



Annual Management Report of Fund Performance | As at December 31, 2016

EMPIRE LIFE MUTUAL FUNDS[®]

Empire Life Dividend Growth Mutual Fund

This annual management report of fund performance contains financial highlights, but does not contain either the complete interim or annual financial statements of the investment fund. You can get a copy of the interim or annual financial statements at your request, and at no cost, by calling the toll-free number 1 855 823-6883, by writing to us at 165 University Avenue, 9th Floor, Toronto, Ontario M5H 3B8 or by visiting our website at www.empirelifeinvestments.ca or SEDAR at www.sedar.com. Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

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Empire Life Dividend Growth Mutual Fund

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Management Discussion of Fund Performance

Investment objectives and strategies

Empire Life Dividend Growth Mutual Fund (the "Fund") seeks a balance of dividend income and moderate capital appreciation. The Fund invests primarily in the dividend-yielding equity securities of mid- and large-cap Canadian corporations through a value-oriented approach to stock selection.

Risk

The overall level of risk of investing remains as discussed in the Simplified Prospectus. Any changes as a result of operations during the period have not affected the overall risk of the Fund. The Fund is suitable for the investor who seeks income and modest long-term capital growth, who has a medium tolerance for risk and is comfortable with the risks associated with equity investments.

Result of operations

For the twelve-month period ending December 31, 2016 (the "Period"), Empire Life Dividend Growth Fund (the "Fund"), Series A, returned 16.92%. The net returns of other series of this Fund are provided under the section titled "Past Performance." The series have different returns due to the expenses charged to each series. The Fund's benchmark, the S&P/TSX 60 Total Return Index, broadly representative of the large cap Canadian equity market, returned 21.36% for the same Period. Fund returns are reported net of all management fees and expenses for all series, unlike the returns of the Fund's benchmark, which are based on the performance of an index that does not pay fees or incur expenses.

The Fund underperformed its benchmark over the Period. The Fund's allocations in most sectors detracted from its relative performance. An underweight position in the Materials sector was the most significant detractor from the Fund's performance. The Fund's underweight position in the Financials sector, as well as its overweight positions in the Information Technology and Consumer Discretionary sectors, also detracted from the Fund's relative performance, as did a negative currency effect from its foreign holdings.

Stock selection contributed to the Fund's relative performance, particularly its security selection in the Energy, Materials, Consumer Discretionary, Health Care and Information Technology. The Fund's underweight position in the Telecommunication Services sector also contributed to performance. In terms of stock selection, the Fund's lack of position in Valeant Pharmaceuticals International Inc., a Health Care sector company, significantly contributed to performance.

Despite a challenging start to the Period, Canadian equities were very resilient over 2016. The Canadian equity market fell roughly 10% in the first six weeks of the Period on news of weaker Chinese economic growth, as well as in response to weak commodity and oil prices. Canadian equities then rebounded in response to a rally in base metal prices. Gold prices peaked in July 2016, but gave back much of those gains over the remainder of 2016. After July, however, Energy-related stocks rose in response to the recovering price of oil, as the Organization of the Petroleum Exporting Countries ("OPEC") – as well as a number of other oil-producing countries – pledged to cut production, which drove the price of oil higher. The election of Donald Trump as U.S. President late in the Period was widely seen as having the potential to lead to better economic growth and higher inflation. Cyclical stocks surged and outperformed their more defensive counterparts.

The gains in the Energy sector positively impacted other industries as well. Fear regarding the potential for impaired loans from Energy companies fell, while Industrials firms that supply Energy companies got a boost. As such, the Materials, Energy, Financials and Industrials sectors all posted strong gains in 2016. The S&P/TSX 60 Total Return Index rose more than 20% over 2016, and was the one of the strongest-performing indices in the developed markets. Propelled by rising oil prices, the Canadian dollar appreciated by 3.1% against its U.S. counterpart, which made it the strongest-performing currency among Group of Ten countries.

During the Period, the portfolio manager reduced the number of the Fund's holdings from around 70 to around 50, without causing any significant changes in the Fund's sector weightings. The portfolio manager also reduced the Fund's foreign exposure to about 15% through the sale of U.S. equities, and also reduced its underweight exposure in the Materials sector. The portfolio manager added a number of European stocks that offer attractive dividend yields. The portfolio manager increased the Fund's holdings in the Energy sector, bringing the sector weighting in line with that of its benchmark. At the end of the Period, the Fund had overweight exposures to the Industrials, Health Care and Real Estate sectors, as well as underweight allocations in the Financials and Consumer Staples sectors.

