



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

EMPIRE LIFE MUTUAL FUNDS[®]

Empire Life Monthly Income 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 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 Monthly Income Mutual Fund

Interim Management Report of Fund Performance

Management Discussion of Fund Performance

Result of operations

For the six-month period ending June 30, 2018 (the "Period"), Empire Life Monthly Income Fund (the "Fund"), Series A, returned -0.19%. 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. The Fund's mandate is to invest in a diversified target asset mix of equity securities (55%) and fixed-income securities and cash (45%). 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 1.50% for the Period. The blended benchmark is composed of 55% S&P/TSX 60 Index and 45% S&P FTSE TMX Canada Universe Bond Index. In the portfolio manager's view, this comparison 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 underperformed its blended benchmark over the Period. A modestly short duration (interest rate sensitivity) in the bond portion of the Fund detracted from performance as bond yields declined amid global trade risks. Stock selection in the Industrials, Consumer Discretionary and Health Care sectors also detracted from performance.

Within the Fund's bond holdings, an overweight exposure to corporate bonds contributed to performance as these outperformed government bonds. An overweight exposure to U.S. equities and underweight allocation to Canadian equities contributed to the Fund's performance as the U.S. dollar rose. An overweight allocation to the Industrials sector and underweight position in Telecommunication Services contributed to performance, as did stock selection in the Consumer Staples and Utilities sectors.

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. The threat of a trade war late in the Period caused Canadian government bond yields to decline, as the possibility of U.S.-imposed tariffs on automobiles has the potential to significantly impact Canadian gross domestic product. In the Canadian bond market, longer-duration bonds outperformed short- and medium-duration bonds, and corporate bonds outperformed Government of Canada bonds.

Driven by strong economic data, the 10-year U.S. Treasury yield rose sharply in January and February. As fears of higher borrowing costs set in, equity markets experienced volatility to degrees not seen in over a year. 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.

The Fund's bond portion maintained a shorter duration than that of the blended benchmark, and an overweight allocation to corporate bonds in order to manage interest rate sensitivity. During the Period, the Fund's bond weighting increased at the expense of Canadian equities.

With respect to the Fund's equity portion, it held overweight exposures to the Industrials, Consumer Discretionary and Health Care sectors, and underweight allocations in Financials, Telecommunication Services and Materials. The Fund's underweight position in Financials reflects the portfolio manager's desire for diversification, as that one sector alone represented approximately 40% of the blended benchmark's equity component, while the other 10 sectors averaged a 60% Index weighting. In the event of a significant economic slowdown, the Fund has exposure to companies that will likely benefit from government infrastructure spending. At the end of the Period, the Fund's asset mix was 38% Canadian equities, 39% bonds, 9% U.S. equities, 6% international equities and 8% in short-term investments.

Recent developments

The portfolio manager's outlook for Canadian bonds is cautious, given rising interest rates. The market expects the Fed to increase interest rates twice more this year, and the BoC to raise interest rates once more. The portfolio manager's outlook for the Fund overall is less cautious, given its underweight position in bonds, its focus on corporate bonds and its lower duration.

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

With respect to Canadian equities, the portfolio manager's outlook is more positive. 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.

The portfolio manager has some concerns over the health of private capital spending in Canada and the potential for negative effects of the trade dispute with the U.S. Concern over the exposure of the Canadian Financials sector to housing has led the portfolio manager to add more U.S.-based companies in that sector to the Fund. 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 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 \$80,151 of total expenses otherwise payable by the Fund, as compared to \$140,263 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, 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.

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

The Fund's net assets per unit⁽¹⁾

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
Net Assets, beginning of period	\$ 10.09	\$ 10.14	\$ 9.97	\$ 10.46	\$ 10.18	\$ 9.81
Increase (decrease) from operations:						
Total revenue	0.14	0.28	0.28	0.30	0.31	0.32
Total expenses	(0.11)	(0.22)	(0.32)	(0.24)	(0.24)	(0.23)
Realized gains (losses)	0.05	0.28	0.30	0.09	0.18	0.18
Unrealized gains (losses)	(0.10)	0.12	0.42	(0.17)	0.39	0.73
Total increase (decrease) from operations⁽²⁾	\$ (0.02)	\$ 0.46	\$ 0.68	\$ (0.02)	\$ 0.64	\$ 1.00
Distributions:						
From income	(0.04)	(0.08)	–	(0.52)	(0.51)	(0.58)
From dividends	(0.14)	(0.28)	(0.50)	–	–	–
From capital gains	–	–	–	–	–	–
Return of capital	(0.08)	(0.15)	–	–	–	–
Total annual distributions⁽³⁾	\$ (0.26)	\$ (0.51)	\$ (0.50)	\$ (0.52)	\$ (0.51)	\$ (0.58)
Net Assets, end of period⁽⁴⁾	\$ 9.82	\$ 10.09	\$ 10.14	\$ 9.97	\$ 10.46	\$ 10.18

