



Interim Management Report of Fund Performance | As at June 30, 2017

# EMPIRE LIFE MUTUAL FUNDS<sup>®</sup>

**Empire Life Emblem Moderate Growth Portfolio**

This interim 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](http://www.empirelifeinvestments.ca) or SEDAR at [www.sedar.com](http://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.

(This page has been left intentionally blank.)

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

---

### Management Discussion of Fund Performance

#### Result of operations

For the six-month period ending June 30, 2017 (the "Period"), Empire Life Emblem Moderate Growth Portfolio (the "Fund"), Series A, returned 1.39%. 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 broad-based benchmark, the S&P/TSX Composite Index, broadly representative of the Canadian market, returned 0.74% for the same Period. The Fund's mandate is to invest in a diversified target asset mix of equity securities (65%) and fixed-income securities and cash (35%). 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's blended benchmark returned 2.57% for the Period. From January 1 to March 31, 2017, the blended benchmark was composed of 35% FTSE TMX Canada Universe Bond Index, 20% S&P/TSX Composite Index, 20% S&P/TSX 60 Index, 10% S&P 500 Index, 10% MSCI EAFE Index and 5% S&P/TSX Small Cap Index. From April 1 to June 30, 2017, the blended benchmark was composed of 35% FTSE TMX Canada Universe Bond Index, 40% S&P/TSX Composite Index, 10% S&P 500 Index, 10% MSCI EAFE Index, and 5% S&P/TSX Small Cap Index. The reallocation from the S&P/TSX 60 Index to the S&P/TSX Composite Index was to better reflect the higher degree of diversification inherent in the Fund's Canadian equity investments. In the portfolio manager's view, the comparison to the blended benchmark more closely reflects the market sectors in which the Fund invests, to provide a more useful comparative to the performance of the Fund.

The Fund outperformed its broad-based benchmark over the Period, largely because of its allocation to Canadian bonds, which generally outperformed Canadian Equities.

The Fund underperformed its blended benchmark over the Period because of the Fund's overweight allocation to Canadian equities, which generally underperformed the blended benchmark. An underweight allocation to international equities also detracted from the Fund's performance, as did the Fund's cash position and stock selection in the Canadian Energy sector.

In the fixed-income portion of the Fund, an overweight position in corporate bonds contributed to performance, as corporate bonds outperformed government bonds. Stock selection in U.S. and international equities also contributed to performance, as did an overweight allocation to U.S. equities.

Global equity markets posted gains over the Period, and were supported by stronger corporate earnings growth and optimism regarding potential regulatory and tax reforms in the U.S.

European equities posted some of the strongest regional gains. A centrist and pro-European Union politician, Emmanuel Macron, was elected President of France, and the outcome of the U.K. snap election weakened the government's mandate to negotiate its exit from the European Union – perhaps leading to a softer "Brexit". These signs of ebbing European populism were generally well received by financial markets.

Canadian equities struggled in response to the weakness of the Energy sector, as oil fell from approximately US\$54 per barrel to US\$46 over the Period. The lower price of oil stemmed from an increase in global supply, particularly out of the U.S., and came despite an extended agreement among members of the Organization of the Petroleum Exporting Countries ("OPEC") to cut production.

Canadian bond yields rose sharply in June, erasing a meaningful portion of the previous five months' gains, after Bank of Canada ("BoC") Governor Poloz commented that the BoC may increase interest rates sooner than the market had expected.

The portfolio manager increased the Fund's target allocation to Canadian equities during the Period based on what the portfolio manager believes is the relative attractiveness of that asset class. Canadian equity performance underperformed other equity regions over the Period. That said, the portfolio manager continues to find value opportunities in the Canadian Energy sector and believes oil prices should eventually recover and stabilize at higher levels in response to the costs of production (and assuming oil demand remains relatively steady).

The portfolio manager also increased the Fund's target allocation to international equities (reducing its underweight position) in response to the portfolio manager's improving outlook for the asset class and stronger earnings growth for European companies. The portfolio manager's target allocation to U.S. equities was decreased (reducing its overweight position) as a result of what the portfolio manager believes are less attractive valuations resulting from high market expectations following the late-2016 U.S. presidential election.

