



Annual Management Report of Fund Performance | As at December 31, 2019

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 to provide a balance of dividend income and moderate capital appreciation. The Fund invests primarily in the dividend-yielding equity securities of medium to large market capitalization Canadian corporations through a value-oriented approach to stock selection.

Risk

For the twelve-month period ending December 31, 2019 (the "Period"), the overall level of risk of investing in the Fund remained the same. The Fund remains suitable for the investor who seeks income and modest long-term capital growth, who has a low to medium tolerance for risk and is comfortable with the risks associated with equity investments.

Results of operations

For the Period, Series A of the Fund returned 13.3%, net of fees. 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 Composite TR Index, broadly representative of the Canadian equity market, returned 22.9% 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. An underweight allocation relative to the Fund's benchmark to the information technology sector detracted from the Fund's performance, as did stock selection within the materials and financials sectors. A rise in the Canadian dollar versus the U.S. dollar of about 5% somewhat reduced the performance of the Fund's U.S. stocks.

The largest individual detractors from the Fund's performance held during the year, vis a vis the benchmark, included DuPont de Nemours Inc. ("DuPont") and Affiliated Managers Group Inc. ("Affiliated Managers"), and the Fund's lack of exposure to Shopify Inc. ("Shopify"). DuPont is a manufacturer of specialty chemicals for cars, consumer goods and electronics. Its stock price was negatively affected by increased market fears about global economic growth stemming from the U.S.-China trade dispute. In the portfolio manager's view, investor concerns about potential litigation risk from certain DuPont products also decreased its stock price. Affiliated Managers provides asset management services in the U.S., and reported disappointing earnings results in May. Earnings were impacted by negative market performance in the second half of 2018, which affected revenues based on assets under management and revenues from performance fees. Additionally, market sentiment continued to be negative around traditional active management because of the general trend towards passive and semi-passive styles of management. The stock was subsequently sold during the Period as the portfolio manager became less confident in the company's business model. Shopify's stock price rose almost 175% during the Period, and as it was not held in the Fund, this lack of exposure was a detractor from the Fund's relative performance. Shopify continued to report negative operating income throughout the Period, and, in the portfolio manager's view, its stock price remained expensive relative to its revenue and book value leading the portfolio manager to continue to not holding Shopify stock in the Fund.

Stock selection in the consumer discretionary and communication services sectors contributed to the Fund's performance, as did an underweight allocation to the health care sector. Top individual contributors to performance included holdings in Cineplex Inc., Keyera Corp. and Domino's Pizza Group PLC ("Domino's"). Cineplex Inc. owns and operates movie theatres in Canada. Its share price jumped about 40% late in the Period after it was announced the company would be acquired by U.K.-based Cineworld Group PLC, one of the largest cinema chain operators in the world. Keyera Corp.'s stock benefited from the announcement of a final investment decision on the Key Access Pipeline System in Alberta, which is a significant part of the company's longer-term growth plans. The company also provided favourable financial guidance for its marketing division because of depressed butane prices. Domino's is a U.K.-based pizza delivery company that owns the franchise rights for the Domino's brand in the U.K. and other European countries. Its share price responded positively to news that the company will exit underperforming international market segments, and look to replace the CEO and chairman, as these events alleviated investor concerns over the company's prospects.

During the Period, there was a shift in monetary policy by the U.S. Federal Reserve Board (the "Fed") from holding interest rates steady early in the Period to lowering interest rates by 25 basis points on three occasions by the end of 2019. Lower interest rates are generally seen as supportive to economic growth and often lead to lower borrowing costs for corporations. The change in monetary policy stance was in response to economic growth risks primarily stemming from the trade dispute between the U.S. and China.

Canadian value-oriented stocks (those with lower book values relative to price, earnings relative to price, and/or higher dividend yields) generally underperformed the overall Canadian equity market. Dividend-yielding Canadian equity performance generally trailed broad-based Canadian equities.

There was a structural change throughout the second half of the Period in the Fund to reduce its sensitivity to economic cycles, in particular in the Fund's foreign investments. The portfolio manager added or increased its investments in Nitori Co. Ltd., Shimano Inc., Alphabet Holding Co. Inc.,

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Philip Morris International Inc., Bunzl PLC and Johnson & Johnson. The portfolio manager believes that these companies offer relatively stable business models less sensitive to economic cycles. Some stocks that were believed to be more sensitive to economic cycles were eliminated. These included Affiliated Managers, Compagnie Financiere Richemont SA, Whitbread PLC and DuPont.

