire Life Small Cap Equity Mutual Fund	T8	534	10.21%
INVESTOR 28	Empire Life Small Cap Equity Mutual Fund	T8	641	12.25%
INVESTOR 29	Empire Life Canadian Equity Mutual Fund	A	8,041	14.26%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Canadian Equity Mutual Fund	I	34,614	52.48%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Canadian Equity Mutual Fund	I	19,803	30.02%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Canadian Equity Mutual Fund	T6	1,416	26.84%
INVESTOR 30	Empire Life Canadian Equity Mutual Fund	T6	624	11.83%
INVESTOR 31	Empire Life Canadian Equity Mutual Fund	T6	2,149	40.73%
INVESTOR 32	Empire Life Canadian Equity Mutual Fund	T6	878	16.64%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Canadian Equity Mutual Fund	T8	1,581	10.84%

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
INVESTOR 33	Empire Life Canadian Equity Mutual Fund	T8	2,190	15.02%
INVESTOR 34	Empire Life Canadian Equity Mutual Fund	T8	3,877	26.58%
INVESTOR 35	Empire Life Canadian Equity Mutual Fund	T8	3,931	26.95%
INVESTOR 36	Empire Life Dividend Growth Mutual Fund	F	17,085	11.01%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Dividend Growth Mutual Fund	I	36,801	50.64%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Dividend Growth Mutual Fund	I	19,940	27.44%
SIGHTLINE PENSION SOLUTIONS INC.	Empire Life Dividend Growth Mutual Fund	I	7,607	10.47%
INVESTOR 37	Empire Life Dividend Growth Mutual Fund	T6	64,583	43.69%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Monthly Income Mutual Fund	I	85,014	15.49%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Monthly Income Mutual Fund	I	420,670	76.65%
INVESTOR 38	Empire Life Monthly Income Mutual Fund	T6	16,076	10.51%
BREECO HOLDINGS LTD.	Empire Life Monthly Income Mutual Fund	T6	16,313	10.67%
INVESTOR 39	Empire Life Monthly Income Mutual Fund	T8	3,213	15.53%
INVESTOR 40	Empire Life Monthly Income Mutual Fund	T8	6,889	33.30%
INVESTOR 41	Empire Life Monthly Income Mutual Fund	T8	2,331	11.27%

Unitholder	Fund	Series	Number of Units	Percentage of Series of Units Issued and Outstanding
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Money Market Mutual Fund	I	63,742	54.58%
THE EMPIRE LIFE INSURANCE COMPANY	Empire Life Money Market Mutual Fund	I	40,424	34.61%

As at December 31, 2016, the directors and officers of the Manager did not own, in aggregate, more than 10% of the issued and outstanding units of any series of any Fund.

Affiliated Entities

The Empire Life Insurance Company, an affiliate of the Manager, provides support services to the Manager in areas including IT, legal, finance and operations. The relationship of The Empire Life Insurance Company and the Manager is set out in the diagram in the “Conflicts of Interest” section of this document.

Amounts material to a Fund paid by the Manager to an affiliated entity for services provided to the Fund will be disclosed in the audited annual financial statements of the Fund.

The following individuals are directors and/or officers of the Manager and also directors and/or officers of one or more of the affiliated entities that provide services to the Funds or to the Manager:

Name and Position with the Manager	Position with Affiliated Entities
Mark A. Sylvia, President and Chief Executive Officer, and Chair of the Board and Director	President and Chief Executive Officer, and Director, The Empire Life Insurance Company
Richard B. Carty, Secretary	General Counsel and Senior Vice President, Human Resources and Communication Services, The Empire Life Insurance Company
Glenda C. Kaye, Chief Financial Officer	Vice President, Finance and Chief Reporting Officer, The Empire Life Insurance Company
Rob G. Lord, Vice President and Controller	Vice President and Controller, The Empire Life Insurance Company
Ian D. Hardacre, Senior Vice President and Chief Investment Officer	Senior Vice President and Chief Investment Officer, The Empire Life Insurance Company

9. FUND GOVERNANCE

General

The Manager, as manager and trustee of the Funds, is responsible for fund governance matters relating to the Funds. Senior officers of the Manager are responsible for developing, implementing and monitoring day to day fund governance practices. The board of directors of the Manager reviews these fund governance practices at regular intervals and is ultimately responsible for overall fund governance matters. Members of the Manager’s board of directors are listed above under “Management of the Funds”.

