



Interim Management Report of Fund Performance | As at June 30, 2018

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

**Empire Life Dividend Growth Mutual Fund**

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.

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# Empire Life Dividend Growth Mutual Fund

## Interim Management Report of Fund Performance

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### Management Discussion of Fund Performance

#### Result of operations

For the six-month period ending June 30, 2018 (the "Period"), Empire Life Dividend Growth Fund (the "Fund"), Series A, returned -2.56%. 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 Index, broadly representative of the Canadian market, returned 1.95% 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 largest detractor from the Fund's performance was stock selection in the Energy and Industrials sectors. Two Industrials sector stocks were negatively affected by company-specific manufacturing and operational issues. Disappointing quarterly results had a negative impact on one of the Fund's Energy sector holdings. The portfolio manager's style is to manage a relatively concentrated portfolio of stocks, therefore a handful of securities may meaningfully impact the Fund's overall performance.

Overweight allocation to the Industrials sector and underweight allocations to the Financials and Telecommunication Services sectors contributed to the Fund's performance. Currency also contributed to performance, primarily through exposure to the U.S. dollar.

During the Period, U.S. first-quarter corporate earnings results were very strong, as U.S. tax cuts took effect at the beginning of the year. Average earnings growth for S&P 500 Index companies was the strongest since 2010. European equity markets were negatively affected by the Italian elections held in March. With two opposing populist parties garnering the most votes, fears rose of an exit from the eurozone, particularly as the threat of a follow-up election to determine power led to fears of the populists gaining further momentum. The eventual formation of a coalition government later in the Period, and the naming of a finance minister that is not seen as a vocal supporter of a eurozone exit, somewhat eased market concerns.

Oil prices rebounded, with the West Texas Intermediate ("WTI") price rising from approximately U.S.\$60 per barrel at the beginning of the Period to U.S.\$74 per barrel at the end of June. The oil price rebound, and a narrowing of the Canadian oil discount to WTI, helped the Canadian Energy sector post strong gains in the latter half of the Period.

During the Period, the U.S. Federal Reserve Board ("the Fed") raised interest rates twice, while the Bank of Canada ("BoC") raised its overnight target interest rate once. Rising interest rates, and the expectation of further interest rate increases, impacted fixed-income assets and some of the more interest-sensitive equity sectors, such as Utilities and Telecommunication Services.

The Fund's allocations to the Consumer Discretionary and Consumer Staples sectors increased by 1.3% and 2%, respectively, over the Period. Relative to the benchmark, the Fund held overweight exposures to the Industrials, Consumer Discretionary and Consumer Staples sectors, and underweight allocations in Financials, Telecommunication Services and Information Technology. The Fund's underweight position in Financials reflects the portfolio manager's desire for diversification, as that one sector alone represented over one-third of the Index, while the other 10 sectors averaged a 65% Index weighting. At the end of the Period, the Fund's asset mix was 74% Canadian equities, 16% U.S. equities, 6% international equities and 4% in short-term investments, largely unchanged from the beginning of the year.

#### Recent developments

With respect to Canadian equities, the Fund's largest asset class allocation, the portfolio manager's outlook is positive. The Financials sector should benefit from a rising interest rate environment. The Canadian Energy sector should benefit from an improved oil price environment as the transportation issues are partially relieved by increased crude-by-rail capacity over the near term, and with new pipeline projects coming online over the medium-to-longer term.

Consumer-driven sectors remain attractive, in the portfolio manager's view, as they are largely insulated from rising interest rates, and there are a number of stocks that meet the Fund's investment criteria. The portfolio manager will continue to look for opportunities outside of Canada in order to add quality companies to the portfolio. The focus remains on attractive valuations, quality balance sheets and industry-leading advantage rather than geographical allocation.

#### 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

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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 \$74,489 of total expenses otherwise payable by the Fund, as compared to \$130,090 for the year ended December 31, 2017. 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 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 unaudited interim financial statements for the period.