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
Net Assets, beginning of period	\$ 9.20	\$ 9.35	\$ 9.28	\$ 9.98	\$ 9.92	\$ 9.62
Increase (decrease) from operations:						
Total revenue	0.12	0.26	0.26	0.28	0.30	0.31
Total expenses	(0.10)	(0.20)	(0.31)	(0.23)	(0.23)	(0.22)
Realized gains (losses)	0.05	0.27	0.31	0.08	0.18	0.17
Unrealized gains (losses)	(0.08)	0.06	0.38	(0.17)	0.41	0.67
Total increase (decrease) from operations⁽²⁾	\$ (0.01)	\$ 0.39	\$ 0.64	\$ (0.04)	\$ 0.66	\$ 0.93
Distributions:						
From income	–	–	–	(0.07)	(0.03)	(0.05)
From dividends	–	–	–	–	–	–
From capital gains	–	–	–	(0.05)	(0.08)	–
Return of capital	(0.28)	(0.56)	(0.56)	(0.60)	(0.59)	(0.58)
Total annual distributions⁽³⁾	\$ (0.28)	\$ (0.56)	\$ (0.56)	\$ (0.72)	\$ (0.70)	\$ (0.63)
Net Assets, end of period⁽⁴⁾	\$ 8.91	\$ 9.20	\$ 9.35	\$ 9.28	\$ 9.98	\$ 9.92

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

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
Net Assets, beginning of period	\$ 8.06	\$ 8.36	\$ 8.47	\$ 9.29	\$ 9.42	\$ 9.37
Increase (decrease) from operations:						
Total revenue	0.11	0.23	0.23	0.26	0.28	0.30
Total expenses	(0.09)	(0.18)	(0.27)	(0.21)	(0.22)	(0.22)
Realized gains (losses)	0.04	0.24	0.23	0.09	0.14	0.16
Unrealized gains (losses)	(0.09)	0.07	0.38	(0.15)	0.31	0.73
Total increase (decrease) from operations⁽²⁾	\$ (0.03)	\$ 0.36	\$ 0.57	\$ (0.01)	\$ 0.51	\$ 0.97
Distributions:						
From income	—	—	—	(0.05)	(0.03)	(0.11)
From dividends	—	—	—	—	—	—
From capital gains	—	—	—	(0.05)	(0.07)	—
Return of capital	(0.32)	(0.67)	(0.68)	(0.74)	(0.75)	(0.75)
Total annual distributions⁽³⁾	\$ (0.32)	\$ (0.67)	\$ (0.68)	\$ (0.84)	\$ (0.85)	\$ (0.86)
Net Assets, end of period⁽⁴⁾	\$ 7.71	\$ 8.06	\$ 8.36	\$ 8.47	\$ 9.29	\$ 9.42

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†
Net Assets, beginning of period	\$ 10.62	\$ 10.57	\$ 10.28	\$ 10.68	\$ 10.29	\$ 10.00
Increase (decrease) from operations:						
Total revenue	0.14	0.29	0.29	0.30	0.32	0.31
Total expenses	(0.06)	(0.12)	(0.24)	(0.14)	(0.13)	(0.13)
Realized gains (losses)	0.06	0.30	0.36	0.09	0.17	0.19
Unrealized gains (losses)	(0.11)	0.16	0.36	(0.19)	0.18	0.82
Total increase (decrease) from operations⁽²⁾	\$ 0.03	\$ 0.63	\$ 0.77	\$ 0.06	\$ 0.54	\$ 1.19
Distributions:						
From income	(0.04)	(0.08)	—	(0.53)	(0.51)	(0.57)
From dividends	(0.14)	(0.29)	(0.51)	—	—	—
From capital gains	—	—	—	—	—	—
Return of capital	(0.08)	(0.16)	—	—	—	(0.16)
Total annual distributions⁽³⁾	\$ (0.26)	\$ (0.53)	\$ (0.51)	\$ (0.53)	\$ (0.51)	\$ (0.73)
Net Assets, end of period⁽⁴⁾	\$ 10.39	\$ 10.62	\$ 10.57	\$ 10.28	\$ 10.68	\$ 10.29