Recent developments

At the end of the Period, oil prices were about 100% higher than their February 2016 low, with OPEC's late-Period decision to cut oil production adding to this momentum. The Chinese economy grew at close to 6.5% in 2016, and the portfolio manager believes it is likely to do the same in 2017 as a result of the government refocusing on infrastructure investment. The global economy is poised to accelerate in 2017, and commodity prices are likely to benefit as a result. Some of the drivers behind the rally – such as a low interest rate environment, a weaker Canadian currency, demand

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from a stronger U.S. economy and the Canadian federal government's fiscal plans for infrastructure spending – are likely to remain in place in 2017. Other drivers – such as earnings growth, particularly in the Materials, Energy, Industrials and Consumer Discretionary sectors, and insurance companies – should provide support to financial markets. The portfolio manager believes the Canadian economy should continue to recover from lower commodity prices and lost exports. The portfolio manager is cautiously optimistic regarding Canadian equities, while remaining alert to continued macroeconomic and geopolitical risks.

Going into 2017, the portfolio manager believes that Canadian equities are not cheap, although they are not overstretched either. The portfolio manager will continue to focus on investing in high-quality, reasonably valued companies that offer decent dividend yields and the potential for capital appreciation.

Future Accounting Changes

IFRS 9 *Financial Instruments*

In July 2014, the International Accounting Standards Board published the complete version of IFRS 9, which is effective for annual periods beginning on or after January 1, 2018, with retrospective application. The new standard includes requirements on the classification and measurement of financial assets and liabilities, an expected credit loss model that replaces the existing incurred loss impairment model and new hedge accounting guidance. The Manager is currently evaluating the impact of IFRS 9 on the Fund's financial statements.

Related party transactions

Empire Life Investments Inc. is the Manager, Trustee and Portfolio Manager of the Fund. The Manager is a wholly-owned subsidiary of The Empire Life Insurance Company.

The Manager provides or arranges for the provision of all the management and administrative services for the day-to-day operations of the Fund, including providing or arranging the provision of investment advice, record keeping and other administrative services, some of which are provided by an affiliate of the Manager. In consideration of the management and administrative services, the Fund pays the Manager a monthly management fee calculated as a percentage of daily net asset value of each series of the Fund. The rates for each series are disclosed under "*Management fees*".

During the Period, the Manager absorbed \$96,262 of total expenses otherwise payable by the Fund, as compared to \$74,956* for the year ended December 31, 2015. The amount of expenses waived or absorbed is determined annually on a series by series basis at the discretion of the Manager and the Manager can terminate the waiver or absorption at any time.

* The expenses absorbed by the Manager for the year ended December 31, 2015 of \$74,956 have been revised from the \$65,769 reported in the Annual Management Report of Fund Performance for the year ended December 31, 2015. This revision has been made to conform with the presentation used in the Fund's 2016 Annual Financial Statements, where Management fee rebates have been reclassified from Management fee expense to Expenses absorbed by Manager.

Series description

The Fund offers the following series: A, T6, T8, F and I. Series A, Series T6 and T8 units are available to all investors. Series T6 and T8 are designed for investors seeking regular monthly cash flows from a Fund. Series F units are only available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with Empire Life Investments Inc. Management fees are payable by the Funds on all series except series I. Series I units are available to institutional investors who meet a minimum investment threshold and who have entered into a Series I agreement. The management fee for Series I units is negotiated between Empire Life Investments Inc. and the investor and is payable directly to Empire Life Investments Inc. by the investor.

Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the period and each of the other periods as shown below. This information is derived from the Fund's audited annual financial statements for the period.