Members and Mandate of the IRC

As of the date of this annual information form, the members of the IRC are Paul Robert Batho (Chair), Catherine Butt, G. Edward McCraney and Joanne Vézina.

The following is the mandate of the IRC as required under National Instrument 81-107:

- (a) consider and make decisions on conflict of interest matters that require its approval under NI 81-107;
- (b) consider and provide its recommendations on conflict of interest matters that are referred to it for review by the Manager, and
- (c) perform any other function required by securities legislation, including the review of the Manager's written policies and procedures that deal with conflict of interest matters.

Policies and Practices

In managing the day to day operations of the Funds, the Manager has adopted certain policies as standard practice to comply with applicable legislation and regulations, including National Instrument 81-102 and National Instrument 81-105, relating to permitted compensation and trailing commissions, internal dealer incentive practice, marketing and education practices, sales disclosure and portfolio transactions. In addition, the Manager has developed and adopted a set of policies and procedures designed to address, among other things, insider trading, conflicts of interest, privacy, personal investments, risk management and general compliance with regulatory and corporate requirements. Some of these policies and procedures are described in further detail below.

In its management of potential conflicts of interest relating to the Funds, the Manager and affiliated entities are subject to the restrictions and procedures described in an internal Personal Trading Policy (the "**PTP**"). The PTP restricts, and provides for the monitoring of, the personal investing activities of employees involved in making investment decisions and those with access to investment management information. Additionally, the PTP prescribes procedures for preclearance, reporting, notification and disclosure of applicable transactions by these employees. The PTP also prohibits improper disclosure or use of material non-public or confidential information, for personal gain or for the benefit of any other person. The PTP is administered, maintained and monitored by the Manager's compliance group. The restrictions on personal trading comply with the standards for the mutual fund industry set by the Investment Funds Institute of Canada.

As the Manager is the portfolio manager to other clients in addition to the Funds, the Manager has in place a policy regarding fair allocation of investment opportunities. The Manager is required to allocate investment opportunities among its clients, including the Funds, on a fair and equitable basis so that no client of the Manager would receive preferential treatment.

Fund investment risk management is dealt with by the Manager in several ways. The Manager is required, in its portfolio management of the Funds, to comply with the investment objectives and strategies of the Funds, the investment restrictions and policies prescribed by National Instrument 81-102 and other applicable securities legislation. In addition, the Manager has implemented various measures to assess risk, including daily market security valuation,

exposure reporting and reconciliation of portfolio investments and cash positions. The Funds' investment portfolios are monitored for compliance with these requirements on a regular basis by the Manager's investment administration group and compliance group, with any significant finding reported by the Chief Compliance Officer to the Ultimate Designated Person of the Manager and reported to the Manager's board of directors on at least a semi-annual basis.

Policies related to Derivatives

Except for Empire Life Money Market Mutual Fund, each of the Funds may use derivatives as permitted by applicable securities legislation. See "Derivative risk" for a description of the risks associated with the use of derivatives in the Funds' Simplified Prospectus. The Manager has established compliance policies and procedures to manage the risks in connection with the use of derivatives by the Funds and to ensure that the Funds meet the requirements in securities legislation.

All investment policies and procedures pertaining to the use of derivatives are established in a manner consistent with the objectives for each Fund. Processes are in place to ensure compliance with documented investment guidelines pertaining to all securities transactions, including the use of derivatives. These processes include supervisory review and approval of the transaction on a regular basis. Portfolio management software is also utilized to confirm that each portfolio transaction complies with the investment guidelines and restrictions for the particular Fund. Compliance with investment guidelines and restrictions are monitored independently of the trading function.