Of the Fund's equity securities, the consumer staples and communication services sectors are where the Fund has the largest weights relative to that of the benchmark, while the Fund's allocation to information technology and utilities are underweight relative to the benchmark.

At the end of the Period, the Fund held 78% in Canadian equities, 8% in U.S. equities, 10% in international equities and 3% in cash and short-term investments. The weighted average dividend yield of the Fund's stock investments is about 3.6% and compares to the benchmark index at 3.0%.

Recent developments

The international emergence and spread of the novel coronavirus causing COVID 19 have negatively impacted global stock markets and we expect they may continue to do so for some time, affecting the valuation of the Fund's investment portfolio and consequently the net asset value of the Fund as a whole. In this environment, the portfolio manager has remained disciplined in its approach to investing, which focuses on high quality and attractively valued companies. The majority of equity securities held by the Fund share a number of attributes, including healthy balance sheets, attractive (and highly visible) growth prospects that are supported by a sustainable competitive advantage and structurally growing end markets, and high quality management teams. We believe these are the types of companies that will weather the downturn relatively better than other companies and will be better positioned to take advantage of an economic recovery. This is the opinion of the portfolio manager as at the time of writing on March 24, 2020, and may not reflect more current market developments.

Independent Review Committee ("IRC")

Effective January 2, 2020, Leslie Wood was appointed as a member of the IRC and Catherine Butt's term of office expired.

Related party transactions

Empire Life Investments Inc. (the "Manager") 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, other than in the case of Series I, where fees are paid directly by the investor to the Manager. The rates for each series are disclosed under "Management fees".

During the Period, the Manager absorbed \$159,135 of total expenses otherwise payable by the Fund, as compared to \$164,864 for the year ended December 31, 2018. 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.

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 the 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 the Manager. 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 the Manager and the investor and is payable directly to the Manager 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 past five years. 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, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Net Assets, beginning of year	\$ 11.81	\$ 14.43	\$ 14.17	\$ 12.33	\$ 12.82
Increase (decrease) from operations:					
Total revenue	0.38	0.43	0.42	0.39	0.41
Total expenses (excluding distributions)	(0.29)	(0.30)	(0.31)	(0.29)	(0.32)
Realized gains (losses)	(0.31)	0.28	0.79	0.50	(0.08)
Unrealized gains (losses)	1.82	(2.44)	(0.05)	1.49	(0.26)
Total increase (decrease) from operations⁽²⁾	\$ 1.60	\$ (2.03)	\$ 0.85	\$ 2.09	\$ (0.25)
Distributions:					
From net investment income (excluding dividends)	–	–	–	–	(0.01)
From dividends	(0.11)	(0.08)	(0.10)	(0.02)	–
From capital gains	–	(0.46)	(0.46)	(0.17)	(0.29)
Return of capital	(0.22)	–	–	–	–
Total annual distributions⁽³⁾	\$ (0.33)	\$ (0.54)	\$ (0.56)	\$ (0.19)	\$ (0.30)
Net Assets, as at December 31 of year shown⁽⁴⁾	\$ 13.03	\$ 11.81	\$ 14.43	\$ 14.17	\$ 12.33

Series T6 Units	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Net Assets, beginning of year	\$ 8.23	\$ 10.84	\$ 11.31	\$ 10.32	\$ 11.16
Increase (decrease) from operations:					
Total revenue	0.26	0.32	0.33	0.32	0.35
Total expenses (excluding distributions)	(0.19)	(0.22)	(0.24)	(0.24)	(0.28)
Realized gains (losses)	(0.22)	0.21	0.62	0.41	(0.08)
Unrealized gains (losses)	1.26	(1.84)	(0.05)	1.20	(0.26)
Total increase (decrease) from operations⁽²⁾	\$ 1.11	\$ (1.53)	\$ 0.66	\$ 1.69	\$ (0.27)
Distributions:					
From net investment income (excluding dividends)	–	–	–	–	–
From dividends	–	(0.06)	(0.08)	(0.07)	–
From capital gains	–	(0.36)	(0.37)	–	–
Return of capital	(0.49)	(0.65)	(0.68)	(0.62)	(0.67)
Total annual distributions⁽³⁾	\$ (0.49)	\$ (1.07)	\$ (1.13)	\$ (0.69)	\$ (0.67)
Net Assets, as at December 31 of year shown⁽⁴⁾	\$ 8.82	\$ 8.23	\$ 10.84	\$ 11.31	\$ 10.32