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The Fund's net assets per unit⁽¹⁾

Series A Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Net Assets, beginning of period	\$ 12.33	\$ 12.82	\$ 12.25	\$ 10.36	\$ 10.00 *
Increase (decrease) from operations:					
Total revenue	0.39	0.41	0.41	0.39	0.39
Total expenses	(0.29)	(0.32)	(0.33)	(0.28)	(0.21)
Realized gains (losses)	0.50	(0.08)	0.23	0.17	(0.31)
Unrealized gains (losses)	1.49	(0.26)	0.47	2.08	1.00
Total increase (decrease) from operations⁽²⁾	\$ 2.09	\$ (0.25)	\$ 0.78	\$ 2.36	\$ 0.87
Distributions:					
From income	(0.00)	(0.01)	(0.01)	(0.07)	(0.11)
From dividends	(0.02)	(0.00)	(0.00)	(0.00)	(0.00)
From capital gains	(0.17)	(0.29)	(0.41)	(0.09)	(0.00)
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	\$ (0.19)	\$ (0.30)	\$ (0.42)	\$ (0.16)	\$ (0.11)
Net Assets, end of period⁽⁴⁾	\$ 14.17	\$ 12.33	\$ 12.82	\$ 12.25	\$ 10.34

Series T6 Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Net Assets, beginning of period	\$ 10.32	\$ 11.16	\$ 10.94	\$ 9.79	\$ 10.00 *
Increase (decrease) from operations:					
Total revenue	0.32	0.35	0.35	0.36	0.35
Total expenses	(0.24)	(0.28)	(0.29)	(0.26)	(0.21)
Realized gains (losses)	0.41	(0.08)	0.11	0.30	(0.35)
Unrealized gains (losses)	1.20	(0.26)	0.13	1.39	0.77
Total increase (decrease) from operations⁽²⁾	\$ 1.69	\$ (0.27)	\$ 0.30	\$ 1.79	\$ 0.56
Distributions:					
From income	(0.00)	(0.00)	(0.00)	(0.06)	(0.06)
From dividends	(0.07)	(0.00)	(0.00)	(0.00)	(0.00)
From capital gains	(0.00)	(0.00)	(0.00)	(0.08)	(0.00)
Return of capital	(0.62)	(0.67)	(0.66)	(0.59)	(0.60)
Total annual distributions⁽³⁾	\$ (0.69)	\$ (0.67)	\$ (0.66)	\$ (0.73)	\$ (0.66)
Net Assets, end of period⁽⁴⁾	\$ 11.31	\$ 10.32	\$ 11.16	\$ 10.94	\$ 9.78

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Series T8 Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Net Assets, beginning of period	\$ 9.48	\$ 10.48	\$ 10.51	\$ 9.56	\$ 10.00 *
Increase (decrease) from operations:					
Total revenue	0.29	0.33	0.35	0.34	0.39
Total expenses	(0.23)	(0.26)	(0.28)	(0.25)	(0.20)
Realized gains (losses)	0.36	(0.09)	0.11	0.36	(0.30)
Unrealized gains (losses)	1.06	(0.29)	0.26	1.62	1.03
Total increase (decrease) from operations⁽²⁾	\$ 1.48	\$ (0.31)	\$ 0.44	\$ 2.07	\$ 0.92
Distributions:					
From income	(0.00)	(0.02)	(0.02)	(0.02)	(0.09)
From dividends	(0.05)	(0.00)	(0.00)	(0.00)	(0.00)
From capital gains	(0.00)	(0.00)	(0.00)	(0.08)	(0.00)
Return of capital	(0.76)	(0.84)	(0.84)	(0.77)	(0.80)
Total annual distributions⁽³⁾	\$ (0.81)	\$ (0.86)	\$ (0.86)	\$ (0.87)	\$ (0.89)
Net Assets, end of period⁽⁴⁾	\$ 10.20	\$ 9.48	\$ 10.48	\$ 10.51	\$ 9.55

Series F Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013†
Net Assets, beginning of period	\$ 11.69	\$ 12.32	\$ 11.75	\$ 10.00 *
Increase (decrease) from operations:				
Total revenue	0.37	0.39	0.39	0.36
Total expenses	(0.17)	(0.19)	(0.19)	(0.16)
Realized gains (losses)	0.57	(0.22)	(0.17)	(67.07)
Unrealized gains (losses)	1.49	(0.19)	0.03	68.82
Total increase (decrease) from operations⁽²⁾	\$ 2.26	\$ (0.21)	\$ 0.06	\$ 1.95
Distributions:				
From income	(0.00)	(0.29)	(0.11)	(0.13)
From dividends	(0.07)	(0.00)	(0.00)	(0.00)
From capital gains	(0.17)	(0.28)	(0.39)	(0.09)
Return of capital	—	—	—	—
Total annual distributions⁽³⁾	\$ (0.24)	\$ (0.57)	\$ (0.50)	\$ (0.22)
Net Assets, end of period⁽⁴⁾	\$ 13.44	\$ 11.69	\$ 12.32	\$ 11.75