The Chief Compliance Officer of the Manager is responsible for establishing and maintaining policies and procedures in connection with the use of derivatives, oversight of all derivative strategies used by the Funds, and the monitoring and assessing compliance with all applicable legislation. The Chief Compliance Officer is required to report to the Ultimate Designated Person of the Manager on any instances of non-compliance and reports to the board of directors of the Manager on his or her compliance assessments. Compliance personnel employed by the Manager review the use of derivatives as part of their ongoing review of fund activity. Compliance personnel are not members of the investment and trading group and report to a different functional area.

Limits and controls on the use of derivatives are part of the Manager's fund compliance regime and include reviews by compliance personnel employed by the Manager who ensure that the derivative positions of the Funds are within applicable policies.

The Manager reviews at least annually the policies and procedures related to the use of derivatives to ensure that the associated risks are being properly managed.

Policies related to Repurchase and Reverse Repurchase Transactions and Securities Lending Transactions

Each of the Funds may engage in repurchase and reverse repurchase transactions and securities lending transactions as permitted under securities law. The Custodian or a sub-Custodian will act as agent for the Funds in administering repurchase transactions and securities lending transactions, including negotiating the agreements, assessing the creditworthiness of counterparties and collecting the fees earned by the Funds. The agent will also monitor the collateral provided to ensure that it remains within the prescribed limits. Before

a Fund engages in repurchase, reverse repurchase or securities lending transactions, the Manager will have in place written policies and procedures in respect of reverse repurchase transactions and sets credit limits in an effort to control risk and will develop similar policies for repurchase transactions and securities lending transactions.

Policies related to Short-Term Trading

The Manager has adopted policies and procedures to monitor, detect and deter the short-term trading of units of a Fund by investors.

If an investor redeems or switches units within 30 days of buying units of any series of the Funds, the investor may be charged a short-term trading fee of up to 2% of the value of the units.

Generally, the Funds (excluding Empire Life Money Market Mutual Fund) are meant to be long term investments. This fee is designed to protect unitholders from other investors moving quickly in and out of the Funds. Frequent trading can hurt the performance of a Fund by forcing the portfolio manager to keep more cash in the Fund than would otherwise be needed or to sell investments at an inappropriate time. It may also increase the Fund's transaction costs.

Short-term trading fees are paid to the Fund affected and are in addition to any initial sales charge, deferred sales charge or switch fee paid by the investor to the Manager. The fee is deducted from the amount you redeem or switch, or it is charged to your account, and is retained by the Fund. No short-term trading fees are charged:

- for a redemption of units when an investor fails to meet the minimum investment amount for a Fund;
- for a redemption of units acquired through automatic reinvestment of all distributions by a Fund;
- for a redemption of units in connection with a failed settlement of a purchase of units;
- for a switch of units from one series to another series of the same Fund;
- for a redemption of units by another investment fund or investment product approved by the Manager; or
- in the absolute discretion of the Manager.

Proxy Voting Guidelines

The Manager has policies and procedures in place to ensure that proxies relating to securities held by a Fund are voted in the best interests of each Fund (the “**Proxy Voting Guidelines**”).

Summaries of the Manager's proxy voting policies and procedures are set out below. Copies of the complete proxy voting policies and procedures for the Funds are available to investors on request, free of charge, by calling the Manager toll free at 1-855-823-6883, by sending an e-mail to mutualfund@empire.ca or by writing to the Manager at 259 King Street East, Kingston, Ontario K7L 3A8.

Each Fund's proxy voting record for the most recent period ended June 30 of each year will be available, free of charge, to any unitholder of the Fund upon request at any time after

August 31 of that year by calling 1-855-823-6883. The proxy voting record is also available on the Funds' website at www.empirelifeinvestments.ca.