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Series T8 Units	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Net Assets, beginning of year	\$ 7.08	\$ 9.56	\$ 10.20	\$ 9.48	\$ 10.48
Increase (decrease) from operations:					
Total revenue	0.23	0.28	0.30	0.29	0.33
Total expenses (excluding distributions)	(0.17)	(0.20)	(0.23)	(0.23)	(0.26)
Realized gains (losses)	(0.18)	0.16	0.55	0.36	(0.09)
Unrealized gains (losses)	1.08	(1.61)	–	1.06	(0.29)
Total increase (decrease) from operations⁽²⁾	\$ 0.96	\$ (1.37)	\$ 0.62	\$ 1.48	\$ (0.31)
Distributions:					
From net investment income (excluding dividends)	–	–	–	–	(0.02)
From dividends	–	(0.08)	(0.07)	(0.05)	–
From capital gains	–	(0.31)	(0.33)	–	–
Return of capital	(0.57)	(0.76)	(0.82)	(0.76)	(0.84)
Total annual distributions⁽³⁾	\$ (0.57)	\$ (1.15)	\$ (1.22)	\$ (0.81)	\$ (0.86)
Net Assets, as at December 31 of year shown⁽⁴⁾	\$ 7.43	\$ 7.08	\$ 9.56	\$ 10.20	\$ 9.48

Series F Units	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Net Assets, beginning of year	\$ 11.30	\$ 13.77	\$ 13.44	\$ 11.69	\$ 12.32
Increase (decrease) from operations:					
Total revenue	0.57	0.41	0.41	0.37	0.39
Total expenses (excluding distributions)	(0.15)	(0.16)	(0.17)	(0.17)	(0.19)
Realized gains (losses)	(0.08)	0.27	0.76	0.57	(0.22)
Unrealized gains (losses)	1.96	(2.32)	(0.07)	1.49	(0.19)
Total increase (decrease) from operations⁽²⁾	\$ 2.30	\$ (1.80)	\$ 0.93	\$ 2.26	\$ (0.21)
Distributions:					
From net investment income (excluding dividends)	–	–	–	–	(0.29)
From dividends	(0.11)	(0.20)	(0.11)	(0.07)	–
From capital gains	–	(0.41)	(0.48)	(0.17)	(0.28)
Return of capital	(0.22)	–	–	–	–
Total annual distributions⁽³⁾	\$ (0.33)	\$ (0.61)	\$ (0.59)	\$ (0.24)	\$ (0.57)
Net Assets, as at December 31 of year shown⁽⁴⁾	\$ 12.58	\$ 11.30	\$ 13.77	\$ 13.44	\$ 11.69

Series I Units	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Net Assets, beginning of year	\$ 12.08	\$ 14.70	\$ 14.13	\$ 12.27	\$ 13.06
Increase (decrease) from operations:					
Total revenue	0.36	0.44	0.43	0.39	0.42
Total expenses (excluding distributions)	(0.02)	(0.02)	(0.02)	(0.04)	(0.05)
Realized gains (losses)	(0.34)	0.34	0.80	0.52	(0.05)
Unrealized gains (losses)	1.88	(2.52)	(0.16)	1.49	(0.25)
Total increase (decrease) from operations⁽²⁾	\$ 1.88	\$ (1.76)	\$ 1.05	\$ 2.36	\$ 0.07
Distributions:					
From net investment income (excluding dividends)	–	–	–	–	(0.58)
From dividends	(0.13)	(0.38)	(0.13)	(0.12)	–
From capital gains	–	(0.39)	(0.44)	(0.18)	(0.29)
Return of capital	(0.24)	–	–	–	–
Total annual distributions⁽³⁾	\$ (0.37)	\$ (0.77)	\$ (0.57)	\$ (0.30)	\$ (0.87)
Net Assets, as at December 31 of year shown⁽⁴⁾	\$ 13.58	\$ 12.08	\$ 14.70	\$ 14.13	\$ 12.27

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Ratios and supplemental data