Series I Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Net Assets, beginning of period	\$ 12.27	\$ 13.06	\$ 12.41	\$ 10.44	\$ 10.00 *
Increase (decrease) from operations:					
Total revenue	0.39	0.42	0.41	0.39	0.34
Total expenses	(0.04)	(0.05)	(0.07)	(0.05)	—
Realized gains (losses)	0.52	(0.05)	0.43	1.98	(0.36)
Unrealized gains (losses)	1.49	(0.25)	0.49	(0.01)	0.70
Total increase (decrease) from operations⁽²⁾	\$ 2.36	\$ 0.07	\$ 1.26	\$ 2.31	\$ 0.68
Distributions:					
From income	(0.00)	(0.58)	(0.21)	(0.25)	(0.24)
From dividends	(0.12)	(0.00)	(0.00)	(0.00)	(0.00)
From capital gains	(0.18)	(0.29)	(0.41)	(0.10)	(0.00)
Return of capital	—	—	—	—	—
Total annual distributions⁽³⁾	\$ (0.30)	\$ (0.87)	\$ (0.62)	\$ (0.35)	\$ (0.24)
Net Assets, end of period⁽⁴⁾	\$ 14.13	\$ 12.27	\$ 13.06	\$ 12.41	\$ 10.43

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Ratios and supplemental data

Series A Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Total Net Asset Value	\$ 14,017,812	\$ 11,886,042	\$ 8,888,451	\$ 2,368,374	\$ 468,615
Number of units outstanding	989,596	964,345	693,397	193,354	45,252
Management expense ratio ⁽⁵⁾	2.15%	2.15%	2.14%	2.15%	2.15%
Management expense ratio before waivers or absorptions	2.61%	2.70%	3.93%	10.05%	49.21%
Trading expense ratio ⁽⁶⁾	0.23%	0.30%	0.37%	0.26%	0.23%
Portfolio turnover rate ⁽⁷⁾	102.13%	165.78%	171.80%	107.12%	81.93%
Net Asset Value per unit	\$ 14.17	\$ 12.33	\$ 12.82	\$ 12.25	\$ 10.36

Series T6 Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Total Net Asset Value	\$ 1,672,164	\$ 1,523,998	\$ 1,219,930	\$ 262,152	\$ 20,551
Number of units outstanding	147,814	147,674	109,354	23,955	2,099
Management expense ratio ⁽⁵⁾	2.15%	2.15%	2.14%	2.15%	2.15%
Management expense ratio before waivers or absorptions	2.42%	2.53%	3.32%	5.34%	77.58%
Trading expense ratio ⁽⁶⁾	0.23%	0.30%	0.37%	0.26%	0.23%
Portfolio turnover rate ⁽⁷⁾	102.13%	165.78%	171.80%	107.12%	81.93%
Net Asset Value per unit	\$ 11.31	\$ 10.32	\$ 11.16	\$ 10.94	\$ 9.79

Series T8 Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Total Net Asset Value	\$ 1,020,262	\$ 1,021,624	\$ 532,734	\$ 47,583	\$ 10,221
Number of units outstanding	100,069	107,725	50,819	4,528	1,069
Management expense ratio ⁽⁵⁾	2.15%	2.15%	2.13%	2.15%	2.15%
Management expense ratio before waivers or absorptions	2.67%	2.69%	3.66%	9.00%	185.95%
Trading expense ratio ⁽⁶⁾	0.23%	0.30%	0.37%	0.26%	0.23%
Portfolio turnover rate ⁽⁷⁾	102.13%	165.78%	171.80%	107.12%	81.93%
Net Asset Value per unit	\$ 10.20	\$ 9.48	\$ 10.48	\$ 10.51	\$ 9.56

