

Investment Funds Annual Report 2010



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Independent Auditor's Report

To the Contract Holders of the following funds of The Empire Life Insurance Company:

Canadian Equity Fund	Global Equity Fund	Bond Fund
Elite Equity Fund	International Equity Fund	Income Fund
Premier Equity Fund	American Value Fund	Money Market Fund
Equity Growth Fund # 3	US Equity Index Fund	Conservative Portfolio Fund
Dividend Growth Fund	Elite Equity Balanced Fund	Balanced Portfolio Fund
Global Dividend Growth Fund	Dividend Growth Balanced Fund	Moderate Growth Portfolio Fund
Small Cap Equity Fund	Asset Allocation Fund	Growth Portfolio Fund
Global Smaller Companies Fund	Balanced Fund	Aggressive Growth Portfolio Fund
(Collectively the "Funds")	Global Balanced Fund	

We have audited the accompanying financial statements of each of the Funds, which comprise the statements of investment portfolio and net assets as at December 31, 2010, and the statements of operations and of changes in net assets for the year or period (since establishment of the Funds) then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Manager of the Funds is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as the Manager determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of each of the Funds as at December 31, 2010 and the results of their operations and the changes in net assets for the year or period (since establishment of the Funds) then ended in accordance with Canadian generally accepted accounting principles.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the Statement of Financial Highlights for the Funds.



Chartered Accountants
Licensed Public Accountants
May 12, 2011
Toronto, Canada

Canadian Equity Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 8,038,625	\$ 8,983,897
Investment portfolio at fair value	230,959,597	180,202,389
Accrued investment income	407,422	425,900
Amounts receivable for units issued	269,893	284,099
Total assets	239,675,537	189,896,285
Liabilities		
Accrued expenses	20,636	16,772
Amounts payable for portfolio securities purchased	-	681,194
Amounts payable for units redeemed	13,356	315,329
Total liabilities	33,992	1,013,295
Net Assets	\$ 239,641,545	\$ 188,882,990
Net Asset Value		
Class A	\$ 228,921,599	\$ 181,361,377
Class B	6,351,217	4,116,050
Class C	2,287,989	1,846,640
Class D	236,220	133,351
Class E	53,642	57,023
Class F (Note 8)	1,790,878	1,368,549
	\$ 239,641,545	\$ 188,882,990
Number of Units Outstanding		
Class A	21,358,760	19,074,149
Class B	592,707	432,892
Class C	217,430	196,954
Class D	21,105	13,571
Class E	4,880	5,885
Class F (Note 8)	149,660	132,299
Net Asset Value per Unit		
Class A	\$ 10.72	\$ 9.51
Class B	\$ 10.72	\$ 9.51
Class C	\$ 10.52	\$ 9.38
Class D	\$ 11.19	\$ 9.83
Class E	\$ 10.99	\$ 9.69
Class F (Note 8)	\$ 11.97	\$ 10.34

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 4,920,950	\$ 3,927,091
Interest income	65,403	146,107
Total revenue	4,986,353	4,073,198
Expenses		
Management fees, including GST and HST	5,346,870	3,907,938
Other fees (Note 3)	15,790	17,294
Total expenses	5,362,660	3,925,232
Net Investment Income (Loss)	(376,307)	147,966
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	1,988,384	6,006,242
Net unrealized increase (decrease) in value of portfolio investments	25,677,861	29,188,029
Transaction costs on purchase and sale of investments	(265,102)	(115,342)
Net Gain (Loss) on Investments	27,401,143	35,078,929
Net Income (Loss) from Operations	\$ 27,024,836	\$ 35,226,895
Net Income (Loss) from Operations		
Class A	\$ 25,849,924	\$ 34,069,342
Class B	643,649	633,288
Class C	250,344	260,675
Class D	27,494	3,224
Class E	7,037	850
Class F (Note 8)	246,388	259,516
	\$ 27,024,836	\$ 35,226,895

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 181,361,377	\$ 123,106,621	\$ 4,116,050	\$ 2,235,020	\$ 1,846,640	\$ 666,488
Amounts received from policyholders	55,257,028	51,929,729	2,208,514	2,182,251	605,805	1,533,548
Net income (loss) from operations	25,849,924	34,069,342	643,649	633,288	250,344	260,675
Amounts withdrawn by policyholders	33,546,730	27,744,315	616,996	934,509	414,800	614,071
Net Assets - End of Period (GAAP NAV)	\$ 228,921,599	\$ 181,361,377	\$ 6,351,217	\$ 4,116,050	\$ 2,287,989	\$ 1,846,640
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 133,351	\$ -	\$ 57,023	\$ -	\$ 1,368,549	\$ 812,826
Amounts received from policyholders	86,175	130,127	16,354	56,173	212,434	296,207
Net income (loss) from operations	27,494	3,224	7,037	850	246,388	259,516
Amounts withdrawn by policyholders	10,800	-	26,772	-	36,493	-
Net Assets - End of Period (GAAP NAV)	\$ 236,220	\$ 133,351	\$ 53,642	\$ 57,023	\$ 1,790,878	\$ 1,368,549
Total						
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 188,882,990	\$ 126,820,955				
Amounts received from policyholders	58,386,310	56,128,035				
Net income (loss) from operations	27,024,836	35,226,895				
Amounts withdrawn by policyholders	34,652,591	29,292,895				
Net Assets - End of Period (GAAP NAV)	\$ 239,641,545	\$ 188,882,990				

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES			
Consumer Discretionary			
92,800	Astral Media Inc	3,943,340	3,894,816
96,600	Cineplex Galaxy Income Fund	2,051,822	2,164,806
162,600	Magna International Inc	4,934,388	8,425,932
57,000	Tim Hortons Inc	2,218,530	2,342,700
		<u>\$ 13,148,080</u>	<u>\$ 16,828,254</u>
Consumer Staples			
62,800	Empire Co Ltd	3,408,908	3,482,888
		<u>\$ 3,408,908</u>	<u>\$ 3,482,888</u>
Energy			
317,700	Bankers Petroleum Ltd	2,227,077	2,414,520
272,400	Canadian Natural Resources Ltd	8,754,919	12,064,596
99,680	Canadian Oil Sands Trust	2,822,770	2,636,536
130,379	Cenovus Energy Inc	3,470,261	4,322,064
106,600	Crescent Point Energy Corp	4,180,436	4,710,654
77,600	Enbridge Inc	3,229,939	4,363,448
127,579	EnCana Corp	3,929,943	3,704,894
182,200	PetroBakken Energy Ltd - A	4,634,322	3,955,562
324,000	Precision Drilling Corp	2,588,366	3,110,400
318,100	Suncor Energy Inc	11,299,238	12,148,239
292,100	Talisman Energy Inc	5,464,297	6,461,252
188,400	TransCanada Corp	6,666,167	7,147,896
		<u>\$ 59,267,735</u>	<u>\$ 67,040,061</u>
Financials			
73,700	Bank of Montreal	4,109,174	4,233,328
126,780	Bank of Nova Scotia	5,557,492	7,232,799
69,000	Canadian Imperial Bank of Commerce	3,840,664	5,397,870
14,500	Fairfax Financial Holdings Ltd	5,534,347	5,890,915
74,900	Intact Financial Corp	2,562,329	3,801,924
87,300	Power Corp of Canada	2,450,746	2,412,099
282,173	Royal Bank of Canada	13,023,505	14,735,074
127,970	Sun Life Financial Inc	4,781,086	3,841,659
158,735	Toronto-Dominion Bank	8,563,965	11,762,264
		<u>\$ 50,423,308</u>	<u>\$ 59,307,932</u>
Industrials			
363,700	Bombardier Inc - B	1,709,151	1,818,500
93,700	Canadian National Railway Co	4,974,152	6,210,436
171,000	Westjet Airlines Ltd	2,359,174	2,399,130
		<u>\$ 9,042,477</u>	<u>\$ 10,428,066</u>
Information Technology			
92,500	Aastra Technologies Ltd	2,572,570	2,113,625
78,200	Research in Motion Ltd	6,402,881	4,534,818
		<u>\$ 8,975,451</u>	<u>\$ 6,648,443</u>
Materials			
67,300	Agrium Inc	3,589,303	6,157,950
207,700	Barrick Gold Corp	8,065,077	11,018,485
226,800	Consolidated Thompson Iron Mines Ltd	1,764,947	3,195,612
262,300	Goldcorp Inc	8,113,630	12,015,963
179,700	Kinross Gold Corp	3,557,813	3,390,939
80,000	Methanex Corp	1,963,497	2,420,000
152,900	Silver Wheaton Corp	3,675,547	5,956,984
123,400	Teck Cominco Ltd - B	4,745,685	7,607,610
		<u>\$ 35,475,499</u>	<u>\$ 51,763,543</u>
Telecom Services			
130,219	BCE Inc	3,637,342	4,601,939
145,000	Rogers Communications Inc - B	5,254,784	5,003,950
		<u>\$ 8,892,126</u>	<u>\$ 9,605,889</u>
Utilities			
39,300	Atco Ltd - I	2,095,038	2,324,595
235,800	Just Energy Income Fund	3,100,907	3,529,926
		<u>\$ 5,195,945</u>	<u>\$ 5,854,521</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$ 193,829,529</u>	<u>\$ 230,959,597</u>

Elite Equity Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 11,342,202	\$ 29,686,241
Investment portfolio at fair value	849,383,171	850,144,544
Accrued investment income	2,216,169	1,771,603
Net unrealized gain (loss) on forward foreign currency contracts	-	229,380
Amounts receivable for units issued	839,175	103,951
Total assets	863,780,717	881,935,719
Liabilities		
Accrued expenses	118,259	109,851
Amounts payable for units redeemed	462,069	319,413
Total liabilities	580,328	429,264
Net Assets	\$ 863,200,389	\$ 881,506,455
Net Asset Value		
Class A	\$ 773,764,962	\$ 812,891,775
Class B	26,633,569	20,457,861
Class C	6,468,568	4,794,502
Class D	477,528	419,676
Class E	995,144	922,727
Class F (Note 8)	54,860,618	42,019,914
	\$ 863,200,389	\$ 881,506,455
Number of Units Outstanding		
Class A	3,023,996	3,404,674
Class B	104,111	85,685
Class C	25,753	20,364
Class D	1,788	1,701
Class E	3,792	3,792
Class F (Note 8)	192,022	161,771
Net Asset Value per Unit		
Class A	\$ 255.88	\$ 238.76
Class B	\$ 255.82	\$ 238.76
Class C	\$ 251.18	\$ 235.44
Class D	\$ 267.12	\$ 246.74
Class E	\$ 262.41	\$ 243.32
Class F (Note 8)	\$ 285.70	\$ 259.75

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 21,844,948	\$ 18,333,612
Interest income	578,112	788,598
Net gains (losses) on forward foreign currency contracts	379,370	307,124
Total revenue	22,802,430	19,429,334
Expenses		
Management fees, including GST and HST	20,733,375	19,242,391
Other fees (Note 3)	108,366	77,846
Total expenses	20,841,741	19,320,237
Net Investment Income (Loss)	1,960,689	109,097
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(1,851,221)	32,248,032
Net unrealized increase (decrease) in value of portfolio investments	60,596,959	142,521,460
Transaction costs on purchase and sale of investments	(2,026,132)	(411,646)
Net Gain (Loss) on Investments	56,719,606	174,357,846
Net Income (Loss) from Operations	\$ 58,680,295	\$ 174,466,943
Net Income (Loss) from Operations		
Class A	\$ 51,750,361	\$ 161,028,666
Class B	1,729,296	3,375,923
Class C	423,463	826,184
Class D	40,504	77,243
Class E	71,991	155,285
Class F (Note 8)	4,664,680	9,003,642
	\$ 58,680,295	\$ 174,466,943

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 812,891,775	\$ 691,809,754	\$ 20,457,861	\$ 8,157,296	\$ 4,794,502	\$ 2,400,274
Amounts received from policyholders	71,280,801	85,174,208	8,976,544	11,442,996	2,262,115	2,612,434
Net income (loss) from operations	51,750,361	161,028,666	1,729,296	3,375,923	423,463	826,184
Amounts withdrawn by policyholders	162,157,975	125,120,853	4,530,132	2,518,354	1,011,512	1,044,390
Net Assets - End of Period (GAAP NAV)	\$ 773,764,962	\$ 812,891,775	\$ 26,633,569	\$ 20,457,861	\$ 6,468,568	\$ 4,794,502
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 419,676	\$ 355,589	\$ 922,727	\$ 261,594	\$ 42,019,914	\$ 33,016,272
Amounts received from policyholders	75,750	61,469	22,766	505,848	8,259,901	-
Net income (loss) from operations	40,504	77,243	71,991	155,285	4,664,680	9,003,642
Amounts withdrawn by policyholders	58,402	74,625	22,340	-	83,877	-
Net Assets - End of Period (GAAP NAV)	\$ 477,528	\$ 419,676	\$ 995,144	\$ 922,727	\$ 54,860,618	\$ 42,019,914
Total						
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 881,506,455	\$ 736,000,779				
Amounts received from policyholders	90,877,877	99,796,955				
Net income (loss) from operations	58,680,295	174,466,943				
Amounts withdrawn by policyholders	167,864,238	128,758,222				
Net Assets - End of Period (GAAP NAV)	\$ 863,200,389	\$ 881,506,455				

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				INTERNATIONAL EQUITIES			
Consumer Discretionary				Europe			
188,000	Astral Media Inc	8,080,304	7,890,360	15,832	Aixtron SE	524,103	578,934
599,200	Cineplex Galaxy Income Fund	11,298,415	13,428,072	20,495	Alstom SA	1,487,503	977,516
506,600	Magna International Inc	16,094,440	26,252,012	47,816	Antofagasta PLC	762,403	1,195,733
450,900	Tim Hortons Inc	16,471,295	18,531,990	14,551	ArcelorMittal	655,702	550,018
		\$ 51,944,454	\$ 66,102,434	95,064	Banco Santander SA	1,590,470	1,003,810
Consumer Staples				14,973	Bayer AG	1,177,534	1,096,042
240,300	Metro Inc - A	9,378,318	10,861,560	55,900	BG Group PLC	1,172,770	1,123,861
124,200	Weston Ltd George	8,580,145	10,426,590	26,305	BHP Billiton PLC	936,395	1,040,985
		\$ 17,958,463	\$ 21,288,150	1,619	Construccion y Auxiliar de Ferrocarr	885,564	840,975
Energy				71,948	Credit Agricole SA	1,314,275	910,745
471,600	Bonavista Energy Trust Units	11,477,144	13,582,080	23,705	Credit Suisse Group	1,179,198	950,564
1,011,400	Canadian Natural Resources Ltd	33,564,125	44,794,906	51,149	Diageo PLC	946,971	940,267
201,453	Canadian Oil Sands Trust	3,782,833	5,328,432	22,894	Electricite de France SA	1,325,318	935,968
675,807	Cenovus Energy Inc	16,375,582	22,403,002	86,104	Experian PLC	907,066	1,065,914
397,000	Crescent Point Energy Corp	15,749,130	17,543,430	16,431	Fresenius Medical Care AG & Co	916,044	948,363
175,600	Enbridge Inc	9,707,606	9,873,988	27,738	Hennes & Mauritz AB - B	821,426	918,328
431,207	EnCana Corp	10,033,119	12,522,251	233,243	Man Group PLC	787,852	1,071,016
399,800	Keyera Facilities Income Fund	12,220,168	14,052,970	16,409	Nestle SA	820,206	956,339
845,300	Suncor Energy Inc	29,691,914	32,282,007	7,804	Novartis AG	386,805	456,489
		\$ 142,601,621	\$ 172,383,066	118,737	Prudential PLC	917,828	1,230,434
Financials				20,452	SAP AG	1,030,749	1,036,483
171,400	Bank of Montreal	9,276,524	9,845,216	48,833	Sercro Group PLC	444,909	420,817
322,581	Bank of Nova Scotia	10,429,092	18,403,246	7,728	Siemens AG	762,178	957,757
169,100	Canadian Imperial Bank of Commerce	11,574,224	13,228,693	37,405	SKF AB - B	683,633	1,059,253
25,100	Fairfax Financial Holdings Ltd	9,918,513	10,197,377	10,955	Societe Generale	621,867	586,849
287,600	Intact Financial Corp	11,323,815	14,598,576	40,388	Standard Chartered PLC	1,053,603	1,081,093
312,100	Power Financial Corp	8,685,598	9,568,986	3,666	Syngenta AG	1,023,769	1,066,932
854,260	Royal Bank of Canada	37,766,263	44,609,457	161,366	Tesco PLC	1,194,500	1,063,890
228,100	Sun Life Financial Inc	7,400,942	6,847,562	20,817	Total Fina Elf SA - B	1,382,522	1,099,342
473,180	Toronto-Dominion Bank	28,099,987	35,062,638	27,275	Vestas Wind Systems A/S	1,537,580	858,319
		\$ 134,474,958	\$ 162,361,751	419,214	Vodafone Group PLC	942,139	1,078,242
Industrials				2,811	Zurich Financial Services AG	667,195	724,737
1,069,900	Bombardier Inc - B	5,024,596	5,349,500			\$ 30,860,077	\$ 29,826,015
286,100	Canadian National Railway Co	7,811,991	18,962,708	Asia/Far East			
752,500	Westjet Airlines Ltd	10,098,169	10,557,575	115,942	Beijing Enterprises Hldgs Ltd	948,476	715,042
		\$ 22,934,756	\$ 34,869,783	119	Central Japan Railway Co	923,479	992,079
Information Technology				97,523	China Mobile Ltd	1,003,924	963,314
260,400	Aastra Technologies Ltd	7,422,624	5,950,140	7,130	Fast Retailing Co Ltd	1,194,865	1,130,260
728,700	Celestica Inc	7,636,394	7,031,955	4,814	Hyundai Motor Co	488,682	740,013
412,700	CGI Group Inc	6,044,096	7,098,440	373	Japan Tobacco Inc	1,237,173	1,374,180
		\$ 21,103,114	\$ 20,080,535	44,234	JGC Corp	881,214	958,260
Materials				4,001	Keyence Corp	943,744	1,153,709
688,100	Barrick Gold Corp	28,365,668	36,503,705	97,000	Minebea Co Ltd	615,816	608,881
458,400	Goldcorp Inc	19,423,746	20,999,304	2,378	Nintendo Co Ltd	737,000	694,746
344,700	Kinross Gold Corp	6,436,907	6,504,489	30,543	Nissin Foods Holdings Co Ltd	1,018,242	1,089,670
412,400	Labrador Iron Ore Royalty Corp	20,305,670	27,733,900	1,156	Samsung Electronics Co Ltd	895,668	971,981
340,200	Methanex Corp	8,760,717	10,291,050	40,089	Shiseido Co Ltd	918,959	871,905
552,300	Silver Wheaton Corp	9,746,627	21,517,608	60,900	Singapore Airlines Ltd	730,979	722,215
271,700	Teck Cominco Ltd - B	12,934,536	16,750,305	64,858	Taiwan Semiconductor Sponsored ADR	731,437	808,282
		\$ 105,973,871	\$ 140,300,361	21,750	Takeda Pharmaceutical Co Ltd	975,248	1,065,286
Telecom Services						\$ 14,244,906	\$ 14,859,823
511,786	BCE Inc	13,902,187	18,086,517	Australia			
357,100	Telus Corp	13,256,121	16,240,908	26,299	CSL Ltd	798,665	969,160
		\$ 27,158,308	\$ 34,327,425	29,002	Macquarie Group Ltd	1,382,838	1,092,389
Utilities				18,961	Newcrest Mining Ltd	643,316	779,813
297,900	Atco Ltd - I	15,167,237	17,620,785	15,301	Woodside Petroleum Ltd	695,181	662,777
		\$ 15,167,237	\$ 17,620,785			\$ 3,520,000	\$ 3,504,139
TOTAL CANADIAN EQUITIES							
		\$ 539,316,782	\$ 669,334,290	Middle East			
				7,550	Teva Pharmaceutical Sponsored ADR	398,566	391,231
						\$ 398,566	\$ 391,231
				Empire Life Investment Funds			
				15,852,060	American Value Fund - Class F	136,168,504	131,467,673
						\$ 136,168,504	\$ 131,467,673
				TOTAL INTERNATIONAL EQUITIES			
						\$ 185,192,053	\$ 180,048,881
				TOTAL INVESTMENT PORTFOLIO			
						\$ 724,508,835	\$ 849,383,171

Premier Equity Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 2,362,013	\$ 5,607,474
Investment portfolio at fair value	147,863,159	145,478,817
Accrued investment income	383,872	302,324
Net unrealized gain (loss) on forward foreign currency contracts	-	39,842
Amounts receivable for units issued	28	718
Total assets	150,609,072	151,429,175
Liabilities		
Accrued expenses	25,163	20,455
Amounts payable for units redeemed	50,886	127,390
Total liabilities	76,049	147,845
Net Assets	\$ 150,533,023	\$ 151,281,330
Number of Units Outstanding	582,336	635,325
Net Asset Value per Unit	\$ 258.50	\$ 238.12

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 3,728,787	\$ 3,289,405
Interest income	101,006	50,877
Net gains (losses) on forward foreign currency contracts	65,895	56,147
Total revenue	3,895,688	3,396,429
Expenses		
Management fees, including GST and HST	2,257,645	2,106,460
Other fees (Note 3)	37,061	20,114
Total expenses	2,294,706	2,126,574
Net Investment Income (Loss)	1,600,982	1,269,855
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	347,150	6,806,424
Net unrealized increase (decrease) in value of portfolio investments	10,352,231	23,816,938
Transaction costs on purchase and sale of investments	(333,661)	(80,650)
Net Gain (Loss) on Investments	10,365,720	30,542,712
Net Income (Loss) from Operations	\$ 11,966,702	\$ 31,812,567

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 151,281,330	\$ 130,410,562
Amounts received from policyholders	5,605,333	5,922,023
Net income (loss) from operations	11,966,702	31,812,567
Amounts withdrawn by policyholders	18,320,342	16,863,822
Net Assets - End of Period (GAAP NAV)	\$ 150,533,023	\$ 151,281,330

Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				INTERNATIONAL EQUITIES			
Consumer Discretionary				Europe			
31,300	Astral Media Inc	1,351,607	1,313,661	2,702	Aixtron SE	89,447	98,805
99,800	Cineplex Galaxy Income Fund	1,881,726	2,236,518	3,496	Alstom SA	253,721	166,743
90,900	Magna International Inc	2,891,015	4,710,438	8,184	Antofagasta PLC	130,489	204,657
77,100	Tim Hortons Inc	2,821,046	3,168,810	2,483	ArcelorMittal	111,885	93,856
		\$ 8,945,394	\$ 11,429,427	16,208	Banco Santander SA	271,167	171,145
Consumer Staples				2,553	Bayer AG	200,778	186,883
40,000	Metro Inc - A	1,561,103	1,808,000	9,529	BG Group PLC	199,916	191,579
21,400	Weston Ltd George	1,478,774	1,796,530	4,484	BHP Billiton PLC	159,620	177,448
		\$ 3,039,877	\$ 3,604,530	276	Construcciones y Auxiliar de Ferrocarr	150,968	143,366
Energy				12,267	Credit Agricole SA	224,082	155,280
78,500	Bonavista Energy Trust Units	1,910,357	2,260,800	4,044	Credit Suisse Group	201,168	162,163
173,800	Canadian Natural Resources Ltd	5,922,076	7,697,602	8,719	Diageo PLC	161,423	160,281
33,600	Canadian Oil Sands Trust	694,050	888,720	3,904	Electricite de France SA	225,991	159,606
116,138	Enovus Energy Inc	2,778,564	3,849,975	14,674	Experian PLC	154,584	181,655
67,800	Crescent Point Energy Corp	2,691,101	2,996,082	2,804	Fresenius Medical Care AG & Co	156,326	161,841
30,200	Enbridge Inc	1,670,982	1,698,146	4,730	Hennes & Mauritz AB - B	140,073	156,597
74,138	EnCana Corp	1,635,336	2,152,968	39,800	Man Group PLC	134,437	182,756
68,400	Keyera Facilities Income Fund	2,096,059	2,404,260	2,800	Nestle SA	139,958	163,188
145,300	Suncor Energy Inc	5,103,714	5,549,007	1,332	Novartis AG	66,021	77,914
		\$ 24,502,239	\$ 29,497,560	20,326	Prudential PLC	157,895	210,632
Financials				3,487	SAP AG	175,739	176,717
29,700	Bank of Montreal	1,607,384	1,705,968	8,319	Serco Group PLC	75,793	71,689
64,357	Bank of Nova Scotia	1,872,024	3,671,567	1,320	Siemens AG	130,186	163,592
29,100	Canadian Imperial Bank of Commerce	1,991,802	2,276,493	6,371	SKF AB - B	116,440	180,417
4,300	Fairfax Financial Holdings Ltd	1,700,621	1,746,961	1,869	Societe Generale	106,095	100,120
49,500	Intact Financial Corp	1,962,836	2,512,620	6,951	Standard Chartered PLC	181,331	186,062
51,900	Power Financial Corp	1,444,335	1,591,254	626	Syngenta AG	174,817	182,187
148,905	Royal Bank of Canada	6,336,645	7,775,819	27,505	Tesco PLC	203,604	181,341
37,900	Sun Life Financial Inc	1,229,642	1,137,758	3,550	Total Fina Elf SA - B	235,767	187,475
80,993	Toronto-Dominion Bank	4,759,710	6,001,581	4,651	Vestas Wind Systems A/S	262,177	146,363
		\$ 22,904,999	\$ 28,420,021	71,468	Vodafone Group PLC	160,617	183,820
Industrials				479	Zurich Financial Services AG	113,689	123,496
186,500	Bombardier Inc - B	875,869	932,500			\$ 5,266,204	\$ 5,089,674
54,700	Canadian National Railway Co	1,288,326	3,625,516	Asia/Far East			
125,400	Westjet Airlines Ltd	1,681,782	1,759,362	19,785	Beijing Enterprises Hldgs Ltd	161,853	122,019
		\$ 3,845,977	\$ 6,317,378	20	Central Japan Railway Co	155,207	166,736
Information Technology				16,642	China Mobile Ltd	171,326	164,387
43,500	Aastra Technologies Ltd	1,234,204	993,975	1,222	Fast Retailing Co Ltd	204,525	193,714
185,900	Celestica Inc	1,947,812	1,793,935	822	Hyundai Motor Co	83,443	126,358
68,700	CGI Group Inc	1,006,129	1,181,640	64	Japan Tobacco Inc	212,337	235,784
		\$ 4,188,145	\$ 3,969,550	7,550	JGC Corp	150,408	163,559
Materials				684	Keyence Corp	161,340	197,235
117,800	Barrick Gold Corp	4,896,202	6,249,290	16,000	Minebea Co Ltd	101,578	100,434
78,700	Goldcorp Inc	3,347,341	3,605,247	407	Nintendo Co Ltd	126,275	118,907
59,000	Kinross Gold Corp	1,101,635	1,113,330	5,210	Nissin Foods Holdings Co Ltd	173,691	185,875
70,500	Labrador Iron Ore Royalty Corp	3,470,445	4,741,125	198	Samsung Electronics Co Ltd	153,462	166,481
56,500	Methanex Corp	1,453,767	1,709,125	6,843	Shiseido Co Ltd	156,862	148,830
91,900	Silver Wheaton Corp	1,625,285	3,580,424	10,300	Singapore Airlines Ltd	123,635	122,148
46,500	Teck Cominco Ltd - B	2,213,680	2,866,725	11,072	Taiwan Semiconductor Sponsored ADR	124,865	137,983
		\$ 18,108,355	\$ 23,865,266	3,712	Takeda Pharmaceutical Co Ltd	166,442	181,809
Telecom Services						\$ 2,427,249	\$ 2,532,259
87,904	BCE Inc	2,362,712	3,106,527	Australia			
59,500	Telus Corp	2,206,354	2,706,060	4,524	CSL Ltd	137,388	166,717
		\$ 4,569,066	\$ 5,812,587	4,950	Macquarie Group Ltd	236,030	186,447
Utilities				3,237	Newcrest Mining Ltd	109,826	133,129
50,900	Atco Ltd - I	2,600,703	3,010,735	2,612	Woodside Petroleum Ltd	118,673	113,141
		\$ 2,600,703	\$ 3,010,735			\$ 601,917	\$ 599,434
TOTAL CANADIAN EQUITIES				Middle East			
		\$ 92,704,755	\$ 115,927,054	1,288	Teva Pharmaceutical Sponsored ADR	67,994	66,742
						\$ 67,994	\$ 66,742
				Empire Life Investment Funds			
				2,851,419	American Value Fund - Class F	24,703,484	23,647,996
						\$ 24,703,484	\$ 23,647,996
				TOTAL INTERNATIONAL EQUITIES			
						\$ 33,066,848	\$ 31,936,105
				TOTAL INVESTMENT PORTFOLIO			
						\$ 125,771,603	\$ 147,863,159

Equity Growth Fund #3

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 150,725	\$ 238,743
Investment portfolio at fair value	6,776,899	6,789,447
Accrued investment income	17,781	13,908
Net unrealized gain (loss) on forward foreign currency contracts	-	1,916
Total assets	6,945,405	7,044,014
Liabilities		
Accrued expenses	5,382	1,707
Total liabilities	5,382	1,707
Net Assets	\$ 6,940,023	\$ 7,042,307
Number of Units Outstanding	88,115	96,710
Net Asset Value per Unit	\$ 78.76	\$ 72.82

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 175,375	\$ 159,073
Interest income	4,424	1,248
Net gains (losses) on forward foreign currency contracts	3,168	3,375
Total revenue	182,967	163,696
Expenses		
Management fees, including GST and HST	86,620	85,767
Other fees (Note 3)	21,810	9,371
Total expenses	108,430	95,138
Net Investment Income (Loss)	74,537	68,558
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(19,972)	421,110
Net unrealized increase (decrease) in value of portfolio investments	491,293	1,087,853
Transaction costs on purchase and sale of investments	(16,001)	(4,187)
Net Gain (Loss) on Investments	455,320	1,504,776
Net Income (Loss) from Operations	\$ 529,857	\$ 1,573,334

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 7,042,307	\$ 6,488,889
Amounts received from policyholders	21,847	31,376
Net income (loss) from operations	529,857	1,573,334
Amounts withdrawn by policyholders	653,988	1,051,292
Net Assets - End of Period (GAAP NAV)	\$ 6,940,023	\$ 7,042,307

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				INTERNATIONAL EQUITIES			
Consumer Discretionary				Europe			
1,600	Astral Media Inc	68,302	67,152	125	Aixtron SE	4,138	4,571
4,600	Cineplex Galaxy Income Fund	86,862	103,086	162	Alstom SA	11,748	7,727
4,200	Magna International Inc	133,655	217,644	447	Antofagasta PLC	7,127	11,178
3,600	Tim Hortons Inc	131,870	147,960	114	ArcelorMittal	5,136	4,309
		\$ 420,689	\$ 535,842	747	Banco Santander SA	12,499	7,888
Consumer Staples				118	Bayer AG	9,280	8,638
2,000	Metro Inc - A	78,059	90,400	439	BG Group PLC	9,210	8,826
1,000	Weston Ltd George	69,076	83,950	207	BHP Billiton PLC	7,369	8,192
		\$ 147,135	\$ 174,350	12	Construcciones y Auxiliario de Ferrocarril	6,580	6,233
Energy				565	Credit Agricole SA	10,321	7,152
3,600	Bonavista Energy Trust Units	87,729	103,680	186	Credit Suisse Group	9,253	7,459
7,800	Canadian Natural Resources Ltd	260,087	345,462	402	Diageo PLC	7,443	7,390
1,614	Canadian Oil Sands Trust	31,458	42,690	180	Electricite de France SA	10,414	7,359
5,299	Cenovus Energy Inc	124,933	175,662	677	Experian PLC	7,132	8,381
3,100	Crescent Point Energy Corp	123,011	136,989	130	Fresenius Medical Care AG & Co	7,248	7,503
1,400	Enbridge Inc	77,426	78,722	218	Hennes & Mauritz AB - B	6,456	7,217
3,299	EnCana Corp	70,685	95,803	1,838	Man Group PLC	6,208	8,440
3,200	Keyera Facilities Income Fund	98,079	112,480	129	Nestle SA	6,448	7,518
6,600	Suncor Energy Inc	231,494	252,054	62	Novartis AG	3,073	3,627
		\$ 1,104,902	\$ 1,343,542	929	Prudential PLC	7,194	9,627
Financials				161	SAP AG	8,114	8,159
1,400	Bank of Montreal	75,699	80,416	383	Serco Group PLC	3,489	3,301
2,927	Bank of Nova Scotia	82,645	166,985	62	Siemens AG	6,115	7,684
1,400	Canadian Imperial Bank of Commerce	95,849	109,522	245	SKF AB - B	4,478	6,938
200	Fairfax Financial Holdings Ltd	80,265	81,254	86	Societe Generale	4,883	4,607
2,300	Intact Financial Corp	90,176	116,748	352	Standard Chartered PLC	9,183	9,422
2,500	Power Financial Corp	69,565	76,650	29	Syngenta AG	8,099	8,440
6,862	Royal Bank of Canada	279,916	358,334	1,269	Tesco PLC	9,394	8,367
1,800	Sun Life Financial Inc	58,347	54,036	164	Total Fina Elf SA - B	10,892	8,661
3,489	Toronto-Dominion Bank	198,546	258,535	214	Vestas Wind Systems A/S	12,070	6,734
		\$ 1,031,008	\$ 1,302,480	3,298	Vodafone Group PLC	7,412	8,483
Industrials				22	Zurich Financial Services AG	5,222	5,672
8,300	Bombardier Inc - B	39,006	41,500			\$ 243,628	\$ 235,703
2,550	Canadian National Railway Co	56,335	169,014	Asia/Far East			
5,800	Westjet Airlines Ltd	77,745	81,374	911	Beijing Enterprises Hldgs Ltd	7,453	5,618
		\$ 173,086	\$ 291,888	1	Central Japan Railway Co	7,760	8,337
Information Technology				805	China Mobile Ltd	8,293	7,952
2,100	Aastra Technologies Ltd	59,962	47,985	60	Fast Retailing Co Ltd	9,909	9,511
8,600	Celestica Inc	90,201	82,990	39	Hyundai Motor Co	3,959	5,995
3,200	CGI Group Inc	46,864	55,040	3	Japan Tobacco Inc	9,907	11,052
		\$ 197,027	\$ 186,015	352	JGC Corp	7,012	7,625
Materials				31	Keyence Corp	7,312	8,939
5,400	Barrick Gold Corp	224,602	286,470	1,000	Minebea Co Ltd	6,349	6,277
3,500	Goldcorp Inc	148,106	160,335	19	Nintendo Co Ltd	5,934	5,551
2,700	Kinross Gold Corp	50,386	50,949	240	Nissin Foods Holdings Co Ltd	8,001	8,562
3,300	Labrador Iron Ore Royalty Corp	162,922	221,925	9	Samsung Electronics Co Ltd	6,976	7,567
2,600	Methanex Corp	66,910	78,650	315	Shiseido Co Ltd	7,221	6,851
4,200	Silver Wheaton Corp	74,251	163,632	400	Singapore Airlines Ltd	4,805	4,744
2,200	Teck Cominco Ltd - B	104,910	135,630	510	Taiwan Semiconductor Sponsored ADR	5,752	6,356
		\$ 832,087	\$ 1,097,591	171	Takeda Pharmaceutical Co Ltd	7,667	8,375
Telecom Services						\$ 114,310	\$ 119,312
3,933	BCE Inc	102,538	138,992	Australia			
2,700	Telus Corp	100,458	122,796	240	CSL Ltd	7,288	8,845
		\$ 202,996	\$ 261,788	230	Macquarie Group Ltd	10,944	8,663
Utilities				151	Newcrest Mining Ltd	5,123	6,210
2,400	Atco Ltd - I	122,284	141,960	120	Woodside Petroleum Ltd	5,452	5,198
		\$ 122,284	\$ 141,960			\$ 28,807	\$ 28,916
TOTAL CANADIAN EQUITIES							
		\$ 4,231,214	\$ 5,335,456	Middle East			
				59	Teva Pharmaceutical Sponsored ADR	3,115	3,057
						\$ 3,115	\$ 3,057
				Empire Life Investment Funds			
				127,144	American Value Fund - Class F	1,108,010	1,054,455
						\$ 1,108,010	\$ 1,054,455
				TOTAL INTERNATIONAL EQUITIES			
						\$ 1,497,870	\$ 1,441,443
				TOTAL INVESTMENT PORTFOLIO			
						\$ 5,729,084	\$ 6,776,899

Dividend Growth Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 41,102,350	\$ 38,491,744
Investment portfolio at fair value	918,006,533	767,246,559
Accrued investment income	3,418,249	2,718,214
Amounts receivable for units issued	3,213,389	719,032
Total assets	965,740,521	809,175,549
Liabilities		
Accrued expenses	100,999	90,821
Amounts payable for units redeemed	1,394,564	408,088
Total liabilities	1,495,563	498,909
Net Assets	\$ 964,244,958	\$ 808,676,640
Net Asset Value		
Class A	\$ 818,483,160	\$ 730,668,768
Class B	86,259,576	63,173,420
Class C	17,360,312	10,553,382
Class D	4,209,935	3,110,285
Class E	1,692,757	1,170,785
Class F (Note 8)	36,239,218	-
	\$ 964,244,958	\$ 808,676,640
Number of Units Outstanding		
Class A	33,014,392	33,017,856
Class B	3,480,175	2,854,711
Class C	713,236	483,617
Class D	162,666	136,001
Class E	66,628	51,916
Class F (Note 8)	1,309,287	-
Net Asset Value per Unit		
Class A	\$ 24.79	\$ 22.13
Class B	\$ 24.79	\$ 22.13
Class C	\$ 24.34	\$ 21.82
Class D	\$ 25.88	\$ 22.87
Class E	\$ 25.41	\$ 22.55
Class F (Note 8)	\$ 27.68	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 28,538,812	\$ 25,175,181
Interest income	499,812	144,702
Net gains (losses) on forward foreign currency contracts	-	2,696,370
Total revenue	29,038,624	28,016,253
Expenses		
Management fees, including GST and HST	21,966,119	17,804,356
Other fees (Note 3)	67,581	82,056
Total expenses	22,033,700	17,886,412
Net Investment Income (Loss)	7,004,924	10,129,841
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(24,592,596)	19,490,954
Net unrealized increase (decrease) in value of portfolio investments	119,483,689	140,826,921
Transaction costs on purchase and sale of investments	(1,129,366)	(583,599)
Net Gain (Loss) on Investments	93,761,727	159,734,276
Net Income (Loss) from Operations	\$ 100,766,651	\$ 169,864,117
Net Income (Loss) from Operations		
Class A	\$ 88,113,258	\$ 155,033,371
Class B	8,784,916	12,156,907
Class C	1,608,168	1,934,710
Class D	463,153	509,515
Class E	186,618	229,614
Class F (Note 8)	1,610,538	-
	\$ 100,766,651	\$ 169,864,117

