PROTECT
THE DOWNSIDE

Keep your investments afloat

Empire Life Investments

It's a fact. Markets go up and markets go down. When markets are rough, it's natural to want to abandon ship, even though you know it's important to stay the course no matter how choppy the waters get.

> But what if there was a way to invest that could help smooth out the ups and downs so you feel less seasick?

Investing with an emphasis on downside protection regardless of market conditions, is like putting a life jacket on your investments. It can help preserve the value during market downturns, while still allowing you to participate when markets are rising.

Empire Life Investments[1] is here to help. Inside you'll discover how Empire Life Emblem portfolios can help you implement downside protection in your insurance or mutual fund portfolio and keep your investments afloat.

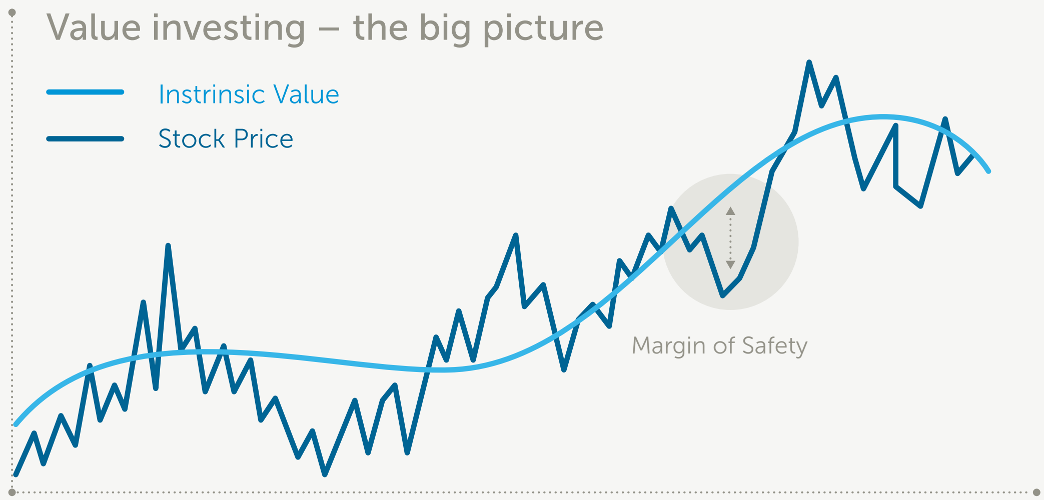
[1] Empire Life Investments refers to The Empire Life Insurance Company for insurance policies and Empire Life Investments Inc. for mutual funds

PROTECT THE DOWNSIDE WITH **EMPIRE LIFE EMBLEM PORTFOLIOS**

Investing in Empire Life Emblem portfolios is a simple and easy way to implement downside protection measures to help keep your portfolio afloat. Choose from Emblem Portfolios[2] (mutual funds) or Emblem GIF Portfolios[3] (segregated funds available in an insurance policy), depending on your needs.

Value investment style

The portfolios are managed using a conservative, value-oriented and disciplined investment style with an emphasis on downside protection. Value investing focuses on companies whose stock price is trading below the long-term intrinsic value of the company. The difference between the intrinsic value and stock price is the margin of safety – the larger the margin of safety, the greater the downside protection.