Series F Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013†
Total Net Asset Value	\$ 2,085,832	\$ 1,521,755	\$ 605,081	\$ 11,990
Number of units outstanding	155,231	130,145	49,122	1,020
Management expense ratio ⁽⁵⁾	1.15%	1.15%	1.14%	1.15%
Management expense ratio before waivers or absorptions	1.32%	1.46%	2.06%	10.09%
Trading expense ratio ⁽⁶⁾	0.23%	0.30%	0.37%	0.26%
Portfolio turnover rate ⁽⁷⁾	102.13%	165.78%	171.80%	107.12%
Net Asset Value per unit	\$ 13.44	\$ 11.69	\$ 12.32	\$ 11.75

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Series I Units	For the year ended December 31, 2016	For the year ended December 31, 2015	For the year ended December 31, 2014	For the year ended December 31, 2013	For the year ended December 31, 2012
Total Net Asset Value	\$ 1,026,670	\$ 834,666	\$ 789,593	\$ 723,127	\$ 503,839
Number of units outstanding	72,672	68,047	60,443	58,291	48,242
Management expense ratio ⁽⁵⁾	–	–	–	–	–
Management expense ratio before waivers or absorptions	0.78%	0.96%	2.80%	7.89%	6.28% **
Trading expense ratio ⁽⁶⁾	0.23%	0.30%	0.37%	0.26%	0.23% **
Portfolio turnover rate ⁽⁷⁾	102.13%	165.78%	171.80%	107.12%	81.93%
Net Asset Value per unit	\$ 14.13	\$ 12.27	\$ 13.06	\$ 12.41	\$ 10.44

* Initial offering price.

** Annualized.

† From January 15, 2013 to December 31, 2013.

- (1) This information is derived from the Fund's interim and annual audited financial statements. The 2016, 2015, 2014 and 2013 numbers are determined using International Financial Reporting Standards (IFRS), while the 2012 numbers are determined using previous Canadian generally accepted accounting principles (CGAAP). Closing amounts for 2012 may therefore vary slightly from opening balances for 2013. The term Net Asset Value per Unit used under CGAAP has been changed under IFRS to Net Assets Attributable to Holders of Redeemable Units per Unit.
- (2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.
- (3) Distributions were paid in cash or reinvested in additional units of the Fund, or both.
- (4) This is not a reconciliation of the beginning and ending net assets per unit.
- (5) The management expense ratio ("MER") is based on total expenses (excluding withholding tax and other transaction costs) as an annualized percentage of daily average net asset value during the Period.
- (6) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the Period.
- (7) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a fund's portfolio turnover rate in a year, the greater the trading costs payable by the fund in the year, and the greater the 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 a fund. Portfolio turnover rate is calculated based on the lesser of the cumulative cost of purchases or cumulative proceeds of sales divided by the average market value of the portfolio, excluding short-term investments.

Management fees

The management fee for Series A, T6, T8 and F units is an annualized rate calculated as a percentage of net assets of the applicable series of the Fund and accrued daily and paid monthly to Empire Life Investments Inc. The management fee for Series I units is negotiated and paid directly by the investor, not by the Fund.

The Fund's management fees were used by Empire Life Investments Inc. to pay for the costs of the overall business and affairs of the Fund including activities related to making units of the Fund available to investors, and providing or arranging for the provision of investment advisory services and marketing services to the Fund.

	As percentage of management fees		
	Management fee rates	Dealer compensation	General administration, investment advice and profit
Series A	1.85%	51.77%	48.23%
Series T6	1.85%	32.07%	67.93%
Series T8	1.85%	56.13%	43.87%
Series F	0.85%	-	100.00%

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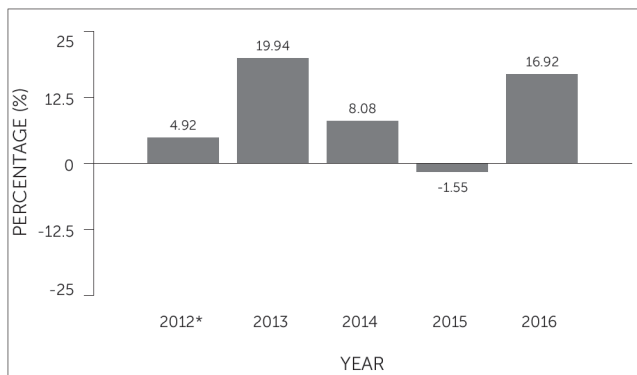
Past performance