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 730,668,768	\$ 595,691,975	\$ 63,173,420	\$ 34,697,018	\$ 10,553,382	\$ 5,528,720
Amounts received from policyholders	151,208,550	115,219,027	26,100,189	24,364,377	8,066,097	5,028,186
Net income (loss) from operations	88,113,258	155,033,371	8,784,916	12,156,907	1,608,168	1,934,710
Amounts withdrawn by policyholders	151,507,416	135,275,605	11,798,949	8,044,882	2,867,335	1,938,234
Net Assets - End of Period (GAAP NAV)	\$ 818,483,160	\$ 730,668,768	\$ 86,259,576	\$ 63,173,420	\$ 17,360,312	\$ 10,553,382
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 3,110,285	\$ 1,154,855	\$ 1,170,785	\$ 875,326	\$ -	\$ -
Amounts received from policyholders	1,229,761	1,462,431	469,937	204,720	34,633,037	-
Net income (loss) from operations	463,153	509,515	186,618	229,614	1,610,538	-
Amounts withdrawn by policyholders	593,264	16,516	134,583	138,875	4,357	-
Net Assets - End of Period (GAAP NAV)	\$ 4,209,935	\$ 3,110,285	\$ 1,692,757	\$ 1,170,785	\$ 36,239,218	\$ -
	Total					
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 808,676,640	\$ 637,947,894				
Amounts received from policyholders	221,707,571	146,278,741				
Net income (loss) from operations	100,766,651	169,864,117				
Amounts withdrawn by policyholders	166,905,904	145,414,112				
Net Assets - End of Period (GAAP NAV)	\$ 964,244,958	\$ 808,676,640				

EMPIRE LIFE Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES			
Consumer Discretionary			
782,600	Cineplex Galaxy Income Fund	14,952,589	17,538,066
703,600	Magna International Inc	22,093,155	36,460,552
527,100	Thomson Reuters Corp	18,118,330	19,587,036
596,200	Tim Hortons Inc	21,804,909	24,503,820
		\$ 76,968,983	\$ 98,089,474
Consumer Staples			
245,200	Metro Inc - A	9,613,433	11,083,040
945,700	North West Company Fund	18,393,919	19,500,334
151,900	Weston Ltd George	10,736,454	12,752,005
		\$ 38,743,806	\$ 43,335,379
Energy			
608,800	Bonavista Energy Trust Units	14,815,102	17,533,440
1,028,300	Canadian Natural Resources Ltd	35,291,443	45,543,407
260,613	Canadian Oil Sands Trust	6,059,053	6,893,214
670,974	Cenovus Energy Inc	18,352,400	22,242,788
410,400	Crescent Point Energy Corp	9,737,597	18,135,576
359,101	Enbridge Inc	17,785,763	20,192,249
400,874	EnCana Corp	11,744,698	11,641,381
733,396	Keyera Facilities Income Fund	13,862,362	25,778,869
383,400	Suncor Energy Inc	13,435,168	14,642,046
310,200	TransCanada Corp	10,745,668	11,768,988
		\$ 151,829,254	\$ 194,371,958
Financials			
78,700	Bank of Montreal	4,212,543	4,520,528
840,777	Bank of Nova Scotia	36,384,175	47,966,328
338,648	Boardwalk REIT	7,966,233	13,965,844
362,300	Canadian Imperial Bank of Commerce	20,983,684	28,342,729
22,800	Fairfax Financial Holdings Ltd	9,050,509	9,262,956
538,300	Intact Financial Corp	16,165,076	27,324,108
1,014,300	Northwest Healthcare Properties REIT	10,702,085	11,806,452
377,400	Power Corp of Canada	10,952,378	10,427,562
423,000	Primaris Retail REIT	7,495,091	8,265,420
1,146,133	Royal Bank of Canada	58,005,946	59,851,065
295,401	Sun Life Financial Inc	11,284,623	8,867,938
697,360	Toronto-Dominion Bank	43,521,435	51,674,376
		\$ 236,723,778	\$ 282,275,306
Industrials			
284,800	AG Growth International Inc	7,758,390	14,245,696
970,500	Bombardier Inc - B	4,471,509	4,852,500
438,500	Canadian National Railway Co	19,638,785	29,063,780
221,300	Canadian Pacific Railway Ltd	13,753,932	14,300,406
		\$ 45,622,616	\$ 62,462,382
Information Technology			
334,900	Aastra Technologies Ltd	9,523,307	7,652,465
1,217,100	Celestica Inc	13,211,556	11,745,015
		\$ 22,734,863	\$ 19,397,480
Materials			
578,400	Barrick Gold Corp	27,609,304	30,684,120
442,800	Kinross Gold Corp	8,383,483	8,355,636
326,600	Labrador Iron Ore Royalty Corp	17,043,033	21,963,850
384,400	Methanex Corp	9,973,320	11,628,100
547,000	Silver Wheaton Corp	8,639,412	21,311,120
174,500	Teck Cominco Ltd - B	8,698,496	10,757,925
		\$ 80,347,048	\$ 104,700,751
Telecom Services			
934,371	BCE Inc	28,712,177	33,020,671
253,300	Rogers Communications Inc - B	9,367,695	8,741,383
462,500	Telus Corp	17,246,031	21,034,500
		\$ 55,325,903	\$ 62,796,554
Utilities			
306,000	Atco Ltd - I	15,998,995	18,099,900
652,900	Emera Inc	14,516,024	20,468,415
802,200	Just Energy Income Fund	10,790,638	12,008,934
		\$ 41,305,657	\$ 50,577,249
TOTAL INVESTMENT PORTFOLIO		\$ 749,601,908	\$ 918,006,533

Global Dividend Growth Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 184,580	\$ 1,703,733
Investment portfolio at fair value	20,006,272	31,261,304
Accrued investment income	17,394	11,399
Amounts receivable from portfolio securities sold	1,406,820	-
Amounts receivable for units issued	20,416	39,522
Total assets	21,635,482	33,015,958
Liabilities		
Accrued expenses	7,119	9,249
Written options liability	12,532	-
Amounts payable for portfolio securities purchased	823,545	-
Amounts payable for units redeemed	26,029	10,107
Total liabilities	869,225	19,356
Net Assets	\$ 20,766,257	\$ 32,996,602
Net Asset Value		
Class A	\$ 14,199,721	\$ 15,033,174
Class B	3,075,523	2,492,167
Class C	212,143	156,150
Class D	73,347	85,924
Class E	-	-
Class F (Note 8)	3,205,523	15,229,187
	\$ 20,766,257	\$ 32,996,602
Number of Units Outstanding		
Class A	2,441,921	2,573,844
Class B	529,062	426,672
Class C	37,067	27,035
Class D	12,163	14,329
Class E	-	-
Class F (Note 8)	500,000	2,428,669
Net Asset Value per Unit		
Class A	\$ 5.82	\$ 5.84
Class B	\$ 5.81	\$ 5.84
Class C	\$ 5.72	\$ 5.78
Class D	\$ 6.03	\$ 6.00
Class E	\$ -	\$ -
Class F (Note 8)	\$ 6.41	\$ 6.27

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 553,025	\$ 629,582
Interest income	8,611	(112,526)
Total revenue	561,636	517,056
Expenses		
Management fees, including GST and HST	458,153	403,526
Other fees (Note 3)	15,350	14,275
Total expenses	473,503	417,801
Net Investment Income (Loss)	88,133	99,255
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(576,388)	982,547
Net unrealized increase (decrease) in value of portfolio investments	252,059	3,459,439
Transaction costs on purchase and sale of investments	(123,250)	(68,925)
Net Gain (Loss) on Investments	(447,579)	4,373,061
Net Income (Loss) from Operations	\$ (359,446)	\$ 4,472,316
Net Income (Loss) from Operations		
Class A	\$ (89,909)	\$ 1,941,375
Class B	(8,325)	328,174
Class C	(1,042)	18,923
Class D	366	11,757
Class E	-	-
Class F (Note 8)	(260,536)	2,172,087
	\$ (359,446)	\$ 4,472,316

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 15,033,174	\$ 12,946,302	\$ 2,492,167	\$ 1,845,660	\$ 156,150	\$ 129,932
Amounts received from policyholders	2,574,377	3,189,954	1,141,503	748,152	65,862	30,190
Net income (loss) from operations	(89,909)	1,941,375	(8,325)	328,174	(1,042)	18,923
Amounts withdrawn by policyholders	3,317,921	3,044,457	549,822	429,819	8,827	22,895
Net Assets - End of Period (GAAP NAV)	\$ 14,199,721	\$ 15,033,174	\$ 3,075,523	\$ 2,492,167	\$ 212,143	\$ 156,150
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 85,924	\$ 68,168	\$ -	\$ -	\$ 15,229,187	\$ 8,950,720
Amounts received from policyholders	-	5,999	-	-	-	4,181,380
Net income (loss) from operations	366	11,757	-	-	(260,536)	2,172,087
Amounts withdrawn by policyholders	12,943	-	-	-	11,763,128	75,000
Net Assets - End of Period (GAAP NAV)	\$ 73,347	\$ 85,924	\$ -	\$ -	\$ 3,205,523	\$ 15,229,187
Total						
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 32,996,602	\$ 23,940,782				
Amounts received from policyholders	3,781,742	8,155,675				
Net income (loss) from operations	(359,446)	4,472,316				
Amounts withdrawn by policyholders	15,652,641	3,572,171				
Net Assets - End of Period (GAAP NAV)	\$ 20,766,257	\$ 32,996,602				

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				Australia			
84,700	Bombardier Inc - B	408,886	423,500	10,700	BHP Billiton Ltd	429,225	492,890
14,100	Canadian Oil Sands Trust	366,577	372,945	10,700	Newcrest Mining Ltd	319,121	440,061
17,700	Just Energy Income Fund	254,703	264,969			\$ 748,346	\$ 932,951
6,700	Research in Motion Ltd	400,401	388,533	Middle East			
13,300	Suncor Energy Inc	411,326	507,927	10,900	Teva Pharmaceutical Sponsored ADR	508,268	564,823
		\$ 1,841,893	\$ 1,957,874			\$ 508,268	\$ 564,823
U.S. EQUITIES				South America			
22,200	Bank of America Corp	394,844	294,549	53,300	BM&F Bovespa SA	378,837	419,408
10,900	Best Buy Co Inc	478,542	371,743			\$ 378,837	\$ 419,408
6,500	Big Lots Inc	222,754	196,856	TOTAL INTERNATIONAL EQUITIES			
20,000	Blackstone Group LP	288,316	281,671			\$ 9,130,130	\$ 9,776,040
29,800	Corning Inc	555,768	572,627	TOTAL INVESTMENT PORTFOLIO			
10,800	Disney Walt Co	405,377	403,028			\$ 19,542,600	\$ 20,006,272
9,200	Exxon Mobil Corp	654,819	669,437				
2,500	Goldman Sachs Group Inc	445,309	418,105				
42,800	Hudson City Bancorp Inc	628,867	541,902				
6,600	IBM	889,483	963,385				
12,700	JPMorgan Chase & Co	541,204	536,077				
13,200	Materials Select Sector SPDR Fund	470,084	504,537				
18,900	Microsoft Corp	502,855	524,651				
6,200	Norfolk Southern Corp	394,169	387,257				
2,300	Parker Hannifin Corp	197,650	197,487				
30,000	Pfizer Inc	587,327	522,463				
8,100	Philip Morris International Inc	417,776	471,775				
9,000	Raytheon Co	495,433	414,808				
		\$ 8,570,577	\$ 8,272,358				
INTERNATIONAL EQUITIES							
Europe							
10,700	Alstom SA	551,746	510,340				
5,300	BASF SE	364,520	422,556				
600	Construccion y Auxiliar de Ferrocarr	311,689	311,665				
8,800	Credit Suisse Group	364,595	352,877				
34,300	Ericsson LM - B	404,621	396,185				
14,500	Noble Corp	623,064	515,576				
8,300	Novartis AG	437,665	485,502				
8,423	SAP AG	415,022	426,867				
16,900	Standard Chartered PLC	420,833	452,374				
190,000	Vodafone Group PLC	408,135	488,691				
		\$ 4,301,890	\$ 4,362,633				
Asia/Far East							
24,400	Canara Bank	423,685	358,370				
40,000	China Mobile Ltd	401,270	395,113				
2,276	Hyundai Motor Co	216,514	349,869				
95	Japan Tobacco Inc	303,346	349,992				
23,000	JGC Corp	413,623	498,259				
40,000	Minebea Co Ltd	250,683	251,085				
28,000	Mitsui & Co Ltd	401,495	460,338				
29,800	Singapore Airlines Ltd	355,741	353,399				
38,500	Taiwan Semiconductor Sponsored ADR	426,432	479,800				
		\$ 3,192,789	\$ 3,496,225				

Written Options Liability
December 31, 2010

Underlying Security	No. of Shares	Option Type	Expiration Date	Current Price	Strike Price	Premium Received	Current Liability
IBM	3,500	Call	22/01/2011	146.80 USD	145.00 USD	6,336	12,532
						\$ 6,336	\$ 12,532

Small Cap Equity Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 26,854,379	\$ 6,366,764
Investment portfolio at fair value	435,021,193	354,471,274
Accrued investment income	1,036,123	993,912
Amounts receivable from portfolio securities sold	1,794,240	570,609
Amounts receivable for units issued	596,750	671,421
Total assets	465,302,685	363,073,980
Liabilities		
Accrued expenses	47,209	38,540
Amounts payable for portfolio securities purchased	-	1,592,930
Amounts payable for units redeemed	340,220	186,765
Total liabilities	387,429	1,818,235
Net Assets	\$ 464,915,256	\$ 361,255,745
Net Asset Value		
Class A	\$ 443,443,265	\$ 350,370,616
Class B	14,934,570	7,587,550
Class C	4,944,393	2,224,945
Class D	1,164,483	735,165
Class E	71,737	57,997
Class F (Note 8)	356,808	279,472
	\$ 464,915,256	\$ 361,255,745
Number of Units Outstanding		
Class A	14,355,182	13,916,467
Class B	483,546	301,372
Class C	163,000	89,619
Class D	36,113	28,255
Class E	2,264	2,260
Class F (Note 8)	10,345	10,203
Net Asset Value per Unit		
Class A	\$ 30.89	\$ 25.18
Class B	\$ 30.89	\$ 25.18
Class C	\$ 30.33	\$ 24.83
Class D	\$ 32.25	\$ 26.02
Class E	\$ 31.68	\$ 25.66
Class F (Note 8)	\$ 34.49	\$ 27.39

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 10,374,215	\$ 9,710,963
Interest income	(29)	16,478
Total revenue	10,374,186	9,727,441
Expenses		
Management fees, including GST and HST	10,478,401	7,119,119
Other fees (Note 3)	35,666	31,742
Total expenses	10,514,067	7,150,861
Net Investment Income (Loss)	(139,881)	2,576,580
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	13,222,420	49,596,461
Net unrealized increase (decrease) in value of portfolio investments	72,781,641	79,450,656
Transaction costs on purchase and sale of investments	(1,070,884)	(1,222,079)
Net Gain (Loss) on Investments	84,933,177	127,825,038
Net Income (Loss) from Operations	\$ 84,793,296	\$ 130,401,618
Net Income (Loss) from Operations		
Class A	\$ 81,400,209	\$ 127,677,311
Class B	2,312,038	1,895,504
Class C	782,632	518,897
Class D	206,875	197,035
Class E	16,483	1,823
Class F (Note 8)	75,059	111,048
	\$ 84,793,296	\$ 130,401,618

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 350,370,616	\$ 220,931,505	\$ 7,587,550	\$ 2,462,050	\$ 2,224,945	\$ 531,802
Amounts received from policyholders	89,470,813	54,923,149	6,507,121	3,823,835	2,826,887	1,483,572
Net income (loss) from operations	81,400,209	127,677,311	2,312,038	1,895,504	782,632	518,897
Amounts withdrawn by policyholders	77,798,373	53,161,349	1,472,139	593,839	890,071	309,326
Net Assets - End of Period (GAAP NAV)	\$ 443,443,265	\$ 350,370,616	\$ 14,934,570	\$ 7,587,550	\$ 4,944,393	\$ 2,224,945
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 735,165	\$ 259,852	\$ 57,997	\$ -	\$ 279,472	\$ 175,833
Amounts received from policyholders	433,439	315,125	120,923	56,174	25,097	30,047
Net income (loss) from operations	206,875	197,035	16,483	1,823	75,059	111,048
Amounts withdrawn by policyholders	210,996	36,847	123,666	-	22,820	37,456
Net Assets - End of Period (GAAP NAV)	\$ 1,164,483	\$ 735,165	\$ 71,737	\$ 57,997	\$ 356,808	\$ 279,472
	Total					
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 361,255,745	\$ 224,361,042				
Amounts received from policyholders	99,384,280	60,631,902				
Net income (loss) from operations	84,793,296	130,401,618				
Amounts withdrawn by policyholders	80,518,065	54,138,817				
Net Assets - End of Period (GAAP NAV)	\$ 464,915,256	\$ 361,255,745				

EMPIRE LIFE Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				Materials			
Consumer Discretionary				Argonaut Gold Ltd - Warrants			
379,900	Forzani Group Ltd - A	5,865,953	6,933,175	808,500		-	-
768,700	Great Canadian Gaming Corp	5,793,369	5,649,945	1,230,639	Aurizon Mines Ltd	6,545,713	8,959,052
384,600	Leon's Furniture Ltd	3,998,589	5,692,080	1,891,500	Capstone Mining Corp	5,639,270	8,492,835
133,500	Linamar Corporation	2,627,655	2,716,725	368,600	CCL Industries - B	10,844,276	10,873,700
1,383,300	Martinrea International Inc	11,321,476	12,311,370	305,700	European Goldfields Ltd	609,790	4,258,401
460,800	Rona Inc	6,056,058	6,506,496	2,441,500	Lake Shore Gold Corp	8,682,334	10,156,640
		\$ 35,663,100	\$ 39,809,791	485,000	Minefinders Corp	5,383,500	5,296,200
Consumer Staples				274,300	North American Palladium Ltd	1,662,817	1,889,927
305,300	Alliance Grain Traders Inc	9,879,492	8,603,354	398,700	Polaris Minerals Corp - Warrants	81,734	1,994
		\$ 9,879,492	\$ 8,603,354	994,500	Rubicon Minerals Corp	4,107,285	5,648,760
Energy				590,300	Sprott Resource Corp	2,032,108	2,697,671
375,600	Athabasca Oil Sands Corp	4,427,978	5,634,000	1,419,300	Winpak Ltd	10,227,132	17,542,548
163,600	Canadian Energy Services & Technology	2,804,104	4,777,120	571,300	Yalian Steel Corp	971,210	685,560
210,400	Daylight Energy Ltd	1,569,214	2,167,120			\$ 56,787,169	\$ 76,503,288
748,200	Gran Tierra Energy Inc	4,035,107	6,037,974	Utilities			
879,733	Legacy Oil and Gas Inc - A	9,563,222	13,679,848	251,600	Just Energy Income Fund	3,389,126	3,766,452
97,000	Paramount Resources Ltd	1,588,724	3,071,990			\$ 3,389,126	\$ 3,766,452
470,700	PetroBakken Energy Ltd - A	9,796,958	10,218,897	TOTAL INVESTMENT PORTFOLIO			
379,500	Peyto Energy Trust	5,568,335	7,016,955			\$ 339,073,624	\$ 435,021,193
407,500	Progress Energy Resources Co	4,567,522	5,175,250				
1,113,710	Renegade Petroleum Ltd	2,227,420	4,510,526				
160,000	ShawCor Ltd - A	4,541,213	5,297,600				
166,100	Total Energy Services Inc	1,542,143	2,345,332				
		\$ 52,231,940	\$ 69,932,612				
Financials							
328,100	Boardwalk REIT	11,652,689	13,530,844				
135,800	Canaccord Financial Inc	1,416,803	1,921,570				
461,600	Canadian Western Bank	8,792,645	13,090,976				
1,477,500	Chartwell Seniors Housing REIT	8,981,568	12,085,950				
483,100	Dundee Corp - A	3,617,949	9,879,395				
460,200	Gluskin Sheff & Associates Inc	7,555,748	9,512,334				
1,015,300	GMP Capital Inc	11,226,909	12,285,130				
97,000	Industrial-Alliance Ins and Fin Svcs	3,120,068	3,563,780				
1,648,100	Innvest REIT	8,351,853	11,025,789				
475,100	Northern Property REIT	10,752,038	13,739,892				
200,000	Timbercreek MIC	2,000,000	1,974,000				
		\$ 77,468,270	\$ 102,609,660				
Health Care							
194,000	Paladin Labs Inc	3,199,632	6,347,680				
		\$ 3,199,632	\$ 6,347,680				
Industrials							
317,400	AG Growth International Inc	9,098,477	15,876,348				
429,000	Canadian Helicopters Income Fund	4,566,584	7,014,150				
1,335,800	CanWel Building Materials Group Ltd	5,397,437	6,438,556				
924,700	Churchill Corp	13,308,584	16,801,799				
479,700	Contrans Group Inc	3,550,259	4,269,330				
164,900	Genivar Inc - LP Units	4,328,625	4,981,629				
388,000	Gold Wheaton Gold Corp - Warrants	-	-				
399,600	Vicwest Income Fund	5,140,773	6,097,896				
1,234,700	Westjet Airlines Ltd	14,702,106	17,322,841				
		\$ 60,092,845	\$ 78,802,549				
Information Technology							
1,371,500	Descartes Systems Group Inc	8,253,967	9,600,500				
516,000	Enghouse Systems Ltd	2,953,749	4,386,000				
819,100	Evertz Technologies Ltd	12,274,551	14,154,048				
1,041,400	EXFO Inc	4,119,797	7,289,800				
128,400	MacDonald Dettwiler & Associates Inc	5,145,990	6,491,904				
242,500	RuggedCom Inc	5,109,941	4,311,650				
5,388,889	Silverback Media PLC	2,504,055	2,411,905				
5,388,955	Silverback Media PLC - Warrants	-	-				
		\$ 40,362,050	\$ 48,645,807				

Global Smaller Companies Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 15,029,198	\$ 6,831,140
Investment portfolio at fair value	61,636,957	59,055,502
Accrued investment income	62,363	137,110
Amounts receivable from portfolio securities sold	441,871	-
Amounts receivable for units issued	65,721	90,538
Total assets	77,236,110	66,114,290
Liabilities		
Accrued expenses	9,312	7,823
Amounts payable for units redeemed	27,722	155,636
Total liabilities	37,034	163,459
Net Assets	\$ 77,199,076	\$ 65,950,831
Net Asset Value		
Class A	\$ 75,739,290	\$ 64,911,722
Class B	786,491	472,901
Class C	48,532	67,279
Class D	25,725	37,246
Class E	-	-
Class F (Note 8)	599,038	461,683
	\$ 77,199,076	\$ 65,950,831
Number of Units Outstanding		
Class A	8,882,359	8,646,934
Class B	92,262	62,996
Class C	5,798	9,089
Class D	2,890	4,801
Class E	-	-
Class F (Note 8)	61,797	55,747
Net Asset Value per Unit		
Class A	\$ 8.53	\$ 7.51
Class B	\$ 8.52	\$ 7.51
Class C	\$ 8.37	\$ 7.40
Class D	\$ 8.90	\$ 7.76
Class E	\$ -	\$ -
Class F (Note 8)	\$ 9.69	\$ 8.28

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 1,384,200	\$ 947,788
Interest income	17,674	32,471
Total revenue	1,401,874	980,259
Expenses		
Management fees, including GST and HST	2,077,282	1,623,478
Other fees (Note 3)	24,333	22,048
Total expenses	2,101,615	1,645,526
Net Investment Income (Loss)	(699,741)	(665,267)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	2,502,654	589,706
Net unrealized increase (decrease) in value of portfolio investments	7,804,793	9,882,911
Transaction costs on purchase and sale of investments	(205,703)	(205,705)
Net Gain (Loss) on Investments	10,101,744	10,266,912
Net Income (Loss) from Operations	\$ 9,402,003	\$ 9,601,645
Net Income (Loss) from Operations		
Class A	\$ 9,225,615	\$ 9,442,271
Class B	77,374	58,272
Class C	6,522	20,402
Class D	5,312	5,516
Class E	(65)	-
Class F (Note 8)	87,245	75,184
	\$ 9,402,003	\$ 9,601,645

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 64,911,722	\$ 49,153,992	\$ 472,901	\$ 446,162	\$ 67,279	\$ 36,393
Amounts received from policyholders	14,773,344	16,222,362	284,431	81,451	34,627	104,411
Net income (loss) from operations	9,225,615	9,442,271	77,374	58,272	6,522	20,402
Amounts withdrawn by policyholders	13,171,391	9,906,903	48,215	112,984	59,896	93,927
Net Assets - End of Period (GAAP NAV)	\$ 75,739,290	\$ 64,911,722	\$ 786,491	\$ 472,901	\$ 48,532	\$ 67,279
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 37,246	\$ 31,730	\$ -	\$ -	\$ 461,683	\$ 301,509
Amounts received from policyholders	-	-	3,257	-	65,992	86,632
Net income (loss) from operations	5,312	5,516	(65)	-	87,245	75,184
Amounts withdrawn by policyholders	16,833	-	3,192	-	15,882	1,642
Net Assets - End of Period (GAAP NAV)	\$ 25,725	\$ 37,246	\$ -	\$ -	\$ 599,038	\$ 461,683
Total						
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 65,950,831	\$ 49,969,786				
Amounts received from policyholders	15,161,651	16,494,856				
Net income (loss) from operations	9,402,003	9,601,645				
Amounts withdrawn by policyholders	13,315,409	10,115,456				
Net Assets - End of Period (GAAP NAV)	\$ 77,199,076	\$ 65,950,831				

Statement of Investment Portfolio

As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				Australia			
157,300	Hanfeng Evergreen Inc	983,892	935,935	90,900	Adelaide Brighton Ltd	224,579	305,369
500,000	Redknee Solutions Inc	730,000	685,000	300,000	Boart Longyear Group	1,101,972	1,380,408
27,700	Sino-Forest Corp	252,647	644,856	50,000	Flight Centre Ltd	530,217	1,259,775
		\$ 1,966,539	\$ 2,265,791	25,300	Macarthur Coal Ltd	318,503	328,381
						\$ 2,175,271	\$ 3,273,933
U.S. EQUITIES				TOTAL INTERNATIONAL EQUITIES			
71,500	Activision Blizzard Inc	829,389	883,235			\$ 24,337,796	\$ 28,713,812
9,300	Affiliated Managers Group Inc	622,934	918,411	TOTAL INVESTMENT PORTFOLIO			
102,300	American Eagle Outfitters Inc	1,526,103	1,489,585			\$ 51,500,385	\$ 61,636,957
8,550	AO Smith Corp	277,521	323,996				
103,632	Apollo Investment Corp	1,086,086	1,141,011				
26,300	Artio Global Investors Inc	413,058	385,830				
38,300	Cheesecake Factory Inc	1,015,353	1,167,937				
30,000	Cooper Tire & Rubber Co	666,101	703,878				
12,300	CVB Financial Corp	113,341	106,065				
36,300	Entropic Communications Inc	305,232	436,136				
75,375	Finisar Corp	1,080,381	2,225,799				
20,100	Genesco Inc	592,204	748,280				
125,700	Graftech International Ltd	1,576,063	2,476,670				
43,800	Holly Corp	1,238,100	1,777,390				
110,400	JDS Uniphase Corp	952,696	1,591,058				
155,000	Landec Corp	1,033,376	878,729				
50,000	Marketaxess Holdings Inc	677,133	1,034,881				
24,700	Marvell Technology Group Inc	297,041	455,465				
20,000	Microchip Technology Inc	694,915	681,102				
10,000	Motricity Inc	183,104	184,498				
25,000	Netlogic Microsystems Inc	725,080	780,761				
122,600	Och-Ziff Capital Management - A	1,302,609	1,902,232				
61,400	optionsXpress Hldgs Inc	1,475,782	956,942				
10,300	People's United Financial Inc	131,377	143,524				
5,600	PF Chang's China Bistro Inc	274,131	269,911				
77,400	Pool Corp	1,602,796	1,737,485				
17,700	Rayonier Inc	810,548	925,112				
50,000	RF Micro Devices Inc	277,221	365,516				
5,100	Sanderson Farms Inc	223,390	198,587				
15,000	Tiffany & Co	642,497	929,305				
31,400	Ultra Petroleum Corp	1,474,742	1,491,878				
25,000	Waddell & Reed Financial Inc - A	642,354	877,983				
10,400	WMS Industries Inc	433,392	468,162				
		\$ 25,196,050	\$ 30,657,354				
INTERNATIONAL EQUITIES							
Europe							
6,902	Compagnie Financiere Tradition SA	875,792	869,906				
40,000	EVS Broadcast Equipment SA	2,484,652	2,551,921				
215,400	GameLoft SA	1,133,565	1,566,426				
40,295	Johnson Matthey PLC	964,949	1,273,946				
20,800	Logitech International SA	381,164	394,120				
279,684	Man Group PLC	1,134,780	1,284,266				
8,862	Michelin - B	604,012	633,837				
125,000	Mothercare PLC	1,237,084	1,188,684				
30,014	Nutreco NV	1,765,760	2,270,217				
409,700	Parmalat SpA	1,116,231	1,118,643				
7,200	Partners Group Hldg AG	851,529	1,356,599				
265,000	Soco International PLC	1,636,495	1,505,428				
15,700	Swatch Group AG	491,456	1,260,134				
29,000	Travis Perkins PLC	391,486	475,970				
13,700	Vossloh AG	1,445,917	1,739,307				
27,800	Whitbread PLC	755,192	771,958				
		\$ 17,270,064	\$ 20,261,362				
Asia/Far East							
500	En-Japan Inc	1,446,577	698,207				
5,720	Keyence Corp	1,216,755	1,649,392				
10,000	Nakanishi Inc	1,300,744	1,054,360				
498,000	Parkway Life REIT	357,458	636,900				
38,700	Takata Corp	570,927	1,139,658				
		\$ 4,892,461	\$ 5,178,517				

Global Equity Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 853,263	\$ 1,140,682
Investment portfolio at fair value	37,192,927	43,203,082
Accrued investment income	35,295	63,169
Net unrealized gain (loss) on forward foreign currency contracts	-	227,377
Amounts receivable from portfolio securities sold	-	254,164
Amounts receivable for units issued	33,246	28,314
Total assets	38,114,731	44,916,788
Liabilities		
Accrued expenses	15,799	29,543
Amounts payable for portfolio securities purchased	20,592	108,198
Amounts payable for units redeemed	61,590	23,469
Total liabilities	97,981	161,210
Net Assets	\$ 38,016,750	\$ 44,755,578
Net Asset Value		
Class A	\$ 34,891,525	\$ 42,379,631
Class B	2,421,336	1,869,135
Class C	383,259	390,240
Class D	320,630	116,572
Class E	-	-
Class F (Note 8)	-	-
	\$ 38,016,750	\$ 44,755,578
Number of Units Outstanding		
Class A	1,785,484	2,155,417
Class B	123,931	95,064
Class C	19,982	20,127
Class D	15,718	5,737
Class E	-	-
Class F (Note 8)	-	-
Net Asset Value per Unit		
Class A	\$ 19.54	\$ 19.66
Class B	\$ 19.54	\$ 19.66
Class C	\$ 19.18	\$ 19.39
Class D	\$ 20.40	\$ 20.32
Class E	\$ -	\$ -
Class F (Note 8)	\$ -	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 908,949	\$ 1,244,853
Interest income	55,260	47,259
Net gains (losses) on forward foreign currency contracts	578,567	(366,171)
Total revenue	1,542,776	925,941
Expenses		
Management fees, including GST and HST	1,028,305	1,032,769
Other fees (Note 3)	65,153	107,928
Total expenses	1,093,458	1,140,697
Net Investment Income (Loss)	449,318	(214,756)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(1,479,098)	1,939,124
Net unrealized increase (decrease) in value of portfolio investments	535,279	4,613,953
Transaction costs on purchase and sale of investments	(49,280)	(69,875)
Net Gain (Loss) on Investments	(993,099)	6,483,202
Net Income (Loss) from Operations	\$ (543,781)	\$ 6,268,446
Net Income (Loss) from Operations		
Class A	\$ (565,428)	\$ 5,911,443
Class B	16,261	312,281
Class C	(4,581)	30,444
Class D	9,967	14,278
Class E	-	-
Class F (Note 8)	-	-
	\$ (543,781)	\$ 6,268,446

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 42,379,631	\$ 39,748,973	\$ 1,869,135	\$ 1,557,674	\$ 390,240	\$ 172,649
Amounts received from policyholders	3,276,503	3,992,688	827,963	539,814	50,845	222,988
Net income (loss) from operations	(565,428)	5,911,443	16,261	312,281	(4,581)	30,444
Amounts withdrawn by policyholders	10,199,181	7,273,473	292,023	540,634	53,245	35,841
Net Assets - End of Period (GAAP NAV)	\$ 34,891,525	\$ 42,379,631	\$ 2,421,336	\$ 1,869,135	\$ 383,259	\$ 390,240
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 116,572	\$ 133,214	\$ -	\$ -	\$ -	\$ -
Amounts received from policyholders	194,091	6,000	-	-	-	-
Net income (loss) from operations	9,967	14,278	-	-	-	-
Amounts withdrawn by policyholders	-	36,920	-	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 320,630	\$ 116,572	\$ -	\$ -	\$ -	\$ -
	Total					
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 44,755,578	\$ 41,612,510				
Amounts received from policyholders	4,349,402	4,761,490				
Net income (loss) from operations	(543,781)	6,268,446				
Amounts withdrawn by policyholders	10,544,449	7,886,868				
Net Assets - End of Period (GAAP NAV)	\$ 38,016,750	\$ 44,755,578				

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES							
3,700	Agrium Inc	252,493	338,550	6,213	Time Warner Cable Inc	209,994	408,091
2,200	Comerica Inc	83,746	92,426	3,066	Time Warner Inc	135,511	98,100
3,500	National Bank of Canada	206,543	239,470	5,200	TJX Companies Inc	220,251	229,582
24,200	New Gold Inc	135,123	234,256	5,800	Travelers Companies Inc	285,692	321,373
12,072	Nexen Inc	295,953	275,128	2,700	TRW Automotive Holdings Corp	131,366	141,575
1,300	Occidental Petroleum Corp	107,265	126,880	3,800	Tyco International Ltd	140,494	156,584
11,878	Penn West Energy Trust	238,656	283,056	18,800	Wells Fargo & Company	546,427	579,466
6,700	Suncor Energy Inc	212,847	255,873			\$ 16,294,238	\$ 16,982,501
2,000	Toronto-Dominion Bank	147,865	148,200				
		\$ 1,680,491	\$ 1,993,839				
U.S. EQUITIES				INTERNATIONAL EQUITIES			
4,100	Abbott Laboratories	210,759	195,452	Europe			
16,300	Altria Group Inc	296,501	399,139	3,414	Allianz SE	722,069	404,329
2,000	Amgen Inc	119,538	109,207	2,100	Arkema	135,237	150,674
5,300	Archer-Daniels-Midland Co	173,437	158,563	9,500	AstraZeneca PLC	448,696	430,625
11,900	AT&T Inc	371,068	347,734	17,500	Aviva PLC	113,948	106,691
8,300	BB&T Corp	272,838	217,029	50,800	BAE Systems PLC	309,504	260,060
4,200	Bunge Ltd	244,239	273,489	18,052	Banco Santander SA	278,118	190,617
7,300	Cablevision Systems Corp	197,754	245,698	91,800	Barclays PLC	485,825	372,614
2,400	Capital One Financial Corp	95,456	101,569	5,100	Bayer AG	354,164	373,326
12,100	CenterPoint Energy Inc	205,593	189,185	4,933	BNP Paribas	440,690	312,810
2,600	CF Industries Holdings Inc	229,245	349,492	5,500	Bouygues SA	300,439	236,282
3,400	Coca-Cola Co	212,493	222,478	52,300	BP PLC	437,100	377,715
12,400	Comcast Corp - A	203,373	270,957	4,900	Cap Gemini SA	228,492	227,964
5,700	Commercial Metals Co	90,279	93,996	7,100	Clariant AG	131,980	143,148
9,000	Conagra Foods Inc	229,653	202,212	11,300	Danske Bank A/S	295,529	288,761
4,200	Conocophillips	268,441	284,517	2,600	Delhaize Group	189,038	191,397
13,400	Constellation Brands Inc - A	216,979	295,607	1,600	Deutsche Bank AG - Registered	153,174	83,196
5,900	Constellation Energy Group	220,896	179,741	10,500	E.ON AG	473,992	319,346
15,300	Corning Inc	251,390	294,000	5,000	Electricite de France SA	311,342	204,413
23,616	Dell Inc	332,490	317,799	4,000	Electrolux AB - B	93,126	112,919
8,000	Delta Air Lines Inc	100,757	100,097	5,600	ENI SpA	133,934	121,874
4,300	Devon Energy Corp	320,788	335,813	4,800	Ensc PLC Sponsored ADR	215,089	254,984
3,700	DIRECTV	157,517	146,943	8,600	France Telecom SA	237,468	178,630
2,100	Du Pont (E.I.) De Nemours	95,457	104,203	7,100	Garmin Ltd	259,513	218,700
6,700	Edison International	236,704	257,290	2,700	Gazprom Oao Sponsored ADR	71,768	67,699
1,900	Exxon Mobil Corp	130,332	138,253	8,300	Imperial Tobacco Group PLC	273,508	253,396
11,600	Fifth Third Bancorp	142,406	169,368	6,500	Ingersoll-Rand PLC	158,085	304,432
18,000	Ford Motor Co	155,798	300,588	2,800	KBC Groep NV	110,546	95,098
6,000	Forest Oil Corp	167,553	226,590	1,600	KGHM Polska Miedz SA	65,573	93,282
11,000	GAP Inc	254,479	242,115	2,000	Koninklijke DSM NV	105,374	113,491
20,400	General Electric Co	343,395	371,304	25,000	Marks & Spencer Group PLC	159,982	143,107
2,900	General Motors Co	98,796	106,259	800	Muenchener Rueckversicherung AG	127,159	121,384
4,100	Gilead Sciences Inc	151,024	147,782	6,500	Nokia Oyj	114,908	67,008
3,500	Hess Corp	229,982	266,478	5,920	Novartis AG	332,898	346,286
8,200	Hewlett-Packard Co	432,443	343,356	108,500	Old Mutual PLC	172,387	207,197
2,500	IBM	331,948	364,919	4,100	OMV AV	168,036	169,830
8,800	Intel Corp	190,699	184,152	3,200	Renault SA	185,651	185,400
9,200	Interpublic Group of Cos Inc	93,300	97,268	15,000	Rexel SA	209,646	324,751
7,200	Johnson & Johnson	474,421	442,987	7,600	Rio Tinto PLC	426,803	528,953
12,600	JPMorgan Chase & Co	523,787	531,856	15,200	Royal Dutch Shell PLC - A	613,518	500,656
4,047	KB Financial Group Inc ADR	254,241	212,729	5,348	Sanofi-Aventis SA	540,719	340,836
1,700	Kimberly-Clark Corp	115,835	106,623	4,100	Societe Generale	235,809	219,633
5,000	Kohl's Corp	269,605	270,233	7,600	TATA Steel Ltd-CW14 (ML)	95,761	115,046
1,500	Lear Corp	136,408	147,280	80,800	Telecom Italia RSP	105,190	87,385
7,800	Marathon Oil Corp	263,390	287,119	154,000	Telecom Italia SpA	263,650	198,344
5,500	Merck & Co Inc	193,710	197,259	5,500	Telefonica SA	134,317	124,276
15,200	Microsoft Corp	456,635	421,941	7,800	Tyco Electronics Ltd	166,997	274,086
9,700	Morgan Stanley	274,896	262,512	120,900	UniCredit SpA	413,053	249,269
15,700	Motorola Inc	113,355	141,318	11,270	Vivendi	322,593	303,212
21,500	News Corp - A	248,283	311,350	195,200	Vodafone Group PLC	486,016	502,065
16,500	News Corp - B	155,019	269,139	11,910	Xstrata PLC	210,683	278,156
14,000	Nisource Inc	219,538	245,348			\$ 13,019,097	\$ 11,775,353
3,900	Northrop Grumman Corp	249,404	251,278	Africa			
3,700	Parker Hannifin Corp	247,036	317,696	6,200	Royal Caribbean Cruises Ltd	192,988	289,765
32,950	Pfizer Inc	932,340	573,839			\$ 192,988	\$ 289,765
4,800	Proctor & Gamble Co	311,704	307,164	Asia/Far East			
4,400	Raytheon Co	253,582	202,795	18,600	Aeon Co Ltd	192,261	231,685
14,300	Safeway Inc	333,131	319,870	8,100	Asahi Breweries Ltd	162,796	156,208
8,500	Sara Lee	122,895	147,947	6,436	AU Optronics Corp ADR	57,632	66,640
4,500	Sealed Air Corp	98,264	113,996	47,000	DIC Corp	112,492	104,873
6,100	Smithfield Foods Inc	107,341	125,224	17,000	Dowa Holdings Co Ltd First Section	106,517	111,088
1,039	Sprint Nextel Corp	15,716	4,371	1,800	East Japan Railway Co	122,341	116,519
1,400	SPX Corp	87,497	99,573	35,563	Esprit Holdings Ltd	251,822	168,362
12,700	Tellabs Inc	90,670	85,641	35,000	Great Eagle Holdings Ltd	100,821	108,151
				76	Japan Tobacco Inc	299,941	279,994

Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value
7,900	JFE Holdings Inc	273,415	273,903
11	KDDI Corp	60,694	63,249
8,000	Konica Minolta Holdings Inc	88,786	82,780
12,900	Mitsubishi Corporation	319,319	347,622
16,000	Mitsui Fudosan Co Ltd	270,183	317,583
24,000	Nippon Express Co Ltd	101,445	107,692
9,000	Nippon Shokubai Co Ltd	83,482	92,686
5,600	Nippon Telegraph&Telephone Corp	251,783	252,311
38,900	Nissan Motor Co Ltd	415,262	368,655
2,710	ORIX Corp	187,791	265,465
500	Samsung Electronics Reg GDR	148,502	209,363
19,000	Sharp Corporation	231,632	194,971
5,100	Sumitomo Mitsui Financial Group Inc	164,169	180,825
7,000	Sumitomo Realty & Developmnt First Sect	126,781	166,405
9,600	Tokyo Electric Power Co Inc	265,007	233,391
51,000	Tokyo Gas Co Ltd	222,476	225,094
49,000	Toshiba Corp	268,718	265,527
		<u>\$ 4,886,068</u>	<u>\$ 4,991,042</u>
Australia			
6,700	Australia & New Zealand Banking Grp Ltd	137,871	159,261
5,400	BHP Billiton Ltd	207,148	248,748
36,827	Incitec Pivot Ltd	115,226	148,085
9,789	National Australia Bank Ltd	231,149	236,076
46,200	Telstra Corp Ltd	136,500	131,218
		<u>\$ 827,894</u>	<u>\$ 923,388</u>
Middle East			
24,200	Turkiye Garanti Bankasi	101,282	122,176
		<u>\$ 101,282</u>	<u>\$ 122,176</u>
South America			
6,100	Banco do Brasil SA	72,921	114,863
		<u>\$ 72,921</u>	<u>\$ 114,863</u>
TOTAL INTERNATIONAL EQUITIES		<u>\$ 19,100,250</u>	<u>\$ 18,216,587</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$ 37,074,979</u>	<u>\$ 37,192,927</u>

International Equity Fund

Statement of Net Assets As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 5,541,893	\$ 7,319,758
Investment portfolio at fair value	119,940,486	106,956,576
Accrued investment income	109,193	126,144
Net unrealized gain (loss) on forward foreign currency contracts	-	224,023
Amounts receivable from portfolio securities sold	20,918	632,584
Amounts receivable for units issued	108,421	132,750
Total assets	125,720,911	115,391,835
Liabilities		
Accrued expenses	44,085	49,438
Amounts payable for portfolio securities purchased	383,369	983,833
Amounts payable for units redeemed	19,552	187,077
Total liabilities	447,006	1,220,348
Net Assets	\$ 125,273,905	\$ 114,171,487
Net Asset Value		
Class A	\$ 122,245,173	\$ 110,635,054
Class B	1,454,439	2,098,233
Class C	203,923	301,633
Class D	21,127	93,982
Class E	-	-
Class F (Note 8)	1,349,243	1,042,585
	\$ 125,273,905	\$ 114,171,487
Number of Units Outstanding		
Class A	13,751,197	11,907,980
Class B	163,662	225,842
Class C	23,367	32,924
Class D	2,277	9,788
Class E	-	-
Class F (Note 8)	133,653	101,850
Net Asset Value per Unit		
Class A	\$ 8.89	\$ 9.29
Class B	\$ 8.89	\$ 9.29
Class C	\$ 8.73	\$ 9.16
Class D	\$ 9.28	\$ 9.60
Class E	\$ -	\$ -
Class F (Note 8)	\$ 10.10	\$ 10.24

Statement of Operations For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 3,106,741	\$ 2,984,044
Interest income	177,070	101,339
Net gains (losses) on forward foreign currency contracts	388,051	(2,021,663)
Total revenue	3,671,862	1,063,720
Expenses		
Management fees, including GST and HST	3,379,894	2,754,775
Other fees (Note 3)	160,186	170,884
Total expenses	3,540,080	2,925,659
Net Investment Income (Loss)	131,782	(1,861,939)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(5,380,231)	6,674,220
Net unrealized increase (decrease) in value of portfolio investments	1,298,991	10,944,774
Net Gain (Loss) on Investments	(4,081,240)	17,618,994
Net Income (Loss) from Operations	\$ (3,949,458)	\$ 15,757,055
Net Income (Loss) from Operations		
Class A	\$ (3,825,002)	\$ 15,294,869
Class B	(106,256)	253,518
Class C	(18,385)	37,480
Class D	(4,494)	12,724
Class E	-	-
Class F (Note 8)	4,679	158,464
	\$ (3,949,458)	\$ 15,757,055

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 110,635,054	\$ 82,196,955	\$ 2,098,233	\$ 1,593,408	\$ 301,633	\$ 316,182
Amounts received from policyholders	36,873,894	34,532,281	319,897	714,045	21,308	60,683
Net income (loss) from operations	(3,825,002)	15,294,869	(106,256)	253,518	(18,385)	37,480
Amounts withdrawn by policyholders	21,438,773	21,389,051	857,435	462,738	100,633	112,712
Net Assets - End of Period (GAAP NAV)	\$ 122,245,173	\$ 110,635,054	\$ 1,454,439	\$ 2,098,233	\$ 203,923	\$ 301,633
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 93,982	\$ 75,257	\$ -	\$ -	\$ 1,042,585	\$ 696,259
Amounts received from policyholders	-	6,001	-	-	327,323	233,826
Net income (loss) from operations	(4,494)	12,724	-	-	4,679	158,464
Amounts withdrawn by policyholders	68,361	-	-	-	25,344	45,964
Net Assets - End of Period (GAAP NAV)	\$ 21,127	\$ 93,982	\$ -	\$ -	\$ 1,349,243	\$ 1,042,585
Total						
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 114,171,487	\$ 84,878,061				
Amounts received from policyholders	37,542,422	35,546,836				
Net income (loss) from operations	(3,949,458)	15,757,055				
Amounts withdrawn by policyholders	22,490,546	22,010,465				
Net Assets - End of Period (GAAP NAV)	\$ 125,273,905	\$ 114,171,487				

Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES*							
10,000	Agrium Inc	695,720	915,000	10,420	Philips Electronics NV	340,996	318,093
100,100	Lundin Mining Corp	415,716	726,726	5,000	PPR	678,439	792,481
5,900	Magna International Inc	306,177	305,738	16,100	Renault SA	736,420	932,796
8,300	National Bank of Canada	489,803	567,886	270,500	Rentokil Group PLC	505,204	406,618
53,600	New Gold Inc	376,025	518,848	39,700	Rexel SA	554,864	859,506
34,130	Nexen Inc	818,577	777,833	31,200	Rio Tinto PLC	1,679,566	2,171,491
32,665	Penn West Energy Trust	680,647	778,411	8,000	Roche Holding AG, Genusscheine	1,300,041	1,166,692
17,700	Suncor Energy Inc	562,297	675,963	6,374,272	Rolls-Royce PLC - C	10,341	9,888
		\$ 4,344,962	\$ 5,266,405	86,200	Royal Dutch Shell PLC - A	3,117,040	2,839,246
INTERNATIONAL EQUITIES*				15,850	Sanofi-Aventis SA	1,340,382	1,010,143
Europe				8,400	Siemens AG	911,778	1,041,040
14,400	Allianz SE	2,385,712	1,705,429	34,400	Smurfit Kappa Group PLC	287,134	330,114
14,500	Anglo American PLC	575,406	750,282	19,215	Societe Generale	2,134,653	1,029,329
11,000	Arkema	428,731	789,244	12,000	TATA Steel Ltd-CW14 (ML)	168,573	181,651
43,700	AstraZeneca PLC	2,086,243	1,980,877	349,800	Telecom Italia RSP	450,158	378,310
143,500	Aviva PLC	931,501	874,863	522,900	Telecom Italia SpA	1,009,441	673,468
155,800	BAE Systems PLC	940,542	797,585	46,600	Telefonica SA	1,146,158	1,052,959
294,884	Barclays PLC	1,608,313	1,196,927	28,600	Telenor ASA	455,322	462,815
13,800	BASF SE	936,364	1,100,240	17,000	Thyssenkrupp AG	584,933	704,402
18,400	Bayer AG	1,211,387	1,346,903	22,600	Total Fina Elf SA - B	1,361,399	1,193,502
27,100	BHP Billiton PLC	940,845	1,072,446	39,916	UBS AG	560,293	652,230
18,092	BNP Paribas	1,427,830	1,147,245	503,800	UniCredit SpA	1,529,577	1,038,725
28,900	Bouygues SA	1,428,955	1,241,557	42,720	Vivendi	1,234,855	1,149,355
302,400	BP PLC	2,550,088	2,183,956	880,374	Vodafone Group PLC	2,191,450	2,264,371
170,400	British Airways PLC	629,743	720,331	1,900	Volkswagen AG - PFD	321,243	307,722
15,500	British American Tobacco PLC	508,410	592,352	162,370	William Hill PLC	431,782	429,967
15,200	Cap Gemini SA	748,661	707,154	52,871	Xstrata PLC	959,712	1,234,793
9,400	Cargotec Oyj	279,629	488,650	7,600	Yara International ASA	410,900	437,845
7,100	Carrefour SA	346,682	291,733	1,200	Zurich Financial Services AG	288,636	309,386
23,600	Charter International PLC	260,845	309,177			\$ 78,692,658	\$ 74,990,643
5,000	CIE Fin Richemont AG - A	280,497	292,737	Asia/Far East			
18,200	CIE Generale De Geophysique	484,876	552,079	24,300	Aeon Co Ltd	251,180	302,685
37,000	Cookson Group PLC	279,024	377,967	34,000	Air Water Inc	415,528	432,263
12,200	Credit Suisse Group	556,232	489,216	37,000	Ajinomoto Co Inc	384,338	383,762
9,900	Daimler AG - Registered	697,087	670,498	24,300	Asahi Breweries Ltd	474,132	468,625
26,726	Danske Bank A/S	729,135	682,959	78,000	Asahi Glass Co Ltd	818,905	907,510
13,503	Delhaize Group	991,334	994,011	7,000	Astellas Pharma Inc	265,202	265,613
10,200	Deutsche Bank AG - Registered	837,735	530,373	152,790	AU Optronics Corp	161,630	157,867
32,000	Deutsche Telekom AG	434,821	410,353	202,000	China Petroleum & Chemical Corp - H	172,496	192,295
62,900	DnB NOR ASA	676,068	879,363	260,000	Daphne International Holdings Ltd	294,936	242,186
65,200	Drax Group PLC	439,514	372,516	159,000	DIC Corp	278,259	354,780
51,339	E.ON AG	2,041,091	1,561,421	47,000	Dowa Holdings Co Ltd First Section	284,465	307,126
14,700	Electricite de France SA	868,189	600,975	12,300	East Japan Railway Co	826,898	796,213
74,000	Enel SpA	408,004	368,617	98,421	Esprit Holdings Ltd	717,296	465,943
37,000	ENI SpA	884,923	805,240	71,000	Fujitsu Ltd	487,032	491,810
76,400	Firstgroup PLC	445,016	472,062	5,700	Hana Financial Group	177,558	218,674
48,400	France Telecom SA	1,325,925	1,005,315	7,700	Honda Motor Co Ltd	284,763	303,502
6,800	Gazprom Oao Sponsored ADR	178,838	170,502	45,700	Itochu Corp	373,950	460,552
13,600	GDF Suez	501,782	486,357	269	Japan Tobacco Inc	1,051,331	991,031
193,400	GKN PLC	603,466	666,648	24,200	JFE Holdings Inc	865,587	839,045
54,800	GlaxoSmithKline PLC	1,087,047	1,054,139	87,980	JX Holdings Inc	423,091	594,328
126,600	HSBC Holdings PLC	1,350,194	1,278,725	11,500	Kansai Electric Power Co Inc	271,507	282,544
51,337	Iberdrola SA	358,397	394,391	6,500	KB Financial Group Inc	542,129	344,964
33,900	Imperial Tobacco Group PLC	1,072,745	1,034,953	100	KDDI Corp	551,761	574,994
65,130	Inchcape PLC	278,116	357,971	41,000	Konica Minolta Holdings Inc	440,694	424,245
101,300	Informa PLC	536,801	640,373	19,100	Kyushu Electric Power Co Inc	419,692	426,182
69,200	ING Groep NV	700,522	670,979	19,900	Medipal Holdings Corp	243,356	218,357
104,700	Intesa Sanpaolo SpA	302,192	283,083	39,200	Mitsubishi Corporation	959,194	1,056,341
14,500	KBC Groep NV	594,362	492,470	29,000	Mitsubishi Electric Corp	297,870	302,920
21,100	Koninklijke Ahold NV	284,593	277,546	62,700	Mitsubishi Tokyo Financial Group	300,786	337,460
10,605	Koninklijke DSM NV	568,223	601,787	67,700	Mitsui & Co Ltd	1,043,975	1,113,033
20,000	KPN NV	272,042	290,887	37,000	Mitsui Fudosan Co Ltd	658,236	734,411
18,200	Lagardere SCA	1,463,899	747,337	123,000	Nec Corp	343,697	367,947
328,200	Legal & General Group PLC	386,674	492,590	319,000	New World Development Ltd	582,254	595,919
800,800	Lloyds Banking Group PLC	864,866	816,179	35,000	NGK Spark Plug Co Ltd	434,557	534,659
284,200	Logica PLC	559,676	577,552	30,000	Nippon Shokubai Co Ltd	268,511	308,952
42,290	Marks & Spencer Group PLC	279,111	242,081	58,000	Nippon Steel Corp First Section	217,805	207,635
64,800	Mondi PLC	416,969	516,192	22,700	Nippon Telegraph & Telephone Corp	1,129,103	1,022,760
5,400	Muenchener Rueckversicherung AG	788,454	819,342	88,500	Nissan Motor Co Ltd	762,156	838,713
28,228	Nestle SA	1,395,715	1,645,167	552	NTT Urban Development Corp	441,219	541,402
43,900	Nokia Oyj	733,656	452,561	100,000	Oji Paper Co Ltd	430,998	481,818
33,370	Novartis AG	1,751,792	1,951,954	7,050	ORIX Corp	517,048	690,600
4,650	Novo Nordisk A/S - B	489,944	522,671	11,000	Pegatron Corp	15,867	15,754
328,795	Old Mutual PLC	528,767	627,884	56,000	Powertech Technology Inc	188,084	185,231
15,200	OMV AV	622,962	629,616	700	Samsung Electronics - PFD	318,671	402,510
32,700	Petroleum Geo-Services ASA	414,205	507,115	450	Samsung Electronics Co Ltd	303,551	378,366

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value
100,000	SembCorp Industries Ltd	393,776	398,401
72,000	Sharp Corporation	850,645	738,837
30,600	Sony Corporation	1,109,274	1,098,082
55,200	Sumitomo Electric Industries	714,120	763,376
27,600	Sumitomo Mitsui Financial Group Inc	1,586,931	978,584
33,000	Sumitomo Realty & Developmnt First Sect	597,684	784,481
54,000	Sumitomo Rubber Industries	445,780	561,410
47,500	Tokyo Electric Power Co Inc	1,244,306	1,154,800
147,000	Tokyo Gas Co Ltd	641,254	648,799
44,000	Toppan Printing Co	388,996	400,264
185,000	Toshiba Corp	1,302,604	1,002,500
45,800	Toyota Motor Corporation	1,827,988	1,808,056
134	West Japan Railway Co	469,554	498,602
		<u>\$ 32,264,210</u>	<u>\$ 32,399,719</u>
Australia			
49,400	Australia & New Zealand Banking Grp Ltd	1,016,543	1,174,253
45,346	Bank of Queensland Ltd	458,302	479,625
128,880	Boral Ltd	645,796	633,695
124,600	Challenger Ltd	448,204	596,161
150,800	Incitec Pivot Ltd	385,453	606,382
16,300	Macquarie Group Ltd	715,810	613,956
67,710	National Australia Bank Ltd	1,449,667	1,632,923
227,100	Telstra Corp Ltd	657,495	645,014
		<u>\$ 5,777,270</u>	<u>\$ 6,382,009</u>
Middle East			
59,100	Turkiye Garanti Bankasi	258,700	298,372
43,400	Turkiye IS Bankasi - C	190,130	154,105
		<u>\$ 448,830</u>	<u>\$ 452,477</u>
South America			
13,100	Banco do Brasil SA	177,864	246,673
6,800	Vale SA-SP ADR - PFD	160,139	202,560
		<u>\$ 338,003</u>	<u>\$ 449,233</u>
TOTAL INTERNATIONAL EQUITIES		<u>\$ 117,520,971</u>	<u>\$ 114,674,081</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$ 121,865,933</u>	<u>\$ 119,940,486</u>

* Exposure to Canadian and International Equities is obtained through investment in the International Equity Sub-Fund, a secondary fund operated by The Empire Life Insurance Company, who has appointed Sanford C. Bernstein & Co., LLC as Portfolio Advisor. The amount of exposure is determined as the pro-rata share of the market value of the secondary fund investment in each international equity (Note 4).

American Value Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 20,009,151	\$ 15,142,206
Investment portfolio at fair value	273,028,182	209,006,599
Accrued investment income	194,706	234,721
Amounts receivable for units issued	88,937	145,441
Total assets	293,320,976	224,528,967
Liabilities		
Accrued expenses	18,179	16,032
Written options liability	162,120	20,932
Amounts payable for portfolio securities purchased	2,193,366	-
Amounts payable for units redeemed	4,793	140,558
Total liabilities	2,378,458	177,522
Net Assets	\$ 290,942,518	\$ 224,351,445
Net Asset Value		
Class A	\$ 115,344,260	\$ 98,727,883
Class B	1,782,420	2,067,545
Class C	260,698	239,144
Class D	37,790	37,127
Class E	-	-
Class F (Note 8)	173,517,350	123,279,746
	\$ 290,942,518	\$ 224,351,445
Number of Units Outstanding		
Class A	15,529,864	13,395,490
Class B	240,051	280,527
Class C	35,762	32,905
Class D	4,874	4,874
Class E	-	-
Class F (Note 8)	20,921,345	15,372,703
Net Asset Value per Unit		
Class A	\$ 7.43	\$ 7.37
Class B	\$ 7.43	\$ 7.37
Class C	\$ 7.29	\$ 7.27
Class D	\$ 7.75	\$ 7.62
Class E	\$ -	\$ -
Class F (Note 8)	\$ 8.29	\$ 8.02

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 4,943,995	\$ 3,943,383
Interest income	994,282	(782,147)
Net gains (losses) on forward foreign currency contracts	-	2,037,042
Total revenue	5,938,277	5,198,278
Expenses		
Management fees, including GST and HST	2,820,964	2,174,571
Other fees (Note 3)	11,954	12,639
Total expenses	2,832,918	2,187,210
Net Investment Income (Loss)	3,105,359	3,011,068
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(541,964)	12,241,510
Net unrealized increase (decrease) in value of portfolio investments	269,058	756,193
Transaction costs on purchase and sale of investments	(1,138,051)	(997,810)
Net Gain (Loss) on Investments	(1,410,957)	11,999,893
Net Income (Loss) from Operations	\$ 1,694,402	\$ 15,010,961
Net Income (Loss) from Operations		
Class A	\$ 1,184,448	\$ 6,202,527
Class B	17,324	150,661
Class C	998	11,520
Class D	663	211
Class E	(2,115)	-
Class F (Note 8)	493,084	8,646,042
	\$ 1,694,402	\$ 15,010,961

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 98,727,883	\$ 71,093,243	\$ 2,067,545	\$ 1,361,104	\$ 239,144	\$ 100,054
Amounts received from policyholders	28,649,174	31,529,739	470,037	1,142,797	25,946	141,856
Net income (loss) from operations	1,184,448	6,202,527	17,324	150,661	998	11,520
Amounts withdrawn by policyholders	13,217,245	10,097,626	772,486	587,017	5,390	14,286
Net Assets - End of Period (GAAP NAV)	\$ 115,344,260	\$ 98,727,883	\$ 1,782,420	\$ 2,067,545	\$ 260,698	\$ 239,144
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 37,127	\$ 68,257	\$ -	\$ -	\$ 123,279,746	\$ 100,287,819
Amounts received from policyholders	-	-	37,771	-	166,750,741	14,345,885
Net income (loss) from operations	663	211	(2,115)	-	493,084	8,646,042
Amounts withdrawn by policyholders	-	31,341	35,656	-	117,006,221	-
Net Assets - End of Period (GAAP NAV)	\$ 37,790	\$ 37,127	\$ -	\$ -	\$ 173,517,350	\$ 123,279,746
	Total					
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 224,351,445	\$ 172,910,477				
Amounts received from policyholders	195,933,669	47,160,277				
Net income (loss) from operations	1,694,402	15,010,961				
Amounts withdrawn by policyholders	131,036,998	10,730,270				
Net Assets - End of Period (GAAP NAV)	\$ 290,942,518	\$ 224,351,445				

EMPIRE LIFE Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value	No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES				Information Technology			
159,300	Information Technology Canadian Oil Sands Trust	4,125,977	4,213,485	23,100	Alliance Data Systems Corp	1,583,095	1,632,392
		\$ 4,125,977	\$ 4,213,485	15,900	Apple Inc	4,048,307	5,099,744
U.S. EQUITIES				Materials			
Consumer Discretionary				211,700	Cisco Systems Inc	5,540,538	4,257,459
202,400	Aeropostale Inc	5,368,777	4,960,205	312,000	Corning Inc	5,868,088	5,995,290
110,500	Best Buy Co Inc	4,570,299	3,768,584	205,300	Dell Inc	2,887,909	2,762,709
90,400	Big Lots Inc	3,357,721	2,737,816	3,900	Google Inc - A	2,321,178	2,301,298
77,200	Disney Walt Co	2,899,310	2,880,903	102,700	Harris Corp	4,949,261	4,627,188
47,700	Dollar Tree Inc	2,695,248	2,659,622	145,800	Hewlett-Packard Co	6,917,260	6,105,034
271,100	GAP Inc	6,169,499	5,967,046	43,800	IBM	5,434,275	6,393,376
96,100	Rent-A-Center Inc	2,298,325	3,085,357	214,800	Intel Corp	4,651,036	4,494,987
76,200	Skechers USA Inc - A	1,864,445	1,516,528	616,300	Micron Technology Inc	4,873,838	4,916,035
182,300	Time Warner Inc	5,656,149	5,832,922	262,100	Microsoft Corp	7,517,522	7,275,709
228,900	Toll Brothers Inc	4,493,768	4,327,891	75,800	Oracle Corp	1,747,059	2,357,467
		\$ 39,373,541	\$ 37,736,874			\$ 58,339,366	\$ 58,218,688
Consumer Staples				Telecom Services			
35,100	Lorillard Inc	2,769,244	2,862,658	64,400	Cliffs Natural Resources Inc	4,389,692	4,997,996
68,400	Philip Morris International Inc	3,474,204	3,983,874	20,500	Freeport-McMoRan Copper & Gold Inc - B	1,723,446	2,449,367
125,300	Reynolds American Inc	3,535,614	4,065,215	160,200	Materials Select Sector SPDR Fund	5,559,756	6,123,241
82,000	Wal-Mart Stores Inc	4,543,393	4,400,827			\$ 11,672,894	\$ 13,570,604
		\$ 14,322,455	\$ 15,312,574	189,100	AT&T Inc	5,993,513	5,525,757
Energy				TOTAL U.S. EQUITIES			
13,800	Apache Corp	1,400,454	1,636,901			\$ 257,344,968	\$ 256,168,339
37,000	Bristow Group Inc	1,326,352	1,742,489	INTERNATIONAL EQUITIES			
34,000	ChevronTexaco Corp	2,865,204	3,088,790	Europe			
47,100	Conocophillips	2,731,974	3,190,658	44,100	ACE Ltd	2,734,218	2,729,962
134,500	Exxon Mobil Corp	10,135,733	9,786,884	145,300	Noble Corp	5,982,695	5,166,425
		\$ 18,459,717	\$ 19,445,722	81,000	Novartis AG ADR	4,136,739	4,749,971
Financials						\$ 12,853,652	\$ 12,646,358
501,000	Bank of America Corp	7,897,406	6,647,250	TOTAL INVESTMENT PORTFOLIO			
365,500	Blackstone Group LP	4,500,983	5,147,532			\$ 274,324,597	\$ 273,028,182
39,700	Goldman Sachs Group Inc	6,344,330	6,639,507				
310,700	Hudson City Bancorp Inc	4,389,309	3,933,853				
231,400	JPMorgan Chase & Co	10,179,774	9,767,585				
96,900	Morgan Stanley	3,139,226	2,622,411				
121,800	New York Community Bancorp Inc	1,840,994	2,283,532				
91,500	PNC Financial Services Group Inc	4,966,399	5,525,878				
143,200	Unum Group	3,203,000	3,449,575				
		\$ 46,461,421	\$ 46,017,123				
Health Care							
101,350	Abbott Laboratories	5,229,452	4,831,474				
64,900	Aetna Inc	2,026,981	1,969,406				
79,600	Johnson & Johnson	5,457,114	4,897,466				
460,800	Pfizer Inc	9,310,484	8,025,038				
104,000	WellPoint Inc	5,734,951	5,882,542				
		\$ 27,758,982	\$ 25,605,926				
Industrials							
60,400	Agco Corp	2,479,168	3,043,341				
42,500	Deere & Co	3,451,335	3,511,833				
58,000	General Dynamics Corp	4,229,588	4,093,455				
272,400	General Electric Co	4,476,081	4,958,001				
63,200	ITT Corp	3,436,258	3,276,825				
45,600	Norfolk Southern Corp	2,880,951	2,848,216				
53,000	Parker Hannifin Corp	4,235,462	4,550,782				
121,900	Raytheon Co	6,918,401	5,618,342				
36,200	United Technologies Corp	2,855,835	2,834,276				
		\$ 34,963,079	\$ 34,735,071				

Written Options Liability
December 31, 2010

Underlying Security	No. of Shares	Option Type	Expiration Date	Current Price	Strike Price	Premium Received	Current Liability
Freeport-McMoRan Copper & Gold Inc - B	20,000	Call	22/01/2011	120.15 USD	119.00 USD	31,132	90,509
IBM	20,000	Call	22/01/2011	146.80 USD	145.00 USD	33,983	71,611
						\$ 65,115	\$ 162,120

US Equity Index Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010		2009	
Assets				
Cash and short-term investments	\$ 20,822,405	\$	22,009,830	
Accrued investment income	(6,222)		(215,567)	
Amounts receivable for units issued	8,261		822	
Total assets	<u>20,824,444</u>		<u>21,795,085</u>	
Liabilities				
Accrued expenses	3,264		3,236	
Amounts payable for units redeemed	24,602		31,831	
Total liabilities	<u>27,866</u>		<u>35,067</u>	
Net Assets	<u>\$ 20,796,578</u>		<u>\$ 21,760,018</u>	
Net Asset Value				
Class A	\$ 20,164,804	\$	20,772,282	
Class B	502,098		807,902	
Class C	129,676		111,960	
Class D	-		67,874	
Class E	-		-	
Class F (Note 8)	-		-	
	<u>\$ 20,796,578</u>		<u>\$ 21,760,018</u>	
Number of Units Outstanding				
Class A	2,008,785		2,299,391	
Class B	50,038		89,431	
Class C	13,173		12,581	
Class D	-		7,270	
Class E	-		-	
Class F (Note 8)	-		-	
Net Asset Value per Unit				
Class A	\$ 10.04	\$	9.03	
Class B	\$ 10.03	\$	9.03	
Class C	\$ 9.84	\$	8.90	
Class D	\$ -	\$	9.34	
Class E	\$ -	\$	-	
Class F (Note 8)	\$ -	\$	-	

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010		2009	
Investment Income				
Interest income	\$ 120,102	\$	(94,796)	
Net realized gains (losses) on futures contracts	2,508,681		4,170,515	
Total revenue	<u>2,628,783</u>		<u>4,075,719</u>	
Expenses				
Management fees, including GST and HST	525,871		493,518	
Other fees (Note 3)	2,104		2,368	
Total expenses	<u>527,975</u>		<u>495,886</u>	
Net Income (Loss) from Operations	<u>\$ 2,100,808</u>		<u>\$ 3,579,833</u>	
Net Income (Loss) from Operations				
Class A	\$ 2,043,130	\$	3,411,076	
Class B	50,760		142,678	
Class C	11,521		14,418	
Class D	(2,640)		11,661	
Class E	(1,963)		-	
Class F (Note 8)	-		-	
	<u>\$ 2,100,808</u>		<u>\$ 3,579,833</u>	

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 20,772,282	\$ 19,170,865	\$ 807,902	\$ 737,724	\$ 111,960	\$ 122,745
Amounts received from policyholders	2,658,843	1,802,443	251,801	233,395	26,874	70,923
Net income (loss) from operations	2,043,130	3,411,076	50,760	142,678	11,521	14,418
Amounts withdrawn by policyholders	5,309,451	3,612,102	608,365	305,895	20,679	96,126
Net Assets - End of Period (GAAP NAV)	<u>\$ 20,164,804</u>	<u>\$ 20,772,282</u>	<u>\$ 502,098</u>	<u>\$ 807,902</u>	<u>\$ 129,676</u>	<u>\$ 111,960</u>
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 67,874	\$ 56,213	\$ -	\$ -	\$ -	\$ -
Amounts received from policyholders	50,816	-	37,771	-	-	-
Net income (loss) from operations	(2,640)	11,661	(1,963)	-	-	-
Amounts withdrawn by policyholders	116,050	-	35,808	-	-	-
Net Assets - End of Period (GAAP NAV)	<u>\$ -</u>	<u>\$ 67,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	Total					
	2010	2009				
Net Assets - Beginning of Year (GAAP NAV)	\$ 21,760,018	\$ 20,087,547				
Amounts received from policyholders	3,026,105	2,106,761				
Net income (loss) from operations	2,100,808	3,579,833				
Amounts withdrawn by policyholders	6,090,353	4,014,123				
Net Assets - End of Period (GAAP NAV)	<u>\$ 20,796,578</u>	<u>\$ 21,760,018</u>				

EMPIRE LIFE **Statement of Investment Portfolio** As at December 31, 2010

Par Value	Security	Cost	Fair Value
SHORT-TERM INVESTMENTS			
Federal			
3,000,000	Canada 20 Jan 11	2,991,750	2,998,560
3,000,000	Canada 01 Sep 11	2,963,310	2,975,430
		<u>\$ 5,955,060</u>	<u>\$ 5,973,990</u>
Corporate			
3,000,000	Bank of Montreal 01Feb11	3,000,000	3,000,150
4,000,000	Bank of Nova Scotia 12 Aug 11	4,046,360	4,021,689
4,000,000	Inter Pipeline(Corridor) Inc 14 Feb 11	3,992,480	3,993,616
3,832,000	Royal Bank of Canada 04 Jan 11	3,832,000	3,832,000
		<u>\$ 14,870,840</u>	<u>\$ 14,847,455</u>
TOTAL SHORT-TERM INVESTMENTS		\$ 20,825,900	\$ 20,821,445
Cash			960
Accrued interest			18,581
Accrued income on futures contracts			(24,803)
Amounts receivable for units issued			8,261
TOTAL ASSETS		\$	20,824,444

Futures Contracts held by the US Equity Index Fund		
Par Value	Futures Contracts	Market Value
19,647,064	Mar 2011 S&P500 Index Futures - 63 contracts	19,628,182
1,065,320	Mar 2011 S&P500 Mini Index Futures - 17 contracts	1,059,299
		<u>\$ 20,687,481</u>

Elite Equity Balanced Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010		2009	
Assets				
Cash and short-term investments	\$	182,632	\$	-
Investment portfolio at fair value		10,519,814		-
Amounts receivable for units issued		231,933		-
Total assets		10,934,379		-
Liabilities				
Accrued expenses		658		-
Amounts payable for units redeemed		314		-
Total liabilities		972		-
Net Assets	\$	10,933,407	\$	-
Net Asset Value				
Class F (Note 8)	\$	275,592	\$	-
Class G		10,657,815		-
Class H		-		-
	\$	10,933,407	\$	-
Number of Units Outstanding				
Class F (Note 8)		25,000		-
Class G		979,016		-
Class H		-		-
Net Asset Value per Unit				
Class F (Note 8)	\$	11.02	\$	-
Class G	\$	10.89	\$	-
Class H	\$	-	\$	-

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010		2009	
Investment Income				
Dividend income	\$	58,331	\$	-
Interest income		16,792		-
Total revenue		75,123		-
Expenses				
Management fees, including GST and HST		48,944		-
Other fees (Note 3)		177		-
Total expenses		49,121		-
Net Investment Income (Loss)		26,002		-
Net Gain (Loss) on Investments				
Net realized gains (losses) on sale of investments		39,820		-
Net unrealized increase (decrease) in value of portfolio investments		363,424		-
Net Gain (Loss) on Investments		403,244		-
Net Income (Loss) from Operations	\$	429,246	\$	-
Net Income (Loss) from Operations				
Class F (Note 8)		25,592		-
Class G		403,654		-
Class H		-		-
	\$	429,246	\$	-

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class F		Class G		Class H	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$	-	\$	-	\$	-
Amounts received from policyholders		250,000		10,265,036		-
Net income (loss) from operations		25,592		403,654		-
Amounts withdrawn by policyholders		-		10,875		-
Net Assets - End of Period (GAAP NAV)	\$	275,592	\$	10,657,815	\$	-
					Total	
Net Assets - Beginning of Year (GAAP NAV)					2010	2009
Amounts received from policyholders					\$	10,515,036
Net income (loss) from operations						429,246
Amounts withdrawn by policyholders						10,875
Net Assets - End of Period (GAAP NAV)					\$	10,933,407

Statement of Investment Portfolio

As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
41,500	Bond Fund - Class F	1,927,406	1,928,494
30,037	Elite Equity Fund - Class F	8,118,049	8,591,320
TOTAL INVESTMENT PORTFOLIO		\$ 10,045,455	\$ 10,519,814

Dividend Growth Balanced Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010		2009	
Assets				
Cash and short-term investments	\$	1,477,545	\$	-
Investment portfolio at fair value		43,480,932		-
Amounts receivable for units issued		1,873,748		-
Total assets		46,832,225		-
Liabilities				
Accrued expenses		2,958		-
Amounts payable for units redeemed		44,322		-
Total liabilities		47,280		-
Net Assets	\$	46,784,945	\$	-
Net Asset Value				
Class F (Note 8)	\$	275,741	\$	-
Class G		46,437,026		-
Class H		72,178		-
	\$	46,784,945	\$	-
Number of Units Outstanding				
Class F (Note 8)		25,000		-
Class G		4,264,124		-
Class H		6,592		-
Net Asset Value per Unit				
Class F (Note 8)	\$	11.03	\$	-
Class G	\$	10.89	\$	-
Class H	\$	10.95	\$	-

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010		2009	
Investment Income				
Dividend income	\$	278,122	\$	-
Interest income		76,984		-
Total revenue		355,106		-
Expenses				
Management fees, including GST and HST		201,740		-
Other fees (Note 3)		503		-
Total expenses		202,243		-
Net Investment Income (Loss)		152,863		-
Net Gain (Loss) on Investments				
Net realized gains (losses) on sale of investments		28,060		-
Net unrealized increase (decrease) in value of portfolio investments		1,275,464		-
Net Gain (Loss) on Investments		1,303,524		-
Net Income (Loss) from Operations	\$	1,456,387	\$	-
Net Income (Loss) from Operations				
Class F (Note 8)		25,741		-
Class G		1,427,774		-
Class H		2,872		-
	\$	1,456,387	\$	-