#### Recent developments

The portfolio manager is cautiously optimistic for the medium-term prospects of the Fund, and favoured equities over bonds at the end of the Period. Equities have been supported by moderate-to-strong economic growth and low-to-moderate inflation, which the portfolio manager sees as a positive combination for equity markets. However, a point of caution relates to pockets of high valuations, particularly in U.S. equities. In this

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

---

environment, the portfolio manager continues to focus on higher-quality companies trading at what the portfolio manager believes are attractive valuations.

With the U.S. Federal Reserve Board continuing to increase interest rates, the Bank of Canada moving away from extraordinarily low interest rates, and the European Central Bank potentially ending its bond purchase program at the end of the year, central bank support to the bond market appears to be waning. The portfolio manager believes, however, that this reduction in economic stimulus will probably occur at a slow-to-gradual pace.

### Future Accounting Changes

#### IFRS 9 *Financial Instruments*

In July 2014 the IASB 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 in the process of assessing the impact of IFRS 9. Based on the latest available information, the Manager does not expect any major changes to the Funds' Financial Statements other than a few additional disclosures, if necessary.

### 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 \$121,750 of total expenses otherwise payable by the Fund, as compared to \$333,982 for the year ended December 31, 2016. 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, 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 for 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 unaudited interim financial statements for the period.

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

### The Fund's net assets per unit<sup>(1)</sup>

Series A Units	For the 6 months ended June 30, 2017	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
<b>Net Assets, beginning of period</b>	\$ 13.32	\$ 12.53	\$ 12.30	\$ 11.49	\$ 10.26
<b>Increase (decrease) from operations:</b>					
Total revenue	0.18	0.32	0.33	0.33	0.32
Total expenses	(0.16)	(0.31)	(0.33)	(0.32)	(0.29)
Realized gains (losses)	0.20	0.12	0.10	0.50	0.31
Unrealized gains (losses)	(0.02)	0.75	0.03	0.59	1.56
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.20</b>	<b>\$ 0.88</b>	<b>\$ 0.13</b>	<b>\$ 1.10</b>	<b>\$ 1.90</b>
<b>Distributions:</b>					
From income	-	-	-	-	(0.07)
From dividends	-	-	-	-	-
From capital gains	-	(0.08)	(0.02)	(0.30)	(0.17)
Return of capital	-	-	-	-	-
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ -</b>	<b>\$ (0.08)</b>	<b>\$ (0.02)</b>	<b>\$ (0.30)</b>	<b>\$ (0.24)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.51</b>	<b>\$ 13.32</b>	<b>\$ 12.53</b>	<b>\$ 12.30</b>	<b>\$ 11.49</b>

Series T6 Units	For the 6 months ended June 30, 2017	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
<b>Net Assets, beginning of period</b>	\$ 9.97	\$ 9.96	\$ 10.39	\$ 10.29	\$ 9.69
<b>Increase (decrease) from operations:</b>					
Total revenue	0.13	0.26	0.27	0.29	0.29
Total expenses	(0.12)	(0.23)	(0.27)	(0.28)	(0.26)
Realized gains (losses)	0.15	0.10	0.11	0.46	0.30
Unrealized gains (losses)	(0.02)	0.59	0.07	0.50	1.17
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.14</b>	<b>\$ 0.72</b>	<b>\$ 0.18</b>	<b>\$ 0.97</b>	<b>\$ 1.50</b>
<b>Distributions:</b>					
From income	-	-	-	-	(0.01)
From dividends	-	-	-	-	-
From capital gains	-	(0.06)	(0.02)	(0.25)	(0.15)
Return of capital	(0.30)	(0.60)	(0.62)	(0.62)	(0.58)
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.30)</b>	<b>\$ (0.66)</b>	<b>\$ (0.64)</b>	<b>\$ (0.87)</b>	<b>\$ (0.74)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 9.81</b>	<b>\$ 9.97</b>	<b>\$ 9.96</b>	<b>\$ 10.39</b>	<b>\$ 10.29</b>