The indicated rates of return assume reinvestment of all distributions. They do not take into account sales, redemption, distribution or optional sales charges that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

Year-by-year returns

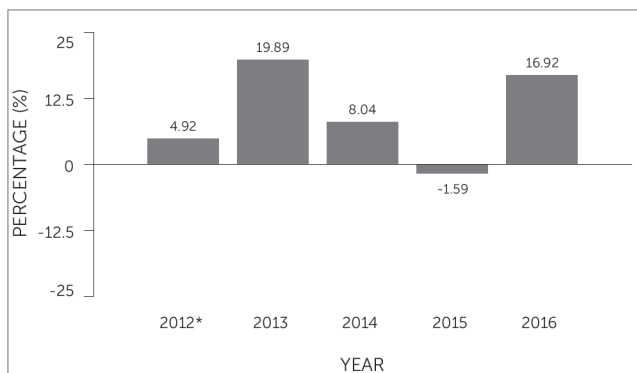
The following bar charts show the annual performance for each series of the Fund and illustrate how that series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the end of the period. For the first year of a series, the percentage shown is the actual return of the series from its commencement of operations.

Series A



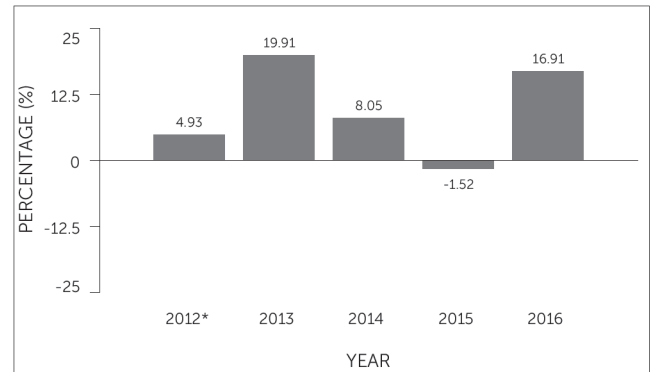
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T6



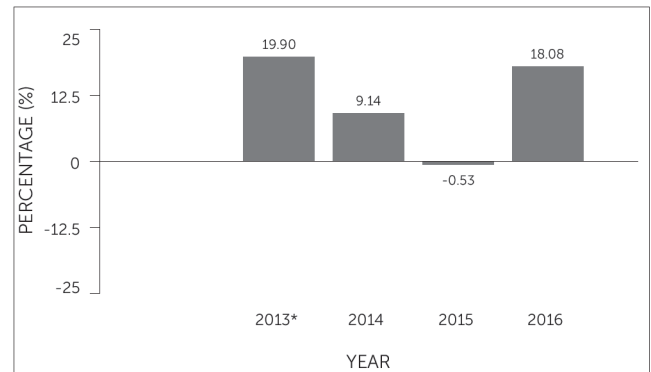
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T8



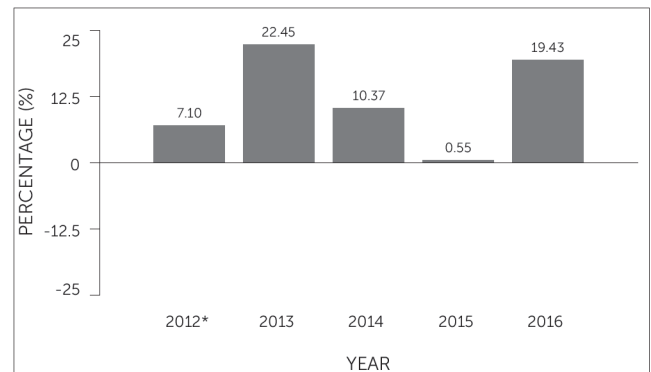
*From January 9, 2012 to December 31, 2012 (not annualized)

Series F



*From January 15, 2013 to December 31, 2013 (not annualized)

Series I



*From January 9, 2012 to December 31, 2012 (not annualized)

Annual compound returns

The Annual Compound Returns table shows the Fund's historical annual compound returns for each series of the Fund for the periods indicated. The annual compound returns are also compared to a broad based index, as described below.