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class F		Class G		Class H	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$	-	\$	-	\$	-
Amounts received from policyholders		250,000		45,530,775		70,036
Net income (loss) from operations		25,741		1,427,774		2,872
Amounts withdrawn by policyholders		-		521,523		730
Net Assets - End of Period (GAAP NAV)	\$	275,741	\$	46,437,026	\$	72,178
Net Assets - Beginning of Year (GAAP NAV)						
Amounts received from policyholders					45,850,811	-
Net income (loss) from operations					1,456,387	-
Amounts withdrawn by policyholders					522,253	-
Net Assets - End of Period (GAAP NAV)					\$	46,784,945

EMPIRE LIFE **Statement of Investment Portfolio** As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
172,772	Bond Fund - Class F	8,026,949	8,028,759
1,279,299	Dividend Growth Fund - Class F	33,797,738	35,452,173
TOTAL INVESTMENT PORTFOLIO		\$ 41,824,687	\$ 43,480,932

Asset Allocation Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 8,638,780	\$ 13,530,423
Investment portfolio at fair value	266,846,395	245,612,065
Accrued investment income	1,001,310	709,648
Net unrealized gain (loss) on forward foreign currency contracts	-	41,949
Amounts receivable for units issued	209,264	319,012
Total assets	276,695,749	260,213,097
Liabilities		
Accrued expenses	34,220	33,464
Amounts payable for units redeemed	405,406	133,071
Total liabilities	439,626	166,535
Net Assets	\$ 276,256,123	\$ 260,046,562
Net Asset Value		
Class A	\$ 183,452,644	\$ 198,235,633
Class B	23,499,697	18,616,942
Class C	4,052,739	3,082,680
Class D	1,083,034	1,409,349
Class E	666,137	6,003
Class F (Note 8)	-	-
Class G	62,304,686	37,649,809
Class H	1,197,186	1,046,146
	\$ 276,256,123	\$ 260,046,562
Number of Units Outstanding		
Class A	7,939,451	9,207,982
Class B	1,017,280	864,753
Class C	177,989	144,802
Class D	44,901	63,345
Class E	28,009	273
Class F (Note 8)	-	-
Class G	2,696,032	1,748,818
Class H	49,612	47,020
Net Asset Value per Unit		
Class A	\$ 23.11	\$ 21.53
Class B	\$ 23.10	\$ 21.53
Class C	\$ 22.77	\$ 21.29
Class D	\$ 24.12	\$ 22.25
Class E	\$ 23.78	\$ 22.00
Class F (Note 8)	\$ -	\$ -
Class G	\$ 23.11	\$ 21.53
Class H	\$ 24.13	\$ 22.25

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 5,232,969	\$ 3,836,809
Interest income	2,733,335	2,564,038
Net gains (losses) on forward foreign currency contracts	69,380	(41,948)
Total revenue	8,035,684	6,358,899
Expenses		
Management fees, including GST and HST	6,792,114	5,770,428
Other fees (Note 3)	35,732	49,940
Total expenses	6,827,846	5,820,368
Net Investment Income (Loss)	1,207,838	538,531
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(1,086,665)	6,682,394
Net unrealized increase (decrease) in value of portfolio investments	19,537,748	32,468,811
Transaction costs on purchase and sale of investments	(502,516)	(153,622)
Net Gain (Loss) on Investments	17,948,567	38,997,583
Net Income (Loss) from Operations	\$ 19,156,405	\$ 39,536,114
Net Income (Loss) from Operations		
Class A	\$ 12,948,571	\$ 31,954,294
Class B	1,555,608	2,708,526
Class C	281,170	439,222
Class D	74,606	231,223
Class E	60,134	147
Class F (Note 8)	-	-
Class G	4,143,460	4,084,602
Class H	92,856	118,100
	\$ 19,156,405	\$ 39,536,114

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 198,235,633	\$ 178,499,183	\$ 18,616,942	\$ 12,216,195	\$ 3,082,680	\$ 1,736,395
Amounts received from policyholders	21,339,686	25,382,100	6,775,324	6,285,626	1,463,526	1,463,933
Net income (loss) from operations	12,948,571	31,954,294	1,555,608	2,708,526	281,170	439,222
Amounts withdrawn by policyholders	49,071,246	37,599,944	3,448,177	2,593,405	774,637	556,870
Net Assets - End of Period (GAAP NAV)	\$ 183,452,644	\$ 198,235,633	\$ 23,499,697	\$ 18,616,942	\$ 4,052,739	\$ 3,082,680
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 1,409,349	\$ 1,063,914	\$ 6,003	\$ -	\$ -	\$ -
Amounts received from policyholders	354,661	208,228	600,000	5,856	-	-
Net income (loss) from operations	74,606	231,223	60,134	147	-	-
Amounts withdrawn by policyholders	755,582	94,016	-	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 1,083,034	\$ 1,409,349	\$ 666,137	\$ 6,003	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 37,649,809	\$ 8,020,023	\$ 1,046,146	\$ 64,356	\$ 260,046,562	\$ 201,600,066
Amounts received from policyholders	26,524,461	26,840,471	63,750	938,275	57,121,408	61,124,489
Net income (loss) from operations	4,143,460	4,084,602	92,856	118,100	19,156,405	39,536,114
Amounts withdrawn by policyholders	6,013,044	1,295,287	5,566	74,585	60,068,252	42,214,107
Net Assets - End of Period (GAAP NAV)	\$ 62,304,686	\$ 37,649,809	\$ 1,197,186	\$ 1,046,146	\$ 276,256,123	\$ 260,046,562

Statement of Investment Portfolio As at December 31, 2010

Par Value	Security	Cost	Fair Value	Par Value	Security	Cost	Fair Value
BONDS				600,000	ManuLife Financial Corp 4.079 20 Aug 15	600,000	603,832
Federal				420,000	ManuLife Financial Delaware 5.059 15 Dec 36	344,106	350,803
7,980,000	Canada 1.250 01 Dec 11	7,972,415	7,972,084	590,000	Met Life Global 4.450 08 Nov 13	589,371	612,217
1,220,000	Canada 4.000 01 Jun 16	1,313,633	1,310,261	440,000	National Bank Capital 5.329 30 Jun 16	405,444	460,948
2,000,000	Canada 4.250 01 Jun 18	2,242,800	2,186,270	300,000	National Bank of Canada 4.456 02 Nov 11	305,010	305,902
1,870,000	Canada 4.000 01 Jun 41	1,975,596	2,034,347	860,000	NAV Canada 4.713 24 Feb 16	893,482	922,976
430,000	Canada Housing Trust 4.600 15 Sep 11	443,408	439,626	480,000	NAV Canada 5.304 17 Apr 19	488,808	527,647
4,850,000	Canada Housing Trust 4.550 15 Dec 12	5,172,756	5,103,160	685,000	NAV Canada 7.400 01 June 27	844,365	893,100
3,070,000	Canada Housing Trust 3.550 15 Sep 13	3,196,078	3,190,206	500,000	Nova Scotia Power 5.750 01 Oct 13	505,242	540,898
4,360,000	Canada Housing Trust 2.700 15 Dec 13	4,391,928	4,431,805	671,000	Ottawa Mac-Cart Airport 4.733 02 May 17	660,115	709,606
4,450,000	Canada Housing Trust 2.750 15 Dec 14	4,496,382	4,504,695	480,000	Power Corp of Canada 7.570 22 Apr 19	497,923	569,150
1,320,000	Eurofima 4.550 30 Mar 27	1,302,300	1,307,191	250,000	Power Corp of Canada 8.570 22 Apr 39	249,810	333,215
		\$ 32,507,296	\$ 32,479,645	810,000	Prudential Insurance 4.950 29 May 14	825,158	840,887
Provincial				660,000	RBC Capital Trust 7.183 30 Jun 11	692,030	676,105
410,000	Alberta 4.000 01 Dec 19	406,671	424,740	290,000	RBC Capital Trust 5.812 31 Dec 13	298,993	312,138
2,030,000	British Columbia 4.650 18 Dec 18	2,118,357	2,198,920	350,000	RBC Capital Trust 4.870 31 Dec 15	365,691	368,227
1,200,000	British Columbia 3.700 18 Dec 20	1,191,580	1,195,847	970,000	Sun Life Capital Trust 6.865 31 Dec 11	1,051,643	1,009,553
530,000	Manitoba 4.800 03 Dec 14	569,040	575,269	565,000	Sun Life Capital Trust 7.093 30 Jun 32	589,908	637,414
400,000	New Brunswick 4.700 21 Jul 16	435,792	434,893	650,000	Sun Life Financial Inc 7.900 31 Mar 14	686,604	733,381
690,000	New Brunswick 4.450 26 Mar 18	706,893	736,238	1,000,000	TD Capital Trust 6.792 31 Dec 12	1,096,850	1,077,712
2,250,000	Ontario 3.150 08 Sep 15	2,311,824	2,290,871	440,000	TD Capital Trust 9.523 30 Jun 19	577,095	545,159
880,000	Ontario 4.650 02 Jun 41	941,626	927,105	390,000	Union Gas Ltd 6.650 04 May 11	414,323	396,332
210,000	PEI 9.750 17 Dec 12	266,761	241,303	400,000	Union Gas Ltd 7.900 24 Feb 14	462,868	462,009
1,810,000	Quebec 4.500 01 Dec 17	1,923,624	1,939,898			\$ 28,989,635	\$ 29,849,969
2,170,000	Quebec 4.500 01 Dec 20	2,236,641	2,276,083			\$ 75,540,242	\$ 76,511,244
870,000	BC Municipal Fin Auth 4.650 19 Apr 16	934,502	940,463	TOTAL BONDS			
		\$ 14,043,311	\$ 14,181,630	No. Shares	CANADIAN EQUITIES		
Corporate					Consumer Discretionary		
520,000	407 International 4.650 20 Jan 12	525,919	534,795	49,200	Astral Media Inc	1,971,003	2,064,924
320,000	Aeroports de Montreal 5.670 16 Oct 37	329,312	347,440	173,600	Cineplex Galaxy Income Fund	3,273,882	3,890,376
960,000	BNS Capital Trust 6.626 30 Jun 12	1,025,949	1,015,425	148,600	Magna International Inc	4,724,732	7,700,452
670,000	BNS Capital Trust 5.650 31 Dec 36	628,291	675,020	127,600	Tim Hortons Inc	4,672,839	5,244,360
660,000	Canada Life Capital Sec 6.679 30 Jun 12	669,334	696,694			\$ 14,642,456	\$ 18,900,112
325,000	Canadian Western Bank 4.389 30 Nov 15	325,000	322,882	Consumer Staples			
600,000	CIBC 3.300 19 Nov 14	600,290	607,981	65,800	Metro Inc - A	2,579,559	2,974,160
390,000	CIBC 3.950 14 Jul 17	389,173	396,057	34,800	Weston Ltd George	2,404,657	2,921,460
290,000	CU Inc 5.032 20 Nov 36	263,578	295,329			\$ 4,984,216	\$ 5,895,620
910,000	Enbridge Pipelines 6.620 19 Nov 18	1,046,007	1,085,666	Energy			
330,000	Enbridge/Consumers Gas 10.800 15 Apr 11	364,789	338,096	128,900	Bonavista Energy Trust Units	3,137,103	3,712,320
535,000	Finning Intl 4.640 14 Dec 11	539,643	547,189	286,300	Canadian Natural Resources Ltd	10,035,496	12,680,227
340,000	FortisAlberta Inc 5.330 31 Oct 14	349,157	371,162	55,056	Canadian Oil Sands Trust	1,442,782	1,456,231
400,000	Gaz Metropolitan 5.400 15 Apr 13	405,360	425,465	191,268	Cenovus Energy Inc	5,001,293	6,340,534
500,000	Greater Toronto Airport Auth 5.000 01 Jun 15	508,469	539,322	112,200	Crescent Point Energy Corp	4,457,456	4,958,118
470,000	Greater Toronto Airport Auth 5.260 17 Apr 18	469,962	513,638	49,700	Enbridge Inc	2,749,558	2,794,631
340,000	Great-West Life 5.995 31 Dec 12	354,568	359,972	122,068	EnCana Corp	3,491,135	3,544,854
770,000	Great-West Life 6.670 21 Mar 33	836,906	890,222	113,100	Keyera Facilities Income Fund	3,468,645	3,975,465
410,000	Holcim Finance Canada 5.900 21 Jun 13	409,430	432,739	239,300	Suncor Energy Inc	8,406,720	9,138,867
890,000	Honda Canada Finance 4.727 09 May 11	896,392	899,130			\$ 42,190,188	\$ 48,601,247
530,000	Honda Canada Finance 4.696 25 Aug 11	528,449	539,433	Financials			
400,000	HSBC Bank of Canada 4.590 28 Mar 11	399,908	402,805	48,700	Bank of Montreal	2,652,716	2,797,328
700,000	HSBC Bank of Canada 3.860 21 May 15	700,653	720,107	103,356	Bank of Nova Scotia	3,954,914	5,896,460
170,000	Hydro One Inc 6.350 31 Jan 34	187,808	203,818	47,900	Canadian Imperial Bank of Commerce	3,290,179	3,747,217
520,000	IGM Financial Inc 6.750 09 May 11	550,320	528,522	7,100	Fairfax Financial Holdings Ltd	2,808,680	2,884,517
350,000	IGM Financial Inc 6.000 10 Dec 40	349,035	352,970	81,500	Intact Financial Corp	3,236,324	4,136,940
370,000	Industrial Alliance 8.250 27 Mar 14	369,301	418,709	85,300	Power Financial Corp	2,373,864	2,615,298
400,000	Loblaws Cos 5.400 20 Nov 13	434,748	428,262	241,763	Royal Bank of Canada	11,035,768	12,624,864
1,020,000	Manulife Capital Trust 6.700 30 Jun 12	1,087,045	1,071,908	62,400	Sun Life Financial Inc	2,023,307	1,873,248
				133,238	Toronto-Dominion Bank	7,630,199	9,872,936
						\$ 39,005,951	\$ 46,448,808

Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value
Industrials			
302,800	Bombardier Inc - B	1,422,050	1,514,000
82,000	Canadian National Railway Co	3,328,016	5,434,960
205,600	Westjet Airlines Ltd	2,757,437	2,884,568
		<u>\$ 7,507,503</u>	<u>\$ 9,833,528</u>
Information Technology			
75,400	Aastra Technologies Ltd	2,138,461	1,722,890
304,900	Celestica Inc	3,196,080	2,942,285
112,600	CGI Group Inc	1,649,024	1,936,720
		<u>\$ 6,983,565</u>	<u>\$ 6,601,895</u>
Materials			
194,600	Barrick Gold Corp	8,164,194	10,323,530
129,700	Goldcorp Inc	5,494,901	5,941,557
97,100	Kinross Gold Corp	1,813,014	1,832,277
113,800	Labrador Iron Ore Royalty Corp	5,600,057	7,653,050
93,000	Methanex Corp	2,392,940	2,813,250
152,400	Silver Wheaton Corp	2,660,558	5,937,504
76,900	Teck Cominco Ltd - B	3,661,127	4,740,885
		<u>\$ 29,786,791</u>	<u>\$ 39,242,053</u>
Telecom Services			
144,832	BCE Inc	4,042,023	5,118,363
103,500	Telus Corp	3,842,657	4,707,180
		<u>\$ 7,884,680</u>	<u>\$ 9,825,543</u>
Utilities			
84,300	Atco Ltd - I	4,306,958	4,986,345
		<u>\$ 4,306,958</u>	<u>\$ 4,986,345</u>
TOTAL CANADIAN EQUITIES		<u>\$ 157,292,308</u>	<u>\$ 190,335,151</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$ 232,832,550</u>	<u>\$ 266,846,395</u>

Balanced Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 12,158,550	\$ 33,780,157
Investment portfolio at fair value	495,334,070	460,628,661
Accrued investment income	2,185,508	1,977,062
Net unrealized gain (loss) on forward foreign currency contracts	-	72,310
Amounts receivable for units issued	609,638	1,173,601
Total assets	510,287,766	497,631,791
Liabilities		
Accrued expenses	64,628	58,089
Amounts payable for units redeemed	394,544	489,206
Total liabilities	459,172	547,295
Net Assets	\$ 509,828,594	\$ 497,084,496
Net Asset Value		
Class A	\$ 394,665,211	\$ 421,499,904
Class B	33,134,220	28,771,351
Class C	5,954,615	4,370,631
Class D	1,464,593	1,302,910
Class E	51,360	62,545
Class F (Note 8)	-	-
Class G	74,297,077	41,077,155
Class H	261,518	-
	\$ 509,828,594	\$ 497,084,496
Number of Units Outstanding		
Class A	10,222,737	11,384,481
Class B	858,485	777,099
Class C	156,243	119,211
Class D	36,342	34,052
Class E	1,290	1,651
Class F (Note 8)	-	-
Class G	1,924,321	1,109,472
Class H	6,486	-
Net Asset Value per Unit		
Class A	\$ 38.61	\$ 37.02
Class B	\$ 38.60	\$ 37.02
Class C	\$ 38.11	\$ 36.66
Class D	\$ 40.30	\$ 38.26
Class E	\$ 39.81	\$ 37.89
Class F (Note 8)	\$ -	\$ -
Class G	\$ 38.61	\$ 37.02
Class H	\$ 40.32	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 8,720,704	\$ 6,229,836
Interest income	9,051,037	8,863,971
Net gains (losses) on forward foreign currency contracts	119,593	107,553
Total revenue	17,891,334	15,201,360
Expenses		
Management fees, including GST and HST	13,000,395	11,246,368
Other fees (Note 3)	65,868	51,870
Total expenses	13,066,263	11,298,238
Net Investment Income (Loss)	4,825,071	3,903,122
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	923,927	13,458,394
Net unrealized increase (decrease) in value of portfolio investments	16,323,078	53,171,665
Transaction costs on purchase and sale of investments	(876,998)	(164,826)
Net Gain (Loss) on Investments	16,370,007	66,465,233
Net Income (Loss) from Operations	\$ 21,195,078	\$ 70,368,355
Net Income (Loss) from Operations		
Class A	\$ 16,402,628	\$ 62,062,941
Class B	1,388,663	3,940,879
Class C	213,941	500,455
Class D	77,576	126,205
Class E	2,991	506
Class F (Note 8)	-	-
Class G	3,092,833	3,727,585
Class H	16,446	9,784
	\$ 21,195,078	\$ 70,368,355

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 421,499,904	\$ 379,066,372	\$ 28,771,351	\$ 18,049,300	\$ 4,370,631	\$ 1,955,876
Amounts received from policyholders	52,452,580	61,317,087	9,652,282	12,216,435	3,165,999	2,735,241
Net income (loss) from operations	16,402,628	62,062,941	1,388,663	3,940,879	213,941	500,455
Amounts withdrawn by policyholders	95,689,901	80,946,496	6,678,076	5,435,263	1,795,956	820,941
Net Assets - End of Period (GAAP NAV)	\$ 394,665,211	\$ 421,499,904	\$ 33,134,220	\$ 28,771,351	\$ 5,954,615	\$ 4,370,631
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 1,302,910	\$ 538,868	\$ 62,545	\$ -	\$ -	\$ -
Amounts received from policyholders	228,109	671,853	110	62,039	-	-
Net income (loss) from operations	77,576	126,205	2,991	506	-	-
Amounts withdrawn by policyholders	144,002	34,016	14,286	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 1,464,593	\$ 1,302,910	\$ 51,360	\$ 62,545	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 41,077,155	\$ 6,402,688	\$ -	\$ 64,407	\$ 497,084,496	\$ 406,077,511
Amounts received from policyholders	38,128,106	32,367,136	388,822	-	104,016,008	109,369,791
Net income (loss) from operations	3,092,833	3,727,585	16,446	9,784	21,195,078	70,368,355
Amounts withdrawn by policyholders	8,001,017	1,420,254	143,750	74,191	112,466,988	88,731,161
Net Assets - End of Period (GAAP NAV)	\$ 74,297,077	\$ 41,077,155	\$ 261,518	\$ -	\$ 509,828,594	\$ 497,084,496

Statement of Investment Portfolio As at December 31, 2010

Par Value	Security	Cost	Fair Value	Par Value	Security	Cost	Fair Value
BONDS				BONDS			
Federal				Federal			
32,220,000	Canada 1.250 01 Dec 11	32,194,456	32,188,038	1,450,000	ManuLife Financial Delaware 5.059 15 Dec 36	1,187,985	1,211,105
550,000	Canada 4.000 01 Jun 16	578,875	590,691	1,590,000	Met Life Global 4.450 08 Nov 13	1,564,406	1,649,873
4,820,000	Canada 4.000 01 Jun 41	5,368,441	5,243,611	2,390,000	National Bank Capital 5.329 30 Jun 16	2,276,968	2,503,783
8,890,000	Canada Housing Trust 2.700 15 Dec 13	8,950,572	9,036,409	1,170,000	National Bank of Canada 4.456 02 Nov 11	1,189,716	1,193,017
8,830,000	Canada Housing Trust 2.750 15 Dec 14	8,868,906	8,938,530	2,440,000	NAV Canada 4.713 24 Feb 16	2,504,385	2,618,676
7,870,000	Canada Housing Trust 3.550 15 Sep 13	8,164,104	8,178,150	1,500,000	NAV Canada 5.304 17 Apr 19	1,500,000	1,648,896
11,700,000	Canada Housing Trust 4.550 15 Dec 12	12,475,517	12,310,717	1,814,000	NAV Canada 7.400 01 June 27	2,214,968	2,365,086
2,670,000	Canada Housing Trust 4.600 15 Sep 11	2,759,136	2,729,773	1,800,000	Nova Scotia Power 5.750 01 Oct 13	1,794,919	1,947,233
3,540,000	Eurofima 4.550 30 Mar 27	3,507,553	3,505,648	1,798,000	Ottawa Mac-Cart Airport 4.733 02 May 17	1,703,809	1,901,448
		\$ 82,867,560	\$ 82,721,567	1,900,000	Power Corp of Canada 7.570 22 Apr 19	1,971,704	2,252,887
Provincial				Provincial			
1,780,000	Alberta 4.000 01 Dec 19	1,765,546	1,843,993	990,000	Power Corp of Canada 8.570 22 Apr 39	989,248	1,319,532
4,790,000	British Columbia 4.650 18 Dec 18	5,018,680	5,188,585	2,170,000	Prudential Insurance 4.950 19 May 14	2,195,979	2,252,746
3,360,000	British Columbia 3.700 18 Dec 20	3,353,544	3,348,371	2,260,000	RBC Capital Trust 7.183 30 Jun 11	2,370,440	2,315,149
1,840,000	Manitoba 4.800 03 Dec 14	1,977,690	1,997,162	2,400,000	RBC Capital Trust 5.812 31 Dec 13	2,533,572	2,583,209
1,360,000	New Brunswick 4.700 21 Jul 16	1,481,693	1,478,637	1,450,000	RBC Capital Trust 4.870 31 Dec 15	1,515,004	1,525,512
2,360,000	New Brunswick 4.450 26 Mar 18	2,406,801	2,518,148	3,000,000	Sun Life Capital Trust 6.865 31 Dec 11	3,266,747	3,122,328
4,240,000	Ontario 3.150 08 Sep 15	4,314,310	4,317,020	2,230,000	Sun Life Capital Trust 7.093 30 Jun 32	2,281,269	2,515,812
2,410,000	Ontario 4.650 02 Jun 41	2,578,772	2,539,002	1,750,000	Sun Life Financial Inc 7.900 31 Mar 14	1,785,130	1,974,488
950,000	PEI 9.750 17 Dec 12	1,206,776	1,091,608	2,040,000	TD Capital Trust 6.792 31 Dec 12	2,261,260	2,198,533
3,560,000	Quebec 4.500 01 Dec 17	3,691,386	3,815,491	1,210,000	TD Capital Trust 9.523 30 Jun 19	1,587,012	1,499,188
4,830,000	Quebec 4.500 01 Dec 20	4,828,839	5,066,119	1,430,000	Union Gas Ltd 6.650 04 May 11	1,523,145	1,453,219
3,390,000	BC Municipal Fin Auth 4.650 19 Apr 16	3,641,851	3,664,563	1,740,000	Union Gas Ltd 7.900 24 Feb 14	2,013,476	2,009,738
		\$ 36,265,888	\$ 36,868,699			\$ 91,626,942	\$ 95,056,079
Corporate				Corporate			
1,760,000	407 International 4.650 20 Jan 12	1,774,336	1,810,076	TOTAL BONDS			
1,260,000	Aeroports de Montreal 5.670 16 Oct 37	1,296,666	1,368,046	No. Shares			
1,520,000	BNS Capital Trust 5.650 31 Dec 36	1,407,218	1,531,389	CANADIAN EQUITIES			
3,010,000	BNS Capital Trust 6.626 30 Jun 12	3,217,922	3,183,779	Consumer Discretionary			
2,290,000	Canada Life Capital Sec 6.679 30 Jun 12	2,302,292	2,417,317	243,100	Cineplex Galaxy Income Fund	4,669,880	5,447,871
870,000	Canadian Western Bank 4.389 30 Nov 15	870,000	864,331	218,500	Magna International Inc	7,345,189	11,322,670
1,640,000	CIBC 3.300 19 Nov 14	1,641,030	1,661,814	163,700	Thomson Reuters Corp	6,423,426	6,083,092
1,080,000	CIBC 3.950 14 Jul 17	1,077,710	1,096,775	185,200	Tim Hortons Inc	6,774,360	7,611,720
1,170,000	CU Inc 5.032 20 Nov 36	1,063,401	1,191,498			\$ 25,212,855	\$ 30,465,353
1,470,000	Enbridge Pipelines 6.620 19 Nov 18	1,514,834	1,753,767	Consumer Staples			
1,270,000	Enbridge/Consumers Gas 10.800 15 Apr 11	1,393,661	1,301,158	76,200	Metro Inc - A	3,012,570	3,444,240
1,330,000	Finning Intl 4.640 14 Dec 11	1,328,784	1,360,301	293,700	North West Company Fund	5,887,935	6,056,094
1,170,000	FortisAlberta Inc 5.330 31 Oct 14	1,186,639	1,277,234	47,200	Weston Ltd George	3,343,192	3,962,440
1,620,000	Gaz Metropolitain 5.400 15 Apr 13	1,641,894	1,723,134			\$ 12,243,697	\$ 13,462,774
1,710,000	Greater Toronto Airport Auth 5.000 01 Jun 15	1,743,090	1,844,481	Energy			
1,920,000	Greater Toronto Airport Auth 5.260 17 Apr 18	1,919,846	2,098,266	189,100	Bonavista Energy Trust Units	4,586,176	5,446,080
1,020,000	Great-West Life 5.995 31 Dec 12	1,075,206	1,079,916	319,400	Canadian Natural Resources Ltd	10,226,506	14,146,226
2,062,000	Great-West Life 6.670 21 Mar 33	2,221,777	2,383,944	80,941	Canadian Oil Sands Trust	2,029,895	2,140,889
1,710,000	Holcim Finance Canada 5.900 21 Jun 13	1,707,623	1,804,837	208,366	Cenovus Energy Inc	5,208,701	6,907,333
2,310,000	Honda Canada Finance 4.727 09 May 11	2,318,060	2,333,696	127,500	Crescent Point Energy Corp	4,971,382	5,634,225
1,610,000	Honda Canada Finance 4.696 25 Aug 11	1,602,154	1,638,656	111,500	Enbridge Inc	5,906,252	6,269,645
1,720,000	HSBC Bank of Canada 4.590 28 Mar 11	1,719,604	1,732,062	124,566	EnCana Corp	3,133,263	3,617,397
1,915,000	HSBC Bank of Canada 3.860 21 May 15	1,931,428	1,970,006	227,800	Keyera Facilities Income Fund	6,508,753	8,007,170
660,000	Hydro One Inc 6.350 31 Jan 34	729,145	791,293	119,100	Suncor Energy Inc	4,172,053	4,548,429
1,950,000	IGM Financial Inc 6.750 09 May 11	2,056,858	1,981,959	96,400	TransCanada Corp	3,537,523	3,657,416
940,000	IGM Financial Inc 6.000 10 Dec 40	937,410	947,976			\$ 50,280,504	\$ 60,374,810
1,460,000	Industrial Alliance 8.250 27 Mar 14	1,457,241	1,652,203	Financials			
1,100,000	Loblaws Cos 5.400 20 Nov 13	1,195,557	1,177,722	24,000	Bank of Montreal	1,297,430	1,378,560
2,830,000	Manulife Capital Trust 6.700 30 Jun 12	3,034,414	2,974,019	261,133	Bank of Nova Scotia	11,730,062	14,897,638
2,030,000	ManuLife Financial Corp 4.079 20 Aug 15	2,030,000	2,042,966	105,200	Boardwalk REIT	4,339,585	4,338,448
				112,500	Canadian Imperial Bank of Commerce	7,839,599	8,800,875
				7,100	Fairfax Financial Holdings Ltd	2,845,297	2,884,517
				167,200	Intact Financial Corp	7,262,018	8,487,072

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value
314,600	Northwest Healthcare Properties REIT	3,679,174	3,661,944
117,200	Power Corp of Canada	3,253,550	3,238,236
131,400	Primaris Retail REIT	2,356,913	2,567,556
355,970	Royal Bank of Canada	15,952,987	18,588,753
91,800	Sun Life Financial Inc	2,828,166	2,755,836
216,588	Toronto-Dominion Bank	13,049,931	16,049,171
		<u>\$ 76,434,712</u>	<u>\$ 87,648,606</u>
Industrials			
301,500	Bombardier Inc - B	1,389,139	1,507,500
136,250	Canadian National Railway Co	6,167,950	9,030,650
68,700	Canadian Pacific Railway Ltd	4,018,066	4,439,394
		<u>\$ 11,575,155</u>	<u>\$ 14,977,544</u>
Information Technology			
104,000	Aastra Technologies Ltd	2,783,946	2,376,400
378,000	Celestica Inc	3,885,006	3,647,700
		<u>\$ 6,668,952</u>	<u>\$ 6,024,100</u>
Materials			
179,700	Barrick Gold Corp	8,444,738	9,533,085
137,500	Kinross Gold Corp	2,603,276	2,594,625
101,400	Labrador Iron Ore Royalty Corp	5,266,983	6,819,150
119,400	Methanex Corp	3,026,440	3,611,850
169,900	Silver Wheaton Corp	2,825,193	6,619,304
54,200	Teck Cominco Ltd - B	2,701,665	3,341,430
		<u>\$ 24,868,295</u>	<u>\$ 32,519,444</u>
Telecom Services			
290,213	BCE Inc	8,331,032	10,256,127
78,700	Rogers Communications Inc - B	2,813,538	2,715,937
143,700	Telus Corp	5,488,742	6,535,476
		<u>\$ 16,633,312</u>	<u>\$ 19,507,540</u>
Utilities			
95,000	Atco Ltd - I	4,934,023	5,619,250
202,800	Emera Inc	5,511,295	6,357,780
249,200	Just Energy Income Fund	3,367,760	3,730,524
		<u>\$ 13,813,078</u>	<u>\$ 15,707,554</u>
TOTAL CANADIAN EQUITIES		<u>\$ 237,730,560</u>	<u>\$ 280,687,725</u>
TOTAL INVESTMENT PORTFOLIO		<u>\$ 448,490,950</u>	<u>\$ 495,334,070</u>

Global Balanced Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 323,889	\$ 598,988
Investment portfolio at fair value	11,168,158	10,731,783
Accrued investment income	44,972	10,301
Amounts receivable from portfolio securities sold	279,682	-
Amounts receivable for units issued	26,493	80,214
Total assets	11,843,194	11,421,286
Liabilities		
Accrued expenses	7,160	2,258
Written options liability	2,864	-
Amounts payable for portfolio securities purchased	158,935	-
Amounts payable for units redeemed	(5,971)	3,715
Total liabilities	162,988	5,973
Net Assets	\$ 11,680,206	\$ 11,415,313
Net Asset Value		
Class A	\$ 6,963,995	\$ 8,693,243
Class B	393,519	401,526
Class C	159,929	143,384
Class D	8,113	8,547
Class E	-	-
Class F (Note 8)	-	-
Class G	4,105,831	2,119,238
Class H	48,819	49,375
	\$ 11,680,206	\$ 11,415,313
Number of Units Outstanding		
Class A	823,450	1,011,892
Class B	46,539	46,737
Class C	19,160	16,854
Class D	919	963
Class E	-	-
Class F (Note 8)	-	-
Class G	485,511	246,679
Class H	5,527	5,561
Net Asset Value per Unit		
Class A	\$ 8.46	\$ 8.59
Class B	\$ 8.46	\$ 8.59
Class C	\$ 8.35	\$ 8.51
Class D	\$ 8.83	\$ 8.88
Class E	\$ -	\$ -
Class F (Note 8)	\$ -	\$ -
Class G	\$ 8.46	\$ 8.59
Class H	\$ 8.83	\$ 8.88

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 191,832	\$ 124,730
Interest income	111,848	100,391
Net gains (losses) on forward foreign currency contracts	-	(13,123)
Total revenue	303,680	211,998
Expenses		
Management fees, including GST and HST	318,927	283,141
Other fees (Note 3)	13,263	2,740
Total expenses	332,190	285,881
Net Investment Income (Loss)	(28,510)	(73,883)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(67,068)	(29,418)
Net unrealized increase (decrease) in value of portfolio investments	(59,603)	821,067
Transaction costs on purchase and sale of investments	(25,941)	(9,334)
Net Gain (Loss) on Investments	(152,612)	782,315
Net Income (Loss) from Operations	\$ (181,122)	\$ 708,432
Net Income (Loss) from Operations		
Class A	\$ (170,277)	\$ 540,516
Class B	(5,258)	24,013
Class C	(2,689)	9,782
Class D	(56)	646
Class E	-	-
Class F (Note 8)	-	-
Class G	(2,794)	132,228
Class H	(48)	1,247
	\$ (181,122)	\$ 708,432

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 8,693,243	\$ 8,785,813	\$ 401,526	\$ 253,521	\$ 143,384	\$ 154,999
Amounts received from policyholders	632,673	1,071,046	123,327	238,482	27,813	1,852
Net income (loss) from operations	(170,277)	540,516	(5,258)	24,013	(2,689)	9,782
Amounts withdrawn by policyholders	2,191,644	1,704,132	126,076	114,490	8,579	23,249
Net Assets - End of Period (GAAP NAV)	\$ 6,963,995	\$ 8,693,243	\$ 393,519	\$ 401,526	\$ 159,929	\$ 143,384
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 8,547	\$ 8,312	\$ -	\$ -	\$ -	\$ -
Amounts received from policyholders	-	-	-	-	-	-
Net income (loss) from operations	(56)	646	-	-	-	-
Amounts withdrawn by policyholders	378	411	-	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 8,113	\$ 8,547	\$ -	\$ -	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 2,119,238	\$ 447,436	\$ 49,375	\$ 26,803	\$ 11,415,313	\$ 9,676,884
Amounts received from policyholders	2,338,156	1,892,124	(199)	49,388	3,121,770	3,252,892
Net income (loss) from operations	(2,794)	132,228	(48)	1,247	(181,122)	708,432
Amounts withdrawn by policyholders	348,769	352,550	309	28,063	2,675,755	2,222,895
Net Assets - End of Period (GAAP NAV)	\$ 4,105,831	\$ 2,119,238	\$ 48,819	\$ 49,375	\$ 11,680,206	\$ 11,415,313

Statement of Investment Portfolio As at December 31, 2010

No. Shares	Security	Cost	Fair Value
Middle East			
2,400	Teva Pharmaceutical Sponsored ADR	134,080	124,365
		\$ 134,080	\$ 124,365
South America			
11,100	BM&F Bovespa SA	80,086	87,344
		\$ 80,086	\$ 87,344
TOTAL INTERNATIONAL EQUITIES		\$ 2,132,601	\$ 2,249,930
TOTAL EQUITIES		\$ 7,592,471	\$ 8,072,538
TOTAL INVESTMENT PORTFOLIO		\$ 10,773,986	\$ 11,168,158

Written Options Liability							
December 31, 2010							
Underlying Security	No. of Shares	Option Type	Expiration Date	Current Price	Strike Price	Premium Received	Current Liability
IBM	800	Call	22/01/2011	146.80 USD	145.00 USD	1,448	2,864
						\$ 1,448	\$ 2,864

Bond Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 43,756,107	\$ 31,242,297
Investment portfolio at fair value	291,454,641	282,362,959
Accrued investment income	1,704,601	1,947,073
Amounts receivable for units issued	555,258	437,500
Total assets	337,470,607	315,989,829
Liabilities		
Accrued expenses	30,183	26,726
Amounts payable for units redeemed	429,970	694,860
Total liabilities	460,153	721,586
Net Assets	\$ 337,010,454	\$ 315,268,243
Net Asset Value		
Class A	\$ 287,810,727	\$ 277,194,731
Class B	7,926,558	6,372,141
Class C	2,551,905	2,126,196
Class D	140,225	450,590
Class E	-	-
Class F (Note 8)	19,484,647	11,943,540
Class G	17,437,174	17,181,045
Class H	1,659,218	-
	\$ 337,010,454	\$ 315,268,243
Number of Units Outstanding		
Class A	6,801,498	6,713,273
Class B	187,354	154,324
Class C	60,764	51,783
Class D	3,211	10,652
Class E	-	-
Class F (Note 8)	419,294	269,266
Class G	412,111	416,102
Class H	37,977	-
Net Asset Value per Unit		
Class A	\$ 42.32	\$ 41.29
Class B	\$ 42.31	\$ 41.29
Class C	\$ 42.00	\$ 41.06
Class D	\$ 43.67	\$ 42.30
Class E	\$ -	\$ -
Class F (Note 8)	\$ 46.47	\$ 44.36
Class G	\$ 42.31	\$ 41.29
Class H	\$ 43.69	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Interest income	\$ 14,012,757	\$ 11,989,890
Total revenue	14,012,757	11,989,890
Expenses		
Management fees, including GST and HST	6,854,879	5,294,023
Other fees (Note 3)	24,683	22,282
Total expenses	6,879,562	5,316,305
Net Investment Income (Loss)	7,133,195	6,673,585
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	2,578,795	5,490,443
Net unrealized increase (decrease) in value of portfolio investments	(1,553,882)	8,220,270
Net Gain (Loss) on Investments	1,024,913	13,710,713
Net Income (Loss) from Operations	\$ 8,158,108	\$ 20,384,298
Net Income (Loss) from Operations		
Class A	\$ 6,972,634	\$ 18,389,603
Class B	168,419	304,413
Class C	45,111	111,823
Class D	2,706	7,765
Class E	(37)	-
Class F (Note 8)	609,180	1,177,539
Class G	354,998	393,155
Class H	5,097	-
	\$ 8,158,108	\$ 20,384,298