	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Series A Units					
Total Net Asset Value⁽⁵⁾	\$ 8,725,848	\$ 10,194,557	\$ 14,631,183	\$ 14,017,812	\$ 11,886,042
Number of units outstanding	669,766	862,921	1,013,788	989,596	964,345
Management expense ratio ⁽⁶⁾	2.16%	2.16%	2.16%	2.15%	2.15%
Management expense ratio before waivers or absorptions	2.79%	2.65%	2.42%	2.61%	2.70%
Trading expense ratio ⁽⁷⁾	0.09%	0.10%	0.09%	0.23%	0.30%
Portfolio turnover rate ⁽⁸⁾	21.63%	38.72%	37.51%	102.13%	165.78%
Net Asset Value per unit	\$ 13.03	\$ 11.81	\$ 14.43	\$ 14.17	\$ 12.33

	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Series T6 Units					
Total Net Asset Value⁽⁵⁾	\$ 977,466	\$ 1,142,847	\$ 1,691,744	\$ 1,672,164	\$ 1,523,998
Number of units outstanding	110,847	138,836	156,075	147,814	147,674
Management expense ratio ⁽⁶⁾	2.15%	2.16%	2.16%	2.15%	2.15%
Management expense ratio before waivers or absorptions	4.31%	4.05%	3.50%	2.42%	2.53%
Trading expense ratio ⁽⁷⁾	0.09%	0.10%	0.09%	0.23%	0.30%
Portfolio turnover rate ⁽⁸⁾	21.63%	38.72%	37.51%	102.13%	165.78%
Net Asset Value per unit	\$ 8.82	\$ 8.23	\$ 10.84	\$ 11.31	\$ 10.32

	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Series T8 Units					
Total Net Asset Value⁽⁵⁾	\$ 766,492	\$ 915,619	\$ 1,015,911	\$ 1,020,262	\$ 1,021,624
Number of units outstanding	103,134	129,416	106,299	100,069	107,725
Management expense ratio ⁽⁶⁾	2.16%	2.16%	2.16%	2.15%	2.15%
Management expense ratio before waivers or absorptions	5.04%	4.77%	4.48%	2.67%	2.69%
Trading expense ratio ⁽⁷⁾	0.09%	0.10%	0.09%	0.23%	0.30%
Portfolio turnover rate ⁽⁸⁾	21.63%	38.72%	37.51%	102.13%	165.78%
Net Asset Value per unit	\$ 7.43	\$ 7.08	\$ 9.56	\$ 10.20	\$ 9.48

	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Series F Units					
Total Net Asset Value⁽⁵⁾	\$ 323,310	\$ 2,801,859	\$ 3,405,600	\$ 2,085,832	\$ 1,521,755
Number of units outstanding	25,701	247,883	247,356	155,231	130,145
Management expense ratio ⁽⁶⁾	1.13%	1.15%	1.15%	1.15%	1.15%
Management expense ratio before waivers or absorptions	2.79%	1.83%	2.14%	1.32%	1.46%
Trading expense ratio ⁽⁷⁾	0.09%	0.10%	0.09%	0.23%	0.30%
Portfolio turnover rate ⁽⁸⁾	21.63%	38.72%	37.51%	102.13%	165.78%
Net Asset Value per unit	\$ 12.58	\$ 11.30	\$ 13.77	\$ 13.44	\$ 11.69

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Series I Units	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017	For the year ended December 31, 2016	For the year ended December 31, 2015
Total Net Asset Value⁽⁵⁾	\$ 568,314	\$ 490,846	\$ 868,429	\$ 1,026,670	\$ 834,666
Number of units outstanding	41,842	40,649	59,064	72,672	68,047
Management expense ratio ⁽⁶⁾	-	-	-	-	-
Management expense ratio before waivers or absorptions	4.21%	3.82%	2.49%	0.78%	0.96%
Trading expense ratio ⁽⁷⁾	0.09%	0.10%	0.09%	0.23%	0.30%
Portfolio turnover rate ⁽⁸⁾	21.63%	38.72%	37.51%	102.13%	165.78%
Net Asset Value per unit	\$ 13.58	\$ 12.08	\$ 14.70	\$ 14.13	\$ 12.27

(1) This information is derived from the Fund's audited annual financial statements.

(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) This information is provided as of December 31 of the year shown.

