



June 30, 2023

Dear customer:

We are making some changes to your **Empire Life Guaranteed Investment Funds** contract that we would like to bring to your attention.

CHANGES TO PURCHASE FEE OPTIONS

Due to regulatory changes, **we are no longer able to accept deposits to your contract under the deferred sales charge ("DSC") or low load ("LL") purchase fee options. You will continue to be able to make deposits under the no-load ("NL"), front end ("FE") load, or fee for service ("FFS" or "F-Class") purchase fee options.** Please refer to the Information Folder and Contracts Provisions document you received, plus any subsequent amendments we communicated to you, for more information on those purchase fee options.

Deposits you made prior to May 29, 2023 under the DSC option or LL option will retain their DSC/LL withdrawal fee schedules. In addition, DSC and LL withdrawal fee schedules may continue when: (i) converting a registered retirement savings plan to a registered retirement income fund contract, (ii) converting a locked-in retirement account to a life income fund contract, or (iii) transferring ownership of the individual variable insurance contract.

If you were making deposits to your contract by pre-authorized debit ("PAD") under the DSC option or LL option, your future deposits by PAD will be made under the FE option with a sales charge of 0%, unless or until you instruct us otherwise. Typically, under the FE option the sales charge is negotiated between you and your advisor, and is deducted from the amount of your deposit and the net amount is then applied towards the purchase of fund class units as selected by you. We then pay a commission equivalent to the sales charge to your advisor. However, in this case, we will set the sales charge to 0% so that you do not incur any additional cost.

ENHANCEMENTS AND ADDITIONS TO YOUR GIF CONTRACT

Preferred Pricing

We are also making it easier to qualify for our Preferred Pricing Program by adding another tier. The minimum market value of eligible fund class units is now \$250,000, for which we will apply an Annual Management Fee Credit of 0.10%. There are no changes to the existing tiers.

Tier	Credit
\$250,000 - 499,999	0.10% - New
\$500,000 - 999,999	0.25%
\$1,000,000+	0.50%

New funds now available

The following segregated funds are now available under your contract

1. Empire Life Canoe Conservative Portfolio GIF
2. Empire Life Canoe Balanced Portfolio GIF
3. Empire Life Canoe Moderate Growth Portfolio GIF

See the pages that follow this letter for more information about these new segregated funds, including their objectives, strategies, and risks. You can also visit www.empire.ca/GIF_productchanges for the individual Fund Facts.

The changes came into force on May 29, 2023.

Resources

The amendment to your contract can be downloaded by visiting www.empire.ca/GIF_productchanges or by scanning the QR code with your mobile device.

Please contact your advisor or speak with an Empire Life service representative directly at 1-877-548-1881 should you require more information.



Thank you very much for placing your trust in Empire Life. We very much appreciate your business.

NEW FUNDS: INVESTMENT POLICIES AND POTENTIAL RISK OF INVESTING

EMPIRE LIFE CANOE CONSERVATIVE PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Canoe Conservative Portfolio GIF is to earn income and provide long-term capital growth by investing primarily in fixed income securities and in global equity securities.

Principal Investment Strategies

To achieve its objective of earning income, the fund invests in a portfolio of fixed-income securities issued by governments and corporations from around the world. To achieve its objective of long-term capital growth, the fund invests primarily in global equity securities with a diverse representation of companies, geographic regions, market sectors and industry groups. The target asset mix of the fund is 70% in fixed-income securities and 30% in equity securities. The fund may invest directly in securities or indirectly through the use of secondary funds, including but not limited to segregated funds, mutual funds or ETFs. The fund invests in a mix of actively managed segregated, mutual and pooled funds. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

Principal Risks

Business risk, credit risk, emerging countries risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, special equities risk, trust investment risk, cash deposit risk, convertible securities risk, foreign investment risk, liquidity risk, series risk and yield fluctuations risk. As the fund currently invests in secondary funds, it is exposed to risks mainly through its investments in the secondary funds.

EMPIRE LIFE CANOE BALANCED PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Canoe Balanced Portfolio GIF is to provide a balance between long-term capital growth and earning income by investing primarily in global equity securities and fixed income securities.

Principal Investment Strategies

To achieve its objective of providing a balance between long-term capital growth and earning income, the fund will invest in a mix of fixed income securities issued by governments and corporations from around the world, and global equity securities with a diverse representation of companies, geographic regions, market sectors and industry groups. The target asset mix of the fund is 50% in fixed income securities and 50% in equity securities. The fund may invest directly in securities or indirectly through the use of secondary funds, including but not limited to segregated funds, mutual funds or ETFs. The fund invests in a mix of actively managed segregated, mutual and pooled funds. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

Principal Risks

Business risk, credit risk, emerging countries risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, special equities risk, trust investment risk, cash deposit risk, convertible securities risk, foreign investment risk, liquidity risk, series risk and yield fluctuations risk. As the fund currently invests in secondary funds, it is exposed to risks mainly through its investments in the secondary funds.