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 277,194,731	\$ 192,706,780	\$ 6,372,141	\$ 2,002,943	\$ 2,126,196	\$ 237,234
Amounts received from policyholders	86,827,921	124,901,063	4,625,090	5,504,833	1,571,624	1,892,043
Net income (loss) from operations	6,972,634	18,389,603	168,419	304,413	45,111	111,823
Amounts withdrawn by policyholders	83,184,559	58,802,715	3,239,092	1,440,048	1,191,026	114,904
Net Assets - End of Period (GAAP NAV)	\$ 287,810,727	\$ 277,194,731	\$ 7,926,558	\$ 6,372,141	\$ 2,551,905	\$ 2,126,196
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 450,590	\$ -	\$ -	\$ -	\$ 11,943,540	\$ 10,580,631
Amounts received from policyholders	122,911	442,825	60,000	-	12,268,556	2,076,833
Net income (loss) from operations	2,706	7,765	(37)	-	609,180	1,177,539
Amounts withdrawn by policyholders	435,982	-	59,963	-	5,336,629	1,891,463
Net Assets - End of Period (GAAP NAV)	\$ 140,225	\$ 450,590	\$ -	\$ -	\$ 19,484,647	\$ 11,943,540
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 17,181,045	\$ 1,553,184	\$ -	\$ -	\$ 315,268,243	\$ 207,080,772
Amounts received from policyholders	7,665,092	16,909,200	1,654,121	-	114,795,315	151,726,797
Net income (loss) from operations	354,998	393,155	5,097	-	8,158,108	20,384,298
Amounts withdrawn by policyholders	7,763,961	1,674,494	-	-	101,211,212	63,923,624
Net Assets - End of Period (GAAP NAV)	\$ 17,437,174	\$ 17,181,045	\$ 1,659,218	\$ -	\$ 337,010,454	\$ 315,268,243

Statement of Investment Portfolio As at December 31, 2010

Par Value	Security	Cost	Fair Value	Par Value	Security	Cost	Fair Value
BONDS				2,920,000	ManuLife Financial Corp 4.079 20 Aug 15		
	Federal			2,920,000		2,920,000	2,938,650
7,420,000	Canada 1.250 01 Dec 11	7,404,021	7,412,639	2,090,000	ManuLife Financial Delaware 5.059 15 Dec 36	1,712,337	1,745,662
1,360,000	Canada 4.000 01 Jun 16	1,435,041	1,460,618	2,530,000	Met Life Global 4.450 08 Nov 13	2,525,719	2,625,270
1,000,000	Canada 4.250 01 Jun 18	1,089,900	1,093,135	3,310,000	National Bank Capital 5.329 30 Jun 16	3,175,581	3,467,582
9,870,000	Canada 4.000 01 Jun 41	10,991,187	10,737,435	1,611,000	National Bank of Canada 4.456 02 Nov 11	1,638,226	1,642,693
1,930,000	Canada Housing Trust 4.600 15 Sep 11	2,012,771	1,973,207	3,880,000	NAV Canada 4.713 24 Feb 16	4,005,408	4,164,125
18,340,000	Canada Housing Trust 4.550 15 Dec 12	19,598,847	19,297,311	2,120,000	NAV Canada 5.304 17 Apr 19	2,128,808	2,330,440
12,570,000	Canada Housing Trust 3.550 15 Sep 13	13,056,651	13,062,178	2,733,000	NAV Canada 7.400 01 June 27	3,329,676	3,563,274
14,570,000	Canada Housing Trust 2.700 15 Dec 13	14,668,716	14,809,953	2,720,000	Nova Scotia Power 5.750 01 Oct 13	2,760,979	2,942,485
14,110,000	Canada Housing Trust 2.750 15 Dec 14	14,166,166	14,283,426	2,740,000	Ottawa Mac-Cart Airport 4.733 02 May 17	2,640,396	2,897,646
5,360,000	Eurofima 4.550 30 Mar 27	5,294,675	5,307,987	2,920,000	Power Corp of Canada 7.570 22 Apr 19	3,069,104	3,462,332
		\$ 89,717,975	\$ 89,437,889	1,740,000	Power Corp of Canada 8.570 22 Apr 39	1,865,766	2,319,178
Provincial				3,300,000	Prudential Insurance 4.950 29 May 14	3,319,137	3,425,836
2,570,000	Alberta 4.000 01 Dec 19	2,549,132	2,662,394	3,300,000	RBC Capital Trust 7.183 30 Jun 11	3,460,842	3,380,527
6,740,000	British Columbia 4.650 18 Dec 18	7,027,681	7,300,849	3,330,000	RBC Capital Trust 5.812 31 Dec 13	3,504,082	3,584,202
5,010,000	British Columbia 3.700 18 Dec 20	5,019,519	4,992,660	2,550,000	RBC Capital Trust 4.870 31 Dec 15	2,664,829	2,682,796
2,600,000	Manitoba 4.800 03 Dec 14	2,788,542	2,822,076	4,655,000	Sun Life Capital Trust 6.865 31 Dec 11	5,046,875	4,844,812
2,030,000	New Brunswick 4.700 21 Jul 16	2,211,644	2,207,083	3,079,000	Sun Life Capital Trust 7.093 30 Jun 32	3,265,871	3,473,626
3,410,000	New Brunswick 4.450 26 Mar 18	3,471,351	3,638,511	2,680,000	Sun Life Financial Inc 7.900 31 Mar 14	2,773,946	3,023,788
7,700,000	Ontario 3.150 08 Sep 15	7,887,681	7,839,871	3,450,000	TD Capital Trust 6.792 31 Dec 12	3,808,998	3,718,106
3,660,000	Ontario 4.650 02 Jun 41	3,916,310	3,855,912	2,090,000	TD Capital Trust 9.523 30 Jun 19	2,741,202	2,589,506
1,321,000	PEI 9.750 17 Dec 12	1,671,088	1,517,910	3,330,000	Union Gas Ltd 6.650 04 May 11	3,589,326	3,384,069
6,070,000	Quebec 4.500 01 Dec 17	6,309,080	6,505,626	3,100,000	Union Gas Ltd 7.900 24 Feb 14	3,616,031	3,580,568
7,390,000	Quebec 4.500 01 Dec 20	7,371,768	7,751,268			\$ 140,727,362	\$ 144,933,896
5,540,000	BC Municipal Fin Auth 4.650 19 Apr 16	5,952,392	5,988,696				
		\$ 56,176,188	\$ 57,082,856				
Corporate				TOTAL INVESTMENT PORTFOLIO			
2,470,000	407 International 4.650 20 Jan 12	2,491,445	2,540,276			\$ 286,621,525	\$ 291,454,641
1,770,000	Aeroports de Montreal 5.670 16 Oct 37	1,821,500	1,921,779				
3,910,000	BNS Capital Trust 6.626 30 Jun 12	4,161,004	4,135,740				
2,850,000	BNS Capital Trust 5.650 31 Dec 36	2,663,522	2,871,355				
3,312,000	Canada Life Capital Sec 6.679 30 Jun 12	3,322,721	3,496,137				
1,320,000	Canadian Western Bank 4.389 30 Nov 15	1,320,000	1,311,399				
2,450,000	CIBC 3.300 19 Nov 14	2,449,330	2,482,587				
1,344,000	CIBC 3.950 14 Jul 17	1,345,227	1,364,875				
1,430,000	CU Inc 5.032 20 Nov 36	1,299,713	1,456,275				
2,470,000	Enbridge Pipelines 6.620 19 Nov 18	2,650,316	2,946,806				
1,900,000	Enbridge/Consumers Gas 10.800 15 Apr 11	2,100,106	1,946,615				
2,294,000	Finning Intl 4.640 14 Dec 11	2,308,061	2,346,264				
1,719,000	FortisAlberta Inc 5.330 31 Oct 14	1,759,747	1,876,551				
2,140,000	Gaz Metropolitan 5.400 15 Apr 13	2,171,993	2,276,239				
2,520,000	Greater Toronto Airport Auth 5.000 01 Jun 15	2,597,478	2,718,183				
3,290,000	Greater Toronto Airport Auth 5.260 17 Apr 18	3,355,194	3,595,467				
1,340,000	Great-West Life 5.995 31 Dec 12	1,407,682	1,418,713				
3,137,000	Great-West Life 6.670 21 Mar 33	3,480,433	3,626,786				
3,360,000	Holcim Finance Canada 5.900 21 Jun 13	3,428,183	3,546,346				
3,600,000	Honda Canada Finance 4.727 09 May 11	3,632,379	3,636,929				
2,593,000	Honda Canada Finance 4.696 25 Aug 11	2,605,992	2,639,153				
2,210,000	HSBC Bank of Canada 4.590 28 Mar 11	2,209,492	2,225,499				
2,550,000	HSBC Bank of Canada 3.860 21 May 15	2,550,487	2,623,246				
720,000	Hydro One Inc 6.350 31 Jan 34	795,437	863,229				
2,830,000	IGM Financial Inc 6.750 09 May 11	2,992,859	2,876,381				
1,420,000	IGM Financial Inc 6.000 10 Dec 40	1,416,087	1,432,049				
2,420,000	Industrial Alliance 8.250 27 Mar 14	2,478,176	2,738,583				
1,670,000	Loblaw Cos 5.400 20 Nov 13	1,815,073	1,787,996				
4,230,000	Manulife Capital Trust 6.700 30 Jun 12	4,534,586	4,445,265				

Income Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 7,189,276	\$ 9,154,248
Investment portfolio at fair value	186,229,195	120,024,365
Accrued investment income	1,254,956	879,577
Amounts receivable for units issued	380,120	312,729
Total assets	195,053,547	130,370,919
Liabilities		
Accrued expenses	17,250	11,022
Amounts payable for units redeemed	289,508	224,690
Total liabilities	306,758	235,712
Net Assets	\$ 194,746,789	\$ 130,135,207
Net Asset Value		
Class A	\$ 157,404,128	\$ 114,710,237
Class B	9,831,341	4,546,449
Class C	3,110,745	1,446,528
Class D	1,074,631	296,004
Class E	6,348	5,936
Class F (Note 8)	1,227,849	929,515
Class G	21,659,873	8,200,538
Class H	431,874	-
	\$ 194,746,789	\$ 130,135,207
Number of Units Outstanding		
Class A	10,571,837	8,187,737
Class B	660,379	324,513
Class C	210,485	103,830
Class D	69,914	20,624
Class E	416	416
Class F (Note 8)	75,094	61,762
Class G	1,454,571	585,329
Class H	28,094	-
Net Asset Value per Unit		
Class A	\$ 14.89	\$ 14.01
Class B	\$ 14.89	\$ 14.01
Class C	\$ 14.78	\$ 13.93
Class D	\$ 15.37	\$ 14.35
Class E	\$ 15.26	\$ 14.27
Class F (Note 8)	\$ 16.35	\$ 15.05
Class G	\$ 14.89	\$ 14.01
Class H	\$ 15.37	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 1,421,105	\$ 570,384
Interest income	5,414,790	4,775,015
Total revenue	6,835,895	5,345,399
Expenses		
Management fees, including GST and HST	3,463,592	2,261,465
Other fees (Note 3)	16,746	9,491
Total expenses	3,480,338	2,270,956
Net Investment Income (Loss)	3,355,557	3,074,443
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	950,533	1,179,873
Net unrealized increase (decrease) in value of portfolio investments	5,452,948	9,660,812
Transaction costs on purchase and sale of investments	(104,314)	(50,084)
Net Gain (Loss) on Investments	6,299,167	10,790,601
Net Income (Loss) from Operations	\$ 9,654,724	\$ 13,865,044
Net Income (Loss) from Operations		
Class A	\$ 8,196,063	\$ 12,741,175
Class B	415,509	375,559
Class C	125,373	74,776
Class D	27,953	82
Class E	1,615	55
Class F (Note 8)	88,803	110,196
Class G	790,361	555,198
Class H	9,047	8,003
	\$ 9,654,724	\$ 13,865,044

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 114,710,237	\$ 79,694,211	\$ 4,546,449	\$ 705,305	\$ 1,446,528	\$ 198,333
Amounts received from policyholders	62,090,621	46,862,008	6,620,150	4,755,458	2,085,835	1,372,531
Net income (loss) from operations	8,196,063	12,741,175	415,509	375,559	125,373	74,776
Amounts withdrawn by policyholders	27,592,793	24,587,157	1,750,767	1,289,873	546,991	199,112
Net Assets - End of Period (GAAP NAV)	\$ 157,404,128	\$ 114,710,237	\$ 9,831,341	\$ 4,546,449	\$ 3,110,745	\$ 1,446,528
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 296,004	\$ -	\$ 5,936	\$ -	\$ 929,515	\$ 557,552
Amounts received from policyholders	884,295	295,922	207,864	5,881	209,531	261,767
Net income (loss) from operations	27,953	82	1,615	55	88,803	110,196
Amounts withdrawn by policyholders	133,621	-	209,067	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 1,074,631	\$ 296,004	\$ 6,348	\$ 5,936	\$ 1,227,849	\$ 929,515
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 8,200,538	\$ 518,741	\$ -	\$ 63,590	\$ 130,135,207	\$ 81,737,732
Amounts received from policyholders	14,607,619	7,602,904	423,347	-	87,129,262	61,156,471
Net income (loss) from operations	790,361	555,198	9,047	8,003	9,654,724	13,865,044
Amounts withdrawn by policyholders	1,938,645	476,305	520	71,593	32,172,404	26,624,040
Net Assets - End of Period (GAAP NAV)	\$ 21,659,873	\$ 8,200,538	\$ 431,874	\$ -	\$ 194,746,789	\$ 130,135,207

Statement of Investment Portfolio As at December 31, 2010

Par Value	Security	Cost	Fair Value	Par Value	Security	Cost	Fair Value
BONDS							
Federal							
2,920,000	Canada 1.250 01 Dec 11	2,918,702	2,917,103	1,000,000	Greater Toronto Airport Auth 5.260 17 Apr 18	1,087,400	1,092,847
900,000	Canada 3.500 01 Jun 13	962,280	935,748	1,000,000	Great-West Life 5.691 21 Jun 17	989,040	1,043,926
1,510,000	Canada 3.750 01 Jun 19	1,549,424	1,591,683	1,300,000	Great-West Life 6.670 21 Mar 33	1,422,395	1,502,972
1,170,000	Canada 4.000 01 Jun 41	1,297,647	1,272,827	1,000,000	Hamilton Utilities Corp 6.250 30 Jul 12	1,077,200	1,060,401
7,500,000	Canada Housing Trust 4.550 15 Dec 12	7,948,186	7,891,485	1,000,000	Holcim Finance Canada 5.900 21 Jun 13	998,610	1,055,460
5,100,000	Canada Housing Trust 3.550 15 Sep 13	5,307,390	5,299,690	1,518,000	Honda Canada Finance 4.727 09 May 11	1,545,058	1,533,572
6,100,000	Canada Housing Trust 2.700 15 Dec 13	6,188,610	6,200,461	1,100,000	Honda Canada Finance 4.696 25 Aug 11	1,082,500	1,119,579
5,000,000	Canada Housing Trust 2.750 15 Dec 14	5,054,758	5,061,455	1,000,000	Honda Canada Finance 5.675 26 Sep 12	1,015,000	1,055,570
2,230,000	Eurofima 4.550 30 Mar 27	2,192,057	2,208,360	1,000,000	HSBC Bank of Canada 4.590 28 Mar 11	999,770	1,007,013
		\$ 33,419,054	\$ 33,378,812	670,000	HSBC Bank of Canada 3.860 21 May 15	669,819	689,245
Provincial							
2,100,000	British Columbia 3.700 18 Dec 20	2,059,050	2,092,732	1,000,000	Hydro One Inc 6.400 01 Dec 11	1,054,000	1,041,310
990,000	Manitoba 4.800 03 Dec 14	1,064,520	1,074,560	1,000,000	Hydro One Inc 5.180 18 Oct 17	1,017,400	1,099,598
790,000	New Brunswick 4.700 21 Jul 16	860,689	858,914	1,000,000	Hydro One Inc 4.890 13 Mar 37	926,750	994,322
1,300,000	New Brunswick 4.450 26 Mar 18	1,394,510	1,387,116	1,500,000	IGM Financial Inc 6.750 09 May 11	1,583,025	1,524,584
2,440,000	Ontario 3.150 08 Sep 15	2,474,713	2,484,323	590,000	IGM Financial Inc 6.000 10 Dec 40	588,374	595,006
1,480,000	Ontario 4.650 02 Jun 41	1,583,644	1,559,221	1,000,000	Industrial Alliance 8.250 27 Mar 14	998,110	1,131,646
1,000,000	Quebec 4.500 01 Dec 20	1,034,450	1,048,886	1,000,000	Laurentian Bank of Canada 4.900 25 Jan 11	1,024,200	1,001,117
1,400,000	BC Municipal Fin Auth 4.650 19 Apr 16	1,505,000	1,513,389	680,000	Loblaw Cos 5.400 20 Nov 13	739,072	728,046
1,900,000	Quebec Hydro 11.000 15 Aug 20	3,163,264	2,977,367	1,000,000	Loblaw Cos 6.450 01 Mar 39	825,420	1,044,426
		\$ 15,139,840	\$ 14,996,508	1,300,000	Manulife Capital Trust 6.700 30 Jun 12	1,396,440	1,366,157
Corporate							
1,000,000	407 International 4.650 20 Jan 12	999,000	1,028,452	1,130,000	ManuLife Financial Corp 4.079 20 Aug 15	1,130,000	1,137,217
1,500,000	407 International 5.750 14 Feb 36	1,564,935	1,568,475	830,000	ManuLife Financial Delaware 5.059 15 Dec 36	815,544	693,253
1,000,000	Aeroports de Montreal 6.350 16 Apr 12	1,052,950	1,051,401	1,178,000	Met Life Global 4.500 10 Feb 11	1,178,000	1,180,556
500,000	Aeroports de Montreal 6.550 11 Oct 33	499,150	598,097	1,500,000	Met Life Global 4.450 08 Nov 13	1,474,750	1,556,484
1,000,000	Aeroports de Montreal 5.670 16 Oct 37	999,000	1,085,751	1,500,000	National Bank Capital 5.329 30 Jun 16	1,520,490	1,571,412
700,000	BC Ferry Services Inc 5.021 20 Mar 37	658,000	714,226	414,000	National Bank of Canada 4.456 02 Nov 11	425,799	422,145
1,000,000	BCIMC Realty Corp 5.650 05 Jan 18	1,084,860	1,098,844	1,000,000	NAV Canada 4.428 24 Feb 11	1,033,630	1,003,615
1,000,000	BMO Capital Trust 6.685 31 Dec 11	1,092,380	1,041,047	1,494,000	NAV Canada 4.713 24 Feb 16	1,586,908	1,603,403
1,500,000	BMW Canada Inc 3.220 28 Mar 13	1,499,835	1,523,459	950,000	NAV Canada 5.304 17 Apr 19	967,616	1,044,301
500,000	BNS Capital Trust 6.626 30 Jun 12	535,345	528,867	1,130,000	NAV Canada 7.400 01 June 27	1,422,939	1,473,289
1,000,000	BNS Capital Trust 6.282 30 Jun 13	1,063,936	1,080,202	900,000	Nova Scotia Power 5.750 01 Oct 13	980,127	973,616
1,000,000	BNS Capital Trust 5.650 31 Dec 36	992,569	1,007,493	1,425,000	Ottawa Hydro 4.930 09 Feb 15	1,439,477	1,526,202
1,000,000	Canada Life Assurance 6.400 11 Dec 28	1,076,730	1,102,156	1,140,000	Ottawa Mac-Cart Airport 4.733 02 May 17	1,138,414	1,205,590
1,310,000	Canada Life Capital Sec 6.679 30 Jun 12	1,297,630	1,382,832	1,000,000	Power Corp of Canada 7.570 22 Apr 19	999,440	1,185,730
1,000,000	Canadian Hydro Develop 5.770 19 Jun 18	1,000,000	985,303	1,300,000	Prudential Insurance 4.950 29 May 14	1,310,358	1,349,572
1,045,000	Canadian Western Bank 4.389 30 Nov 15	1,045,000	1,038,191	1,200,000	RBC Capital Trust 7.183 30 Jun 11	1,258,674	1,229,282
1,000,000	CanadianWestern Bank Cap 6.199 31 Dec 16	1,000,000	1,027,105	1,167,000	RBC Capital Trust 5.812 31 Dec 13	1,180,644	1,256,085
1,000,000	CIBC 4.350 01 Nov 11	977,820	1,022,266	2,300,000	RBC Capital Trust 4.870 31 Dec 15	2,311,119	2,419,777
1,000,000	CIBC 4.950 23 Jan 14	992,180	1,067,074	1,000,000	Shoppers Drug Mart Corp 4.990 03 Jun 13	999,690	1,054,229
870,000	CIBC 3.300 19 Nov 14	870,910	881,572	1,500,000	Sobeys Inc 6.060 29 Oct 35	1,438,290	1,427,022
640,000	CIBC 3.950 14 Jul 17	638,643	649,940	1,500,000	Sun Life Capital Trust 6.865 31 Dec 11	1,591,500	1,561,164
1,000,000	CU Inc 5.032 20 Nov 36	1,004,875	1,018,374	1,000,000	Sun Life Capital Trust 7.093 30 Jun 32	1,255,040	1,128,167
1,000,000	CU Inc 5.556 30 Oct 37	1,000,000	1,092,898	1,140,000	Sun Life Financial Inc 7.900 31 Mar 14	1,291,050	1,286,238
500,000	Enbridge Pipelines 4.460 17 Dec 12	499,940	522,067	1,000,000	Sun Life Financial Inc 4.800 23 Nov 15	950,350	1,032,689
800,000	Enbridge Pipelines 6.620 19 Nov 18	981,520	954,431	1,200,000	TD Capital Trust 6.792 31 Dec 12	1,276,580	1,293,254
600,000	Enbridge/Consumers Gas 10.800 15 Apr 11	635,760	614,720	610,000	TD Capital Trust 9.523 30 Jun 19	800,064	755,789
1,000,000	Epcor Utilities 5.650 16 Nov 35	1,003,750	1,057,313	1,000,000	Toronto Hydro Corp 5.150 14 Nov 17	998,990	1,094,748
850,000	Finning Intl 4.640 14 Dec 11	852,465	869,366	1,000,000	Union Gas Ltd 6.650 04 May 11	1,077,600	1,016,237
680,000	FortisAlberta Inc 5.330 31 Oct 14	751,536	742,324	1,500,000	Union Gas Ltd 7.900 24 Feb 14	1,739,720	1,732,533
1,000,000	Gaz Metropolitain 5.400 15 Apr 13	999,450	1,063,663	750,000	Union Gas Ltd 4.850 25 Apr 22	748,575	779,670
970,000	Greater Toronto Airport Auth 5.000 01 Jun 15	1,060,491	1,046,285			\$ 88,753,912	\$ 90,865,331
1,250,000	Greater Toronto Airport Auth 6.250 13 Dec 12	1,343,778	1,346,889	TOTAL BONDS		\$ 137,312,806	\$ 139,240,651
300,000	Greater Toronto Airport Auth 6.980 15 Oct 32	298,513	374,182				

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Shares	Security	Cost	Fair Value
CANADIAN EQUITIES			
16,500	Aastra Technologies Ltd	460,789	377,025
15,400	Atco Ltd - I	817,713	910,910
4,000	Bank of Montreal	213,542	229,760
43,800	Bank of Nova Scotia	2,179,689	2,498,790
30,200	Barrick Gold Corp	1,432,323	1,602,110
48,700	BCE Inc	1,516,289	1,721,058
17,700	Boardwalk REIT	731,555	729,948
49,800	Bombardier Inc - B	229,448	249,000
31,700	Bonavista Energy Trust Units	767,672	912,960
18,600	Canadian Imperial Bank of Commerce	1,174,573	1,455,078
22,900	Canadian National Railway Co	1,376,243	1,517,812
53,600	Canadian Natural Resources Ltd	1,986,260	2,373,944
13,608	Canadian Oil Sands Trust	367,366	359,932
11,500	Canadian Pacific Railway Ltd	554,271	743,130
63,500	Celestica Inc	573,080	612,775
35,000	Enovus Energy Inc	893,347	1,160,250
40,800	Cineplex Galaxy Income Fund	832,847	914,328
21,400	Crescent Point Energy Corp	830,543	945,666
34,000	Emera Inc	922,599	1,065,900
18,400	Enbridge Inc	918,907	1,034,632
20,600	EnCana Corp	535,411	598,224
1,200	Fairfax Financial Holdings Ltd	483,361	487,524
28,100	Intact Financial Corp	832,207	1,426,356
41,800	Just Energy Income Fund	565,677	625,746
36,200	Keyera Facilities Income Fund	1,050,569	1,272,430
24,300	Kinross Gold Corp	460,071	458,541
17,800	Labrador Iron Ore Royalty Corp	930,274	1,197,050
36,600	Magna International Inc	1,403,220	1,896,612
20,000	Methanex Corp	467,561	605,000
12,800	Metro Inc - A	576,326	578,560
51,800	North West Company Fund	1,040,117	1,068,116
51,600	Northwest Healthcare Properties REIT	603,786	600,624
19,700	Power Corp of Canada	545,099	544,311
22,100	Primaris Retail REIT	396,254	431,834
13,000	Rogers Communications Inc - B	435,738	448,630
58,800	Royal Bank of Canada	3,241,521	3,070,536
28,500	Silver Wheaton Corp	582,450	1,110,360
15,400	Sun Life Financial Inc	453,842	462,308
19,700	Suncor Energy Inc	690,389	752,343
9,600	Teck Cominco Ltd - B	478,531	591,840
24,100	Telus Corp	1,012,251	1,096,068
27,500	Thomson Reuters Corp	1,074,077	1,021,900
30,500	Tim Hortons Inc	1,127,652	1,253,550
36,400	Toronto-Dominion Bank	2,478,195	2,697,240
16,200	TransCanada Corp	562,902	614,628
7,900	Weston Ltd George	622,396	663,205
		\$ 41,428,933	\$ 46,988,544
TOTAL INVESTMENT PORTFOLIO		\$ 178,741,739	\$ 186,229,195

Money Market Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 126,238,676	\$ 211,656,907
Accrued investment income	84,453	196,213
Amounts receivable from portfolio securities sold	-	2,003,082
Amounts receivable for units issued	625,582	778,527
Total assets	126,948,711	214,634,729
Liabilities		
Accrued expenses	5,827	6,974
Amounts payable for portfolio securities purchased	-	2,133,879
Amounts payable for units redeemed	121,111	521,960
Total liabilities	126,938	2,662,813
Net Assets	\$ 126,821,773	\$ 211,971,916
Net Asset Value		
Class A	\$ 73,724,061	\$ 100,113,011
Class B	8,817,442	14,211,188
Class C	1,933,479	2,299,091
Class D	1,331,122	504,275
Class E	-	852,763
Class F (Note 8)	34,667,958	89,178,888
Class G	6,090,153	4,533,638
Class H	257,558	279,062
	\$ 126,821,773	\$ 211,971,916
Number of Units Outstanding		
Class A	3,134,166	4,254,813
Class B	381,809	612,479
Class C	84,032	99,366
Class D	56,217	21,290
Class E	-	36,104
Class F (Note 8)	1,417,734	3,675,665
Class G	263,690	195,393
Class H	10,879	11,782
Net Asset Value per Unit		
Class A	\$ 23.52	\$ 23.53
Class B	\$ 23.09	\$ 23.20
Class C	\$ 23.01	\$ 23.14
Class D	\$ 23.68	\$ 23.69
Class E	\$ -	\$ 23.62
Class F (Note 8)	\$ 24.45	\$ 24.26
Class G	\$ 23.10	\$ 23.20
Class H	\$ 23.67	\$ 23.69

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Interest income	\$ 1,367,302	\$ 3,669,258
Total revenue	1,367,302	3,669,258
Expenses		
Management fees, including GST and HST	920,228	1,050,898
Other fees (Note 3)	7,549	12,614
Total expenses	927,777	1,063,512
Net Income (Loss) from Operations	\$ 439,525	\$ 2,605,746
Net Income (Loss) from Operations		
Class A	\$ (50,182)	\$ 581,738
Class B	(55,351)	13,586
Class C	(13,343)	1,201
Class D	(179)	8,378
Class E	(1,717)	2,878
Class F (Note 8)	579,605	1,992,004
Class G	(19,162)	3,810
Class H	(146)	2,151
	\$ 439,525	\$ 2,605,746

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 100,113,011	\$ 109,594,824	\$ 14,211,188	\$ 10,265,789	\$ 2,299,091	\$ 2,443,489
Amounts received from policyholders	54,031,004	85,537,063	25,076,461	28,408,209	3,769,964	3,515,548
Net income (loss) from operations	(50,182)	581,738	(55,351)	13,586	(13,343)	1,201
Amounts withdrawn by policyholders	80,369,772	95,600,614	30,414,856	24,476,396	4,122,233	3,661,147
Net Assets - End of Period (GAAP NAV)	\$ 73,724,061	\$ 100,113,011	\$ 8,817,442	\$ 14,211,188	\$ 1,933,479	\$ 2,299,091
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 504,275	\$ 1,546,992	\$ 852,763	\$ -	\$ 89,178,888	\$ 213,629,565
Amounts received from policyholders	2,030,790	872,693	340,351	949,885	24,000,000	8,999,999
Net income (loss) from operations	(179)	8,378	(1,717)	2,878	579,605	1,992,004
Amounts withdrawn by policyholders	1,203,764	1,923,788	1,191,397	100,000	79,090,535	135,442,680
Net Assets - End of Period (GAAP NAV)	\$ 1,331,122	\$ 504,275	\$ -	\$ 852,763	\$ 34,667,958	\$ 89,178,888
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 4,533,638	\$ 4,658,194	\$ 279,062	\$ 261,924	\$ 211,971,916	\$ 342,400,777
Amounts received from policyholders	7,020,565	6,151,041	-	658,871	116,269,135	135,093,309
Net income (loss) from operations	(19,162)	3,810	(146)	2,151	439,525	2,605,746
Amounts withdrawn by policyholders	5,444,888	6,279,407	21,358	643,884	201,858,803	268,127,916
Net Assets - End of Period (GAAP NAV)	\$ 6,090,153	\$ 4,533,638	\$ 257,558	\$ 279,062	\$ 126,821,773	\$ 211,971,916

EMPIRE LIFE Statement of Investment Portfolio As at December 31, 2010

Par Value	Security	Cost	Fair Value
SHORT-TERM INVESTMENTS			
Federal			
5,000,000	Canada 20 Jan 11	4,974,350	4,997,600
10,000,000	Canada 03 Feb 11	9,958,300	9,991,300
5,000,000	Canada 26 May 11	4,973,700	4,978,300
		<u>\$ 19,906,350</u>	<u>\$ 19,967,200</u>
Provincial			
5,100,000	British Columbia 04 Apr 11	5,081,181	5,085,195
3,000,000	Newfoundland 03 Mar 11	2,992,170	2,994,567
6,000,000	Ontario 16 Feb 11	5,986,980	5,991,768
8,000,000	Quebec 06 Aug 11	8,007,075	8,004,970
		<u>\$ 22,067,406</u>	<u>\$ 22,076,500</u>
Corporate			
5,000,000	Bank of Montreal 01 Feb 11	5,000,000	5,000,250
8,000,000	Bank of Nova Scotia 28 Jan 11	8,000,000	8,002,115
5,000,000	Bank of Nova Scotia 20 Apr 12	5,018,885	5,001,470
5,000,000	CIBC 1.400 27 May 11	5,000,000	5,003,413
4,000,000	Honda Canada Finance 23 Mar 11	3,989,480	3,989,092
4,000,000	Honda Canada Finance 26 Mar 12	3,978,732	3,990,932
5,000,000	Inter Pipeline(Corridor) Inc 01 Mar 11	4,986,800	4,988,915
5,000,000	National Bank of Canada 08 Mar 11	5,000,250	5,000,127
2,100,000	National Bank of Canada 08 Mar 11	2,100,158	2,098,154
35,000	Royal Bank of Canada 04 Jan 11	35,000	35,000
6,000,000	Suncor Energy Inc 24 Mar 11	5,981,880	5,982,594
9,000,000	Toronto-Dominion Bank 15 Apr 11	8,791,281	9,027,969
5,000,000	Toronto-Dominion Bank 20 May 11	5,000,000	5,001,706
6,000,000	TransCanada Pipeline Ltd 01 Mar 11	5,982,960	5,988,270
3,100,000	VW Credit Canada 04 Jan 11	3,099,597	3,099,622
4,000,000	Woodbridge Finance Corp 11 Jan 11	3,992,440	3,998,604
8,000,000	Woodbridge Finance Corp 24 Feb 11	7,976,640	7,986,136
		<u>\$ 83,934,103</u>	<u>\$ 84,194,369</u>
TOTAL SHORT-TERM INVESTMENTS		\$ 125,907,859	\$ 126,238,069
	Cash		607
	Accrued interest		84,453
	Amounts receivable for units issued		625,582
TOTAL ASSETS			\$ 126,948,711

Conservative Portfolio Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 868,635	\$ 726,502
Investment portfolio at fair value	81,631,735	71,917,056
Amounts receivable for units issued	103,725	150,327
Total assets	82,604,095	72,793,885
Liabilities		
Accrued expenses	1,685	1,596
Amounts payable for units redeemed	148,710	(11,441)
Total liabilities	150,395	(9,845)
Net Assets	\$ 82,453,700	\$ 72,803,730
Net Asset Value		
Class A	\$ 48,765,638	\$ 50,694,779
Class B	11,940,099	9,793,489
Class C	4,098,269	2,218,646
Class D	-	-
Class E	678,228	698,349
Class F (Note 8)	-	-
Class G	16,380,334	8,830,859
Class H	591,132	567,608
	\$ 82,453,700	\$ 72,803,730
Number of Units Outstanding		
Class A	4,251,796	4,572,197
Class B	1,041,239	883,279
Class C	361,354	201,789
Class D	-	-
Class E	57,279	61,461
Class F (Note 8)	-	-
Class G	1,428,265	796,459
Class H	49,376	49,536
Net Asset Value per Unit		
Class A	\$ 11.47	\$ 11.09
Class B	\$ 11.47	\$ 11.09
Class C	\$ 11.34	\$ 10.99
Class D	\$ -	\$ -
Class E	\$ 11.84	\$ 11.36
Class F (Note 8)	\$ -	\$ -
Class G	\$ 11.47	\$ 11.09
Class H	\$ 11.97	\$ 11.46

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 740,212	\$ 619,493
Interest income	2,030,530	1,829,192
Net gains (losses) on forward foreign currency contracts	24,568	(126,397)
Total revenue	2,795,310	2,322,288
Expenses		
Management fees, including GST and HST	1,934,627	1,504,500
Other fees (Note 3)	2,267	2,167
Total expenses	1,936,894	1,506,667
Net Investment Income (Loss)	858,416	815,621
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(31,555)	2,070,114
Net unrealized increase (decrease) in value of portfolio investments	1,933,892	4,188,968
Net Gain (Loss) on Investments	1,902,337	6,259,082
Net Income (Loss) from Operations	\$ 2,760,753	\$ 7,074,703
Net Income (Loss) from Operations		
Class A	\$ 1,722,250	\$ 5,306,155
Class B	372,993	884,438
Class C	113,262	181,496
Class D	-	-
Class E	27,879	79,421
Class F (Note 8)	-	-
Class G	499,005	556,701
Class H	25,364	66,492
	\$ 2,760,753	\$ 7,074,703

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 50,694,779	\$ 44,987,388	\$ 9,793,489	\$ 4,077,460	\$ 2,218,646	\$ 1,334,790
Amounts received from policyholders	9,133,006	13,247,108	3,397,933	6,118,542	2,661,838	1,196,944
Net income (loss) from operations	1,722,250	5,306,155	372,993	884,438	113,262	181,496
Amounts withdrawn by policyholders	12,784,397	12,845,872	1,624,316	1,286,951	895,477	494,584
Net Assets - End of Period (GAAP NAV)	\$ 48,765,638	\$ 50,694,779	\$ 11,940,099	\$ 9,793,489	\$ 4,098,269	\$ 2,218,646
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ -	\$ -	\$ 698,349	\$ 666,928	\$ -	\$ -
Amounts received from policyholders	-	-	-	-	-	-
Net income (loss) from operations	-	-	27,879	79,421	-	-
Amounts withdrawn by policyholders	-	-	48,000	48,000	-	-
Net Assets - End of Period (GAAP NAV)	\$ -	\$ -	\$ 678,228	\$ 698,349	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 8,830,859	\$ 937,407	\$ 567,608	\$ -	\$ 72,803,730	\$ 52,003,973
Amounts received from policyholders	8,387,469	7,566,771	-	501,116	23,580,246	28,630,481
Net income (loss) from operations	499,005	556,701	25,364	66,492	2,760,753	7,074,703
Amounts withdrawn by policyholders	1,336,999	230,020	1,840	-	16,691,029	14,905,427
Net Assets - End of Period (GAAP NAV)	\$ 16,380,334	\$ 8,830,859	\$ 591,132	\$ 567,608	\$ 82,453,700	\$ 72,803,730

EMPIRE LIFE **Statement of Investment Portfolio** As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
1,645,818	American Value Fund - Class A	12,710,690	12,223,348
772,524	Bond Fund - Class A	30,187,562	32,689,965
766,415	Canadian Equity Fund - Class A	7,328,901	8,227,341
1,372,897	Income Fund - Class A	17,869,515	20,447,346
904,829	International Equity Fund - Class A	8,658,029	8,043,735
TOTAL INVESTMENT PORTFOLIO		\$ 76,754,697	\$ 81,631,735

Balanced Portfolio Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 1,610,419	\$ 1,641,216
Investment portfolio at fair value	165,015,942	138,865,403
Amounts receivable for units issued	279,834	138,201
Total assets	166,906,195	140,644,820
Liabilities		
Accrued expenses	2,762	2,768
Amounts payable for units redeemed	270,842	3,490
Total liabilities	273,604	6,258
Net Assets	\$ 166,632,591	\$ 140,638,562
Net Asset Value		
Class A	\$ 82,352,650	\$ 85,323,274
Class B	26,670,949	19,552,605
Class C	9,168,702	6,277,545
Class D	1,297,812	1,006,307
Class E	-	-
Class F (Note 8)	-	-
Class G	46,737,249	28,142,545
Class H	405,229	336,286
	\$ 166,632,591	\$ 140,638,562
Number of Units Outstanding		
Class A	7,229,296	7,811,930
Class B	2,342,091	1,790,189
Class C	815,466	580,421
Class D	109,119	89,150
Class E	-	-
Class F (Note 8)	-	-
Class G	4,102,711	2,576,649
Class H	34,080	29,792
Net Asset Value per Unit		
Class A	\$ 11.39	\$ 10.92
Class B	\$ 11.39	\$ 10.92
Class C	\$ 11.24	\$ 10.82
Class D	\$ 11.89	\$ 11.29
Class E	\$ -	\$ -
Class F (Note 8)	\$ -	\$ -
Class G	\$ 11.39	\$ 10.92
Class H	\$ 11.89	\$ 11.29