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

Series T8 Units	For the 6 months ended June 30, 2017	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
<b>Net Assets, beginning of period</b>	\$ 8.96	\$ 9.14	\$ 9.73	\$ 9.84	\$ 9.45
<b>Increase (decrease) from operations:</b>					
Total revenue	0.12	0.24	0.25	0.27	0.28
Total expenses	(0.10)	(0.21)	(0.25)	(0.26)	(0.25)
Realized gains (losses)	0.13	0.09	0.11	0.41	0.30
Unrealized gains (losses)	(0.02)	0.53	0.08	0.51	1.17
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.13</b>	<b>\$ 0.65</b>	<b>\$ 0.19</b>	<b>\$ 0.93</b>	<b>\$ 1.50</b>
<b>Distributions:</b>					
From income	—	—	—	—	(0.00)
From dividends	—	—	—	—	—
From capital gains	—	(0.05)	(0.02)	(0.23)	(0.15)
Return of capital	(0.36)	(0.73)	(0.78)	(0.79)	(0.76)
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.36)</b>	<b>\$ (0.78)</b>	<b>\$ (0.80)</b>	<b>\$ (1.02)</b>	<b>\$ (0.91)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 8.72</b>	<b>\$ 8.96</b>	<b>\$ 9.14</b>	<b>\$ 9.73</b>	<b>\$ 9.84</b>

Series F Units	For the 6 months ended June 30, 2017	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†
<b>Net Assets, beginning of period</b>	\$ 13.16	\$ 12.32	\$ 12.03	\$ 11.19	\$ 10.00
<b>Increase (decrease) from operations:</b>					
Total revenue	0.18	0.31	0.33	0.32	0.29
Total expenses	(0.08)	(0.15)	(0.17)	(0.17)	(0.14)
Realized gains (losses)	0.20	0.12	0.12	0.49	0.27
Unrealized gains (losses)	(0.03)	0.75	(0.01)	0.71	2.03
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.27</b>	<b>\$ 1.03</b>	<b>\$ 0.27</b>	<b>\$ 1.35</b>	<b>\$ 2.45</b>
<b>Distributions:</b>					
From income	—	(0.03)	(0.08)	(0.08)	(0.13)
From dividends	—	(0.06)	—	—	—
From capital gains	—	(0.07)	(0.03)	(0.29)	(0.17)
Return of capital	—	—	—	—	—
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ —</b>	<b>\$ (0.16)</b>	<b>\$ (0.11)</b>	<b>\$ (0.37)</b>	<b>\$ (0.30)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.43</b>	<b>\$ 13.16</b>	<b>\$ 12.32</b>	<b>\$ 12.03</b>	<b>\$ 11.19</b>

Series I Units	For the 6 months ended June 30, 2017	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
<b>Net Assets, beginning of period</b>	\$ 14.08	\$ 13.17	\$ 12.86	\$ 11.89	\$ 10.45
<b>Increase (decrease) from operations:</b>					
Total revenue	0.19	0.35	0.36	0.35	0.32
Total expenses	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)
Realized gains (losses)	0.21	0.16	0.02	0.53	0.35
Unrealized gains (losses)	(0.06)	0.86	(0.11)	0.76	1.14
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.33</b>	<b>\$ 1.35</b>	<b>\$ 0.24</b>	<b>\$ 1.61</b>	<b>\$ 1.78</b>
<b>Distributions:</b>					
From income	—	(0.09)	(0.24)	(0.17)	(0.16)
From dividends	—	(0.16)	—	—	—
From capital gains	—	(0.08)	(0.03)	(0.31)	(0.18)
Return of capital	—	—	—	—	—
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ —</b>	<b>\$ (0.33)</b>	<b>\$ (0.27)</b>	<b>\$ (0.48)</b>	<b>\$ (0.34)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 14.45</b>	<b>\$ 14.08</b>	<b>\$ 13.17</b>	<b>\$ 12.86</b>	<b>\$ 11.89</b>

