

EMPIRE LIFE INFORMATION CIRCULAR

DATE: July 15, 2013

Nº. 2013-18

CATEGORY : INVESTMENTS

TO : Managing General Agents, Associate General Agents, Advisors,
General Agents, Independent Financial Advisors and National Accounts

SUBJECT : **June 30, 2013 Investment Statements**

This Information Circular applies to all Empire Life Investment Plans or Riders except Empire Class Segregated Fund Contracts.

The semi-annual Customer Investment Statements for Empire Life investment plans or riders will be mailed soon. Advance advisor statement copies will be sent beginning July 18, 2013 and customer statements will be mailed starting July 25, 2013.

A PDF of the statements for Elite and Elite XL Investment Programs will also be available on the Business Centre on July 22, 2013.

**What's in the
package**

In addition to the statements, customers will receive the following inserts:

- Investment Update;
- Statement Glossary

**Segregated Fund
Guarantee
reporting: Elite
and Elite XL
Policies**

Where applicable, the Maturity and Death Benefit minimum guaranteed amounts will be displayed along with the policy's Maturity Date. Under the terms of the policy contract, the customer will receive the **higher** of this guaranteed minimum amount and the market value of the Segregated Funds at Maturity or Death. Please remember that the displayed guarantee amounts are for the Segregated Funds Investment Option of the policy only.

The Maturity and Death Benefit Guarantee values are bolded on the client statements. The Maturity and Death Benefit Guarantees will increase with deposits and transfers from the Interest Investment Options. Withdrawals and transfers out of the Segregated Funds Investment Option will reduce the guarantees proportionately.

For the purposes of determining the Maturity Benefit Guarantee for a RRIF, the Maturity Date is either established as a result of an RRSP conversion within the same plan or the date is ten years after the effective date as noted on the Policy Confirmation Notice. The Maturity Benefit Guarantee and Maturity Date will be displayed on RRIF statements only until the Maturity Date has been reached.



**Things you
should know
about the
statements**

- The advisor shown on the statements is the **Servicing Advisor** as of June 30, 2013.
- Personal Rates of Return on Segregated Fund investments are calculated using the industry standard time-weighted rate of return formula currently used on our Envision software. The statements report historical 1, 3 and 5 year compounded rates of return for current Fund holdings only where more than one complete year of history exists. These Personal Rates of Returns are calculated after taking into consideration sales commissions paid, as well as all expenses, management and administrative fees.
- Policies with the 100% Maturity Guarantee Benefit Option may see an annual fee on the statement. The annual fee of 0.38% of the fund value, excluding the Money Market Fund, is applied to each Fund on a proportionate basis and charged on the policy anniversary date.
- The customer has 30 days in which to inform their advisor of any discrepancy on their statement.

**Special notes
on older
Investment plans**

Some of our older investment plans, including SIP, LIP and some VIP policies, will show an additional deposit on June 7, 2013. These deposits represent a management fee adjustment which is not receiptable, commissions are not payable, or loads deducted.

You may receive inquiries from customers about loads appearing on the statements for older PIP policies. The following example shows how the charges for a deposit to a PIP are calculated:

Gross deposit	\$ 100.00
Less policy fee	<u>- 2.50**</u>
	= \$ 97.50
Less 5% load	- \$4.88
Net deposit	= <u>\$ 92.62</u>
Total charge	\$7.38

**This fee is based on the issue date and payment method shown below:

Issued before October 1, 1988

PAC	\$ 2.50
Direct Bill	\$ 3.00
Annual	\$20.00

Issued after October 1, 1988

PAC	\$ 1.80
Direct Bill	\$ 2.80
Annual	\$20.00

Reference: **Carol Anne Braccioldieta**, Director, Investment Operations, Customer and Dealer Services