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
Net Assets, beginning of period	\$ 11.57	\$ 11.38	\$ 10.95	\$ 11.31	\$ 10.78	\$ 10.34
Increase (decrease) from operations:						
Total revenue	0.16	0.32	0.31	0.32	0.33	0.34
Total expenses	(0.01)	(0.02)	(0.19)	(0.02)	(0.02)	(0.02)
Realized gains (losses)	0.07	0.32	0.48	0.03	0.23	0.18
Unrealized gains (losses)	(0.11)	0.24	0.42	(0.25)	0.53	0.74
Total increase (decrease) from operations⁽²⁾	\$ 0.11	\$ 0.86	\$ 1.02	\$ 0.08	\$ 1.07	\$ 1.24
Distributions:						
From income	(0.04)	(0.09)	—	(0.56)	(0.54)	(0.80)
From dividends	(0.16)	(0.31)	(0.55)	—	—	—
From capital gains	—	—	—	(0.07)	—	—
Return of capital	(0.09)	(0.18)	—	—	—	—
Total annual distributions⁽³⁾	\$ (0.29)	\$ (0.58)	\$ (0.55)	\$ (0.63)	\$ (0.54)	\$ (0.80)
Net Assets, end of period⁽⁴⁾	\$ 11.37	\$ 11.57	\$ 11.38	\$ 10.95	\$ 11.31	\$ 10.78

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

Ratios and supplemental data

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
Total Net Asset Value	\$ 9,421,024	\$ 10,100,541	\$ 9,951,568	\$ 10,435,039	\$ 9,627,621	\$ 2,925,931
Number of units outstanding	959,829	1,001,131	981,305	1,046,915	920,200	287,394
Management expense ratio ⁽⁵⁾	2.10%	2.11%	2.11%	2.10%	2.09%	2.10%
Management expense ratio before waivers or absorptions	2.73%	2.54%	2.70%	2.72%	3.91%	8.07%
Trading expense ratio ⁽⁶⁾	0.12%	0.13%	0.15%	0.15%	0.14%	0.17%
Portfolio turnover rate ⁽⁷⁾	34.39%	91.30%	154.70%	146.51%	126.95%	113.87%
Net Asset Value per unit	\$ 9.82	\$ 10.09	\$ 10.14	\$ 9.97	\$ 10.46	\$ 10.18

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
Total Net Asset Value	\$ 1,148,043	\$ 1,309,964	\$ 1,429,693	\$ 1,283,867	\$ 1,028,846	\$ 478,500
Number of units outstanding	128,886	142,335	152,951	138,318	103,120	48,259
Management expense ratio ⁽⁵⁾	2.10%	2.11%	2.11%	2.10%	2.10%	2.10%
Management expense ratio before waivers or absorptions	4.25%	3.77%	2.43%	2.47%	3.02%	5.01%
Trading expense ratio ⁽⁶⁾	0.12%	0.13%	0.15%	0.15%	0.14%	0.17%
Portfolio turnover rate ⁽⁷⁾	34.39%	91.30%	154.70%	146.51%	126.95%	113.87%
Net Asset Value per unit	\$ 8.91	\$ 9.20	\$ 9.35	\$ 9.28	\$ 9.98	\$ 9.92

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
Total Net Asset Value	\$ 144,063	\$ 189,530	\$ 172,872	\$ 201,739	\$ 187,153	\$ 46,308
Number of units outstanding	18,674	23,529	20,689	23,812	20,154	4,918
Management expense ratio ⁽⁵⁾	2.10%	2.11%	2.11%	2.10%	2.09%	2.10%
Management expense ratio before waivers or absorptions	15.98%	15.04%	3.04%	2.82%	4.00%	7.78%
Trading expense ratio ⁽⁶⁾	0.12%	0.13%	0.15%	0.15%	0.14%	0.17%
Portfolio turnover rate ⁽⁷⁾	34.39%	91.30%	154.70%	146.51%	126.95%	113.87%
Net Asset Value per unit	\$ 7.71	\$ 8.06	\$ 8.36	\$ 8.47	\$ 9.29	\$ 9.42

