

EMPIRE LIFE INFORMATION CIRCULAR

DATE: September 19, 2011

Nº. 2011-27

CATEGORY : INVESTMENT MANAGEMENT

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

SUBJECT : **Portfolio Funds Enhancements**

We are pleased to announce that effective September 15, 2011, we have made the following enhancements to **Empire Life Portfolio Funds**.

1. Streamlined the underlying fund mixes to improve the long term risk/return profiles
2. Added Empire Life Dividend Growth Fund to increase the yield potential
3. Increased Canadian exposure to reduce foreign equity and exchange rate risk
4. Enhanced the rebalancing approach within a +/- 2.5% band to capitalize on shorter to medium term market trends

The **new underlying fund mixes** for the Portfolio Funds are:

Empire Life underlying funds	Conservative Portfolio	Balanced Portfolio	Moderate Growth Portfolio	Growth Portfolio	Aggressive Growth Portfolio
Bond	65.0%	50.0%	35.0%	20.0%	0.0
Canadian Equity	12.5%	15.0%	20.0%	25.0%	30.0%
American Value	5.0%	7.5%	10.0%	10.0%	12.5%
International Equity	5.0%	7.5%	10.0%	10.0%	12.5%
Small Cap Equity	0.0	5.0%	5.0%	10.0%	15.0%
Added Dividend Growth	12.5%	15.0%	20.0%	25.0%	30.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

The **target asset mixes** between equities and fixed income for all Portfolio Funds remain unchanged. For example, the target asset mix for the Moderate Growth Portfolio remains 35% fixed income, 65% equities.

The **old underlying fund mixes** for the Portfolio Funds were:

Empire Life underlying funds	Conservative Portfolio	Balanced Portfolio	Moderate Growth Portfolio	Growth Portfolio	Aggressive Growth Portfolio
Bond	40.0%	35.0%	25.0%	15.0%	0.0
Income	25.0%	15.0%	10.0%	5.0%	0.0
Canadian Equity	10.0%	10.0%	25.0%	35.0%	50.0%
American Value	15.0%	15.0%	15.0%	15.0%	15.0%
International Equity	10.0%	15.0%	15.0%	15.0%	15.0%
Small Cap Equity	0.0	5.0%	0.0	5.0%	10.0%
Global Smaller Comp.	0.0	5.0%	10.0%	10.0%	10.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

Customer Notification

As there are no changes to the investment objectives of the Portfolio Funds, there are no changes to the Information Folder. Information on the changes to the funds is available on our website.

Marketing Materials

The following updated and new marketing materials are now available:

- **INP-0091** Portfolio Funds (client brochure)
- **INP-0092** Investor Profile Questionnaire
- **INP-0094** Why Portfolio Funds are a Smart Choice (Advisor, PDF only)
- **New** Overview of Empire Life Portfolio Funds (Client, PDF only)

Please visit our [website](#) for more information.

Reference Julie Yoshikuni, Vice President, Retail Investment Products and Marketing

