EMPIRE LIFE INVESTMENTS SERIES T

Series T – Predictable, tax-efficient monthly cash flow

If you want tax-efficient monthly cash flow from your investments, consider Series T units of Empire Life Mutual Funds. Series T units pay either a 6% or 8% annualized distribution.

How Series T works

The monthly cash flow distributed through Series T is return of capital (ROC) which is not immediately taxable. Any cash flow that is paid out as ROC reduces the adjusted cost base (ACB) by the ROC amount. Capital gains or losses are realized when the investment is sold or when the ACB reaches zero[1].

Reasons to Invest

Predictability
Cash flow distributions are set annually so you know how much you'll be getting each month[2].

Tax Efficiency
Distribution of return of capital allows you to defer tax on potential capital gains until the units are sold.

Growth Potential
Series T cash flow does not alter a fund's potential for capital appreciation.

Choice of Payout Options
Two monthly targeted cash flow options: 6% or 8%[3].

Keep a higher portion of your investment income

The table shows the tax treatment for various types of distributions. Because ROC distributions are tax deferred, you can keep a higher portion of your income after tax.

	Ordinary Income	Eligible Dividend Income	Capital Gains	ROC
Income	$5,000	$5,000	$5,000	$5,000
Marginal Tax Rate*	53.3%	39.3%	26.8%	0%[4]
Income Tax	$2,665	$1,965	$1,340	$0
What you keep	**$2,335**	**$3,035**	**$3,660**	**$5,000**

*Source: Canada Revenue Agency. Varies by province; based on Ontario's maximum marginal tax rates for 2016 Rates have been adjusted according to income type.

Empire Life Investments
stay true

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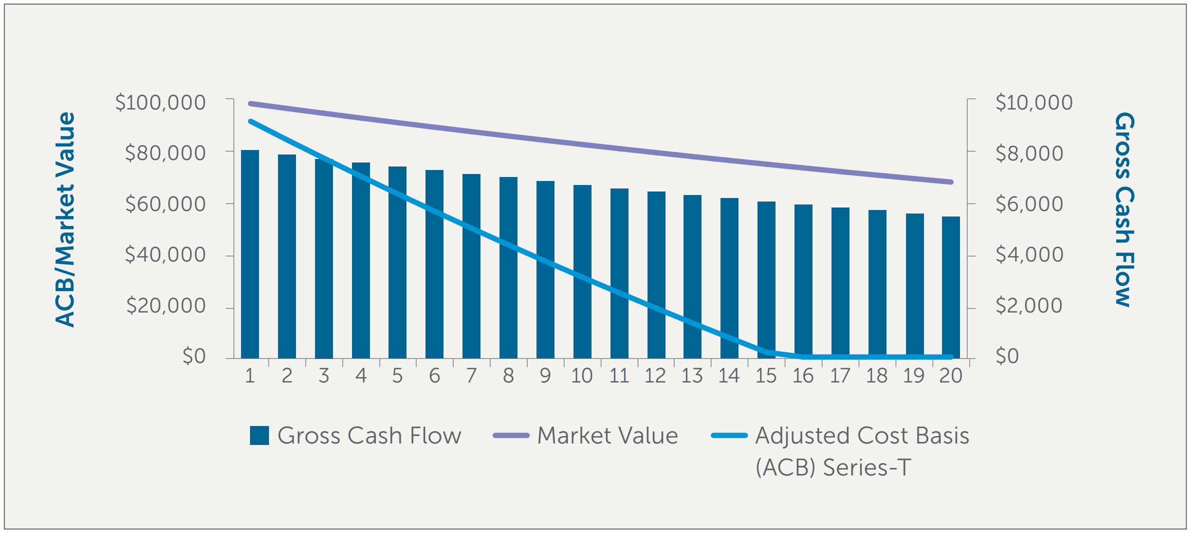
Cash-flow to help maintain your current standard of living

One of the benefits of Series T is deferral of taxes so you get cash flow from your investments today, while you keep your capital for as long as possible.

Let's assume you invested a $100,000 lump sum investment in Series T, with a target cash flow distribution of 8% and an average return of 6%. Over a 20-year period, you would have received a total gross cash flow of $132,957. That's an average monthly cash flow of $554. Also since no Series T units were sold, the market value of your investment would still be $66,761^.



For more information, contact your financial advisor or visit www.empirelifeinvestments.ca

[1] When the ACB drops to zero, all subsequent distributions are treated as capital gains and taxed accordingly. It is the responsibility of the investor to calculate the ACB and capital gains or losses realized on sale of units. Any income and capital gains generated by the fund are distributed at the end of the year separately from the monthly ROC distributions.

[2] The average monthly distributions of ROC that are made on Series T6 units are expected to be between approximately 5% and 7% and for series T8 between approximately 7% and 9% of the average net asset value of the Fund over the year.

[3] Annual ROC distributions are reset each year to maintain the payout target rate.

[4] ROC is not taxable income; it is part of the cash distribution.

^ For illustration purposes only. Annual pre-tax cash flow rate is set at 8% of the initial investment in the illustrator and is used to calculate pre-tax cash flows in Series T. Annual return of capital (ROC) distributions are reset each year to maintain the payout target. Please refer to the Empire Life Mutual Funds Simplified Prospectus for details. Series T unit cash flows are assumed to be entirely comprised of ROC. Funds may distribute income and capital gains annually and these distributions are defaulted at 0.6%. The annual distribution is assumed to comprise 50% interest, 30% dividend, and 20% capital gains.

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