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

Series A Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 14.43	\$ 14.17	\$ 12.33	\$ 12.82	\$ 12.25	\$ 10.36
<b>Increase (decrease) from operations:</b>						
Total revenue	0.21	0.42	0.39	0.41	0.41	0.39
Total expenses	(0.15)	(0.31)	(0.29)	(0.32)	(0.33)	(0.28)
Realized gains (losses)	0.41	0.79	0.50	(0.08)	0.23	0.17
Unrealized gains (losses)	(0.90)	(0.05)	1.49	(0.26)	0.47	2.08
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.43)</b>	<b>\$ 0.85</b>	<b>\$ 2.09</b>	<b>\$ (0.25)</b>	<b>\$ 0.78</b>	<b>\$ 2.36</b>
<b>Distributions:</b>						
From income	–	–	–	(0.01)	(0.01)	(0.07)
From dividends	(0.04)	(0.10)	(0.02)	–	–	–
From capital gains	(0.40)	(0.46)	(0.17)	(0.29)	(0.41)	(0.09)
Return of capital	–	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.44)</b>	<b>\$ (0.56)</b>	<b>\$ (0.19)</b>	<b>\$ (0.30)</b>	<b>\$ (0.42)</b>	<b>\$ (0.16)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.61</b>	<b>\$ 14.43</b>	<b>\$ 14.17</b>	<b>\$ 12.33</b>	<b>\$ 12.82</b>	<b>\$ 12.25</b>

# Empire Life Dividend Growth Mutual Fund

## Interim Management Report of Fund Performance

Series T6 Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 10.84	\$ 11.31	\$ 10.32	\$ 11.16	\$ 10.94	\$ 9.79
<b>Increase (decrease) from operations:</b>						
Total revenue	0.16	0.33	0.32	0.35	0.35	0.36
Total expenses	(0.11)	(0.24)	(0.24)	(0.28)	(0.29)	(0.26)
Realized gains (losses)	0.31	0.62	0.41	(0.08)	0.11	0.30
Unrealized gains (losses)	(0.69)	(0.05)	1.20	(0.26)	0.13	1.39
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.33)</b>	<b>\$ 0.66</b>	<b>\$ 1.69</b>	<b>\$ (0.27)</b>	<b>\$ 0.30</b>	<b>\$ 1.79</b>
<b>Distributions:</b>						
From income	–	–	–	–	–	(0.06)
From dividends	–	(0.08)	(0.07)	–	–	–
From capital gains	–	(0.37)	–	–	–	(0.08)
Return of capital	(0.33)	(0.68)	(0.62)	(0.67)	(0.66)	(0.59)
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.33)</b>	<b>\$ (1.13)</b>	<b>\$ (0.69)</b>	<b>\$ (0.67)</b>	<b>\$ (0.66)</b>	<b>\$ (0.73)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 10.22</b>	<b>\$ 10.84</b>	<b>\$ 11.31</b>	<b>\$ 10.32</b>	<b>\$ 11.16</b>	<b>\$ 10.94</b>

Series T8 Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 9.56	\$ 10.20	\$ 9.48	\$ 10.48	\$ 10.51	\$ 9.56
<b>Increase (decrease) from operations:</b>						
Total revenue	0.14	0.30	0.29	0.33	0.35	0.34
Total expenses	(0.10)	(0.23)	(0.23)	(0.26)	(0.28)	(0.25)
Realized gains (losses)	0.27	0.55	0.36	(0.09)	0.11	0.36
Unrealized gains (losses)	(0.53)	–	1.06	(0.29)	0.26	1.62
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.22)</b>	<b>\$ 0.62</b>	<b>\$ 1.48</b>	<b>\$ (0.31)</b>	<b>\$ 0.44</b>	<b>\$ 2.07</b>
<b>Distributions:</b>						
From income	–	–	–	(0.02)	(0.02)	(0.02)
From dividends	–	(0.07)	(0.05)	–	–	–
From capital gains	–	(0.33)	–	–	–	(0.08)
Return of capital	(0.38)	(0.82)	(0.76)	(0.84)	(0.84)	(0.77)
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.38)</b>	<b>\$ (1.22)</b>	<b>\$ (0.81)</b>	<b>\$ (0.86)</b>	<b>\$ (0.86)</b>	<b>\$ (0.87)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 8.91</b>	<b>\$ 9.56</b>	<b>\$ 10.20</b>	<b>\$ 9.48</b>	<b>\$ 10.48</b>	<b>\$ 10.51</b>