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†
Total Net Asset Value	\$ 2,860,751	\$ 2,929,240	\$ 2,919,346	\$ 2,805,661	\$ 2,439,105	\$ 646,676
Number of units outstanding	275,395	275,735	276,218	272,857	228,317	62,838
Management expense ratio ⁽⁵⁾	1.10%	1.11%	1.10%	1.10%	1.10%	1.10% **
Management expense ratio before waivers or absorptions	1.80%	1.93%	1.41%	1.41%	1.63%	3.24% **
Trading expense ratio ⁽⁶⁾	0.12%	0.13%	0.15%	0.15%	0.14%	0.17% **
Portfolio turnover rate ⁽⁷⁾	34.39%	91.30%	154.70%	146.51%	126.95%	113.87%
Net Asset Value per unit	\$ 10.39	\$ 10.62	\$ 10.57	\$ 10.28	\$ 10.68	\$ 10.29

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

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
Total Net Asset Value	\$ 15,805,196	\$ 14,517,028	\$ 6,244,602	\$ 3,162,005	\$ 1,287,137	\$ 1,169,813
Number of units outstanding	1,389,537	1,255,069	548,799	288,831	113,772	108,546
Management expense ratio ⁽⁵⁾	–	–	–	–	–	–
Management expense ratio before waivers or absorptions	0.20%	0.32%	0.20%	0.33%	1.21%	3.23%
Trading expense ratio ⁽⁶⁾	0.12%	0.13%	0.15%	0.15%	0.14%	0.17%
Portfolio turnover rate ⁽⁷⁾	34.39%	91.30%	154.70%	146.51%	126.95%	113.87%
Net Asset Value per unit	\$ 11.37	\$ 11.57	\$ 11.38	\$ 10.95	\$ 11.31	\$ 10.78

* 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	1.80%	52.98%	47.02%
Series T6	1.80%	38.63%	61.37%
Series T8	1.80%	27.69%	72.31%
Series F	0.80%	–	100.00%

Empire Life Monthly Income Mutual Fund

Interim Management Report of Fund Performance

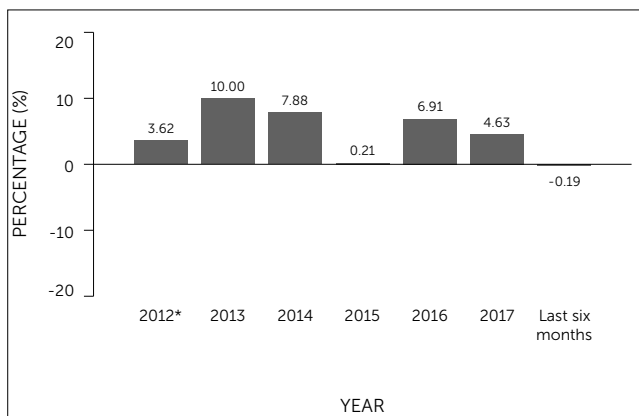
Past performance

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

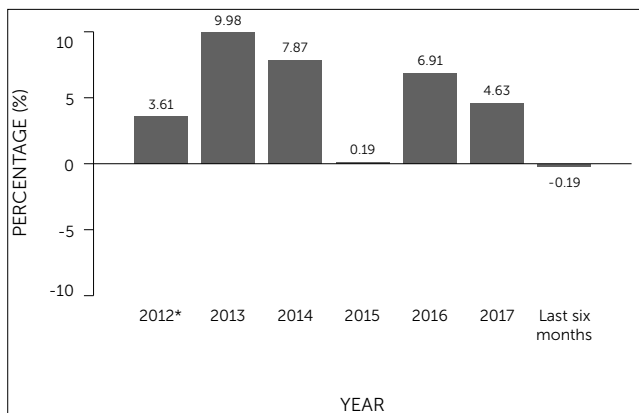
The following bar charts show the annual performance for each series of the Fund and illustrate how that series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the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



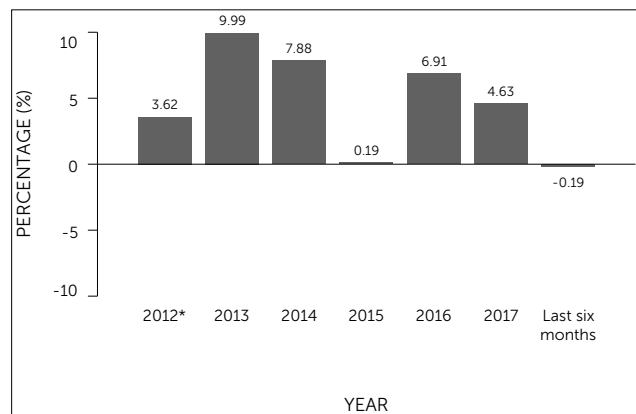
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T6