In setting the Proxy Voting Guidelines, the Manager's goal is for proxies to be voted in the best economic interests of the Manager's clients, including the Funds. In the Manager's view, sound corporate governance can enhance shareholder value. The Proxy Voting Guidelines set out the guidelines and procedures that the Manager will follow to determine whether and how to vote on any matter for which a Fund receives proxy materials. Generally, issues for proxy voting would be reviewed by the investment management department of the Manager and, in some cases, with further input from the relevant research analyst or portfolio manager.

The Manager has retained Glass Lewis & Company ("GL&C") to assist with the exercise of the voting rights attached to securities held in the Funds' portfolios. GL&C receives all proxy materials and formulates voting recommendations in accordance with the Proxy Voting Guidelines. The voting recommendations are conveyed to the Manager. The Manager analyzes the voting recommendation on a case-by-case basis, having regard to the Proxy Voting Guidelines, issuer, industry and country in which the issuer conducts its business, and makes the final voting decision. The final voting decision is then conveyed to the issuer via GL&C. The Proxy Voting Guidelines are intended as a general guide for how the Manager will vote proxies on behalf of clients and not a rigid policy position. If the Manager does not change the GL&C recommendation, the shares will be voted in accordance with that recommendation. GL&C provides the Manager with records of all votes.

When voting proxies, employees and directors of the Manager are required to avoid any situation in which their personal interests conflict with their duties to the Funds. Employees shall consult with their manager and with the Compliance Department concerning any apparent conflict of interest arising in relation to the voting of proxies. Should a potential conflict of interest arise with respect to proxy voting, designated members of senior management would determine if there is a conflict and, if senior management is of the opinion that a conflict exists, senior management initiates the appropriate steps to address the conflict (which may include referring the matter to the IRC) and direct the vote.

10. FEES AND EXPENSES

Management Fee Distributions

In some cases, the Manager may reduce the management fee for certain investors. For example, the Manager may reduce the management fee for large investors, group plans, charitable or not-for profit organizations, employees of the Manager and employees of certain affiliates of the Manager.

In effect, the investors receive a rebate for the management fees that apply to their units. The Manager does this by reducing the management fee charged to the Fund. The rate of rebate is negotiable with the Manager, other than arrangements with employees of the Manager and of the Manager's affiliates where a formula to determine the applicable rate is in place. The Fund pays out the amount of the reduction in the form of a special distribution, which is called a *management fee distribution*. These management fee distributions are automatically reinvested in additional units of the relevant series of the Fund and are not paid to investors in cash. Management fee distributions are paid first out of net income and net realized capital gains, and thereafter out of capital. The tax consequences of receiving a management fee distribution are

discussed in further details under “Income tax considerations for investors” in the Funds’ Simplified Prospectus. The Manager may, in its sole discretion, increase or decrease, or cease to make any management fee distributions to any investor at any time.

The Manager’s decision to reduce the usual management fee depends on a number of factors, including the size of the investment, the expected level of account activity and the investor’s total investments with the Manager.

11. INCOME TAX CONSIDERATIONS

The following is a summary of the principal income tax considerations under the Tax Act applicable to each Fund and unitholders who are individuals (other than trusts) resident in Canada, deal with the Funds at arm’s length and who hold units as capital property. This summary is based on the current provisions of the Tax Act and regulations thereunder, proposals for specific amendments thereto that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof (“**Proposed Amendments**”), and the Manager’s understanding of the current published administrative and assessing practices and policies of the Canada Revenue Agency (“**CRA**”). This summary assumes that each Fund will, at all material times, qualify as a mutual fund trust under the Tax Act. **This summary is not exhaustive of all possible federal income tax considerations and does not deal with provincial income tax considerations which may in the case of any particular province differ from those under the Tax Act. Therefore, prospective unitholders are advised to consult with their own tax professionals about their individual circumstances.**