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 1,860,369	\$ 1,530,482
Interest income	3,154,948	2,569,152
Net gains (losses) on forward foreign currency contracts	71,436	(339,929)
Total revenue	5,086,753	3,759,705
Expenses		
Management fees, including GST and HST	3,867,091	2,817,702
Other fees (Note 3)	4,441	3,952
Total expenses	3,871,532	2,821,654
Net Investment Income (Loss)	1,215,221	938,051
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	(39,004)	5,025,803
Net unrealized increase (decrease) in value of portfolio investments	5,601,953	9,766,585
Net Gain (Loss) on Investments	5,562,949	14,792,388
Net Income (Loss) from Operations	\$ 6,778,170	\$ 15,730,439
Net Income (Loss) from Operations		
Class A	\$ 3,385,284	\$ 10,438,278
Class B	1,100,074	2,287,881
Class C	324,832	631,034
Class D	62,772	38,250
Class E	-	-
Class F (Note 8)	-	-
Class G	1,885,376	2,304,053
Class H	19,832	30,943
	\$ 6,778,170	\$ 15,730,439

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 85,323,274	\$ 74,554,777	\$ 19,552,605	\$ 11,240,224	\$ 6,277,545	\$ 2,279,523
Amounts received from policyholders	12,807,488	13,825,501	11,543,824	8,341,451	3,779,462	3,599,536
Net income (loss) from operations	3,385,284	10,438,278	1,100,074	2,287,881	324,832	631,034
Amounts withdrawn by policyholders	19,163,396	13,495,282	5,525,554	2,316,951	1,213,137	232,548
Net Assets - End of Period (GAAP NAV)	\$ 82,352,650	\$ 85,323,274	\$ 26,670,949	\$ 19,552,605	\$ 9,168,702	\$ 6,277,545
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 1,006,307	\$ 252,222	\$ -	\$ -	\$ -	\$ -
Amounts received from policyholders	243,733	730,835	-	-	-	-
Net income (loss) from operations	62,772	38,250	-	-	-	-
Amounts withdrawn by policyholders	15,000	15,000	-	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 1,297,812	\$ 1,006,307	\$ -	\$ -	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 28,142,545	\$ 3,569,114	\$ 336,286	\$ -	\$ 140,638,562	\$ 91,895,860
Amounts received from policyholders	19,731,679	23,373,868	64,298	318,812	48,170,484	50,190,003
Net income (loss) from operations	1,885,376	2,304,053	19,832	30,943	6,778,170	15,730,439
Amounts withdrawn by policyholders	3,022,351	1,104,490	15,187	13,469	28,954,625	17,177,740
Net Assets - End of Period (GAAP NAV)	\$ 46,737,249	\$ 28,142,545	\$ 405,229	\$ 336,286	\$ 166,632,591	\$ 140,638,562

EMPIRE LIFE **Statement of Investment Portfolio** As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
3,328,260	American Value Fund - Class A	26,390,597	24,718,697
1,367,006	Bond Fund - Class A	53,496,374	57,845,957
1,549,836	Canadian Equity Fund - Class A	15,213,005	16,637,253
966,972	Global Smaller Companies Fund - Class A	8,123,588	8,254,273
1,665,836	Income Fund - Class A	21,798,120	24,810,260
2,744,930	International Equity Fund - Class A	27,227,423	24,401,830
269,628	Small Cap Equity Fund - Class A	6,115,512	8,347,672
TOTAL INVESTMENT PORTFOLIO		\$ 158,364,619	\$ 165,015,942

Moderate Growth Portfolio Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 2,246,483	\$ 2,257,303
Investment portfolio at fair value	206,331,002	174,309,986
Amounts receivable for units issued	306,018	107,847
Total assets	<u>208,883,503</u>	<u>176,675,136</u>
Liabilities		
Accrued expenses	3,597	3,628
Amounts payable for units redeemed	622,041	111,663
Total liabilities	<u>625,638</u>	<u>115,291</u>
Net Assets	<u>\$ 208,257,865</u>	<u>\$ 176,559,845</u>
Net Asset Value		
Class A	\$ 112,988,936	\$ 116,891,726
Class B	19,836,919	16,694,262
Class C	5,495,705	3,272,793
Class D	1,103,979	879,562
Class E	-	547,951
Class F (Note 8)	-	-
Class G	68,760,973	38,273,551
Class H	71,353	-
	<u>\$ 208,257,865</u>	<u>\$ 176,559,845</u>
Number of Units Outstanding		
Class A	10,041,854	10,924,334
Class B	1,763,471	1,560,197
Class C	495,702	309,309
Class D	94,003	79,542
Class E	-	50,111
Class F (Note 8)	-	-
Class G	6,110,923	3,576,962
Class H	6,072	-
Net Asset Value per Unit		
Class A	\$ 11.25	\$ 10.70
Class B	\$ 11.25	\$ 10.70
Class C	\$ 11.09	\$ 10.58
Class D	\$ 11.74	\$ 11.06
Class E	\$ -	\$ 10.93
Class F (Note 8)	\$ -	\$ -
Class G	\$ 11.25	\$ 10.70
Class H	\$ 11.75	\$ -

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 2,880,951	\$ 2,351,228
Interest income	2,838,189	2,325,049
Net gains (losses) on forward foreign currency contracts	89,849	(440,552)
Total revenue	<u>5,808,989</u>	<u>4,235,725</u>
Expenses		
Management fees, including GST and HST	5,079,761	3,771,787
Other fees (Note 3)	5,602	5,079
Total expenses	<u>5,085,363</u>	<u>3,776,866</u>
Net Investment Income (Loss)	<u>723,626</u>	<u>458,859</u>
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	39,899	5,712,547
Net unrealized increase (decrease) in value of portfolio investments	9,648,065	14,687,045
Net Gain (Loss) on Investments	<u>9,687,964</u>	<u>20,399,592</u>
Net Income (Loss) from Operations	<u>\$ 10,411,590</u>	<u>\$ 20,858,451</u>
Net Income (Loss) from Operations		
Class A	\$ 5,747,220	\$ 14,714,220
Class B	970,432	1,835,025
Class C	222,593	276,791
Class D	60,701	105,906
Class E	24,301	71,259
Class F (Note 8)	-	-
Class G	3,384,221	3,855,250
Class H	2,122	-
	<u>\$ 10,411,590</u>	<u>\$ 20,858,451</u>

Statement of Changes in Net Assets

For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 116,891,726	\$ 103,345,729	\$ 16,694,262	\$ 9,956,846	\$ 3,272,793	\$ 2,025,903
Amounts received from policyholders	17,622,840	15,370,240	5,552,059	6,231,454	3,112,293	2,013,529
Net income (loss) from operations	5,747,220	14,714,220	970,432	1,835,025	222,593	276,791
Amounts withdrawn by policyholders	27,272,850	16,538,463	3,379,834	1,329,063	1,111,974	1,043,430
Net Assets - End of Period (GAAP NAV)	<u>\$ 112,988,936</u>	<u>\$ 116,891,726</u>	<u>\$ 19,836,919</u>	<u>\$ 16,694,262</u>	<u>\$ 5,495,705</u>	<u>\$ 3,272,793</u>
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 879,562	\$ 208,944	\$ 547,951	\$ 441,692	\$ -	\$ -
Amounts received from policyholders	186,301	852,228	18,898	35,000	-	-
Net income (loss) from operations	60,701	105,906	24,301	71,259	-	-
Amounts withdrawn by policyholders	22,585	287,516	591,150	-	-	-
Net Assets - End of Period (GAAP NAV)	<u>\$ 1,103,979</u>	<u>\$ 879,562</u>	<u>\$ -</u>	<u>\$ 547,951</u>	<u>\$ -</u>	<u>\$ -</u>
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 38,273,551	\$ 5,683,809	\$ -	\$ -	\$ 176,559,845	\$ 121,662,923
Amounts received from policyholders	32,038,988	29,275,626	69,961	-	58,601,340	53,778,077
Net income (loss) from operations	3,384,221	3,855,250	2,122	-	10,411,590	20,858,451
Amounts withdrawn by policyholders	4,935,787	541,134	730	-	37,314,910	19,739,606
Net Assets - End of Period (GAAP NAV)	<u>\$ 68,760,973</u>	<u>\$ 38,273,551</u>	<u>\$ 71,353</u>	<u>\$ -</u>	<u>\$ 208,257,865</u>	<u>\$ 176,559,845</u>

EMPIRE LIFE **Statement of Investment Portfolio** As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
4,160,221	American Value Fund - Class A	33,494,939	30,897,600
1,220,404	Bond Fund - Class A	47,755,417	51,642,338
4,842,815	Canadian Equity Fund - Class A	48,006,577	51,986,870
2,417,220	Global Smaller Companies Fund - Class A	20,847,559	20,633,892
1,388,048	Income Fund - Class A	18,142,198	20,673,011
3,430,600	International Equity Fund - Class A	34,734,030	30,497,291
TOTAL INVESTMENT PORTFOLIO		\$ 202,980,720	\$ 206,331,002

Growth Portfolio Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 1,361,568	\$ 133,623
Investment portfolio at fair value	126,803,059	106,915,082
Amounts receivable for units issued	139,404	270,821
Total assets	128,304,031	107,319,526
Liabilities		
Accrued expenses	2,167	2,195
Amounts payable for units redeemed	23,269	18,652
Total liabilities	25,436	20,847
Net Assets	\$ 128,278,595	\$ 107,298,679
Net Asset Value		
Class A	\$ 66,122,041	\$ 68,969,998
Class B	9,535,316	7,929,166
Class C	1,973,144	2,076,727
Class D	2,022,257	1,071,011
Class E	610,957	278,253
Class F (Note 8)	-	-
Class G	47,700,866	26,680,756
Class H	314,014	292,768
	\$ 128,278,595	\$ 107,298,679
Number of Units Outstanding		
Class A	5,744,705	6,406,456
Class B	828,778	736,523
Class C	174,252	195,281
Class D	168,347	96,264
Class E	51,685	25,318
Class F (Note 8)	-	-
Class G	4,144,398	2,478,304
Class H	26,138	26,314
Net Asset Value per Unit		
Class A	\$ 11.51	\$ 10.77
Class B	\$ 11.51	\$ 10.77
Class C	\$ 11.32	\$ 10.63
Class D	\$ 12.01	\$ 11.13
Class E	\$ 11.82	\$ 10.99
Class F (Note 8)	\$ -	\$ -
Class G	\$ 11.51	\$ 10.77
Class H	\$ 12.01	\$ 11.13

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 2,093,858	\$ 1,792,289
Interest income	1,000,373	814,562
Net gains (losses) on forward foreign currency contracts	53,857	(267,292)
Total revenue	3,148,088	2,339,559
Expenses		
Management fees, including GST and HST	3,073,237	2,342,161
Other fees (Note 3)	3,325	3,098
Total expenses	3,076,562	2,345,259
Net Investment Income (Loss)	71,526	(5,700)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	171,876	4,349,487
Net unrealized increase (decrease) in value of portfolio investments	7,981,546	11,230,935
Net Gain (Loss) on Investments	8,153,422	15,580,422
Net Income (Loss) from Operations	\$ 8,224,948	\$ 15,574,722
Net Income (Loss) from Operations		
Class A	\$ 4,280,146	\$ 10,428,964
Class B	632,015	1,334,475
Class C	165,898	241,586
Class D	155,573	175,280
Class E	40,961	27,026
Class F (Note 8)	-	-
Class G	2,924,732	3,335,252
Class H	25,623	32,139
	\$ 8,224,948	\$ 15,574,722

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 68,969,998	\$ 62,312,738	\$ 7,929,166	\$ 4,280,702	\$ 2,076,727	\$ 1,150,378
Amounts received from policyholders	6,273,536	8,440,900	2,101,260	4,002,179	1,823,081	799,183
Net income (loss) from operations	4,280,146	10,428,964	632,015	1,334,475	165,898	241,586
Amounts withdrawn by policyholders	13,401,639	12,212,604	1,127,125	1,688,190	2,092,562	114,420
Net Assets - End of Period (GAAP NAV)	\$ 66,122,041	\$ 68,969,998	\$ 9,535,316	\$ 7,929,166	\$ 1,973,144	\$ 2,076,727
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 1,071,011	\$ 734,697	\$ 278,253	\$ -	\$ -	\$ -
Amounts received from policyholders	802,832	167,244	325,243	251,227	-	-
Net income (loss) from operations	155,573	175,280	40,961	27,026	-	-
Amounts withdrawn by policyholders	7,159	6,210	33,500	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ 2,022,257	\$ 1,071,011	\$ 610,957	\$ 278,253	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 26,680,756	\$ 5,672,140	\$ 292,768	\$ -	\$ 107,298,679	\$ 74,150,655
Amounts received from policyholders	21,057,796	19,000,549	69,653	260,629	32,453,401	32,921,911
Net income (loss) from operations	2,924,732	3,335,252	25,623	32,139	8,224,948	15,574,722
Amounts withdrawn by policyholders	2,962,418	1,327,185	74,030	-	19,698,433	15,348,609
Net Assets - End of Period (GAAP NAV)	\$ 47,700,866	\$ 26,680,756	\$ 314,014	\$ 292,768	\$ 128,278,595	\$ 107,298,679

Statement of Investment Portfolio As at December 31, 2010

EMPIRE LIFE

No. Units	Empire Life Investment Funds	Cost	Fair Value
2,553,922	American Value Fund - Class A	20,517,907	18,967,754
419,507	Bond Fund - Class A	16,500,587	17,751,786
4,161,730	Canadian Equity Fund - Class A	41,723,930	44,675,524
1,483,900	Global Smaller Companies Fund - Class A	12,972,338	12,666,879
511,209	Income Fund - Class A	6,725,430	7,613,729
2,106,116	International Equity Fund - Class A	21,510,545	18,722,918
206,863	Small Cap Equity Fund - Class A	4,745,760	6,404,469
TOTAL INVESTMENT PORTFOLIO		\$ 124,696,497	\$ 126,803,059

Aggressive Growth Portfolio Fund

Statement of Net Assets

As at December 31, 2010 and 2009

	2010	2009
Assets		
Cash and short-term investments	\$ 1,303,379	\$ 926,981
Investment portfolio at fair value	120,258,267	87,456,438
Amounts receivable for units issued	512,230	178,052
Total assets	122,073,876	88,561,471
Liabilities		
Accrued expenses	946	1,082
Amounts payable for units redeemed	2,152	25,687
Total liabilities	3,098	26,769
Net Assets	\$ 122,070,778	\$ 88,534,702
Net Asset Value		
Class A	\$ 45,116,452	\$ 44,899,632
Class B	7,609,406	5,389,321
Class C	462,744	175,472
Class D	-	215,232
Class E	-	-
Class F (Note 8)	-	-
Class G	68,104,942	37,069,617
Class H	777,234	785,428
	\$ 122,070,778	\$ 88,534,702
Number of Units Outstanding		
Class A	3,873,308	4,205,318
Class B	653,593	504,767
Class C	40,477	16,666
Class D	-	19,506
Class E	-	-
Class F (Note 8)	-	-
Class G	5,847,935	3,471,983
Class H	63,941	71,183
Net Asset Value per Unit		
Class A	\$ 11.65	\$ 10.68
Class B	\$ 11.64	\$ 10.68
Class C	\$ 11.43	\$ 10.53
Class D	\$ -	\$ 11.03
Class E	\$ -	\$ -
Class F (Note 8)	\$ -	\$ -
Class G	\$ 11.65	\$ 10.68
Class H	\$ 12.16	\$ 11.03

Statement of Operations

For the Years Ended December 31, 2010 and 2009

	2010	2009
Investment Income		
Dividend income	\$ 2,295,085	\$ 1,812,843
Interest income	67,013	10,618
Net gains (losses) on forward foreign currency contracts	45,266	(216,886)
Total revenue	2,407,364	1,606,575
Expenses		
Management fees, including GST and HST	2,782,831	1,932,973
Other fees (Note 3)	2,953	2,503
Total expenses	2,785,784	1,935,476
Net Investment Income (Loss)	(378,420)	(328,901)
Net Gain (Loss) on Investments		
Net realized gains (losses) on sale of investments	340,893	4,337,570
Net unrealized increase (decrease) in value of portfolio investments	9,917,605	11,775,946
Net Gain (Loss) on Investments	10,258,498	16,113,516
Net Income (Loss) from Operations	\$ 9,880,078	\$ 15,784,615
Net Income (Loss) from Operations		
Class A	\$ 3,796,618	\$ 8,208,141
Class B	547,385	879,313
Class C	37,362	27,640
Class D	5,816	95,232
Class E	-	-
Class F (Note 8)	-	-
Class G	5,412,666	6,418,662
Class H	80,231	155,627
	\$ 9,880,078	\$ 15,784,615

Statement of Changes in Net Assets For the Years Ended December 31, 2010 and 2009

	Class A		Class B		Class C	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 44,899,632	\$ 37,927,944	\$ 5,389,321	\$ 3,137,243	\$ 175,472	\$ 102,427
Amounts received from policyholders	4,583,943	4,953,542	3,442,298	1,512,692	288,416	63,307
Net income (loss) from operations	3,796,618	8,208,141	547,385	879,313	37,362	27,640
Amounts withdrawn by policyholders	8,163,741	6,189,995	1,769,598	139,927	38,506	17,902
Net Assets - End of Period (GAAP NAV)	\$ 45,116,452	\$ 44,899,632	\$ 7,609,406	\$ 5,389,321	\$ 462,744	\$ 175,472
	Class D		Class E		Class F	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 215,232	\$ -	\$ -	\$ -	\$ -	\$ -
Amounts received from policyholders	-	320,000	-	-	-	-
Net income (loss) from operations	5,816	95,232	-	-	-	-
Amounts withdrawn by policyholders	221,048	200,000	-	-	-	-
Net Assets - End of Period (GAAP NAV)	\$ -	\$ 215,232	\$ -	\$ -	\$ -	\$ -
	Class G		Class H		Total	
	2010	2009	2010	2009	2010	2009
Net Assets - Beginning of Year (GAAP NAV)	\$ 37,069,617	\$ 11,499,905	\$ 785,428	\$ 346,097	\$ 88,534,702	\$ 53,013,616
Amounts received from policyholders	34,055,409	29,777,943	69,414	698,584	42,439,480	37,326,068
Net income (loss) from operations	5,412,666	6,418,662	80,231	155,627	9,880,078	15,784,615
Amounts withdrawn by policyholders	8,432,750	10,626,893	157,839	414,880	18,783,482	17,589,597
Net Assets - End of Period (GAAP NAV)	\$ 68,104,942	\$ 37,069,617	\$ 777,234	\$ 785,428	\$ 122,070,778	\$ 88,534,702

EMPIRE LIFE Statement of Investment Portfolio As at December 31, 2010

No. Units	Empire Life Investment Funds	Cost	Fair Value
2,417,934	American Value Fund - Class A	18,600,970	17,957,786
5,630,641	Canadian Equity Fund - Class A	54,522,364	60,444,058
1,405,027	Global Smaller Companies Fund - Class A	11,601,598	11,993,602
1,994,927	International Equity Fund - Class A	19,214,922	17,734,468
391,744	Small Cap Equity Fund - Class A	9,122,717	12,128,353
TOTAL INVESTMENT PORTFOLIO		\$ 113,062,571	\$ 120,258,267

Notes to Financial Statements

For the Year Ended December 31, 2010

1. EMPIRE LIFE INVESTMENT FUNDS

The Empire Life Investment Funds (the Funds) are maintained by The Empire Life Insurance Company (Empire Life) in accordance with Section 451 of the Insurance Companies Act (Canada). Empire Life is the Manager (Manager) of the Funds. The Funds are not separate legal entities. The assets of each fund are owned by Empire Life for the exclusive benefit of owners of individual variable insurance contracts, whose deposits have been applied to acquire units in the funds.

(a) New Funds

On July 12, 2010 the Elite Equity Balanced Fund and the Dividend Growth Balanced Fund were made available for investment to contract holders. These funds were established on July 9, 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian generally accepted accounting principles (GAAP), and include estimates and assumptions made by management that may affect the reported amounts of assets, liabilities, income, expenses, gains and losses. Actual results may differ from these estimates.

Basis of Presentation

The Canadian Institute of Chartered Accountants Section 3855, "Financial Instruments - Recognition and Measurement" (Section 3855) establishes Canadian GAAP for financial instruments. Section 3855 requires financial instruments traded in active markets to be measured based on the last bid price for long positions and last ask price for short positions, which determines GAAP net asset value (GAAP NAV) for financial reporting purposes. For the purpose of calculating the daily net asset value per unit for valuing purchases and redemptions, the Canadian Life and Health Insurance Association Inc. permits measurement of fair value to be based on the last traded price (Trading NAV). Note 10 provides a comparison between Trading NAV per unit and GAAP NAV per unit.

International Financial Reporting Standards

The Canadian Accounting Standards Board (AcSB) has confirmed International Financial Reporting Standards (IFRS) will replace current Canadian standards and interpretations as Canadian GAAP for publicly accountable enterprises such as investment funds and other reporting issuers. The AcSB amended its IFRS changeover date for investment funds from the original date of January 1, 2011 to January 1, 2013. The amendment to the CICA Handbook allows investment funds applying Accounting Guideline - 18 to continue to apply the current accounting standards until then. Further, adoption of IFRS by investment funds would be mandatory for interim and annual financial statements relating to annual periods beginning on or after January 1, 2013. The Funds expect to adopt IFRS for the first time for the June 30, 2013 interim financial statements.

The Funds are developing a changeover plan to meet the timeline published by the CICA. The key elements of the plan include the disclosures of qualitative and quantitative impact, if any, in the June 30, 2013 interim financial statements and the preparation of the December 31, 2013 annual financial statements in accordance with IFRS.

The Funds anticipate there will be changes to the financial statements however the impact, if any, cannot be reasonably determined at this time.

Significant Accounting Policies

The significant accounting policies followed by the Funds are:

(a) Valuation of Investments

Bonds, equities, and short-term investments are valued based on independent fair value quotes whenever possible. In cases where such quotes are not available, fair values of applicable assets are determined, based on informed opinion, by The Empire Life Insurance Company.

Investment in another Fund is valued at the Trading NAV of that Fund.

Investment transactions are accounted for as of the trade date.

(b) Investment Income Recognition

Investment income is recognized on the accrual basis. Interest income is accrued daily and dividend income is recognized on the ex-dividend date. Realized gains (losses) on sale of portfolio investments are determined as the net of proceeds of sale and original cost if acquired in the current year, or the net of proceeds of sale and fair value at the previous year end, if acquired prior to the current year.

Transaction costs of the purchase and sale of securities are recognized in the current period.

Notes to Financial Statements

For the Year Ended December 31, 2010

(c) Unrealized Gains and Losses

Unrealized gains and losses on portfolio investments are included in "Net unrealized increase (decrease) in fair value of portfolio investments" on the Statement of Operations. Unrealized gains (losses) on portfolio investments are determined as the excess (deficiency) of fair value over book value of portfolio investments held. Book value is determined as original cost plus (minus) prior year end cumulative unrealized gain(loss).

(d) Foreign Currency Translation

The functional and reporting currency of the Funds is the Canadian dollar. Investment transactions denominated in foreign currencies are recorded in Canadian dollars at the actual settlement rate of exchange.

The fair value of portfolio investments denominated in foreign currencies is translated to Canadian dollars at the period end exchange rates.

Foreign exchange gains (losses) are included in "Dividend income", "Net realized gains (losses) on sale of investments", and "Net unrealized increase (decrease) in fair value of portfolio investments" on the Statement of Operations.

(e) Futures Contracts

The Funds may enter into equity index futures contracts to gain exposure to various equity markets. The notional amount of these financial instruments are not recognized in the financial statements. Notional amounts are the contract amounts used to calculate the cash flows to be exchanged. They are a common measure of volume of outstanding transactions. All futures that the Funds invest in are exchange traded.

Gains and losses on futures contracts are settled for cash on a daily basis, and are included in "Net realized gains (losses) on futures contracts" on the Statement of Operations.

(f) Forward Foreign Currency Contracts

The Funds may enter into forward foreign currency contracts to hedge all or part of the foreign currency exposure of investments. The notional amount of these financial instruments are not recognized in the financial statements.

The carrying and fair values of these contracts is the gain or loss that would be realized if the positions were closed out on the valuation date. The unrealized gain or loss is included in "Net unrealized gain (loss) on forward foreign currency contracts" on the Statement of Net Assets, and in "Net gains (losses) on forward foreign currency contracts" on the Statement of Operations. Upon closing of a contract, the realized gain or loss is recorded in "Net gains (losses) on forward foreign currency contracts" on the Statement of Operations.

(g) Options

Premiums received for written options are recorded as a deferred credit. While an option remains open, the deferred credit is valued at an amount equal to the current market value of the option, which would have the effect of closing the option. The deferred credit is included in "Written options liability" on the Statement of Net Assets. Any difference resulting from revaluation of the deferred credit is treated as an unrealized gain or loss on investment, and is included in "Net unrealized increase (decrease) in fair value of portfolio investments" on the Statement of Operations. The securities which are the subject of a written option are valued at their current fair value. When an option is exercised by its holder or expires, the premium received is recognized as a realized gain, and is included in "Net realized gains (losses) on sale of investments" on the Statement of Operations.

Premiums paid for purchased options are recorded as an asset on the Statement of Net Assets, and are valued at the current fair value of the option. Any difference from revaluation of the option is included in "Net unrealized increase (decrease) in fair value of portfolio investments" on the Statement of Operations. When a purchased option is exercised or expires, the premium paid is recognized as a loss, and is included in "Net realized gains (losses) on sale of investments" on the Statement of Operations.

(h) Net Asset Value per Unit

Net asset value per unit is calculated at the end of each day on which the Funds' Manager is open for business (the valuation date).

A separate net asset value per unit is calculated for each Fund Class of each Fund. A Fund Class unit value is calculated by dividing the Fund Class proportionate share of the fair value of the net assets of the Fund attributable to all Fund Classes less operating expenses and management fees including taxes attributable solely to a Fund Class, by the number of Fund Class units of the respective Fund outstanding on the valuation date.

(i) Abbreviations

The following is an abbreviation legend for abbreviations that may be used in the Funds' financial statements:

Currency Abbreviations

AUD - Australian Dollar	JPY - Japanese Yen
BRL - Brazilian Real	KRW - South Korean Won
CHF - Swiss Franc	NOK - Norwegian Krone
CZK - Czech Koruna	PLN - Polish Zloty
DKK - Danish Krone	SEK - Swedish Krona
EUR - Euro	SGD - Singapore Dollar
GBP - British Pound	TRY - Turkish New Lira
HKD - Hong Kong Dollar	TWD - Taiwan Dollar
ILS - Israeli New Shequel	USD - United States Dollar
INR - Indian Rupee	ZAR - South African Rand

Other Abbreviations

ADR - American Depository Receipt
GDR - Global Depository Receipt
REIT - Real Estate Investment Trust

3. MANAGEMENT FEE AND OTHER FEES

The Funds are charged a management fee by The Empire Life Insurance Company in consideration for professional investment management and the administration of the Funds. Management fees are calculated and accrued on a daily basis and paid to The Empire Life Insurance Company on the next business day. The management fee for each Fund is comprised of the total of the management fee for each Fund Class within the respective Fund. Each Fund Class management fee is calculated as the respective Fund Class management fee percentage times the Fund's net asset value attributable to that Fund Class.

Other fees are comprised of expenses incurred in the administration of the Funds, as per the following table:

	2010	2009		2010	2009
Canadian Equity			Dividend Growth		
Custodial fees	9,316	11,158	Custodial fees	33,762	40,576
Audit fees	5,894	5,276	Audit fees	24,245	24,088
Unitholder reporting costs	580	860	Unitholder reporting costs	9,574	17,392
	<u>\$15,790</u>	<u>\$17,294</u>		<u>\$67,581</u>	<u>\$82,056</u>
Elite Equity			Global Dividend Growth		
Custodial fees	76,922	32,973	Custodial fees	14,656	13,441
Audit fees	22,796	26,011	Audit fees	506	556
Unitholder reporting costs	8,648	18,862	Unitholder reporting costs	188	278
	<u>\$108,366</u>	<u>\$77,846</u>		<u>\$15,350</u>	<u>\$14,275</u>
Premier Equity			Small Cap Equity		
Custodial fees	31,305	15,303	Custodial fees	19,518	15,545
Audit fees	4,142	4,748	Audit fees	11,613	9,630
Unitholder reporting costs	1,614	63	Unitholder reporting costs	4,535	6,567
	<u>\$37,061</u>	<u>\$20,114</u>		<u>\$35,666</u>	<u>\$31,742</u>
Equity Growth Fund #3			Global Smaller Companies		
Custodial fees	21,544	9,137	Custodial fees	22,093	19,658
Audit fees	192	232	Audit fees	2,000	1,913
Unitholder reporting costs	74	2	Unitholder reporting costs	240	477
	<u>\$21,810</u>	<u>\$9,371</u>		<u>\$24,333</u>	<u>\$22,048</u>

Notes to Financial Statements

For the Year Ended December 31, 2010

	2010	2009		2010	2009
Global Equity			Global Balanced		
Custodial fees	63,618	105,530	Custodial fees	12,824	2,140
Audit fees	1,133	1,397	Audit fees	317	347
Unitholder reporting costs	402	1,001	Unitholder reporting costs	122	253
	<u>\$65,153</u>	<u>\$107,928</u>		<u>\$13,263</u>	<u>\$2,740</u>
International Equity			Bond		
Custodial fees	156,563	166,815	Custodial fees	14,049	10,393
Audit fees	3,352	3,347	Audit fees	8,922	8,459
Unitholder reporting costs	271	722	Unitholder reporting costs	1,712	3,430
	<u>\$160,186</u>	<u>\$170,884</u>		<u>\$24,683</u>	<u>\$22,282</u>
American Value			Income		
Custodial fees	8,740	9,285	Custodial fees	10,971	4,550
Audit fees	3,136	2,966	Audit fees	4,541	3,605
Unitholder reporting costs	78	388	Unitholder reporting costs	1,234	1,336
	<u>\$11,954</u>	<u>\$12,639</u>		<u>\$16,746</u>	<u>\$9,491</u>
US Equity Index			Money Market		
Custodial fees	1,315	1,226	Custodial fees	3,923	6,303
Audit fees	579	671	Audit fees	2,935	4,614
Unitholder reporting costs	210	471	Unitholder reporting costs	691	1,697
	<u>\$2,104</u>	<u>\$2,368</u>		<u>\$7,549</u>	<u>\$12,614</u>
Elite Equity Balanced (Note 1)			Conservative Portfolio		
Custodial fees	117	-	Custodial fees	28	23
Audit fees	60	-	Audit fees	2,239	2,144
Unitholder reporting costs	-	-		<u>\$2,267</u>	<u>\$2,167</u>
	<u>\$177</u>	<u>\$-</u>	Balanced Portfolio		
Dividend Growth Balanced (Note 1)			Custodial fees	57	43
Custodial fees	265	-	Audit fees	4,384	3,909
Audit fees	238	-		<u>\$4,441</u>	<u>\$3,952</u>
Unitholder reporting costs	-	-	Moderate Growth Portfolio		
	<u>\$503</u>	<u>\$-</u>	Custodial fees	68	48
Asset Allocation			Audit fees	5,534	5,031
Custodial fees	25,247	36,398		<u>\$5,602</u>	<u>\$5,079</u>
Audit fees	7,516	7,825	Growth Portfolio		
Unitholder reporting costs	2,969	5,717	Custodial fees	31	31
	<u>\$35,732</u>	<u>\$49,940</u>	Audit fees	3,294	3,067
Balanced				<u>\$3,325</u>	<u>\$3,098</u>
Custodial fees	46,034	25,794	Aggressive Growth Portfolio		
Audit fees	14,367	15,214	Custodial fees	39	29
Unitholder reporting costs	5,467	10,862	Audit fees	2,914	2,474
	<u>\$65,868</u>	<u>\$51,870</u>		<u>\$2,953</u>	<u>\$2,503</u>

Other fees are allocated to each Fund Class based on the Fund Class proportionate share of the fair value of the net assets of the Fund.

Management fees and other fees are not charged in respect of Class F units, however Class F unitholders are charged directly a separately negotiated management fee (see note 8).

The management expense ratio (MER) expresses the Fund Class management fees (including GST and HST) and other fees as a percentage of average Fund Class net assets.

The following table shows the Management Expense Ratios for the past five years.

	2010	2009	2008	2007	2006
Canadian Equity					
Class A	2.59%	2.53%	2.53%	2.56%	2.59%
Class B	2.62%	2.53%	2.53%	2.56%	n/a
Class C	3.03%	2.95%	2.95%	2.98%	2.97%
Class D	1.54%	1.54%	1.55%	1.56%	n/a
Class E	1.96%	1.97%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Elite Equity					
Class A	2.60%	2.53%	2.54%	2.56%	2.57%
Class B	2.63%	2.53%	2.54%	2.56%	2.56%
Class C	3.05%	2.95%	2.96%	2.99%	2.97%
Class D	1.59%	1.54%	1.55%	1.57%	n/a
Class E	1.97%	1.96%	1.99%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Premier Equity	1.58%	1.53%	1.53%	1.54%	1.55%
Equity Growth Fund #3	1.60%	1.40%	1.39%	1.36%	1.38%
Dividend Growth					
Class A	2.59%	2.53%	2.53%	2.56%	2.56%
Class B	2.62%	2.53%	2.53%	2.56%	2.56%
Class C	3.04%	2.95%	2.95%	2.98%	2.98%
Class D	1.59%	1.55%	1.55%	1.56%	n/a
Class E	2.04%	1.96%	1.97%	1.99%	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Global Dividend Growth					
Class A	2.66%	2.61%	2.68%	2.80%	n/a
Class B	2.71%	2.61%	2.69%	2.78%	n/a
Class C	3.14%	3.03%	3.11%	3.20%	n/a
Class D	1.66%	1.62%	1.69%	1.75%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Small Cap Equity					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.62%	2.53%	2.54%	2.56%	2.56%
Class C	3.02%	2.95%	2.96%	2.99%	2.98%
Class D	1.59%	1.54%	1.55%	1.58%	n/a
Class E	1.96%	1.97%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Global Smaller Companies					
Class A	3.00%	2.94%	2.95%	3.01%	3.06%
Class B	3.04%	2.94%	2.96%	3.02%	n/a
Class C	3.43%	3.36%	3.37%	3.45%	3.44%
Class D	1.99%	1.95%	1.97%	2.03%	n/a
Class E	2.43%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a

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For the Year Ended December 31, 2010

	2010	2009	2008	2007	2006
Global Equity					
Class A	2.75%	2.78%	2.62%	2.63%	2.61%
Class B	2.77%	2.78%	2.63%	2.62%	2.55%
Class C	3.21%	3.20%	3.05%	3.05%	n/a
Class D	1.71%	1.80%	1.64%	1.63%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
International Equity					
Class A	3.02%	2.99%	2.91%	2.93%	2.99%
Class B	3.05%	2.99%	2.91%	2.94%	3.01%
Class C	3.47%	3.41%	3.34%	3.36%	3.40%
Class D	2.05%	2.00%	1.93%	1.96%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
American Value					
Class A	2.60%	2.54%	2.54%	2.58%	2.60%
Class B	2.61%	2.54%	2.54%	2.58%	2.61%
Class C	3.06%	2.96%	2.96%	3.00%	n/a
Class D	1.59%	1.55%	1.55%	n/a	n/a
Class E	1.96%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
US Equity Index					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.61%	2.53%	2.54%	2.56%	n/a
Class C	3.05%	2.95%	2.96%	2.98%	2.96%
Class D	1.58%	1.55%	1.55%	n/a	n/a
Class E	1.96%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Elite Equity Balanced					
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.71%	n/a	n/a	n/a	n/a
Class H	n/a	n/a	n/a	n/a	n/a
Dividend Growth Balanced					
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.78%	n/a	n/a	n/a	n/a
Class H	1.54%	n/a	n/a	n/a	n/a
Asset Allocation					
Class A	2.59%	2.54%	2.55%	2.57%	2.58%
Class B	2.63%	2.54%	2.55%	2.57%	2.57%
Class C	2.95%	2.88%	2.89%	2.91%	2.91%
Class D	1.59%	1.56%	1.57%	1.58%	n/a
Class E	1.88%	1.93%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.59%	2.54%	2.56%	n/a	n/a
Class H	1.55%	1.56%	n/a	n/a	n/a
Balanced					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.62%	2.53%	2.54%	2.56%	2.56%
Class C	2.91%	2.83%	2.83%	2.86%	2.86%
Class D	1.59%	1.54%	1.55%	1.58%	n/a
Class E	1.84%	1.84%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.59%	2.53%	2.54%	n/a	n/a
Class H	1.55%	1.55%	1.56%	n/a	n/a

	2010	2009	2008	2007	2006
Global Balanced					
Class A	2.97%	2.82%	2.88%	2.87%	2.92%
Class B	3.00%	2.82%	2.88%	2.87%	2.79%
Class C	3.33%	3.11%	3.17%	3.18%	n/a
Class D	1.98%	1.83%	1.97%	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	3.03%	2.83%	2.88%	n/a	n/a
Class H	1.92%	1.82%	1.87%	n/a	n/a
Bond					
Class A	2.20%	2.15%	2.15%	2.17%	2.18%
Class B	2.23%	2.15%	2.15%	2.17%	2.18%
Class C	2.41%	2.32%	2.32%	2.34%	2.35%
Class D	1.45%	1.43%	n/a	n/a	n/a
Class E	1.59%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.21%	2.15%	2.15%	n/a	n/a
Class H	1.43%	n/a	n/a	n/a	n/a
Income					
Class A	2.21%	2.15%	2.15%	2.17%	2.18%
Class B	2.23%	2.15%	2.15%	2.17%	n/a
Class C	2.40%	2.32%	2.32%	2.35%	n/a
Class D	1.45%	1.43%	n/a	n/a	n/a
Class E	1.59%	1.61%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.20%	2.15%	2.15%	n/a	n/a
Class H	1.43%	1.43%	1.43%	n/a	n/a
Money Market					
Class A	0.82%	0.72%	1.01%	1.02%	1.03%
Class B	1.26%	1.14%	1.43%	1.44%	1.47%
Class C	1.33%	1.20%	1.51%	1.53%	1.54%
Class D	0.82%	0.57%	0.81%	0.82%	n/a
Class E	0.90%	0.61%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	1.25%	1.14%	1.43%	n/a	n/a
Class H	0.83%	0.51%	0.93%	n/a	n/a
Conservative Portfolio					
Class A	2.47%	2.41%	2.41%	2.43%	2.44%
Class B	2.50%	2.41%	2.41%	2.43%	2.43%
Class C	2.77%	2.66%	2.66%	2.69%	2.69%
Class D	n/a	n/a	1.42%	n/a	n/a
Class E	1.74%	1.67%	1.67%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.49%	2.41%	2.41%	n/a	n/a
Class H	1.48%	1.42%	n/a	n/a	n/a
Balanced Portfolio					
Class A	2.52%	2.46%	2.46%	2.49%	2.50%
Class B	2.56%	2.46%	2.46%	2.49%	2.49%
Class C	2.85%	2.75%	2.75%	2.78%	n/a
Class D	1.50%	1.47%	1.47%	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.52%	2.46%	2.46%	n/a	n/a
Class H	1.52%	1.47%	n/a	n/a	n/a

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For the Year Ended December 31, 2010

	2010	2009	2008	2007	2006
Moderate Growth Portfolio					
Class A	2.63%	2.57%	2.57%	2.59%	2.60%
Class B	2.66%	2.57%	2.57%	2.59%	2.59%
Class C	2.99%	2.90%	2.90%	2.93%	2.93%
Class D	1.64%	1.58%	1.58%	n/a	n/a
Class E	1.98%	1.91%	1.91%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.63%	2.57%	2.57%	n/a	n/a
Class H	1.58%	n/a	n/a	n/a	n/a
Growth Portfolio					
Class A	2.67%	2.62%	2.62%	2.65%	2.66%
Class B	2.72%	2.62%	2.62%	2.65%	2.65%
Class C	3.09%	2.99%	2.99%	3.02%	3.01%
Class D	1.70%	1.63%	1.63%	1.65%	n/a
Class E	2.09%	2.00%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.68%	2.62%	2.62%	n/a	n/a
Class H	1.68%	1.63%	n/a	n/a	n/a
Aggressive Growth Portfolio					
Class A	2.73%	2.68%	2.68%	2.71%	2.72%
Class B	2.79%	2.68%	2.68%	2.71%	n/a
Class C	3.23%	3.10%	3.10%	3.14%	n/a
Class D	1.69%	1.69%	n/a	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.76%	2.68%	2.68%	n/a	n/a
Class H	1.76%	1.69%	1.70%	n/a	n/a

The Empire Life Insurance Company has waived a portion of the management fee charged on classes A, B, C and G of the Money Market Fund. The fee waiver can be terminated at any time without notice. The Management Expense Ratios reported for the Money Market Fund reflect the waiver of a portion of the management fee. Had there not been a waiver, the Management Expense Ratios would have been higher than that reported, as shown in the following table:

	MER		MER
	Before Waiver	Waiver	After Waiver
Class A	1.04%	0.22%	0.82%
Class B	1.47%	0.21%	1.26%
Class C	1.56%	0.23%	1.33%
Class G	1.48%	0.23%	1.25%

The Conservative Portfolio Fund, Balanced Portfolio Fund, Moderate Growth Portfolio Fund, Growth Portfolio Fund, and Aggressive Growth Portfolio Fund invest in other segregated funds operated by The Empire Life Insurance Company. On each valuation date, The Empire Life Insurance Company reimburses to the Conservative Portfolio Fund, Balanced Portfolio Fund, Moderate Growth Portfolio Fund, Growth Portfolio Fund, and Aggressive Growth Portfolio Fund the management fees, GST and HST and other expenses charged to these Portfolio Funds by the other segregated funds.