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	1 Year	3 Years	5 Years	Since Inception*	Inception Date
Series A units ¹	16.9%	7.5%	N/A	9.4%	January 9, 2012
Series I units ¹	19.4%	9.8%	N/A	11.7%	January 9, 2012
Series T6 units ¹	16.9%	7.5%	N/A	9.4%	January 9, 2012
Series T8 units ¹	16.9%	7.6%	N/A	9.4%	January 9, 2012
Series F units ¹	18.1%	8.6%	N/A	11.5%	January 15, 2013
S&P/TSX 60 TR Index ²	21.4%	7.9%		9.0%	(5 year return)

(1) Net of all fees and expenses paid by the Fund.

(2) The S&P/TSX 60 Index represents the large-cap market segment of the Canadian equity market. The index is structured to reflect the sector weights of the S&P/TSX Composite Index.

Summary of investment portfolio

The summary of investment portfolio may have changed since December 31, 2016, due to ongoing portfolio transactions of the Fund. Quarterly updates are available within 60 days after quarter-end, except for December 31st, the Fund's fiscal year-end, when they are available within 90 days.

Top 25 Holdings	Percentage of Net Asset Value (%)
Toronto-Dominion Bank	5.7
Royal Bank of Canada	4.8
Bank of Nova Scotia	4.3
PrairieSky Royalty Limited	3.6
Wells Fargo & Company	3.2
Manulife Financial Corporation	3.2
Suncor Energy Inc.	3.0
Shaw Communications Inc. 'B'	2.8
Enbridge Inc.	2.8
Cenovus Energy Inc.	2.6
Canadian National Railway Company	2.6
Cash & Cash Equivalents	2.5
Brookfield Asset Management Inc. 'A'	2.4
Power Financial Corporation	2.4
Allied Properties Real Estate Investment Trust	2.2
Keyera Corporation	2.2
Vodafone Group PLC	2.2
Potash Corporation of Saskatchewan Inc.	2.2
Brookfield Property Partners Limited Partnership	2.1
Alimentation Couche-Tard Inc. 'B'	2.1
Vermilion Energy Inc.	2.0
Chemtrade Logistics Income Fund	1.8
FLIR Systems Inc.	1.8
MacDonald Dettwiler & Associates Limited	1.7
Canadian Imperial Bank of Commerce	1.7
	67.9

Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	97.9
Cash & Cash Equivalents	2.5
Other Net Assets (Liabilities)	(0.4)
	100.0

Sector	Percentage of Net Asset Value (%)
Financials	27.7
Energy	23.0
Materials	8.5
Industrials	8.3
Real Estate	7.6
Consumer Discretionary	5.8
Telecommunication Services	5.1
Health Care	4.4
Utilities	3.6
Cash & Cash Equivalents	2.5
Consumer Staples	2.1
Information Technology	1.8
Other Net Assets (Liabilities)	(0.4)
	100.0

Country	Percentage of Net Asset Value (%)
Canada	76.4
United States	10.6
Bermuda	4.4
United Kingdom	3.5
Cash & Cash Equivalents	2.5
Denmark	1.6
Germany	1.4
Other Net Assets (Liabilities)	(0.4)
	100.0

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A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Fund, including its strategy, expected performance and condition. Forward-looking statements include statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "expects," "anticipates," "intends," "plans," "believes," "estimates" or negative versions thereof and similar expressions. In addition, any statement that may be made concerning future performance, strategies or prospects, and possible future Fund action, is also a forward-looking statement.

Forward-looking statements are the opinions and views of Empire Life Investments Inc. Inc. based on current expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and economic factors and are subject to change without notice. Forward-looking statements are not guarantees of future performance, and actual events and results could differ materially from those expressed or implied in any forward-looking statements made by the Fund. Any number of important factors could contribute to these digressions, including, but not limited to, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological change, changes in government regulations, unexpected judicial or regulatory proceedings, and catastrophic events.

The above-mentioned list of important factors is not exhaustive. You should consider these and other factors carefully before making any investment decisions and avoid placing undue reliance on forward-looking statements. The Fund has no specific intention of updating any forward-looking statements whether as a result of new information, future events or otherwise.

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MF-REG-608-EN 03/17