The Funds

Generally, each Fund will be subject to tax under Part I of the Tax Act on its income, including net taxable capital gains, not paid or payable to its unitholders at the end of each taxation year, taking into account any entitlement to a capital gains refund. It is the intention of each Fund to allocate and distribute sufficient net income and net realized capital gains in each year so that the Fund generally will not be subject to tax under Part I of the Tax Act. Gains and losses realized by a Fund from the use of derivatives for non-hedging purposes will be treated for tax purposes as ordinary income and losses rather than capital gains and capital losses. Gains and losses realized by a Fund from the use of derivatives for hedging purposes may be treated for tax purposes as ordinary income and losses or capital gains and losses, depending upon the circumstances. In certain circumstances, losses realized by the Funds may be suspended or restricted under the Tax Act and, therefore, will be unavailable to shelter income or capital gains. This may increase the amount of income or capital gains distributed to unitholders.

All of a Fund’s deductible expenses, including expenses common to all series of the Fund and management fees and other expenses specific to a particular series of the Fund, will be taken into account in determining the income or loss of the Fund as a whole.

The Unitholders

A statement for tax purposes will be issued to unitholders by the end of March in each year identifying their share, in Canadian dollars, of a Fund’s income for the previous taxation year (including dividend income from taxable Canadian corporations, capital gains and foreign source income), returns of capital, allowable tax credits and foreign tax paid. Income of the Fund derived from foreign sources may be subject to foreign withholding tax which may, within certain limits, be credited against Canadian income taxes payable by unitholders.

The amount of any income and the taxable portion of any capital gains of a Fund that is paid or payable to a unitholder (including by way of management fee distributions) must be included in the unitholder's income even if it was reinvested in additional units. To the extent that distributions (including management fee distributions) to a unitholder by a Fund in a year, other than as proceeds of disposition, exceed the unitholder's share of the Fund's net income and net realized capital gains, the excess will be a return of capital. Distributions on units of Empire Life Emblem Diversified Income Portfolio and Empire Life Monthly Income Mutual Fund and on Series T6 or Series T8 units, as applicable, of the other Funds are expected to include, in part or in whole, a return of capital. A return of capital will not be taxable in the hands of the unitholder, but will reduce the adjusted cost base of the unitholder's units of that Fund. If the adjusted cost base of a unitholder's units would otherwise be less than zero, the negative amount will be deemed to be a capital gain realized by the unitholder from the disposition of the units and the adjusted cost base of the units will be increased by the amount of such gain. Unitholders will be entitled to treat dividend income from taxable Canadian corporations and capital gains of the Fund allocated to them for the purpose of the Tax Act as if the unitholder had received such amounts directly. Therefore, unitholders must include these dividends in income, subject to the gross-up and dividend tax credit provisions of the Tax Act. An enhanced gross-up and dividend tax credit is available for certain eligible dividends paid by Canadian corporations. The taxable portion of capital gains must be included in income. Unitholders who acquire units of a Fund may be taxed on unrealized and/or undistributed income and capital gains of the Fund earned at a time before the units were acquired.

Management fees paid on Series I units by an investor are generally not deductible for tax purposes.

On the actual or deemed disposition of a unit (including a transfer or redemption), a unitholder will realize a capital gain (or capital loss) to the extent that the proceeds of disposition net of any costs of disposition exceed (or are less than) the unitholder's adjusted cost base of such units. Unitholders should keep detailed records of the purchase cost, sales charges, distributions and any other matters related to units in order to calculate the adjusted cost base of those units. You may wish to consult a tax advisor to help you with these calculations. Generally, one-half of any capital gain realized upon a disposition of units must be included in a unitholder's income for tax purposes.

The switch of units of one series of a Fund to units of another series of the same Fund will not be a disposition for purposes of the Tax Act, provided that the switch is effected as a redesignation, as provided under the Fund's Declaration of Trust.

In certain cases, individuals may also have to pay alternative minimum tax.