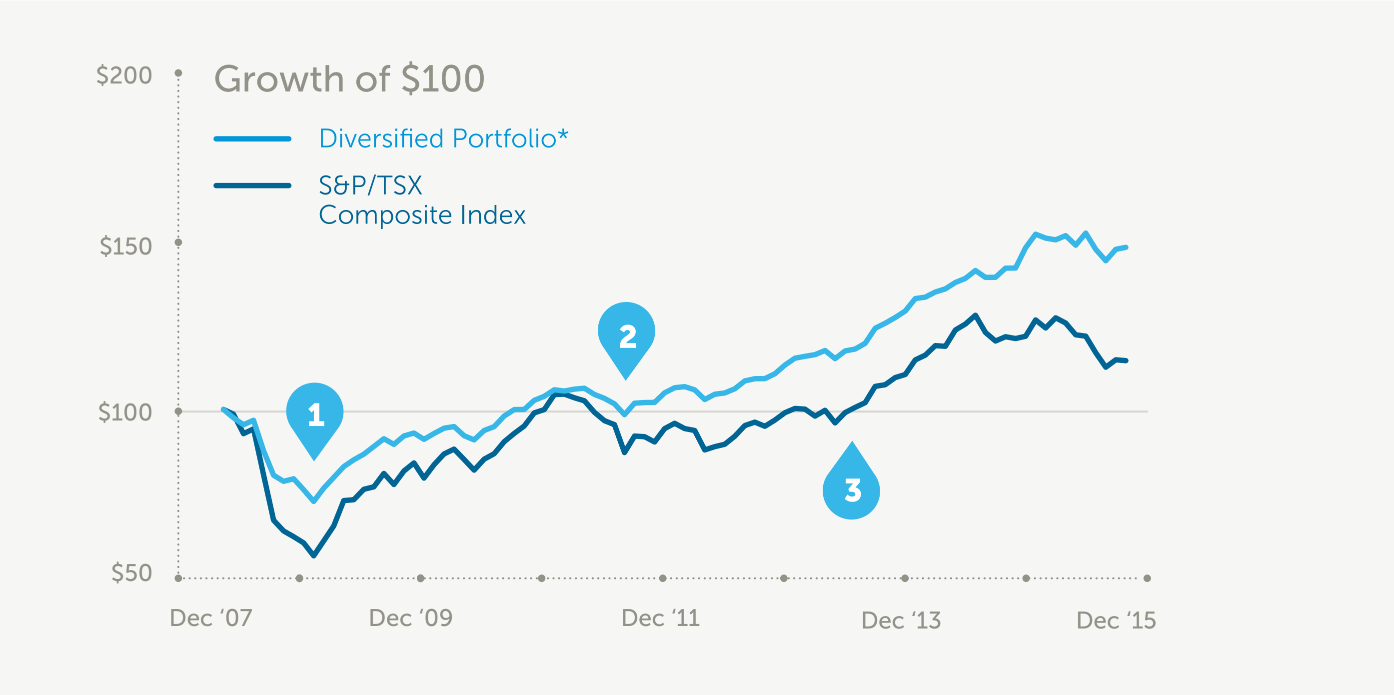
Benefits of downside protection

- ✓ Removes emotion during market downturns to keep you focused on investing for the long-term
- ✓ Reduces losses when markets are volatile
- ✓ Makes it easier to recover from market downturns when they do happen

Diversification

The portfolios are diversified across asset classes and monitored by the Emblem Oversight Team to respond to changing market conditions. This may lead to smaller declines in down markets and therefore a quicker recovery when markets begin to rise again.

Compare the performance of the diversified and non-diversified (S&P/TSX Composite Index) portfolios below to see the benefits of diversification.



* Represented by equal weights of S&P/TSX Composite, FTSE/TMX Canada Universe Bond, MSCI World Indices
Source: *Bloomberg* (May 2008 – November 2015)

1 Downside — $73 low vs $57 low

During the 2008 market crisis, the diversified portfolio declined much less than the non-diversified portfolio.

2 Upside — Oct. 2011 recovery

The diversified portfolio recovered more quickly because of its smaller decline.

3 Upside — Aug. 2013 recovery

It took the non-diversified portfolio an additional 22 months (until August 2013) to achieve a sustained recovery.

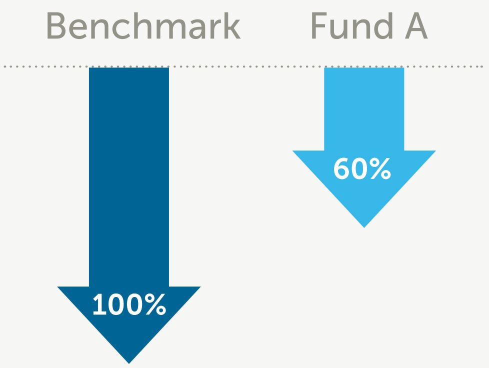
[2] Mutual Funds offered by Empire Life Investments Inc. [3] Policies issued by The Empire Life Insurance Company

DOWNSIDE PROTECTION —
THE PROOF IS IN THE NUMBERS!

How do you know if your investment is providing downside protection?

The downside capture ratio is useful in evaluating how your investment performed compared to a benchmark in down markets.

A fund with a downside capture ratio of less than 100% indicates the fund lost less during periods of negative returns for the benchmark. The smaller the number the better, as it means the fund delivered downside protection.

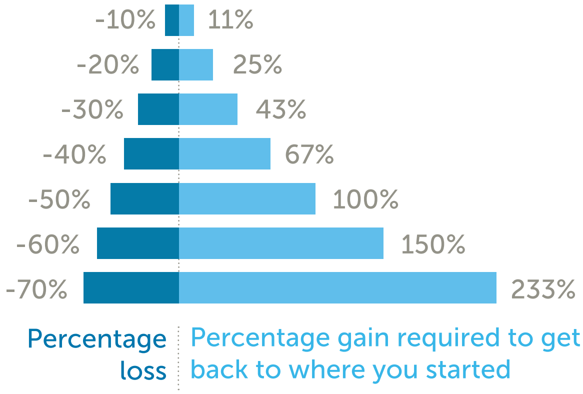


Did you know?

If your investment loses 20%, you need to earn 25% to recover! A larger gain than what was lost is needed to get you back to where you started before the market dropped.

Therefore, reducing your exposure to losses through downside protection measures makes it easier to recover from market downturns.

Percentage gain required to offset losses



Talk to your advisor about how Empire Life Emblem portfolios can help you stay afloat.

Empire Life Investments Inc. is the Manager of the Empire Life Emblem Portfolios and Empire Life Mutual Funds (the "Portfolios" or "Funds"). The units of the Portfolios and Funds are available only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such units. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. The sale of Series T units may trigger capital gains or losses. Nothing contained herein shall constitute, or shall be deemed to constitute, investment advice or a recommendation to buy or sell a specific security, by the Portfolios, Funds or their manager, Empire Life Investments Inc. You should consult with your investment professional before making any investments.

Empire Life Emblem GIF Portfolios currently invest primarily in units of Empire Life Mutual Funds. Segregated Fund contracts are issued by The Empire Life Insurance Company ("Empire Life"). A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. **Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value**. Past performance is no guarantee of future results.