(6) Management expense ratio (MER) is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

(7) 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.

(8) 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

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 the Manager. The management fee for Series I units is negotiated between the Manager and the investor and paid directly by the investor, not by the Fund.

The Fund's management fees are used by the Manager 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, providing or arranging for the provision of investment advisory services and/or marketing services to the Fund. Management fees are also used to pay trailing commissions in connection with Series A, Series T6 and Series T8 to registered dealers.

	As percentage of management fees		
	Management fee rates	Dealer compensation	General administration, investment advice and profit
Series A	1.85%	48.15%	51.85%
Series T6	1.85%	34.71%	65.29%
Series T8	1.85%	41.13%	58.87%
Series F	0.85%	0.00%	100.00%

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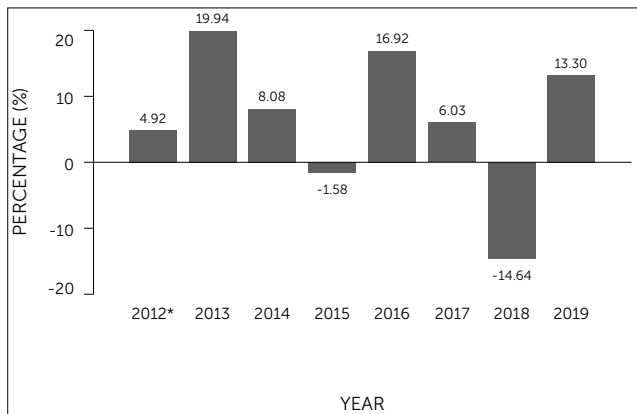
Past performance

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

Year-by-year returns

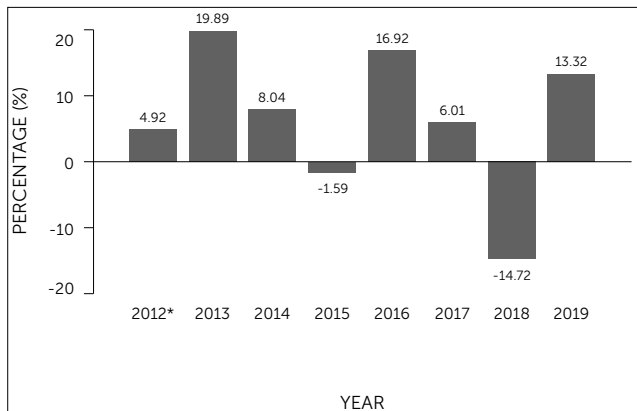
The following bar charts show the annual performance for each series of the Fund and illustrate how each series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the 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



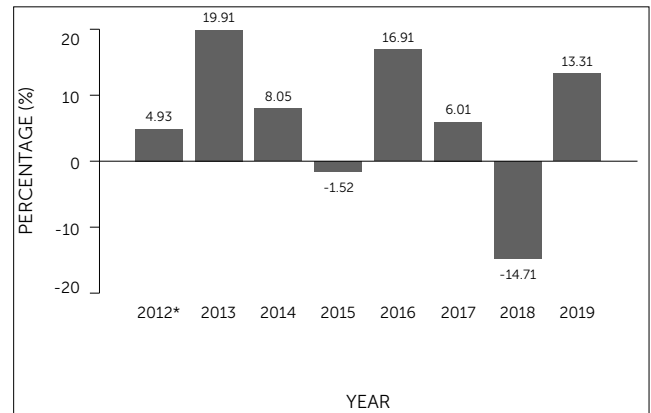
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T6



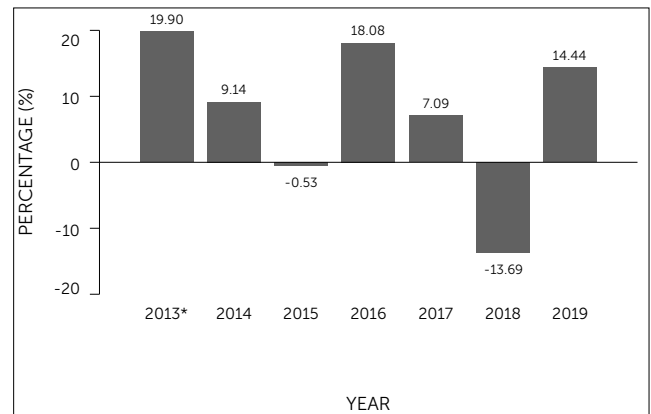
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T8