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

### Ratios and supplemental data

Series A Units	For the 6 months ended June 30, 2017	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
<b>Total Net Asset Value</b>	\$ 34,468,115	\$ 35,798,967	\$ 33,917,721	\$ 21,305,949	\$ 7,693,984
<b>Number of units outstanding</b>	2,552,280	2,687,804	2,707,271	1,732,582	669,699
Management expense ratio <sup>(5)</sup>	2.37%	2.35%	2.35%	2.34%	2.35%
Management expense ratio before waivers or absorptions	2.64%	2.59%	2.71%	3.50%	6.09%
Trading expense ratio <sup>(6)</sup>	0.13%	0.09%	0.14%	0.18%	0.19%
Portfolio turnover rate <sup>(7)</sup>	61.64%	113.46%	119.39%	133.60%	105.04%
<b>Net Asset Value per unit</b>	<b>\$ 13.51</b>	<b>\$ 13.32</b>	<b>\$ 12.53</b>	<b>\$ 12.30</b>	<b>\$ 11.49</b>

Series T6 Units	For the 6 months ended June 30, 2017	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
<b>Total Net Asset Value</b>	\$ 4,387,896	\$ 4,282,405	\$ 3,837,671	\$ 3,428,327	\$ 2,597,508
<b>Number of units outstanding</b>	447,219	429,459	385,196	330,108	252,380
Management expense ratio <sup>(5)</sup>	2.37%	2.35%	2.35%	2.35%	2.35%
Management expense ratio before waivers or absorptions	3.15%	2.55%	2.60%	3.33%	6.60%
Trading expense ratio <sup>(6)</sup>	0.13%	0.09%	0.14%	0.18%	0.19%
Portfolio turnover rate <sup>(7)</sup>	61.64%	113.46%	119.39%	133.60%	105.04%
<b>Net Asset Value per unit</b>	<b>\$ 9.81</b>	<b>\$ 9.97</b>	<b>\$ 9.96</b>	<b>\$ 10.39</b>	<b>\$ 10.29</b>

Series T8 Units	For the 6 months ended June 30, 2017	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
<b>Total Net Asset Value</b>	\$ 3,329,045	\$ 3,225,753	\$ 2,683,221	\$ 2,385,496	\$ 970,061
<b>Number of units outstanding</b>	381,645	360,189	293,656	245,275	98,565
Management expense ratio <sup>(5)</sup>	2.36%	2.35%	2.35%	2.34%	2.35%
Management expense ratio before waivers or absorptions	3.13%	2.48%	2.59%	3.12%	6.20%
Trading expense ratio <sup>(6)</sup>	0.13%	0.09%	0.14%	0.18%	0.19%
Portfolio turnover rate <sup>(7)</sup>	61.64%	113.46%	119.39%	133.60%	105.04%
<b>Net Asset Value per unit</b>	<b>\$ 8.72</b>	<b>\$ 8.96</b>	<b>\$ 9.14</b>	<b>\$ 9.73</b>	<b>\$ 9.84</b>

Series F Units	For the 6 months ended June 30, 2017	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†
<b>Total Net Asset Value</b>	\$ 2,287,462	\$ 2,166,163	\$ 1,872,437	\$ 1,517,753	\$ 601,048
<b>Number of units outstanding</b>	170,381	164,577	151,979	126,159	53,733
Management expense ratio <sup>(5)</sup>	1.16%	1.15%	1.15%	1.15%	1.15% **
Management expense ratio before waivers or absorptions	2.28%	1.20%	1.30%	1.84%	3.30% **
Trading expense ratio <sup>(6)</sup>	0.13%	0.09%	0.14%	0.18%	0.19% **
Portfolio turnover rate <sup>(7)</sup>	61.64%	113.46%	119.39%	133.60%	105.04%
<b>Net Asset Value per unit</b>	<b>\$ 13.43</b>	<b>\$ 13.16</b>	<b>\$ 12.32</b>	<b>\$ 12.03</b>	<b>\$ 11.19</b>