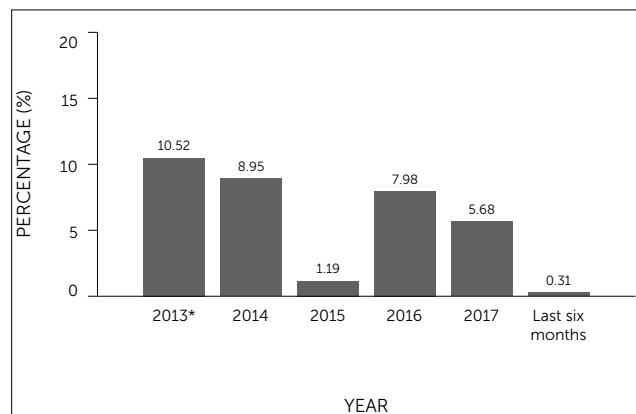
*From January 9, 2012 to December 31, 2012 (not annualized)

Series T8



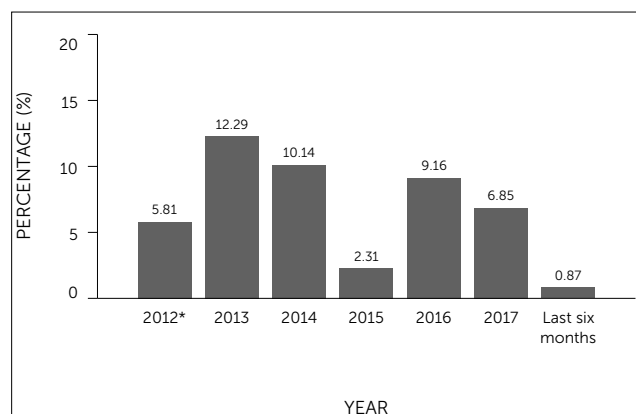
*From January 9, 2012 to December 31, 2012 (not annualized)

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 Monthly Income 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 (%)
Royal Bank of Canada 1.200% July 3, 2018*	8.3
Toronto-Dominion Bank	3.5
Royal Bank of Canada	2.4
Government of Canada 1.250% November 1, 2019*	1.9
Sun Life Financial Inc.	1.6
Province of Ontario 2.800% June 2, 2048*	1.4
Encana Corporation	1.3
Sumitomo Mitsui Financial Group Inc.	1.1
Parkland Fuel Corporation	1.1
The PNC Financial Services Group Inc.	1.1
Shaw Communications Inc. 'B'	1.0
Canadian Imperial Bank of Commerce	1.0
Brookfield Asset Management Inc. 'A'	1.0
Capital Power Corporation	1.0
Suncor Energy Inc.	1.0
Bank of Nova Scotia	0.9
Scotiabank Capital Trust Floating Rate 5.650% December 31, 2056*	0.9
HSBC Holdings PLC ADR	0.9
Province of Nova Scotia 4.500% June 1, 2037*	0.9
Canadian Pacific Railway Limited	0.9
JPMorgan Chase & Company	0.9
Whitecap Resources Inc.	0.9
Canada Housing Trust 1.250% December 15, 2020*	0.9
Government of Canada 1.000% June 1, 2027*	0.9
TORC Oil & Gas Limited	0.8
	37.6

* Debt instruments

Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Equities	52.3
Fixed Income	38.5
Short-term Investments	8.3
Cash & Cash Equivalents	0.6
Other Net Assets (Liabilities)	0.3
	100.0

Sector	Percentage of Net Asset Value (%)
Corporate Bonds	20.1
Financials	16.8
Energy	10.9
Provincial Bonds	8.9
Term Deposit Receipts	8.3
Government Bonds	7.4
Industrials	6.2
Consumer Discretionary	5.7
Materials	2.2
Information Technology	2.1
Consumer Staples	2.0
Real Estate	1.8
Health Care	1.7
Utilities	1.4
U.S. Corporate Bonds	1.3
Telecommunication Services	0.8
Exchange Traded Fund (ETF)/Shares	0.7
Cash & Cash Equivalents	0.6
Municipal Bonds	0.6
Foreign Bonds	0.2
Other Net Assets (Liabilities)	0.3
	100.0

Country	Percentage of Net Asset Value (%)
Canada	82.1
United States	10.9
United Kingdom	2.7
Japan	2.3
France	0.7
Cash & Cash Equivalents	0.6
China	0.2
Cayman Islands	0.2
Other Net Assets (Liabilities)	0.3
	100.0

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A NOTE ON FORWARD-LOOKING STATEMENTS

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

Forward-looking statements are the opinions and views of Empire Life Investments Inc. 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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