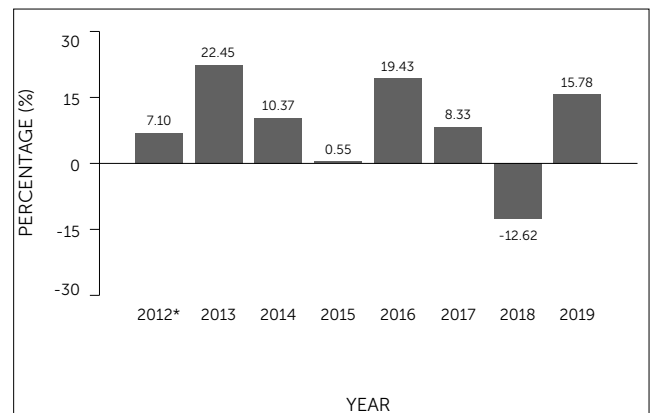
*From January 9, 2012 to December 31, 2012 (not annualized)

Series F



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

Series I



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

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Annual compound returns

This table shows the Fund's historical annual compound returns for each series of the Fund for the periods indicated compared to a broad based index, as described below.

	1 Year	3 Years	5 Years	Since Inception*	Inception Date
Series A units ¹	13.3%	0.8%	3.4%	6.1%	January 9, 2012
Series I units ¹	15.8%	3.1%	5.6%	8.4%	January 9, 2012
Series T6 units ¹	13.3%	0.8%	3.3%	6.1%	January 9, 2012
Series T8 units ¹	13.3%	0.8%	3.4%	6.1%	January 9, 2012
Series F units ¹	14.4%	1.9%	4.4%	7.2%	January 15, 2013
S&P/TSX Composite TR Index ²	22.9%	6.9%	6.3%	7.7%	(8 year return)

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

(2) The S&P/TSX Composite TR Index is broadly representative of the Canadian equity market. The S&P/TSX Composite TR Index tracks the performance of some of the largest and most widely held stocks listed on the Toronto Stock Exchange.

Summary of investment portfolio

The summary of investment portfolio may have changed since December 31, 2019, 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 (%)
Brookfield Asset Management Inc. 'A'	5.2
Toronto-Dominion Bank	5.1
Royal Bank of Canada	5.0
Bank of Nova Scotia	4.7
Bunzl PLC	3.6
Saputo Inc.	3.5
Keyera Corporation	3.4
Brookfield Property Partners Limited partnership	3.1
Alimentation Couche-Tard Inc. 'B'	3.0
Canadian Natural Resources Limited	3.0
Rogers Communications Inc. 'B'	2.9
Canadian Imperial Bank of Commerce	2.9
Stella-Jones Inc.	2.9
Cenovus Energy Inc.	2.8
PrairieSky Royalty Limited	2.7
Bank of Montreal	2.7
NFI Group Inc.	2.7
Toromont Industries Limited	2.6
Enbridge Inc.	2.5
Shaw Communications Inc. 'B'	2.5
Domino's Pizza Group PLC	2.4
Manulife Financial Corporation	2.3
Canadian National Railway Company	2.3
Cineplex Inc.	2.3
Parkland Fuel Corporation	2.1
	78.2

Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	96.6
Cash & Cash Equivalents	3.3
Other Net Assets (Liabilities)	0.1
	100.0

Sector	Percentage of Net Asset Value (%)
Financials	30.3
Energy	17.8
Industrials	13.5
Communication Services	9.2
Consumer Staples	8.3
Materials	6.3
Real Estate	4.9
Consumer Discretionary	4.6
Cash & Cash Equivalents	3.3
Health Care	1.7
Other Net Assets (Liabilities)	0.1
	100.0

Country	Percentage of Net Asset Value (%)
Canada	75.2
United States of America	8.1
United Kingdom	6.0
Cash & Cash Equivalents	3.3
Bermuda	3.1
Japan	2.2
France	1.9
Ireland	0.1
Other Net Assets (Liabilities)	0.1
	100.0

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Empire Life Investments Inc.
165 University Ave, 9th Floor
Toronto, ON
M5H 3B8

www.empirelifeinvestments.ca

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. 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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