12. REMUNERATION OF IRC

Individual IRC members are compensated by way of an annual retainer fee and a per meeting attendance fee, as well as being reimbursed for expenses associated with IRC duties. These costs are allocated amongst the Funds proportionately by assets. For the financial year of the Funds ended December 31, 2016, the Funds paid, in the aggregate, \$24,000, \$16,000, \$16,000, and \$16,000, as IRC fees, to each of Paul Batho, Catherine Butt, Edward McCraney and Joanne Vezina, respectively, and paid, in the aggregate, \$212.55, \$1,295.18 and \$1,373.59 and as reimbursements, to Paul Batho, Catherine Butt, and Joanne Vezina, respectively.

13. MATERIAL CONTRACTS

Contracts which have been entered into by each Fund as at the date of this Annual Information Form which are considered material to investors purchasing units are as follows:

1. the Declaration of Trust described in “The Funds” section of this document;
2. the Management Agreement described under the “Management of the Funds” section of this document; and
3. the Custodian Agreement described under the “Management of the Funds” section of this document.

Copies of the foregoing contracts may be inspected by existing and prospective unitholders during regular business hours at the principal place of business of the Manager at 165 University Avenue, 9th Floor, Toronto, Ontario, M5H 3B8.

CERTIFICATE OF THE FUNDS, MANAGER AND PROMOTER

Empire Life Emblem Diversified Income Portfolio
Empire Life Emblem Conservative Portfolio
Empire Life Emblem Balanced Portfolio
Empire Life Emblem Moderate Growth Portfolio
Empire Life Emblem Growth Portfolio
Empire Life Emblem Aggressive Growth Portfolio
Empire Life Small Cap Equity Mutual Fund
Empire Life Canadian Equity Mutual Fund
Empire Life Dividend Growth Mutual Fund
Empire Life Monthly Income Mutual Fund
Empire Life Money Market Mutual Fund

(the "Funds")

This annual information form, together with the simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the units offered by the simplified prospectus, as required by the securities legislation of each of the provinces and territories of Canada and do not contain any misrepresentations.

DATED: January 30, 2017

"Mark A. Sylvia"

Mark A. Sylvia
President, Chief Executive Officer
Empire Life Investments Inc.

"Glenda C. Kaye"

Glenda C. Kaye
Chief Financial Officer
Empire Life Investments Inc.

ON BEHALF OF THE BOARD OF DIRECTORS OF
EMPIRE LIFE INVESTMENTS INC.
AS TRUSTEE, MANAGER, AND PROMOTER
OF THE FUNDS

"Richard B. Carty"

Richard B. Carty
Director

"Scott F. Ewert"

Scott F. Ewert
Director

[Back cover]

Empire Life Investments Inc.
165 University Avenue, 9th Floor
Toronto, Ontario
M5H 3B8

You can find additional information about each Fund in its fund facts, its most recently filed management report of fund performance and financial statements.

You can get a copy of these documents at no cost, by calling us at 1-855-823-6883, or from your dealer, or by sending us an e-mail at mutualfund@empire.ca.

These documents and other information about the Funds, such as information circulars and material contracts, are also available on our website at www.empirelifeinvestments.ca or at www.sedar.com as well as from your financial advisor.

Empire Life Mutual Funds

Series A units, Series T6 units, Series T8 units, Series F units and Series I units (unless otherwise indicated) of:

Empire Life Emblem Portfolios:

- Empire Life Emblem Diversified Income Portfolio (Series A, Series T6, Series F and Series I units only)
- Empire Life Emblem Conservative Portfolio (Series A, Series T6, Series F and Series I units only)
- Empire Life Emblem Balanced Portfolio
- Empire Life Emblem Moderate Growth Portfolio
- Empire Life Emblem Growth Portfolio
- Empire Life Emblem Aggressive Growth Portfolio

Empire Life Funds:

- Empire Life Small Cap Equity Mutual Fund (Series A, Series T6, Series T8 and Series I units only)
- Empire Life Canadian Equity Mutual Fund (Series A, Series T6, Series T8 and Series I units only)
- Empire Life Dividend Growth Mutual Fund
- Empire Life Monthly Income Mutual Fund
- Empire Life Money Market Mutual Fund (Series A and Series I units only)

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