Series F Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 13.77	\$ 13.44	\$ 11.69	\$ 12.32	\$ 11.75	\$ 10.00 *
<b>Increase (decrease) from operations:</b>						
Total revenue	0.21	0.41	0.37	0.39	0.39	0.36
Total expenses	(0.08)	(0.17)	(0.17)	(0.19)	(0.19)	(0.16)
Realized gains (losses)	0.39	0.76	0.57	(0.22)	(0.17)	(67.07)
Unrealized gains (losses)	(0.84)	(0.07)	1.49	(0.19)	0.03	68.82
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.32)</b>	<b>\$ 0.93</b>	<b>\$ 2.26</b>	<b>\$ (0.21)</b>	<b>\$ 0.06</b>	<b>\$ 1.95</b>
<b>Distributions:</b>						
From income	–	–	–	(0.29)	(0.11)	(0.13)
From dividends	(0.05)	(0.11)	(0.07)	–	–	–
From capital gains	(0.38)	(0.48)	(0.17)	(0.28)	(0.39)	(0.09)
Return of capital	–	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.43)</b>	<b>\$ (0.59)</b>	<b>\$ (0.24)</b>	<b>\$ (0.57)</b>	<b>\$ (0.50)</b>	<b>\$ (0.22)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.03</b>	<b>\$ 13.77</b>	<b>\$ 13.44</b>	<b>\$ 11.69</b>	<b>\$ 12.32</b>	<b>\$ 11.75</b>

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	For the 6 months ended June 30, 2018	For the year ended December 31, 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>Series I Units</b>						
<b>Net Assets, beginning of period</b>	\$ 14.70	\$ 14.13	\$ 12.27	\$ 13.06	\$ 12.41	\$ 10.44
<b>Increase (decrease) from operations:</b>						
Total revenue	0.21	0.43	0.39	0.42	0.41	0.39
Total expenses	(0.01)	(0.02)	(0.04)	(0.05)	(0.07)	(0.05)
Realized gains (losses)	0.41	0.80	0.52	(0.05)	0.43	1.98
Unrealized gains (losses)	(0.96)	(0.16)	1.49	(0.25)	0.49	(0.01)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ (0.35)</b>	<b>\$ 1.05</b>	<b>\$ 2.36</b>	<b>\$ 0.07</b>	<b>\$ 1.26</b>	<b>\$ 2.31</b>
<b>Distributions:</b>						
From income	–	–	–	(0.58)	(0.21)	(0.25)
From dividends	(0.05)	(0.13)	(0.12)	–	–	–
From capital gains	(0.29)	(0.44)	(0.18)	(0.29)	(0.41)	(0.10)
Return of capital	–	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.34)</b>	<b>\$ (0.57)</b>	<b>\$ (0.30)</b>	<b>\$ (0.87)</b>	<b>\$ (0.62)</b>	<b>\$ (0.35)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 14.12</b>	<b>\$ 14.70</b>	<b>\$ 14.13</b>	<b>\$ 12.27</b>	<b>\$ 13.06</b>	<b>\$ 12.41</b>