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

Series I Units	For the 6 months ended June 30, 2017	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
<b>Total Net Asset Value</b>	\$ 237,546,140	\$ 179,399,680	\$ 90,615,997	\$ 14,148,176	\$ 4,195,774
<b>Number of units outstanding</b>	16,440,791	12,737,854	6,881,632	1,100,436	352,820
Management expense ratio <sup>(5)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions	0.04%	0.15%	0.26%	0.93%	2.60%
Trading expense ratio <sup>(6)</sup>	0.13%	0.09%	0.14%	0.18%	0.19%
Portfolio turnover rate <sup>(7)</sup>	61.64%	113.46%	119.39%	133.60%	105.04%
<b>Net Asset Value per unit</b>	<b>\$ 14.45</b>	<b>\$ 14.08</b>	<b>\$ 13.17</b>	<b>\$ 12.86</b>	<b>\$ 11.89</b>

\* 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 financial statements are prepared using International Financial Reporting Standards (IFRS).
- (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	2.05%	52.61%	47.39%
Series T6	2.05%	57.31%	42.69%
Series T8	2.05%	44.80%	55.20%
Series F	0.85%	–	100.00%



# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

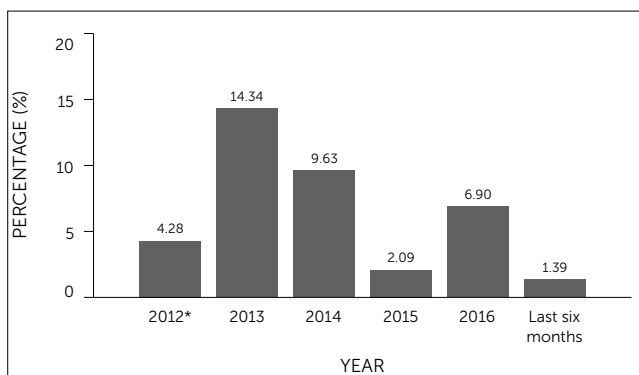
### Past performance

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

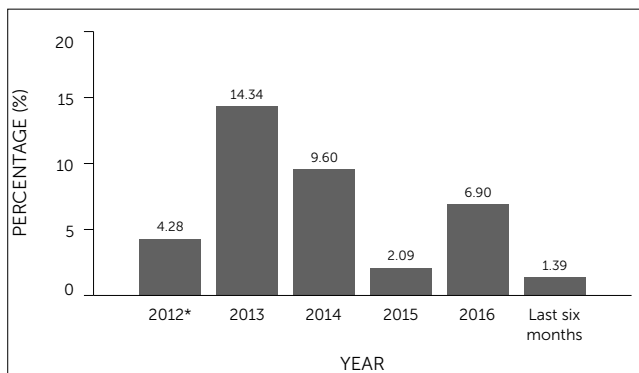
The following bar charts show the annual performance for each series of the Fund and illustrate how that series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the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



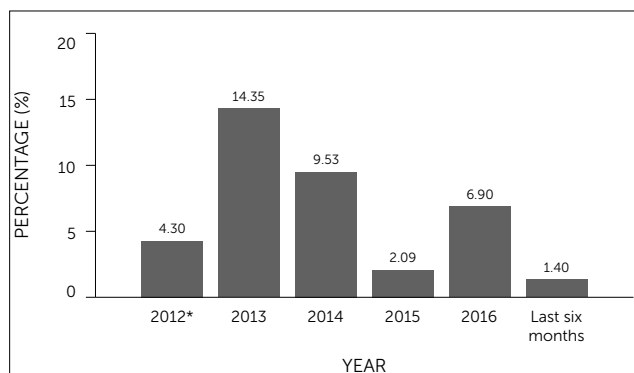
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series T6**



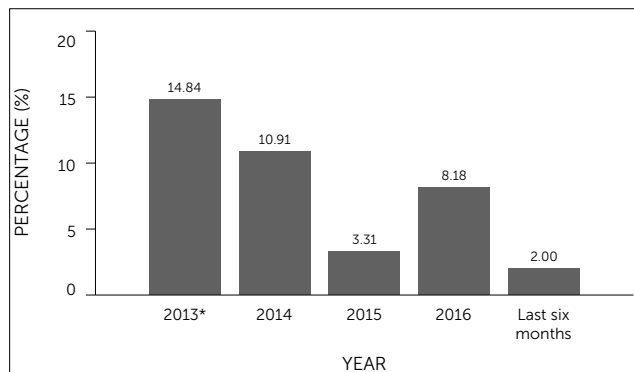
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series T8**