4. SECONDARY FUNDS

(a) International Equity Sub-Fund

The International Equity fund obtains exposure to international economies through investment in the International Equity Sub-Fund. This secondary fund is operated by The Empire Life Insurance Company, who has appointed Sanford C Bernstein & Co., LLC (AllianceBernstein) as Portfolio Advisor. The International Equity Sub-Fund maintains investments in a number of foreign stock markets primarily in Europe, the Far East, and the Pacific Basin.

Exposure to each international economy is disclosed as an investment in international equities. The amount of exposure is determined as each fund's pro-rata share of the fair value of the secondary fund's investment in stocks.

5. RISK FACTORS

Inherent in the investments held by each Fund is exposure to certain risk factors. Risk factors may include changes in interest rates, credit quality, currency exchange prices, trading conditions in stock and derivative markets and changes in other economic and marketplace conditions including changes in perceptions of future prospects for particular economies, governments, industries, and companies.

The nature and extent of exposure to risk factors varies between Funds because the types and mix of investments reflect each Fund's objective.

The Statement of Investment Portfolio for each Fund provides detailed information on individual investments and on the mix of investments that are relevant to evaluating exposure to various risk factors.

Each Fund's portfolio manager manages risk factors through prudent selection and diversification of securities and financial instruments, within the limits established by the Fund's investment objectives. The Fund's portfolio manager monitors market positions on a daily basis.

(a) Credit Risk

Credit risk is the risk that a security issuer or counterparty to a financial instrument does not meet the financial obligations of the security or financial instrument, resulting in a decline in value of the security or financial instrument. The fair value of a Fund's investments in debt instruments, forward foreign currency contracts, and options represents its maximum exposure to credit risk, as these fair values include consideration of creditworthiness of the issuer.

The credit risk exposure by credit rating for investments in bonds for the following Funds is:

Credit Rating	Asset Allocation		Balanced	
	% of Net Assets		% of Net Assets	
	2010	2009	2010	2009
AAA	12.3%	5.0%	17.3%	13.5%
AA	4.4%	1.4%	6.1%	3.0%
A	9.7%	7.2%	16.1%	15.0%
BBB	1.3%	1.7%	2.6%	3.6%
Below BBB	0.0%	0.0%	0.0%	0.0%
Total	27.7%	15.3%	42.1%	35.1%

Credit Rating	Global Balanced		Bond	
	% of Net Assets		% of Net Assets	
	2010	2009	2010	2009
AAA	26.5%	15.7%	29.1%	34.7%
AA	0.0%	1.9%	14.1%	8.7%
A	0.0%	0.0%	36.7%	37.2%
BBB	0.0%	0.0%	6.6%	9.0%
Below BBB	0.0%	0.0%	0.0%	0.0%
Total	26.5%	17.6%	86.5%	89.6%

Credit Rating	Income	
	% of Net Assets	
	2010	2009
AAA	17.9%	6.9%
AA	10.3%	9.2%
A	33.5%	35.5%
BBB	9.7%	14.6%
Below BBB	0.0%	1.0%
Total	71.4%	67.2%

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For the Year Ended December 31, 2010

(b) Liquidity Risk

Liquidity risk is the risk that a Fund may not be able to meet its financial obligations, which include the settling of securities purchased, payments on foreign forward currency contracts, and payment to unit holders for redemption of units of the Fund.

Liquidity risk is concentrated in each Funds' obligation to redeem units for cash at the demand of unit holders. Each fund is exposed to daily cash redemption of units of the Fund.

Each Fund invests primarily in investments that are traded in active markets and can be readily disposed. In addition, each Fund holds sufficient cash and cash equivalent positions to maintain liquidity.

(c) Interest Rate Risk

Interest rate risk is the risk that the fair value of interest-bearing financial instruments may fluctuate due to changes in prevailing market interest rates.

Each Funds' interest rate risk arises from its investment in debt securities such as bonds and short-term investments. There is minimal sensitivity to interest rate fluctuations on cash and short-term investments.

The interest rate risk by term to maturity for investments in bonds for the followings Funds is:

Interest Rate Exposure	Asset Allocation		Balanced	
	2010	2009	2010	2009
< 1 year	\$14,054,777	\$6,216,265	\$53,349,356	\$41,992,402
1-3 years	20,474,699	11,913,717	55,166,531	47,456,282
3-5 years	13,359,334	6,703,050	34,328,231	27,079,455
5-10 years	19,374,458	9,819,110	44,888,284	37,608,294
> 10 years	9,247,976	5,197,110	26,913,943	20,595,372
Total	<u>\$76,511,244</u>	<u>\$39,849,252</u>	<u>\$214,646,345</u>	<u>\$174,731,805</u>

Interest Rate Exposure	Global Balanced		Bond	
	2010	2009	2010	2009
< 1 year	\$600,614	\$425,245	\$38,308,788	\$39,264,808
1-3 years	1,039,518	840,086	85,204,127	84,334,921
3-5 years	172,702	214,690	54,347,561	52,930,853
5-10 years	937,020	209,541	70,419,619	68,817,572
> 10 years	345,766	322,380	43,174,546	37,014,805
Total	<u>\$3,095,620</u>	<u>\$2,011,942</u>	<u>\$291,454,641</u>	<u>\$282,362,959</u>

Interest Rate Exposure	Income	
	2010	2009
< 1 year	\$20,104,676	\$9,343,049
1-3 years	41,254,519	23,037,048
3-5 years	25,700,903	15,132,678
5-10 years	27,883,054	17,629,985
> 10 years	24,297,499	22,300,150
Total	<u>\$139,240,651</u>	<u>\$87,442,910</u>

If market interest rates had been raised or lowered by 1%, assuming a parallel shift in the yield curve, with all other factors remaining constant, the net assets of the following Funds may have decreased or increased by the following amounts:

	2010	2009
Asset Allocation	\$3,504,215	\$1,713,518
Balanced	\$9,208,328	\$6,814,540
Global Balanced	\$159,115	\$92,549
Bond	\$12,503,404	\$11,576,881
Income	\$6,655,703	\$4,372,148

In practice, the actual results may differ from these amounts, and the difference could be material.

(d) Currency Risk

Currency risk is the risk that the fair value of a financial instrument may fluctuate due to changes in foreign exchange rates.

Each Funds' currency risk arises from its investments that are denominated in a currency other than Canadian dollars.

Each Fund may enter into foreign forward currency contracts for hedging purposes, to reduce foreign currency exposure.

Foreign currencies to which each Fund has exposure is as follows:

	Elite Equity		Premier Equity		Equity Growth Fund #3	
	2010	2009	2010	2009	2010	2009
AUD	\$3,507,772	\$ -	\$600,057	\$ -	\$28,947	\$ -
CHF	4,155,452	-	709,016	-	32,719	-
DKK	858,319	-	146,363	-	6,734	-
EUR	11,528,206	-	1,966,350	-	90,532	-
GBP	11,312,252	28,460,136	1,931,919	4,981,742	91,605	178,654
HKD	1,678,356	-	286,405	-	13,570	-
JPY	9,938,979	15,194,990	1,692,883	2,610,575	81,082	129,563
KRW	1,711,994	-	292,840	-	13,562	-
SEK	1,977,580	-	337,014	-	14,155	-
SGD	722,215	-	122,148	-	4,744	-
USD	130,255,527	112,231,999	23,418,912	19,779,039	1,044,525	923,910
	<u>\$177,646,652</u>	<u>\$155,887,125</u>	<u>\$31,503,907</u>	<u>\$27,371,356</u>	<u>\$1,422,175</u>	<u>\$1,232,127</u>

	Dividend Growth		Global Dividend Growth		Small Cap Equity	
	2010	2009	2010	2009	2010	2009
AUD	\$ -	\$374,337	\$933,387	\$1,561,111	\$ -	\$ -
BRL	-	365,009	419,408	1,522,211	-	-
CHF	-	820,390	838,379	3,421,300	-	-
EUR	-	783,704	1,670,860	3,268,308	-	-
GBP	-	758,592	941,064	3,163,581	-	-
HKD	-	414,189	395,113	1,727,304	-	-
INR	-	225,071	358,289	938,621	-	-
JPY	-	482,742	1,559,674	2,013,196	-	-
KRW	-	227,164	349,869	947,350	-	-
SEK	-	364,466	396,186	1,519,946	-	-
SGD	-	-	353,399	-	-	-
USD	-	9,939,794	9,820,510	10,115,165	2,412,475	-
	<u>\$ -</u>	<u>\$14,755,458</u>	<u>\$18,036,138</u>	<u>\$30,198,093</u>	<u>\$2,412,475</u>	<u>\$ -</u>

Notes to Financial Statements

For the Year Ended December 31, 2010

	Global Smaller Companies		Global Equity		International Equity	
	2010	2009	2010	2009	2010	2009
AUD	\$3,288,965	\$2,851,324	\$953,363	\$1,465,862	\$6,494,225	\$8,296,019
BRL	-	-	129,824	531,019	279,454	1,317,119
CHF	3,886,764	3,674,214	497,790	811,893	6,666,291	2,416,838
CZK	-	-	-	4,109	-	22,886
DKK	-	-	292,591	689,970	1,263,736	1,985,866
EUR	9,883,634	7,936,280	6,266,698	8,722,777	38,241,918	40,522,229
GBP	6,514,229	2,845,472	3,644,206	5,263,814	26,727,751	23,792,569
HKD	-	-	286,375	456,290	1,536,806	725,510
ILS	-	-	-	491,699	-	1,175,135
JPY	4,541,616	11,155,856	4,459,870	3,014,748	28,836,324	11,495,859
KRW	-	-	-	-	1,362,426	4,204,794
NOK	-	-	-	295,198	2,316,598	1,849,783
PLN	-	-	93,284	-	-	-
SEK	-	-	121,592	173,244	20,231	2,093,127
SGD	636,900	2,140,439	-	-	339,097	-
TRY	-	-	122,179	477,328	452,477	1,143,524
TWD	-	-	-	1,059,041	670,451	3,603,141
USD	30,696,172	23,117,335	19,271,071	12,666,130	562,816	1,544,784
ZAR	-	-	-	178,851	-	400,450
	<u>\$59,448,280</u>	<u>\$53,720,920</u>	<u>\$36,138,843</u>	<u>\$36,301,973</u>	<u>\$115,770,601</u>	<u>\$106,589,633</u>

	American Value		Asset Allocation		Balanced	
	2010	2009	2010	2009	2010	2009
AUD	\$ -	\$ -	\$ -	\$1,754,422	\$ -	\$ -
BRL	-	-	-	1,458,729	-	-
CHF	-	-	-	1,591,751	-	-
EUR	-	-	-	1,863,720	-	-
GBP	-	-	-	6,908,956	-	7,233,866
HKD	-	-	-	540,839	-	-
INR	-	-	-	982,609	-	-
JPY	-	-	-	3,569,677	-	4,465,822
KRW	-	-	-	1,946,505	-	-
SEK	-	-	-	795,638	-	-
SGD	-	-	-	-	-	-
USD	285,590,333	218,394,510	-	31,628,344	-	32,306,669
	<u>\$285,590,333</u>	<u>\$218,394,510</u>	<u>\$ -</u>	<u>\$53,041,190</u>	<u>\$ -</u>	<u>\$44,006,357</u>

	Global Balanced	
	2010	2009
AUD	\$ 218,081	\$769,843
BRL	87,344	66,377
CHF	195,348	975,824
EUR	1,310,844	782,919
GBP	389,049	378,769
HKD	82,974	271,989
INR	77,825	40,929
JPY	428,245	87,787
KRW	82,856	367,284
SEK	85,474	265,008
SGD	73,526	-
USD	3,200,787	4,704,494
	<u>\$6,232,353</u>	<u>\$8,711,223</u>

The amounts in the above tables are based on the carrying value of each Funds' investments, including the underlying principal of foreign forward currency contracts.

Had the Canadian dollar strengthened or weakened by 1% in relation to all currencies, with all other factors remaining constant, net assets may have decreased or increased for each Fund as follows:

	2010	2009
Elite Equity	\$1,776,467	\$1,558,871
Premier Equity	\$315,039	\$273,714
Equity Growth Fund #3	\$14,222	\$12,321
Dividend Growth	\$ -	\$147,555
Global Dividend Growth	\$180,361	\$301,981
Small Cap Equity	\$24,125	\$ -
Global Smaller Companies	\$594,483	\$537,209
Global Equity	\$361,388	\$363,020
International Equity	\$1,157,706	\$1,065,896
American Value	\$2,855,903	\$2,183,945
Asset Allocation	\$ -	\$530,412
Balanced	\$ -	\$440,064
Global Balanced	\$62,324	\$87,112

In practice, actual amounts may differ from these amounts, and the difference could be material.

(e) Other Price Risk

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market prices, other than those arising from interest rate risk or currency risk.

Each Fund's other price risk arises from its investments in all types of securities or financial instruments. The maximum risk is determined by the carrying value of the investments.

Had global equity prices increased or decreased by 10%, with all other factors remaining constant, net assets may have increased or decreased for each Fund as follows:

	2010	2009
Canadian Equity	\$23,095,960	\$18,020,239
Elite Equity	\$84,938,317	\$85,014,454
Premier Equity	\$14,786,316	\$14,547,882
Equity Growth Fund #3	\$677,690	\$678,945
Dividend Growth	\$91,800,653	\$76,724,656
Global Dividend Growth	\$2,000,627	\$3,126,130
Small Cap Equity	\$43,502,119	\$35,447,127
Global Smaller Companies	\$6,163,696	\$5,905,550
Global Equity	\$3,719,293	\$4,320,308
International Equity	\$11,994,049	\$10,695,658
American Value	\$27,302,818	\$20,900,660
Asset Allocation	\$19,033,515	\$20,576,281
Balanced	\$28,068,773	\$28,589,686
Global Balanced	\$807,254	\$871,984
Income	\$4,698,854	\$3,258,146

In practice, actual amounts may differ from these amounts, and the difference could be material.

The Money Market and Bond Funds do not have any significant other price risk. These Funds' market risk exposures are discussed in previous sections.

Notes to Financial Statements

For the Year Ended December 31, 2010

6. FAIR VALUE MEASUREMENT

The following is a summary of the inputs used in valuing each Fund's investments and derivatives carried at fair values:

	2010			
	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Canadian Equity				
Common shares	\$230,959,597	\$ -	\$ -	\$230,959,597
Short-term notes	-	8,037,953	-	8,037,953
Total Investments	\$230,959,597	\$8,037,953	\$ -	\$238,997,550
Elite Equity				
Common shares	\$717,915,498	\$ -	\$ -	\$717,915,498
Investments in funds	140,331,640	-	-	140,331,640
Short-term notes	-	2,478,000	-	2,478,000
Total Investments	\$858,247,138	\$2,478,000	\$ -	\$860,725,138
Premier Equity				
Common shares	\$124,215,163	\$ -	\$ -	\$124,215,163
Investments in funds	23,647,996	-	-	23,647,996
Short-term notes	-	2,361,000	-	2,361,000
Total Investments	\$147,863,159	\$2,361,000	\$ -	\$150,224,159
Equity Growth Fund #3				
Common shares	\$5,722,444	\$ -	\$ -	\$5,722,444
Investments in funds	1,054,455	-	-	1,054,455
Short-term notes	-	150,000	-	150,000
Total Investments	\$6,776,899	\$150,000	\$ -	\$6,926,899
Dividend Growth				
Common shares	\$918,006,533	\$ -	\$ -	\$918,006,533
Investments in funds	17,154,355	-	-	17,154,355
Short-term notes	-	23,947,442	-	23,947,442
Total Investments	\$935,160,888	\$23,947,442	\$ -	\$959,108,330
Global Dividend Growth				
Common shares	\$20,006,272	\$ -	\$ -	\$20,006,272
Short-term notes	-	183,000	-	183,000
Total Investments	\$20,006,272	\$183,000	\$ -	\$20,189,272
Derivative liabilities	\$ -	\$12,532	\$ -	\$12,532
Small Cap Equity				
Common shares	\$430,633,294	\$ -	\$4,387,899	\$435,021,193
Total Investments	\$430,633,294	\$ -	\$4,387,899	\$435,021,193
Global Smaller Companies				
Common shares	\$61,636,957	\$ -	\$ -	\$61,636,957
Total Investments	\$61,636,957	\$ -	\$ -	\$61,636,957
Global Equity				
Common shares	\$37,192,927	\$ -	\$ -	\$37,192,927
Total Investments	\$37,192,927	\$ -	\$ -	\$37,192,927

2010

	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
International Equity				
Common shares	\$119,930,598	\$ -	\$9,888	\$119,940,486
Total Investments	\$119,930,598	\$ -	\$9,888	\$119,940,486
American Value				
Common shares	\$273,028,182	\$ -	\$ -	\$273,028,182
Short-term notes	-	20,008,313	-	20,008,313
Total Investments	\$273,028,182	\$20,008,313	\$ -	\$293,036,495
Derivative liabilities	\$ -	\$162,120	\$ -	\$162,120
US Equity Index				
Short-term notes	\$ -	\$20,821,445	\$ -	\$20,821,445
Total Investments	\$ -	\$20,821,445	\$ -	\$20,821,445
Derivative liabilities	\$ -	\$24,803	\$ -	\$24,803
Asset Allocation				
Common shares	\$190,335,151	\$ -	\$ -	\$190,335,151
Bonds	-	76,511,244	-	76,511,244
Short-term notes	-	8,638,200	-	8,638,200
Total Investments	\$190,335,151	\$85,149,444	\$ -	\$275,484,595
Balanced				
Common shares	\$280,687,725	\$ -	\$ -	\$280,687,725
Bonds	-	214,646,345	-	214,646,345
Short-term notes	-	12,158,450	-	12,158,450
Total Investments	\$280,687,725	\$226,804,795	\$ -	\$507,492,520
Global Balanced				
Common shares	\$8,072,538	\$ -	\$ -	\$8,072,538
Bonds	-	3,095,620	-	3,095,620
Short-term notes	-	322,984	-	322,984
Total Investments	\$8,072,538	\$3,418,604	\$ -	\$11,491,142
Derivative liabilities	\$ -	\$2,864	\$ -	\$2,864
Bond				
Bonds	\$ -	\$291,454,641	\$ -	\$291,454,641
Investments in funds	6,064,020	-	-	6,064,020
Short-term notes	-	37,691,808	-	37,691,808
Total Investments	\$6,064,020	\$329,146,449	\$ -	\$335,210,469

Notes to Financial Statements

For the Year Ended December 31, 2010

2010				
	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Income				
Common shares	\$46,988,544	\$ -	\$ -	\$46,988,544
Bonds	-	139,240,651	-	139,240,651
Short-term notes	-	7,188,774	-	7,188,774
Total Investments	\$46,988,544	\$146,429,425	\$ -	\$193,417,969
Money Market				
Short-term notes	\$ -	\$126,238,069	\$ -	\$126,238,069
Total Investments	\$ -	\$126,238,069	\$ -	\$126,238,069
2009				
	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Canadian Equity				
Common shares	\$180,202,389	\$ -	\$ -	\$180,202,389
Short-term notes	-	8,983,375	-	8,983,375
Total Investments	\$180,202,389	\$8,983,375	\$ -	\$189,185,764
Elite Equity				
Common shares	\$796,539,089	\$ -	\$ -	\$796,539,089
Investments in funds	79,310,656	-	-	79,310,656
Short-term notes	-	3,981,000	-	3,981,000
Total Investments	\$875,849,745	\$3,981,000	\$ -	\$879,830,745
Derivative assets	\$ -	\$229,380	\$ -	\$229,380
Premier Equity				
Common shares	\$134,936,422	\$ -	\$ -	\$134,936,422
Investments in funds	12,130,799	-	-	12,130,799
Short-term notes	-	4,019,000	-	4,019,000
Total Investments	\$147,067,221	\$4,019,000	\$ -	\$151,086,221
Derivative assets	\$ -	\$39,842	\$ -	\$39,842
Equity Growth Fund #3				
Common shares	\$6,246,066	\$ -	\$ -	\$6,246,066
Investments in funds	543,381	-	-	543,381
Short-term notes	-	238,000	-	238,000
Total Investments	\$6,789,447	\$238,000	\$ -	\$7,027,447
Derivative assets	\$ -	\$1,916	\$ -	\$1,916
Dividend Growth				
Common shares	\$750,218,988	\$ -	\$9,111,008	\$759,329,996
Investments in funds	12,934,925	-	-	12,934,925
Short-term notes	-	33,473,025	-	33,473,025
Total Investments	\$763,153,913	\$33,473,025	\$9,111,008	\$805,737,946

2009

	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Global Dividend Growth				
Common shares	\$31,261,304	\$ -	\$ -	\$31,261,304
Short-term notes	-	1,699,922	-	1,699,922
Total Investments	\$31,261,304	\$1,699,922	\$ -	\$32,961,226
Small Cap Equity				
Common shares	\$336,018,691	\$ -	\$18,452,583	\$354,471,274
Total Investments	\$336,018,691	\$ -	\$18,452,583	\$354,471,274
Global Smaller Companies				
Common shares	\$59,055,502	\$ -	\$ -	\$59,055,502
Total Investments	\$59,055,502	\$ -	\$ -	\$59,055,502
Global Equity				
Common shares	\$43,196,931	\$ -	\$6,151	\$43,203,082
Total Investments	\$43,196,931	\$ -	\$6,151	\$43,203,082
Derivative assets	\$ -	\$227,377	\$ -	\$227,377
International Equity				
Common shares	\$106,934,417	\$ -	\$22,159	\$106,956,576
Total Investments	\$106,934,417	\$ -	\$22,159	\$106,956,576
Derivative assets	\$ -	\$224,023	\$ -	\$224,023
American Value				
Common shares	\$209,006,599	\$ -	\$ -	\$209,006,599
Short-term notes	-	15,140,994	-	15,140,994
Total Investments	\$209,006,599	\$15,140,994	\$ -	\$224,147,593
Derivative liabilities	\$ -	\$20,932	\$ -	\$20,932
US Equity Index				
Short-term notes	\$ -	\$22,008,380	\$ -	\$22,008,380
Total Investments	\$ -	\$22,008,380	\$ -	\$22,008,380
Derivative liabilities	\$ -	\$221,510	\$ -	\$221,510
Asset Allocation				
Common shares	\$193,375,693	\$ -	\$ -	\$193,375,693
Bonds	-	39,849,252	-	39,849,252
Investments in funds	21,197,129	-	-	21,197,129
Short-term notes	-	4,720,000	-	4,720,000
Total Investments	\$214,572,822	\$44,569,252	\$ -	\$259,142,074
Derivative assets	\$ -	\$41,949	\$ -	\$41,949

Notes to Financial Statements

For the Year Ended December 31, 2010

	2009			
	Level 1 (i)	Level 2 (ii)	Level 3 (iii)	Total
Balanced				
Common shares	\$269,445,901	\$ -	\$ -	\$269,445,901
Bonds	-	174,731,805	-	174,731,805
Investments in funds	36,132,575	-	-	36,132,575
Short-term notes	-	14,098,350	-	14,098,350
Total Investments	\$305,578,476	\$188,830,155	\$ -	\$494,408,631
Derivative assets	\$ -	\$72,310	\$ -	\$72,310
Global Balanced				
Common shares	\$7,280,204	\$ -	\$ -	\$7,280,204
Bonds	-	2,011,942	-	2,011,942
Investments in funds	1,439,637	-	-	1,439,637
Short-term notes	-	598,000	-	598,000
Total Investments	\$8,719,841	\$2,609,942	\$ -	\$11,329,783
Bond				
Bonds	\$ -	\$282,362,959	\$ -	\$282,362,959
Investments in funds	22,000,795	-	-	22,000,795
Short-term notes	-	9,240,790	-	9,240,790
Total Investments	\$22,000,795	\$291,603,749	\$ -	\$313,604,544
Income				
Common shares	\$32,581,455	\$ -	\$ -	\$32,581,455
Bonds	-	87,442,910	-	87,442,910
Short-term notes	-	9,153,375	-	9,153,375
Total Investments	\$32,581,455	\$96,596,285	\$ -	\$129,177,740
Money Market				
Short-term notes	\$ -	\$211,656,386	\$ -	\$211,656,386
Total Investments	\$ -	\$211,656,386	\$ -	\$211,656,386

(i) Quoted prices in active markets for identical assets

(ii) Significant other observable inputs

(iii) Significant unobservable inputs

The following is a reconciliation of common shares investments measured at fair value using unobservable inputs (Level 3):

	Dividend Growth		Small Cap Equity	
	2010	2009	2010	2009
Balance - Beginning of year	\$ 9,111,008	\$ 9,226,337	\$18,452,583	\$ 7,277,161
Purchases	-	-	2,504,055	11,259,353
Sales	(9,608,365)	-	(16,793,433)	-
Net transfer into(out of) Level 3	-	-	-	-
Realized gains(losses)	497,357	-	380,502	-
Change in unrealized appreciation(depreciation)	-	(115,329)	(155,808)	(83,931)
Balance - End of year	<u>\$ -</u>	<u>\$ 9,111,008</u>	<u>\$4,387,899</u>	<u>\$18,452,583</u>

	Global Equity		International Equity	
	2010	2009	2010	2009
Balance - Beginning of year	\$ 6,151	\$ -	\$ 22,159	\$ -
Purchases	-	5,218	23,881	18,692
Sales	(6,037)	-	(36,002)	-
Net transfer into(out of) Level 3	-	-	-	-
Realized gains(losses)	(114)	-	303	-
Change in unrealized appreciation(depreciation)	-	933	(453)	3,467
Balance - End of year	<u>\$ -</u>	<u>\$ 6,151</u>	<u>\$ 9,888</u>	<u>\$ 22,159</u>

7. CAPITAL MANAGEMENT

The capital of each fund is represented by units issued and outstanding. The Funds have no restrictions or specific capital requirements on the subscription and redemption of units, other than minimum subscription requirements, and the withdrawal of seed units (see note 11(b)). The Statement of Changes in Net Assets reports changes in the Funds' capital during the period. Each Funds' capital is managed by the fund manager in accordance with the Funds' investment objectives, including maintaining sufficient liquidity to meet redemptions requested by unit holders.

8. FUND CLASS F

Fund Class F units are available only to institutional investors who have entered into an agreement with The Empire Life Insurance Company. No management fees or other fees are charged to the Funds with respect to Fund Class F. Each institutional investor negotiates a fee that is paid directly to The Empire Life Insurance Company.

9. INCOME TAXES

The Funds are deemed to be inter-vivos trusts under the provisions of the Income Tax Act (Canada). Income of a segregated fund is deemed to be an amount that has become payable in the year to the unitholders, and therefore the segregated fund does not have taxable income. In addition, capital gains and losses are deemed to be those of the unitholders and not of the Funds. As a result, no provision of income taxes is required in the financial statements of the Funds.

10. NET ASSET VALUE PER UNIT COMPARISON

The comparison between net asset value per unit for valuing purchases and redemptions (Trading NAV per unit) and net asset value per unit for financial reporting purposes (GAAP NAV per unit) is as follows:

Notes to Financial Statements

For the Year Ended December 31, 2010

Net Asset Value per Unit

	December 31, 2010		December 31, 2009	
	Trading NAV	GAAP NAV	Trading NAV	GAAP NAV
Canadian Equity Fund				
Class A	10.73	10.72	9.53	9.51
Class B	10.73	10.72	9.53	9.51
Class C	10.54	10.52	9.40	9.38
Class D	11.21	11.19	9.85	9.83
Class E	11.01	10.99	9.71	9.69
Class F	11.99	11.97	10.37	10.34
Elite Equity				
Class A	256.16	255.88	239.18	238.76
Class B	256.11	255.82	239.18	238.76
Class C	251.46	251.18	235.85	235.44
Class D	267.42	267.12	247.18	246.74
Class E	262.71	262.41	243.74	243.32
Class F	286.02	285.70	260.20	259.75
Premier Equity	258.79	258.50	238.53	238.12
Equity Growth Fund #3	78.85	78.76	72.95	72.82
Dividend Growth				
Class A	24.82	24.79	22.18	22.13
Class B	24.82	24.79	22.18	22.13
Class C	24.37	24.34	21.87	21.82
Class D	25.91	25.88	22.92	22.87
Class E	25.44	25.41	22.61	22.55
Class F	27.71	27.68	-	-
Global Dividend Growth				
Class A	5.82	5.82	5.84	5.84
Class B	5.81	5.81	5.84	5.84
Class C	5.72	5.72	5.78	5.78
Class D	6.03	6.03	6.00	6.00
Class E	-	-	-	-
Class F	6.41	6.41	6.27	6.27
Small Cap Equity				
Class A	30.96	30.89	25.33	25.18
Class B	30.95	30.89	25.33	25.18
Class C	30.40	30.33	24.98	24.83
Class D	32.32	32.25	26.18	26.02
Class E	31.75	31.68	25.81	25.66
Class F	34.57	34.49	27.56	27.39
Global Smaller Companies				
Class A	8.54	8.53	7.51	7.51
Class B	8.53	8.52	7.51	7.51
Class C	8.38	8.37	7.41	7.40
Class D	8.91	8.90	7.76	7.76
Class E	-	-	-	-
Class F	9.70	9.69	8.29	8.28
Global Equity				
Class A	19.54	19.54	19.68	19.66
Class B	19.54	19.54	19.68	19.66
Class C	19.18	19.18	19.40	19.39
Class D	20.40	20.40	20.34	20.32
Class E	-	-	-	-
Class F	-	-	-	-

	Net Asset Value per Unit			
	December 31, 2010		December 31, 2009	
	Trading NAV	GAAP NAV	Trading NAV	GAAP NAV
International Equity				
Class A	8.89	8.89	9.28	9.28
Class B	8.89	8.89	9.28	9.28
Class C	8.73	8.73	9.15	9.15
Class D	9.28	9.28	9.59	9.59
Class E	-	-	-	-
Class F	10.10	10.10	10.23	10.23
American Value				
Class A	7.43	7.43	7.37	7.37
Class B	7.42	7.43	7.37	7.37
Class C	7.29	7.29	7.27	7.27
Class D	7.75	7.75	7.62	7.62
Class E	-	-	-	-
Class F	8.29	8.29	8.02	8.02
US Equity Index				
Class A	10.04	10.04	9.03	9.03
Class B	10.03	10.03	9.03	9.03
Class C	9.84	9.84	8.90	8.90
Class D	-	-	9.34	9.34
Class E	-	-	-	-
Class F	-	-	-	-
Elite Equity Balanced				
Class F	11.02	11.02	-	-
Class G	10.89	10.89	-	-
Class H	-	-	-	-
Dividend Growth Balanced				
Class F	11.03	11.03	-	-
Class G	10.89	10.89	-	-
Class H	10.95	10.95	-	-
Asset Allocation				
Class A	23.13	23.11	21.56	21.53
Class B	23.12	23.10	21.56	21.53
Class C	22.79	22.77	21.32	21.29
Class D	24.14	24.12	22.28	22.25
Class E	23.81	23.78	22.03	22.00
Class F	-	-	-	-
Class G	23.13	23.11	21.56	21.53
Class H	24.15	24.13	22.28	22.25
Balanced				
Class A	38.63	38.61	37.07	37.02
Class B	38.62	38.60	37.07	37.02
Class C	38.14	38.11	36.70	36.66
Class D	40.33	40.30	38.30	38.26
Class E	39.84	39.81	37.93	27.89
Class F	-	-	-	-
Class G	38.64	38.61	37.07	37.02
Class H	40.35	40.32	-	-

Notes to Financial Statements

For the Year Ended December 31, 2010

Net Asset Value per Unit

	December 31, 2010		December 31, 2009	
	Trading NAV	GAAP NAV	Trading NAV	GAAP NAV
Global Balanced				
Class A	8.46	8.46	8.60	8.59
Class B	8.46	8.46	8.60	8.59
Class C	8.35	8.35	8.51	8.51
Class D	8.83	8.83	8.88	8.88
Class E	-	-	-	-
Class F	-	-	-	-
Class G	8.46	8.46	8.60	8.59
Class H	8.84	8.83	8.88	8.88
Bond				
Class A	42.32	42.32	41.29	41.29
Class B	42.31	42.31	41.29	41.29
Class C	42.00	42.00	41.06	41.06
Class D	43.67	43.67	42.30	42.30
Class E	-	-	-	-
Class F	46.47	46.47	44.36	44.36
Class G	42.31	42.31	41.29	41.29
Class H	43.69	43.69	-	-
Income				
Class A	14.89	14.89	14.02	14.01
Class B	14.89	14.89	14.02	14.01
Class C	14.78	14.78	13.94	13.93
Class D	15.38	15.37	14.36	14.35
Class E	15.27	15.26	14.28	14.27
Class F	16.36	16.35	15.06	15.05
Class G	14.90	14.89	14.02	14.01
Class H	15.38	15.37	-	-
Money Market				
Class A	23.52	23.52	23.53	23.53
Class B	23.09	23.09	23.20	23.20
Class C	23.01	23.01	23.14	23.14
Class D	23.68	23.68	23.69	23.69
Class E	-	-	23.62	23.62
Class F	24.45	24.45	24.26	24.26
Class G	23.10	23.10	23.20	23.20
Class H	23.67	23.67	23.69	23.69
Conservative Portfolio				
Class A	11.47	11.47	11.09	11.09
Class B	11.47	11.47	11.09	11.09
Class C	11.34	11.34	10.99	10.99
Class D	-	-	-	-
Class E	11.84	11.84	11.36	11.36
Class F	-	-	-	-
Class G	11.47	11.47	11.09	11.09
Class H	11.97	11.97	11.46	11.46

	Net Asset Value per Unit			
	December 31, 2010		December 31, 2009	
	Trading NAV	GAAP NAV	Trading NAV	GAAP NAV
Balanced Portfolio				
Class A	11.39	11.39	10.92	10.92
Class B	11.39	11.39	10.92	10.92
Class C	11.24	11.24	10.82	10.82
Class D	11.89	11.89	11.29	11.29
Class E	-	-	-	-
Class F	-	-	-	-
Class G	11.39	11.39	10.92	10.92
Class H	11.89	11.89	11.29	11.29
Moderate Growth Portfolio				
Class A	11.25	11.25	10.70	10.70
Class B	11.25	11.25	10.70	10.70
Class C	11.09	11.09	10.58	10.58
Class D	11.74	11.74	11.06	11.06
Class E	-	-	10.93	10.93
Class F	-	-	-	-
Class G	11.25	11.25	10.70	10.70
Class H	11.75	11.75	-	-
Growth Portfolio				
Class A	11.51	11.51	10.77	10.77
Class B	11.51	11.51	10.77	10.77
Class C	11.32	11.32	10.63	10.63
Class D	12.01	12.01	11.13	11.13
Class E	11.82	11.82	10.99	10.99
Class F	-	-	-	-
Class G	11.51	11.51	10.77	10.77
Class H	12.01	12.01	11.13	11.13
Aggressive Growth Portfolio				
Class A	11.65	11.65	10.68	10.68
Class B	11.64	11.64	10.68	10.68
Class C	11.43	11.43	10.53	10.53
Class D	-	-	11.03	11.03
Class E	-	-	-	-
Class F	-	-	-	-
Class G	11.65	11.65	10.68	10.68
Class H	12.16	12.16	11.03	11.03

11. RELATED PARTY TRANSACTIONS

(a) Management Fees

The Funds are charged a management fee by The Empire Life Insurance Company in consideration for professional investment management and the administration of the Funds (see note 3).