## Ratios and supplemental data

	For the 6 months ended June 30, 2018	For the year ended December 31, 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>Series A Units</b>						
<b>Total Net Asset Value</b>	\$ 12,676,536	\$ 14,631,183	\$ 14,017,812	\$ 11,886,042	\$ 8,888,451	\$ 2,368,374
<b>Number of units outstanding</b>	931,663	1,013,788	989,596	964,345	693,397	193,354
Management expense ratio <sup>(5)</sup>	2.16%	2.16%	2.15%	2.15%	2.14%	2.15%
Management expense ratio before waivers or absorptions	2.59%	2.42%	2.61%	2.70%	3.93%	10.05%
Trading expense ratio <sup>(6)</sup>	0.10%	0.09%	0.23%	0.30%	0.37%	0.26%
Portfolio turnover rate <sup>(7)</sup>	19.09%	37.51%	102.13%	165.78%	171.80%	107.12%
<b>Net Asset Value per unit</b>	<b>\$ 13.61</b>	<b>\$ 14.43</b>	<b>\$ 14.17</b>	<b>\$ 12.33</b>	<b>\$ 12.82</b>	<b>\$ 12.25</b>

	For the 6 months ended June 30, 2018	For the year ended December 31, 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>Series T6 Units</b>						
<b>Total Net Asset Value</b>	\$ 1,416,485	\$ 1,691,744	\$ 1,672,164	\$ 1,523,998	\$ 1,219,930	\$ 262,152
<b>Number of units outstanding</b>	138,592	156,075	147,814	147,674	109,354	23,955
Management expense ratio <sup>(5)</sup>	2.16%	2.16%	2.15%	2.15%	2.14%	2.15%
Management expense ratio before waivers or absorptions	3.75%	3.50%	2.42%	2.53%	3.32%	5.34%
Trading expense ratio <sup>(6)</sup>	0.10%	0.09%	0.23%	0.30%	0.37%	0.26%
Portfolio turnover rate <sup>(7)</sup>	19.09%	37.51%	102.13%	165.78%	171.80%	107.12%
<b>Net Asset Value per unit</b>	<b>\$ 10.22</b>	<b>\$ 10.84</b>	<b>\$ 11.31</b>	<b>\$ 10.32</b>	<b>\$ 11.16</b>	<b>\$ 10.94</b>

	For the 6 months ended June 30, 2018	For the year ended December 31, 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>Series T8 Units</b>						
<b>Total Net Asset Value</b>	\$ 1,081,360	\$ 1,015,911	\$ 1,020,262	\$ 1,021,624	\$ 532,734	\$ 47,583
<b>Number of units outstanding</b>	121,299	106,299	100,069	107,725	50,819	4,528
Management expense ratio <sup>(5)</sup>	2.16%	2.16%	2.15%	2.15%	2.13%	2.15%
Management expense ratio before waivers or absorptions	4.55%	4.48%	2.67%	2.69%	3.66%	9.00%
Trading expense ratio <sup>(6)</sup>	0.10%	0.09%	0.23%	0.30%	0.37%	0.26%
Portfolio turnover rate <sup>(7)</sup>	19.09%	37.51%	102.13%	165.78%	171.80%	107.12%
<b>Net Asset Value per unit</b>	<b>\$ 8.91</b>	<b>\$ 9.56</b>	<b>\$ 10.20</b>	<b>\$ 9.48</b>	<b>\$ 10.48</b>	<b>\$ 10.51</b>

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Series F Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 3,669,410	\$ 3,405,600	\$ 2,085,832	\$ 1,521,755	\$ 605,081	\$ 11,990
<b>Number of units outstanding</b>	281,701	247,356	155,231	130,145	49,122	1,020
Management expense ratio <sup>(5)</sup>	1.16%	1.15%	1.15%	1.15%	1.14%	1.15% **
Management expense ratio before waivers or absorptions	1.70%	2.14%	1.32%	1.46%	2.06%	10.09% **
Trading expense ratio <sup>(6)</sup>	0.10%	0.09%	0.23%	0.30%	0.37%	0.26% **
Portfolio turnover rate <sup>(7)</sup>	19.09%	37.51%	102.13%	165.78%	171.80%	107.12%
<b>Net Asset Value per unit</b>	\$ 13.03	\$ 13.77	\$ 13.44	\$ 11.69	\$ 12.32	\$ 11.75