EMPIRE LIFE CANOE MODERATE GROWTH PORTFOLIO GIF

Investment Objective

The fundamental investment objective of the Empire Life Canoe Moderate Growth Portfolio GIF is to provide long-term capital growth and earn income by investing primarily in global equity securities and fixed income securities.

Principal Investment Strategies

To achieve its objective of providing long-term capital growth, the fund will invest primarily in global equity securities with a diverse representation of companies, geographic regions, market sectors and industry groups. To achieve its objective of earning income, the fund will invest in fixed income securities issued by governments and corporations from around the world. The target asset mix of the fund is 30% in fixed income securities and 70% in equity securities. The fund may invest directly in securities or indirectly through the use of secondary funds, including but not limited to segregated funds, mutual funds or ETFs. The fund invests in a mix of actively managed segregated, mutual and pooled funds. The fund will be monitored and re-balanced from time to time at the discretion of the portfolio manager, consistent with the fund's investment objective and target asset mix. The fund may enter into repurchase transactions, reverse repurchase transactions or securities lending transactions.

Principal Risks

Business risk, credit risk, emerging countries risk, ETF risk, foreign currency risk, fund in fund risk, general derivatives risk, interest rate movement risk, large investor risk, market risk, repurchase and reverse repurchase transactions and securities lending risk, special equities risk, trust investment risk, cash deposit risk, convertible securities risk, foreign investment risk, liquidity risk, series risk and yield fluctuations risk. As the fund currently invests in secondary funds, it is exposed to risks mainly through its investments in the secondary funds.

ADDITIONAL POTENTIAL RISKS OF INVESTING:

Commodity risk

Some funds may invest directly or indirectly in commodities, or gain exposure to commodities by investing in companies engaged in commodity-focused industries or by using exchange-traded funds. Commodity prices can fluctuate significantly in short time periods, which will have a direct or indirect impact on the value of the fund. Commodity prices can change as a result of a number of factors including supply and demand, government and regulatory matters, speculation, international monetary and political factors, central bank activity and changes in interest rates and currency values. Direct investments in bullion may generate higher transaction and custody costs.

Short selling risk

Certain funds may engage in a disciplined amount of short selling. A "short sale" is where a fund borrows securities from a lender and then sells the borrowed securities (or "sells short" the securities) in the open market. At a later date, the same number of securities are repurchased by the fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the fund pays compensation to the lender. If the value of the securities declines between the time that the fund borrows the securities and the time it repurchases and returns the securities, the fund makes a profit for the difference (less any compensation the fund pays to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale sufficient to offset the compensation paid by the fund and make a profit for the fund, and securities sold short may instead increase in value. The fund may also experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the fund has borrowed securities may go bankrupt and the fund may lose the collateral it has deposited with the lender. The lender may decide to recall the borrowed securities which would force the fund to return the borrowed securities early. If the fund is unable to borrow the securities from another lender to return to the original lender, the fund may have to repurchase the securities at a higher price than what it might otherwise pay.

Each fund that engages in short selling will adhere to controls and limits that are intended to offset these risks by selling short only securities of larger issuers for which a liquid market is expected to be maintained and by limiting the amount of exposure for short sales. The funds will also deposit collateral only with lenders that meet certain criteria for creditworthiness and only up to certain limits. Although some funds may not themselves engage in short selling, they may be exposed to short selling risk because the secondary funds in which they invest may be engaged in short selling.

Foreign Investment Risk

Some of the funds, directly or indirectly, invest in securities issued by corporations in, or governments of, countries other than Canada. Investing, directly or indirectly, in foreign securities can be beneficial in expanding a fund's investment opportunities and portfolio diversification, but there are risks associated with foreign investments. Companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada. Sometimes foreign governments impose taxes, take over private businesses, or change the rights of foreign investors. They might impose currency controls that greatly restrict a fund's ability to get its money out of the country, or they may devalue their currency. Riots, civil unrest or wars, or unstable governments in some countries could hurt a fund's investments. Even in some relatively well regulated countries it can be difficult to get the correct information investors need about business operations. And it's sometimes hard to enforce a fund's legal rights in another country. Foreign countries may also experience relatively high inflation and high interest rates. A fund's investments could also suffer because a small number of companies could make up a large part of the foreign market. If one of these companies does poorly the whole market could drop. Fixed income securities bought on foreign markets – even some government bonds – can be quite risky. There's a risk that the issuer won't pay off the debt or that the price of the securities will drop rapidly.

Of course, the amount of risk varies a lot from country to country. Securities in developed markets generally have lower foreign investment risk because they're generally well regulated and are relatively stable. Securities of governments and companies in emerging or developing markets can have significant foreign investment risk.

In addition, emerging markets, which are generally less economically developed foreign countries, are more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held, directly or indirectly, by a fund. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability of information relating to a fund's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities.

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The Empire Life Insurance Company

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