Notes to Financial Statements

For the Year Ended December 31, 2010

(b) Related Party Investments

The Empire Life Insurance Company has invested seed money in a number of funds for the purpose of starting these funds. The fair value of invested seed money in each Fund is:

	2010	2009
Canadian Equity	\$2,146,960	\$1,905,800
Global Dividend Growth	\$3,205,950	\$3,137,000
Global Smaller Companies	\$1,707,240	\$1,502,480
American Value	\$2,599,415	\$2,580,410
Elite Equity Balanced	\$275,593	\$ -
Dividend Growth Balanced	\$275,740	\$ -
Global Balanced	\$423,035	\$429,785
Conservative Portfolio	\$286,735	\$277,190
Balanced Portfolio	\$284,788	\$273,055
Moderate Growth Portfolio	\$281,295	\$267,503
Growth Portfolio	\$287,753	\$269,142
Aggressive Growth Portfolio	\$291,200	\$266,923

The Empire Life Insurance Company has invested amounts in a number of funds for the purposes of hedging or matching certain life insurance product liabilities, or to obtain direct exposure to certain economies. The fair value of these investments in each Fund is:

	2010	2009
Canadian Equity	\$1,793,707	\$1,371,531
Elite Equity	\$46,269,811	\$47,850,768
Global Dividend Growth	\$ -	\$2,744,313
Small Cap Equity	\$357,605	\$281,159
Global Smaller Companies	\$599,686	\$462,023
International Equity	\$4,170,376	\$4,500,525
American Value	\$5,672,586	\$25,384,651
Bond	\$2,700,529	\$19,205,924
Income	\$1,228,229	\$929,972
Money Market	\$ -	\$1,293,048

12. CLASS OF FUNDS AND FAMILY OF FUNDS

With the exception of closed funds Premier Equity Fund and Equity Growth Fund #3, the Funds operate on a Class of Funds basis. Fund Classes B, C, D, E, F, G and H are available under the terms of the Empire Class Segregated Funds unitholder contract. Fund Class A is available under the terms of unitholder contracts existing on September 5, 2006.

The Empire Life Insurance Company operates two Fund families, the Elite Family of Funds and the Premier Family of Funds. The Global Equity Fund, Balanced Fund, Bond Fund, and Money Market Fund are included in both of the Elite Family of Funds and the Premier Family of Funds.

Statement of Financial Highlights (unaudited)

	2010	2009	2008	2007	2006
Canadian Equity					
Net Asset Value at December 31					
Class A	10.72	9.51	7.61	11.89	11.69
Class B	10.72	9.51	7.61	11.89	-
Class C	10.52	9.38	7.54	11.83	11.68
Class D	11.19	9.83	-	12.05	-
Class E	10.99	9.69	-	-	-
Class F	11.97	10.34	8.08	12.30	-
Net Assets (000's) at December 31					
Class A	228,922	181,361	123,107	153,460	89,688
Class B	6,351	4,116	2,235	702	-
Class C	2,288	1,847	666	119	15
Class D	236	133	-	429	-
Class E	54	57	-	-	-
Class F	1,791	1,369	813	655	-
Number of Units Outstanding at December 31					
Class A	21,358,760	19,074,149	16,170,723	12,903,960	7,671,328
Class B	592,707	432,892	293,581	59,030	-
Class C	217,430	196,954	88,409	10,050	1,317
Class D	21,105	13,571	-	35,580	-
Class E	4,880	5,885	-	-	-
Class F	149,660	132,299	100,655	53,268	-
Management Expense Ratio as at December 31					
Class A	2.59%	2.53%	2.53%	2.56%	2.59%
Class B	2.62%	2.53%	2.53%	2.56%	n/a
Class C	3.03%	2.95%	2.95%	2.98%	2.97%
Class D	1.54%	1.54%	1.55%	1.56%	n/a
Class E	1.96%	1.97%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	38.69%	28.19%	33.24%	16.89%	18.73%
Elite Equity					
Net Asset Value at December 31					
Class A	255.88	238.76	192.41	300.40	296.15
Class B	255.82	238.76	192.41	300.40	296.15
Class C	251.18	235.44	190.53	298.72	295.75
Class D	267.12	246.74	196.89	304.38	-
Class E	262.41	243.32	194.97	-	-
Class F	285.70	259.75	204.09	310.66	-
Net Assets (000's) at December 31					
Class A	773,765	812,892	691,810	1,116,969	1,080,178
Class B	26,634	20,458	8,157	5,350	376
Class C	6,469	4,795	2,400	2,414	45
Class D	478	420	356	479	-
Class E	995	923	262	-	-
Class F	54,861	42,020	33,016	50,256	-
Number of Units Outstanding at December 31					
Class A	3,023,996	3,404,674	3,595,584	3,718,279	3,647,406
Class B	104,111	85,685	42,396	17,811	1,269
Class C	25,753	20,364	12,598	8,082	152
Class D	1,788	1,701	1,806	1,573	-
Class E	3,792	3,792	1,342	-	-
Class F	192,022	161,771	161,771	161,771	-
Management Expense Ratio as at December 31					
Class A	2.60%	2.53%	2.54%	2.56%	2.57%
Class B	2.63%	2.53%	2.54%	2.56%	2.56%
Class C	3.05%	2.95%	2.96%	2.99%	2.97%
Class D	1.59%	1.54%	1.55%	1.57%	n/a
Class E	1.97%	1.96%	1.99%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	99.93%	24.63%	33.01%	28.05%	31.09%
Premier Equity					
Net Asset Value at December 31	258.50	238.12	189.61	298.77	290.36
Net Assets (000's) at December 31	150,533	151,281	130,411	223,562	321,995
Number of Units Outstanding at December 31	582,336	635,325	687,780	748,268	1,108,965
Management Expense Ratio as at December 31	1.58%	1.53%	1.53%	1.54%	1.55%
Portfolio Turnover Rate for the Years Ended at December 31*	98.53%	33.17%	31.19%	25.28%	26.18%

Statement of Financial Highlights (unaudited)

	2010	2009	2008	2007	2006
Equity Growth Fund #3					
Net Asset Value at December 31	78.76	72.82	57.85	90.45	87.83
Net Assets (000's) at December 31	6,940	7,042	6,489	11,430	12,804
Number of Units Outstanding at December 31	88,115	96,710	112,158	126,361	145,792
Management Expense Ratio as at December 31	1.60%	1.40%	1.39%	1.36%	1.38%
Portfolio Turnover Rate for the Years Ended at December 31*	98.06%	34.06%	33.43%	24.07%	24.55%
Dividend Growth					
Net Asset Value at December 31					
Class A	24.79	22.13	17.49	25.76	25.17
Class B	24.79	22.13	17.49	25.76	25.17
Class C	24.34	21.82	17.32	25.61	25.14
Class D	25.88	22.87	17.90	26.10	-
Class E	25.41	22.55	17.72	25.95	-
Class F	27.68	-	-	-	-
Net Assets (000's) at December 31					
Class A	818,483	730,669	595,692	829,568	640,079
Class B	86,260	63,173	34,697	26,493	1,047
Class C	17,360	10,553	5,529	4,740	470
Class D	4,210	3,110	1,155	1,310	-
Class E	1,693	1,171	875	496	-
Class F	36,239	-	-	-	-
Number of Units Outstanding at December 31					
Class A	33,014,392	33,017,856	34,059,972	32,206,038	25,428,700
Class B	3,480,175	2,854,711	1,983,874	1,028,532	41,577
Class C	713,236	483,617	319,230	185,044	18,713
Class D	162,666	136,001	64,528	50,206	-
Class E	66,628	51,916	49,391	19,119	-
Class F	1,309,287	-	-	-	-
Management Expense Ratio as at December 31					
Class A	2.59%	2.53%	2.53%	2.56%	2.56%
Class B	2.62%	2.53%	2.53%	2.56%	2.56%
Class C	3.04%	2.95%	2.95%	2.98%	2.98%
Class D	1.59%	1.55%	1.55%	1.56%	n/a
Class E	2.04%	1.96%	1.97%	1.99%	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	55.65%	33.44%	45.30%	34.28%	33.57%
Global Dividend Growth					
Net Asset Value at December 31					
Class A	5.82	5.84	5.08	9.31	n/a
Class B	5.81	5.84	5.08	9.31	n/a
Class C	5.72	5.78	5.04	9.28	n/a
Class D	6.03	6.00	5.16	9.37	n/a
Class E	-	-	-	-	n/a
Class F	6.41	6.27	5.31	9.47	n/a
Net Assets (000's) at December 31					
Class A	14,200	15,033	12,946	18,913	n/a
Class B	3,076	2,492	1,846	1,023	n/a
Class C	212	156	130	156	n/a
Class D	73	86	68	69	n/a
Class E	-	-	-	-	n/a
Class F	3,206	15,229	8,951	8,602	n/a
Number of Units Outstanding at December 31					
Class A	2,441,921	2,573,844	2,548,986	2,032,525	n/a
Class B	529,062	426,672	363,37	109,910	n/a
Class C	37,067	27,035	25,761	16,767	n/a
Class D	12,163	14,329	13,202	7,353	n/a
Class E	-	-	-	-	n/a
Class F	500,000	2,428,669	1,684,852	907,885	n/a
Management Expense Ratio as at December 31					
Class A	2.66%	2.61%	2.68%	2.80%	n/a
Class B	2.71%	2.61%	2.69%	2.78%	n/a
Class C	3.14%	3.03%	3.11%	3.20%	n/a
Class D	1.66%	1.62%	1.69%	1.75%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	125.04%	62.56%	141.23%	72.39%	n/a

	2010	2009	2008	2007	2006
Small Cap Equity					
Net Asset Value at December 31					
Class A	30.89	25.18	15.94	29.67	27.58
Class B	30.89	25.18	15.94	29.67	27.58
Class C	30.33	24.83	15.78	29.50	27.54
Class D	32.25	26.02	16.31	30.06	-
Class E	31.68	25.66	-	-	-
Class F	34.49	27.39	16.91	30.69	-
Net Assets ('000's) at December 31					
Class A	443,443	350,371	220,932	398,928	295,893
Class B	14,935	7,588	2,462	3,412	96
Class C	4,944	2,225	532	796	106
Class D	1,164	735	260	143	-
Class E	72	58	-	-	-
Class F	357	279	176	130	-
Number of Units Outstanding at December 31					
Class A	14,355,182	13,916,467	13,860,761	13,445,472	10,728,281
Class B	483,546	301,372	154,464	114,986	3,475
Class C	163,000	89,619	33,693	26,980	3,852
Class D	36,113	28,255	15,931	4,750	-
Class E	2,264	2,260	-	-	-
Class F	10,345	10,203	10,399	4,226	-
Management Expense Ratio as at December 31					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.62%	2.53%	2.54%	2.56%	2.56%
Class C	3.02%	2.95%	2.96%	2.99%	2.98%
Class D	1.59%	1.54%	1.55%	1.58%	n/a
Class E	1.96%	1.97%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	61.02%	94.34%	104.68%	129.91%	90.11%
Global Smaller Companies					
Net Asset Value at December 31					
Class A	8.53	7.51	6.46	10.50	11.53
Class B	8.52	7.51	6.46	10.50	-
Class C	8.37	7.40	6.40	10.44	11.51
Class D	8.90	7.76	6.61	10.64	-
Class E	-	-	-	-	-
Class F	9.69	8.28	6.92	10.92	-
Net Assets ('000's) at December 31					
Class A	75,739	64,912	49,154	77,050	46,608
Class B	786	473	446	443	-
Class C	49	67	36	61	24
Class D	26	37	32	87	-
Class E	-	-	-	-	-
Class F	599	462	302	63,783	-
Number of Units Outstanding at December 31					
Class A	8,882,359	8,646,934	7,610,611	7,340,576	4,043,021
Class B	92,262	62,996	69,080	42,217	-
Class C	5,798	9,089	5,690	5,885	2,053
Class D	2,890	4,801	4,801	8,222	-
Class E	-	-	-	-	-
Class F	61,797	55,747	43,577	5,841,825	-
Management Expense Ratio as at December 31					
Class A	3.00%	2.94%	2.95%	3.01%	3.06%
Class B	3.04%	2.94%	2.96%	3.02%	n/a
Class C	3.43%	3.36%	3.37%	3.45%	3.44%
Class D	1.99%	1.95%	1.97%	2.03%	n/a
Class E	2.43%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	74.63%	92.22%	98.49%	125.13%	64.33%

Statement of Financial Highlights (unaudited)

	2010	2009	2008	2007	2006
Global Equity					
Net Asset Value at December 31					
Class A	19.54	19.66	16.93	32.19	35.67
Class B	19.54	19.66	16.93	32.19	35.67
Class C	19.18	19.39	16.76	32.01	-
Class D	20.40	20.32	17.32	32.62	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Net Assets (000's) at December 31					
Class A	34,892	42,380	39,749	86,942	74,096
Class B	2,421	1,869	1,558	1,624	4
Class C	383	390	173	166	-
Class D	321	117	133	119	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Number of Units Outstanding at December 31					
Class A	1,785,484	2,155,417	2,347,905	2,700,866	2,077,142
Class B	123,931	95,064	92,009	50,455	107
Class C	19,982	20,127	10,299	5,197	-
Class D	15,718	5,737	7,690	3,637	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Management Expense Ratio as at December 31					
Class A	2.75%	2.78%	2.62%	2.63%	2.61%
Class B	2.77%	2.78%	2.63%	2.62%	2.55%
Class C	3.21%	3.20%	3.05%	3.05%	n/a
Class D	1.71%	1.80%	1.64%	1.63%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	90.14%	85.26%	33.41%	28.38%	117.50%
International Equity					
Net Asset Value at December 31					
Class A	8.89	9.29	8.11	14.02	15.64
Class B	8.89	9.29	8.11	14.02	15.64
Class C	8.73	9.16	8.03	13.94	15.62
Class D	9.28	9.60	8.29	14.21	-
Class E	-	-	-	-	-
Class F	10.10	10.24	8.67	14.56	-
Net Assets (000's) at December 31					
Class A	122,245	110,635	82,197	147,894	88,806
Class B	1,454	2,098	1,593	2,383	143
Class C	204	302	316	241	3
Class D	21	94	75	29	-
Class E	-	-	-	-	-
Class F	1,349	1,043	696	481	-
Number of Units Outstanding at December 31					
Class A	13,751,197	11,907,980	10,140,388	10,549,022	5,676,395
Class B	163,662	225,842	196,577	169,966	9,114
Class C	23,367	32,924	39,391	17,257	197
Class D	2,277	97,888	9,073	2,032	-
Class E	-	-	-	-	-
Class F	133,653	101,850	80,335	33,010	-
Management Expense Ratio as at December 31					
Class A	3.02%	2.99%	2.91%	2.93%	2.99%
Class B	3.05%	2.99%	2.91%	2.94%	3.01%
Class C	3.47%	3.41%	3.34%	3.36%	3.40%
Class D	2.05%	2.00%	1.93%	1.96%	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	80.48%	81.27%	48.55%	34.37%	110.15%
International Equity Sub-Fund					

	2010	2009	2008	2007	2006
American Value					
Net Asset Value at December 31					
Class A	7.43	7.37	6.98	8.99	10.13
Class B	7.43	7.37	6.98	8.99	10.13
Class C	7.29	7.27	6.92	8.94	-
Class D	7.75	7.62	7.15	-	-
Class E	-	-	-	-	-
Class F	8.29	8.02	7.41	9.29	-
Net Assets ('000's) at December 31					
Class A	115,344	98,728	71,093	83,950	56,998
Class B	1,782	2,068	1,361	635	12
Class C	261	239	100	57	-
Class D	38	37	68	-	-
Class E	-	-	-	-	-
Class F	173,517	123,280	100,288	72,665	-
Number of Units Outstanding at December 31					
Class A	15,529,864	13,395,490	10,178,078	9,342,064	5,624,569
Class B	240,051	280,527	194,863	70,632	1,168
Class C	35,762	32,905	14,465	6,356	-
Class D	4,874	4,874	9,550	-	-
Class E	-	-	-	-	-
Class F	20,921,345	15,372,703	13,534,187	7,818,764	-
Management Expense Ratio as at December 31					
Class A	2.60%	2.54%	2.54%	2.58%	2.60%
Class B	2.61%	2.54%	2.54%	2.58%	2.61%
Class C	3.06%	2.96%	2.96%	3.00%	n/a
Class D	1.59%	1.55%	1.55%	n/a	n/a
Class E	1.96%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	143.83%	135.05%	122.31%	141.14%	149.93%
US Equity Index					
Net Asset Value at December 31					
Class A	10.04	9.03	7.56	12.70	12.55
Class B	10.03	9.03	7.56	12.70	-
Class C	9.84	8.90	7.47	12.62	12.54
Class D	-	9.34	7.73	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Net Assets ('000's) at December 31					
Class A	20,165	20,772	19,171	36,252	36,918
Class B	502	808	738	164	-
Class C	130	112	123	102	1
Class D	-	68	56	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Number of Units Outstanding at December 31					
Class A	2,008,785	2,299,391	2,537,149	2,853,511	2,940,606
Class B	50,038	89,431	97,633	12,918	-
Class C	13,173	12,581	16,422	8,115	49
Class D	-	7,270	7,270	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Management Expense Ratio as at December 31					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.61%	2.53%	2.54%	2.56%	n/a
Class C	3.05%	2.95%	2.96%	2.98%	2.96%
Class D	1.58%	1.55%	1.55%	n/a	n/a
Class E	1.96%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a

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	2010	2009	2008	2007	2006
Elite Equity Balanced					
Net Asset Value at December 31					
Class F	11.02	n/a	n/a	n/a	n/a
Class G	10.89	n/a	n/a	n/a	n/a
Class H	-	n/a	n/a	n/a	n/a
Net Assets (000's) at December 31					
Class F	276	n/a	n/a	n/a	n/a
Class G	10,658	n/a	n/a	n/a	n/a
Class H	-	n/a	n/a	n/a	n/a
Number of Units Outstanding at December 31					
Class F	25,000	n/a	n/a	n/a	n/a
Class G	979,016	n/a	n/a	n/a	n/a
Class H	-	n/a	n/a	n/a	n/a
Management Expense Ratio as at December 31					
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.71%	n/a	n/a	n/a	n/a
Class H	n/a	n/a	n/a	n/a	n/a
Dividend Growth Balanced					
Net Asset Value at December 31					
Class F	11.03	n/a	n/a	n/a	n/a
Class G	10.89	n/a	n/a	n/a	n/a
Class H	10.95	n/a	n/a	n/a	n/a
Net Assets (000's) at December 31					
Class F	276	n/a	n/a	n/a	n/a
Class G	46,43	n/a	n/a	n/a	n/a
Class H	72	n/a	n/a	n/a	n/a
Number of Units Outstanding at December 31					
Class F	25,000	n/a	n/a	n/a	n/a
Class G	4,264,124	n/a	n/a	n/a	n/a
Class H	6,592	n/a	n/a	n/a	n/a
Management Expense Ratio as at December 31					
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.78%	n/a	n/a	n/a	n/a
Class H	1.54%	n/a	n/a	n/a	n/a
Asset Allocation					
Net Asset Value at December 31					
Class A	23.11	21.53	18.15	25.64	25.34
Class B	23.10	21.53	18.15	25.64	25.34
Class C	22.77	21.29	18.01	25.52	25.31
Class D	24.12	22.25	18.57	25.97	-
Class E	23.78	22.00	-	-	-
Class F	-	-	-	-	-
Class G	23.11	21.53	18.15	n/a	n/a
Class H	24.13	22.25	18.57	n/a	n/a
Net Assets (000's) at December 31					
Class A	183,453	198,236	178,499	225,721	194,030
Class B	23,500	18,617	12,216	8,711	415
Class C	4,053	3,083	1,736	836	191
Class D	1,083	1,409	1,064	116	-
Class E	666	6	-	-	-
Class F	-	-	-	-	-
Class G	62,305	37,650	8,020	n/a	n/a
Class H	1,197	1,046	64	n/a	n/a
Number of Units Outstanding at December 31					
Class A	7,939,451	9,207,982	9,834,344	8,805,165	7,656,358
Class B	1,017,280	864,753	673,048	339,822	16,381
Class C	177,989	144,802	96,419	32,773	7,561
Class D	44,901	63,345	57,281	4,476	-
Class E	28,009	273	-	-	-
Class F	-	-	-	-	-
Class G	2,696,032	1,748,818	441,859	n/a	n/a
Class H	49,612	47,020	3,465	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.59%	2.54%	2.55%	2.57%	2.58%
Class B	2.63%	2.54%	2.55%	2.57%	2.57%
Class C	2.95%	2.88%	2.89%	2.91%	2.91%
Class D	1.59%	1.56%	1.57%	1.58%	n/a
Class E	1.88%	1.93%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.59%	2.54%	2.56%	n/a	n/a
Class H	1.55%	1.56%	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	106.58%	28.39%	47.42%	53.97%	39.52%

	2010	2009	2008	2007	2006
Balanced					
Net Asset Value at December 31					
Class A	38.61	37.02	31.64	40.02	39.67
Class B	38.60	37.02	31.64	40.02	39.67
Class C	38.11	36.66	31.43	39.86	39.63
Class D	40.30	38.26	32.38	40.55	-
Class E	39.81	37.89	-	-	-
Class F	-	-	-	-	-
Class G	38.61	37.02	31.64	n/a	n/a
Class H	40.32	-	32.38	n/a	n/a
Net Assets (000's) at December 31					
Class A	394,665	421,500	379,066	475,569	437,083
Class B	33,134	28,771	18,049	10,277	278
Class C	5,955	4,371	1,956	2,254	178
Class D	1,465	1,303	539	116	-
Class E	51	63	-	-	-
Class F	-	-	-	-	-
Class G	74,297	41,077	6,403	n/a	n/a
Class H	262	-	64	n/a	n/a
Number of Units Outstanding at December 31					
Class A	10,222,737	11,384,481	11,980,047	11,884,568	11,017,943
Class B	858,485	777,099	570,432	256,824	7,019
Class C	156,243	119,211	62,239	56,550	4,482
Class D	36,342	34,052	16,643	2,862	-
Class E	1,290	1,651	-	-	-
Class F	-	-	-	-	-
Class G	1,924,321	1,109,472	202,351	n/a	n/a
Class H	6,486	-	1,989	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.59%	2.53%	2.54%	2.56%	2.57%
Class B	2.62%	2.53%	2.54%	2.56%	2.56%
Class C	2.91%	2.83%	2.83%	2.86%	2.86%
Class D	1.59%	1.54%	1.55%	1.58%	n/a
Class E	1.84%	1.84%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.59%	2.53%	2.54%	n/a	n/a
Class H	1.55%	1.55%	1.56%	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	112.50%	34.53%	50.08%	78.94%	48.42%
Global Balanced					
Net Asset Value at December 31					
Class A	8.46	8.59	8.03	11.09	11.53
Class B	8.46	8.59	8.03	11.09	11.53
Class C	8.35	8.51	7.97	11.04	-
Class D	8.83	8.88	8.22	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	8.46	8.59	8.03	n/a	n/a
Class H	8.83	8.88	8.22	n/a	n/a
Net Assets (000's) at December 31					
Class A	6,964	8,693	8,786	13,011	7,207
Class B	394	402	254	137	49
Class C	160	143	155	148	-
Class D	8	9	8	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	4,106	2,119	447	n/a	n/a
Class H	49	49	27	n/a	n/a
Number of Units Outstanding at December 31					
Class A	823,450	1,011,892	1,094,255	1,173,546	625,173
Class B	46,539	46,737	31,575	12,392	4,220
Class C	19,160	16,854	19,438	13,374	-
Class D	919	963	1,012	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	485,511	246,679	55,727	n/a	n/a
Class H	5,527	5,561	3,262	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.97%	2.82%	2.88%	2.87%	2.92%
Class B	3.00%	2.82%	2.88%	2.87%	2.79%
Class C	3.33%	3.11%	3.17%	3.18%	n/a
Class D	1.98%	1.83%	1.97%	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	3.03%	2.83%	2.88%	n/a	n/a
Class H	1.92%	1.82%	1.87%	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	109.27%	14.46%	98.90%	35.16%	130.53%

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	2010	2009	2008	2007	2006
Bond					
Net Asset Value at December 31					
Class A	42.32	41.29	38.02	37.93	37.48
Class B	42.31	41.29	38.02	37.93	37.48
Class C	42.00	41.06	37.87	37.85	37.46
Class D	43.67	42.30	-	-	-
Class E	-	-	-	-	-
Class F	46.47	44.36	39.98	39.03	-
Class G	42.31	41.29	38.02	n/a	n/a
Class H	43.69	-	-	n/a	n/a
Net Assets (000's) at December 31					
Class A	287,811	277,195	192,707	181,940	151,098
Class B	7,927	6,372	2,003	541	130
Class C	2,552	2,126	237	76	15
Class D	140	451	-	-	-
Class E	-	-	-	-	-
Class F	19,485	11,944	10,581	9,200	-
Class G	17,437	17,181	1,553	n/a	n/a
Class H	1,659	-	-	n/a	n/a
Number of Units Outstanding at December 31					
Class A	6,801,498	6,713,273	5,068,181	4,796,361	4,031,116
Class B	187,354	154,324	52,677	14,266	3,468
Class C	60,764	51,783	6,264	2,015	413
Class D	3,211	10,652	-	-	-
Class E	-	-	-	-	-
Class F	419,294	269,266	264,672	235,691	-
Class G	412,111	416,102	40,849	n/a	n/a
Class H	37,977	-	-	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.20%	2.15%	2.15%	2.17%	2.18%
Class B	2.23%	2.15%	2.15%	2.17%	2.18%
Class C	2.41%	2.32%	2.32%	2.34%	2.35%
Class D	1.45%	1.43%	n/a	n/a	n/a
Class E	1.59%	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.21%	2.15%	2.15%	n/a	n/a
Class H	1.43%	n/a	n/a	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	73.73%	42.64%	66.69%	143.84%	109.35%

	2010	2009	2008	2007	2006
Income					
Net Asset Value at December 31					
Class A	14.89	14.01	12.31	12.92	12.74
Class B	14.89	14.01	12.31	12.92	-
Class C	14.78	13.93	12.26	12.89	-
Class D	15.37	14.35	-	-	-
Class E	15.26	14.27	-	-	-
Class F	16.35	15.05	12.94	13.29	-
Class G	14.89	14.01	12.31	n/a	n/a
Class H	15.37	-	12.52	n/a	n/a
Net Assets (000's) at December 31					
Class A	157,404	114,710	79,694	85,621	71,298
Class B	9,831	4,546	705	87	-
Class C	3,111	1,447	198	3	-
Class D	1,075	296	-	-	-
Class E	6	6	-	-	-
Class F	1,228	930	558	378	-
Class G	21,660	8,201	519	n/a	n/a
Class H	432	-	64	n/a	n/a
Number of Units Outstanding at December 31					
Class A	10,571,837	8,187,737	6,473,097	6,628,299	5,595,294
Class B	660,379	324,513	57,288	6,724	-
Class C	210,485	103,830	16,173	227	-
Class D	69,914	20,624	-	-	-
Class E	416	416	-	-	-
Class F	75,094	61,762	43,074	28,469	-
Class G	1,454,571	585,329	42,134	n/a	n/a
Class H	28,094	-	5,078	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.21%	2.15%	2.15%	2.17%	2.18%
Class B	2.23%	2.15%	2.15%	2.17%	n/a
Class C	2.40%	2.32%	2.32%	2.35%	n/a
Class D	1.45%	1.43%	n/a	n/a	n/a
Class E	1.59%	1.61%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.20%	2.15%	2.15%	n/a	n/a
Class H	1.43%	1.43%	1.43%	n/a	n/a
Portfolio Turnover Rate for the Years Ended at December 31*	43.66%	30.32%	22.22%	71.00%	101.05%
Money Market					
Net Asset Value at December 31					
Class A	23.52	23.53	23.42	22.68	21.93
Class B	23.09	23.20	23.19	22.55	21.90
Class C	23.01	23.14	23.14	22.53	21.90
Class D	23.68	23.69	23.53	22.74	-
Class E	-	23.62	-	-	-
Class F	24.45	24.26	23.97	22.98	-
Class G	23.10	23.20	23.19	n/a	n/a
Class H	23.67	23.69	23.53	n/a	n/a
Net Assets (000's) at December 31					
Class A	73,724	100,113	109,595	54,158	36,612
Class B	8,817	14,211	10,266	1,151	5
Class C	1,933	2,299	2,443	146	4
Class D	1,331	504	1,547	805	-
Class E	-	853	-	-	-
Class F	34,668	89,179	213,630	306,342	-
Class G	6,090	4,534	4,658	n/a	n/a
Class H	258	279	262	n/a	n/a
Number of Units Outstanding at December 31					
Class A	3,134,166	4,254,813	4,679,898	2,388,268	1,669,419
Class B	381,809	612,479	442,676	51,028	229
Class C	84,032	99,366	105,574	6,483	182
Class D	56,217	21,290	65,752	35,387	-
Class E	-	36,104	-	-	-
Class F	1,417,734	3,675,665	8,911,135	13,329,833	-
Class G	263,690	195,393	200,868	n/a	n/a
Class H	10,879	11,782	11,133	n/a	n/a
Management Expense Ratio as at December 31					
Class A	0.82%	0.72%	1.01%	1.02%	1.03%
Class B	1.26%	1.14%	1.43%	1.44%	1.47%
Class C	1.33%	1.20%	1.51%	1.53%	1.54%
Class D	0.82%	0.57%	0.81%	0.82%	n/a
Class E	0.90%	0.61%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	1.25%	1.14%	1.43%	n/a	n/a
Class H	0.83%	0.51%	0.93%	n/a	n/a

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	2010	2009	2008	2007	2006
Conservative Portfolio					
Net Asset Value at December 31					
Class A	11.47	11.09	9.94	11.37	11.59
Class B	11.47	11.09	9.94	11.37	11.59
Class C	11.34	10.99	9.88	11.33	11.58
Class D	-	-	-	-	-
Class E	11.84	11.36	10.11	-	-
Class F	-	-	-	-	-
Class G	11.47	11.09	9.94	n/a	n/a
Class H	11.97	11.46	-	n/a	n/a
Net Assets ('000's) at December 31					
Class A	48,766	50,695	44,987	48,053	35,579
Class B	11,940	9,793	4,077	632	12
Class C	4,098	2,219	1,335	609	131
Class D	-	-	-	-	-
Class E	678	698	667	-	-
Class F	-	-	-	-	-
Class G	16,380	8,831	937	n/a	n/a
Class H	591	568	-	n/a	n/a
Number of Units Outstanding at December 31					
Class A	4,251,796	4,572,197	4,527,501	4,225,689	3,070,903
Class B	1,041,239	883,279	410,351	55,557	1,004
Class C	361,354	201,789	135,125	53,714	11,329
Class D	-	-	-	-	-
Class E	57,279	61,461	65,979	-	-
Class F	-	-	-	-	-
Class G	1,428,265	796,459	94,340	n/a	n/a
Class H	49,376	49,536	-	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.47%	2.41%	2.41%	2.43%	2.44%
Class B	2.50%	2.41%	2.41%	2.43%	2.43%
Class C	2.77%	2.66%	2.66%	2.69%	2.69%
Class D	n/a	n/a	1.42%	n/a	n/a
Class E	1.74%	1.67%	1.67%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.49%	2.41%	2.41%	n/a	n/a
Class H	1.48%	1.42%	n/a	n/a	n/a
Balanced Portfolio					
Net Asset Value at December 31					
Class A	11.39	10.92	9.58	11.78	12.09
Class B	11.39	10.92	9.58	11.78	12.09
Class C	11.24	10.82	9.51	11.73	-
Class D	11.89	11.29	9.80	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	11.39	10.92	9.58	n/a	n/a
Class H	11.89	11.29	-	n/a	n/a
Net Assets ('000's) at December 31					
Class A	82,353	85,323	74,555	92,364	65,038
Class B	26,671	19,553	11,240	7,394	95
Class C	9,169	6,278	2,280	1,958	-
Class D	1,298	1,006	252	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	46,737	28,143	3,569	n/a	n/a
Class H	405	336	-	n/a	n/a
Number of Units Outstanding at December 31					
Class A	7,229,296	7,811,930	7,783,396	7,843,859	5,381,286
Class B	2,342,091	1,790,189	1,173,470	627,901	7,854
Class C	815,466	580,421	239,620	166,921	-
Class D	109,119	89,150	25,731	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	4,102,711	2,576,649	372,611	n/a	n/a
Class H	34,080	29,792	-	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.52%	2.46%	2.46%	2.49%	2.50%
Class B	2.56%	2.46%	2.46%	2.49%	2.49%
Class C	2.85%	2.75%	2.75%	2.78%	n/a
Class D	1.50%	1.47%	1.47%	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.52%	2.46%	2.46%	n/a	n/a
Class H	1.52%	1.47%	n/a	n/a	n/a

	2010	2009	2008	2007	2006
Moderate Growth Portfolio					
Net Asset Value at December 31					
Class A	11.25	10.70	9.36	12.20	12.62
Class B	11.25	10.70	9.36	12.20	12.62
Class C	11.09	10.58	9.29	12.15	12.60
Class D	11.74	11.06	9.58	-	-
Class E	-	10.93	9.50	-	-
Class F	-	-	-	-	-
Class G	11.25	10.70	9.36	n/a	n/a
Class H	11.75	-	-	n/a	n/a
Net Assets (000's) at December 31					
Class A	112,989	116,892	103,346	138,819	84,049
Class B	19,837	16,694	9,957	6,980	422
Class C	5,496	3,273	2,026	2,598	563
Class D	1,104	880	209	-	-
Class E	-	548	442	-	-
Class F	-	-	-	-	-
Class G	68,761	38,274	5,684	n/a	n/a
Class H	71	-	-	n/a	n/a
Number of Units Outstanding at December 31					
Class A	10,041,854	10,924,334	11,039,484	11,377,580	6,660,929
Class B	1,763,471	1,560,197	1,063,602	572,055	33,418
Class C	495,702	309,309	218,111	213,869	44,690
Class D	94,003	79,542	21,812	-	-
Class E	-	50,111	46,471	-	-
Class F	-	-	-	-	-
Class G	6,110,923	3,576,962	607,155	n/a	n/a
Class H	6,072	-	-	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.63%	2.57%	2.57%	2.59%	2.60%
Class B	2.66%	2.57%	2.57%	2.59%	2.59%
Class C	2.99%	2.90%	2.90%	2.93%	2.93%
Class D	1.64%	1.58%	1.58%	n/a	n/a
Class E	1.98%	1.91%	1.91%	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.63%	2.57%	2.57%	n/a	n/a
Class H	1.58%	n/a	n/a	n/a	n/a
Growth Portfolio					
Net Asset Value at December 31					
Class A	11.51	10.77	9.14	12.82	13.22
Class B	11.51	10.77	9.14	12.82	13.22
Class C	11.32	10.63	9.06	12.76	13.20
Class D	12.01	11.13	9.35	12.99	-
Class E	11.82	10.99	-	-	-
Class F	-	-	-	-	-
Class G	11.51	10.77	9.14	n/a	n/a
Class H	12.01	11.13	-	n/a	n/a
Net Assets (000's) at December 31					
Class A	66,122	68,970	62,313	85,060	51,519
Class B	9,535	7,929	4,281	4,807	1,751
Class C	1,973	2,077	1,150	1,522	6
Class D	2,022	1,071	735	224	-
Class E	611	278	-	-	-
Class F	-	-	-	-	-
Class G	47,701	26,681	5,672	n/a	n/a
Class H	314	293	-	n/a	n/a
Number of Units Outstanding at December 31					
Class A	5,744,705	6,406,456	6,819,387	6,633,303	3,898,223
Class B	828,778	736,523	468,473	374,865	132,513
Class C	174,252	195,281	126,980	119,306	417
Class D	168,347	96,264	78,573	17,252	-
Class E	51,685	25,318	-	-	-
Class F	-	-	-	-	-
Class G	4,144,398	2,478,304	620,746	n/a	n/a
Class H	26,138	26,314	-	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.67%	2.62%	2.62%	2.65%	2.66%
Class B	2.72%	2.62%	2.62%	2.65%	2.65%
Class C	3.09%	2.99%	2.99%	3.02%	3.01%
Class D	1.70%	1.63%	1.63%	1.65%	n/a
Class E	2.09%	2.00%	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.68%	2.62%	2.62%	n/a	n/a
Class H	1.68%	1.63%	n/a	n/a	n/a

Statement of Financial Highlights (unaudited)

	2010	2009	2008	2007	2006
Aggressive Growth Portfolio					
Net Asset Value at December 31					
Class A	11.65	10.68	8.74	13.59	13.95
Class B	11.64	10.68	8.74	13.59	-
Class C	11.43	10.53	8.66	13.52	-
Class D	-	11.03	-	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	11.65	10.68	8.74	n/a	n/a
Class H	12.16	11.03	8.95	n/a	n/a
Net Assets ('000's) at December 31					
Class A	45,116	44,900	37,928	61,597	31,331
Class B	7,609	5,389	3,137	3,413	-
Class C	463	175	102	57	-
Class D	-	215	-	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	68,105	37,070	11,500	n/a	n/a
Class H	777	785	346	n/a	n/a
Number of Units Outstanding at December 31					
Class A	3,873,308	4,205,318	4,337,657	4,531,754	2,245,597
Class B	653,593	504,767	358,794	251,118	-
Class C	40,477	16,666	11,830	4,196	-
Class D	-	19,506	-	-	-
Class E	-	-	-	-	-
Class F	-	-	-	-	-
Class G	5,847,935	3,471,983	1,315,207	n/a	n/a
Class H	63,941	71,183	38,681	n/a	n/a
Management Expense Ratio as at December 31					
Class A	2.73%	2.68%	2.68%	2.71%	2.72%
Class B	2.79%	2.68%	2.68%	2.71%	n/a
Class C	3.23%	3.10%	3.10%	3.14%	n/a
Class D	1.69%	1.69%	n/a	n/a	n/a
Class E	n/a	n/a	n/a	n/a	n/a
Class F	n/a	n/a	n/a	n/a	n/a
Class G	2.76%	2.68%	2.68%	n/a	n/a
Class H	1.76%	1.69%	1.07%	n/a	n/a

* The portfolio turnover rate is determined by dividing the lesser of amounts of the purchases or sales of portfolio securities for the year by the average of the value of the portfolio securities owned. Securities having a remaining term to maturity on the date of acquisition of one year or less are excluded from the calculation of the portfolio turnover rate.

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Empire Life is among the top 10 life insurance companies in Canada¹ and is rated A (Excellent) by A.M. Best Company². Our vision is to be the leading, independently-owned, Canadian financial services company committed to simplicity, being easy to do business with and having a personal touch.

¹ Financial Post Magazine, June 2010, based on revenue

² As at June 10, 2010

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