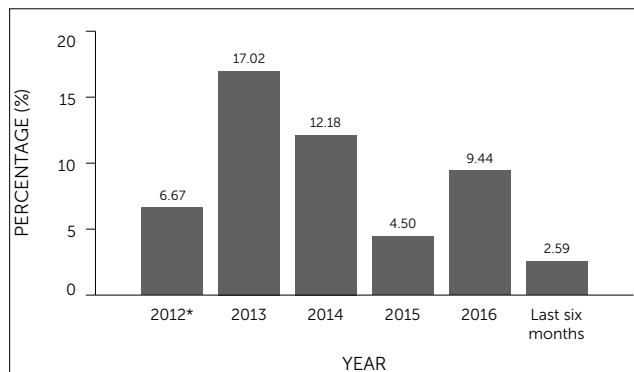
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series F**



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

**Series I**



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

# Empire Life Emblem Moderate Growth Portfolio

## Interim Management Report of Fund Performance

### Summary of investment portfolio

The summary of investment portfolio may have changed since June 30, 2017, 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 (%)
Government of Canada 0.507% Jul 10, 2017*	3.6
Royal Bank of Canada	2.8
Toronto-Dominion Bank	2.7
Bank of Nova Scotia	2.6
Royal Bank of Canada 0.450% Jul 4, 2017*	1.9
Canadian National Railway Company	1.9
Bank of Montreal	1.8
Government of Canada 0.461% Jul 5, 2017*	1.8
Brookfield Asset Management Inc. 'A'	1.7
PrairieSky Royalty Limited	1.6
Government of Canada 0.750% May 1, 2019*	1.6
MacDonald Dettwiler & Associates Limited	1.5
Suncor Energy Inc.	1.5
CGI Group Inc. 'A'	1.4
Alimentation Couche-Tard Inc. 'B'	1.4
Enbridge Inc.	1.4
Rogers Communications Inc. 'B'	1.4
Agrium Inc.	1.3
JELD-WEN Holding Inc.	1.2
Intact Financial Corporation	1.1
Canada Housing Trust 2.350% Dec 15, 2018*	1.1
Canadian Natural Resources Limited	1.1
Toromont Industries Limited	1.1
BCE Inc.	1.1
Shaw Communications Inc. 'B'	1.0
	<b>41.6</b>

\* Debt Instruments

### Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	69.0
Fixed Income	24.6
Short Term	7.3
Cash & Cash Equivalents	(0.2)
Other Net Assets (Liabilities)	(0.7)
	<b>100.0</b>

Sector	Percentage of Net Asset Value (%)
Financials	19.6
Corporate Bonds	10.7
Energy	10.3
Industrials	8.9
Government Bonds	6.7
Consumer Staples	6.4
Provincial Bonds	5.8
Information Technology	5.4
Treasury Bills	5.4
Consumer Discretionary	4.2
Materials	3.8
Telecommunication Services	3.7
Health Care	3.0
Utilities	2.4
Term Deposit Receipts	1.9
U.S. Corporate Bonds	1.4
Real Estate	1.3
Cash & Cash Equivalents	(0.2)
Other Net Assets (Liabilities)	(0.7)
	<b>100.0</b>

Country	Percentage of Net Asset Value (%)
Canada	77.4
United States	14.3
United Kingdom	2.1
Japan	1.3
Bermuda	0.8
Germany	0.7
Denmark	0.5
Switzerland	0.5
Australia	0.5
France	0.5
Finland	0.4
Ireland	0.4
Netherlands	0.3
Spain	0.3
Belgium	0.2
Italy	0.2
Luxembourg	0.1
Sweden	0.1
Cayman Islands	0.1
India	0.1
Norway	0.1
Cash & Cash Equivalents	(0.2)
Other Net Assets (Liabilities)	(0.7)
	<b>100.0</b>

(This page has been left intentionally blank.)



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

[www.empirelifeinvestments.ca](http://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. 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.

© Registered trademark of The Empire Life Insurance Company.  
Empire Life Investments Inc. is a licensed user of this trademark.

MF-REG-603-EN 08/17