Series I Units	For the 6 months ended June 30, 2018	For the year ended December 31, 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>	\$ 554,248	\$ 868,429	\$ 1,026,670	\$ 834,666	\$ 789,593	\$ 723,127
<b>Number of units outstanding</b>	39,245	59,064	72,672	68,047	60,443	58,291
Management expense ratio <sup>(5)</sup>	–	–	–	–	–	–
Management expense ratio before waivers or absorptions	2.91%	2.49%	0.78%	0.96%	2.80%	7.89%
Trading expense ratio <sup>(6)</sup>	0.10%	0.09%	0.23%	0.30%	0.37%	0.26%
Portfolio turnover rate <sup>(7)</sup>	19.09%	37.51%	102.13%	165.78%	171.80%	107.12%
<b>Net Asset Value per unit</b>	\$ 14.12	\$ 14.70	\$ 14.13	\$ 12.27	\$ 13.06	\$ 12.41

\* Initial offering price.

\*\* Annualized.

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

- (1) This information is derived from the Fund's unaudited 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	1.85%	49.31%	50.69%
Series T6	1.85%	31.52%	68.48%
Series T8	1.85%	36.12%	63.88%
Series F	0.85%	–	100.00%

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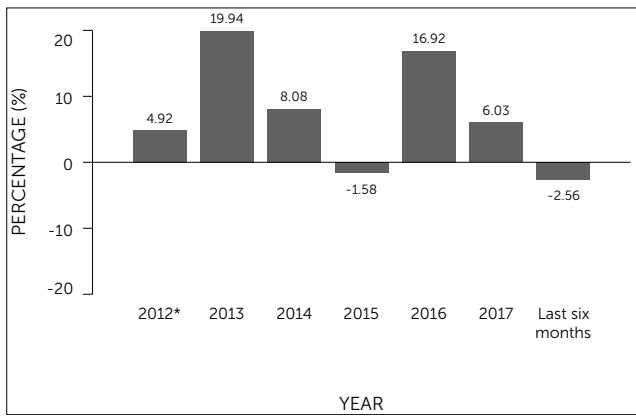
### Past performance

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

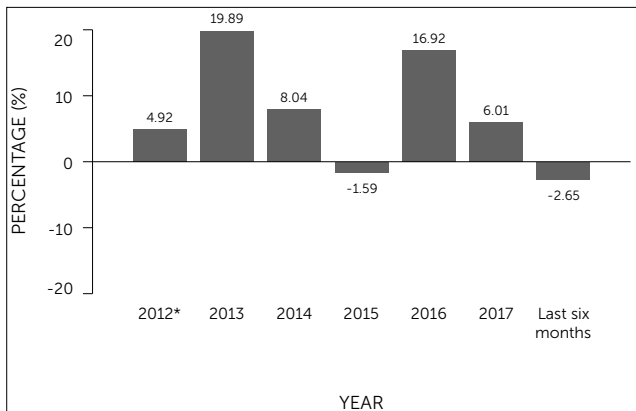
The following bar charts show the annual performance for each series of the Fund and illustrate how that series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the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



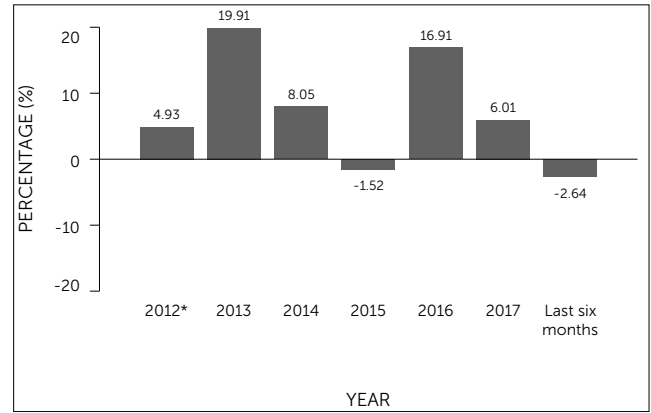
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series T6**



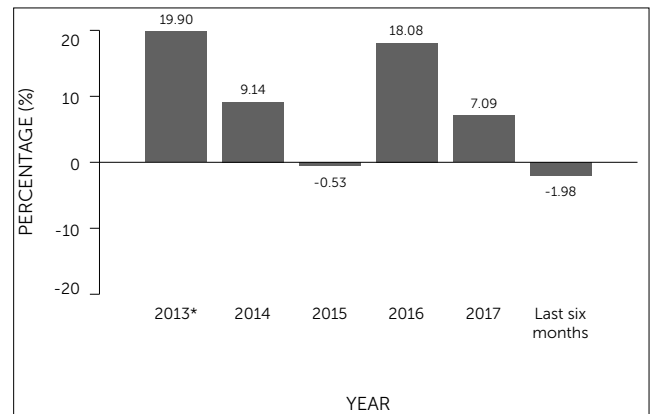
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series T8**



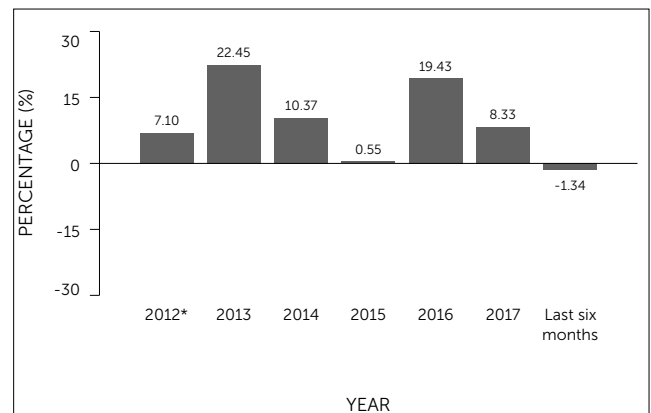
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series F**



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

**Series I**



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



# Empire Life Dividend Growth Mutual Fund

## Interim Management Report of Fund Performance

### Summary of investment portfolio

The summary of investment portfolio may have changed since June 30, 2018, 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	5.1
Bank of Nova Scotia	4.8
Royal Bank of Canada 1.200% July 3, 2018*	4.0
Alimentation Couche-Tard Inc. 'B'	3.6
Shaw Communications Inc. 'B'	3.5
Brookfield Asset Management Inc. 'A'	3.4
Keyera Corporation	3.3
DowDuPont Inc.	3.1
Parkland Fuel Corporation	3.0
Chemtrade Logistics Income Fund	2.9
Rogers Communications Inc. 'B'	2.9
PrairieSky Royalty Limited	2.8
Enbridge Inc.	2.7
Canadian Imperial Bank of Commerce	2.6
Molson Coors Brewing Company	2.5
JELD-WEN Holding Inc.	2.5
Nutrien Limited	2.5
Maxar Technologies Limited	2.4
Canadian National Railway Company	2.4
Brookfield Property Partners Limited Partnership	2.2
RPM International Inc.	2.2
Cenovus Energy Inc.	2.0
Bunzl PLC	2.0
Restaurant Brands International Inc.	1.9
	<b>76.0</b>

\* Debt Instruments

### Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	96.0
Short-Term Investments	4.0
Cash & Cash Equivalents	0.1
Other Net Assets (Liabilities)	(0.1)
	<b>100.0</b>

Sector	Percentage of Net Asset Value (%)
Financials	28.2
Energy	18.8
Industrials	11.5
Materials	10.7
Consumer Discretionary	10.2
Consumer Staples	7.9
Real Estate	4.8
Term Deposit Receipts	4.0
Telecommunication Services	2.9
Utilities	1.0
Cash & Cash Equivalents	0.1
Other Net Assets (Liabilities)	(0.1)
	<b>100.0</b>

Country	Percentage of Net Asset Value (%)
Canada	77.5
United States	12.9
United Kingdom	5.2
Bermuda	3.2
Germany	1.2
Cash & Cash Equivalents	0.1
Other Net Assets (Liabilities)	(0.1)
	<b>100.0</b>

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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. 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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