



GUARANTEED INVESTMENT FUNDS LINGO

Your Quick Reference Guide

Investing can sometimes be complicated and overwhelming. Empire Life is proud to offer simple, easy to understand investment choices. Inside are some of the terms commonly used when referring to our Guaranteed Investment Funds (GIF), also known as segregated funds.

This document is intended for informational purposes only and does not replace the contract. Full details can be found in the Information Folder.

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WHAT IS A GUARANTEED INVESTMENT FUND?



Guaranteed Investment Funds (commonly referred to as segregated funds)

At Empire Life, our segregated funds are called “Guaranteed Investment Funds”. They offer valuable benefits some other investments cannot, such as maturity and death benefit guarantees, estate and probate bypass and potential creditor protection.

Information Folder

A document describing in detail the fees and key features of the GIF contract. Examples of key features described include the effect withdrawals have on maturity and death benefit guarantees and the effect resets have on the maturity date.



Fees

Each fund pays fees and expenses for the operating of that fund, called the Management Expense Ratio or MER. The MER is deducted from the fund every day before the unit value is calculated. The MER is outlined in the information folder and consists of:



Management fee

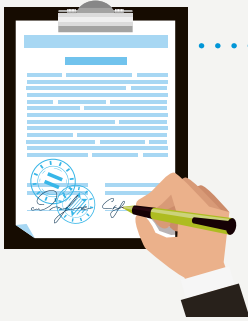
Charges related to professional investment management and administration of a fund.

Operating expenses

Includes legal, audit, compliance, bank service and interest charges and applicable taxes.

Insurance fee

Fee for the maturity and death benefit guarantees that protect your principal during market downturns.

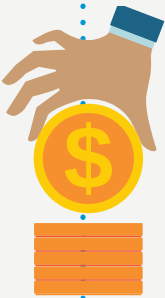
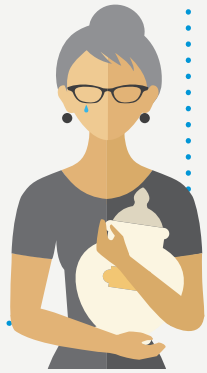


Contract

The agreement between the contract owner and Empire Life. It consists of the application, fund facts, contract provisions, any endorsements or amendments and the confirmation notice.

Death Benefit (also called the proceeds)

The amount of money payable by Empire Life to the beneficiary, upon death of the annuitant. The beneficiary will receive the greater of the current market value and the death benefit guarantee.



Deposits

The amount of money put into the GIF contract. Deposits can be made automatically on a regular basis through a pre-authorized debit (PAD), or at any time as a lump sum.

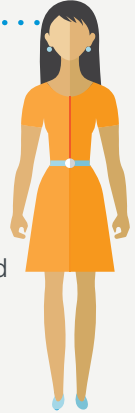
Tip: Consider making regular, automatic deposits. Monthly deposits can be easier to budget for and provide a convenient, structured and disciplined approach to saving.

WHO IS PART OF A GIF CONTRACT?



Contract owner

The person who owns the GIF contract.



Annuitant

The person on whose life the maturity and death benefits are paid.

Beneficiary

The person who will receive the proceeds when the annuitant dies. This can be a spouse, partner, child, relative or favourite charity. A contingent beneficiary can be named to receive the proceeds if the beneficiary dies before the annuitant.



Tip: Consider naming a person as your beneficiary, rather than your estate or leaving it blank. See “Estate and Probate bypass” to find out why.



Advisor (also called a Broker or Agent)

An individual licenced to sell different types of insurance, such as segregated funds, life insurance and group insurance. Advisors can help determine which investment products are best suited to you, given your personal circumstances.

GIF FEATURES AND BENEFITS

Death benefit guarantee

The percentage of deposits, reduced proportionately by withdrawals, the beneficiary is guaranteed to receive upon death of the annuitant. Choose a 75% or 100% guarantee, based on the level of capital protection desired.



Death benefit guarantee resets

If there is market growth in the investment, resets allow the contract owner to lock-in growth and increase ("reset") the guaranteed value available upon death of the annuitant.



Potential creditor protection

Under certain circumstances, a personal GIF contract may be protected from creditors.

Tip: Potential creditor protection may be especially valuable to business owners and professionals.

GIF FEATURES AND BENEFITS

Maturity benefit guarantee

The percentage of deposits, reduced proportionately by withdrawals, the contract owner is guaranteed to receive on the maturity date. Choose a 75% or 100% guarantee, based on the level of capital protection desired.



Maturity benefit guarantee resets

If there is market growth in the investment, resets allow the contract owner to lock-in that growth and increase ("reset") the guaranteed value available on the maturity date.



Maturity date

The date the GIF contract matures and the contract owner receives the greater of the current market value and the maturity benefit guarantee.



Tip: Naming a beneficiary on the GIF contract ensures the proceeds are distributed according to the contract owner's wishes, without incurring additional legal, estate administration or probate fees.

Estate and probate bypass

GIF contract proceeds are paid quickly and privately to the beneficiary.



Annuity Settlement Option

The contract owner can choose how proceeds are paid to beneficiaries, for maximum estate planning flexibility.

Tip: A lump sum payment from the GIF contract may not be desirable if young dependents or beneficiaries that are not financially savvy are involved. The Annuity Settlement Option allows the contract owner to control how the proceeds are paid out based on the unique needs of each beneficiary.

The Empire Life Insurance Company

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The Empire Life Insurance Company (Empire Life) is a proud Canadian company that has been in business since 1923. We offer individual and group life and health insurance, investment and retirement products.

Our mission is to make it simple, fast and easy for Canadians to get the products and services they need to build wealth, generate income, and achieve financial security.

Follow us on social media @EmpireLife or visit empire.ca for more information, including current ratings and financial results.

These definitions are for general information purposes only and are not intended as legal, financial or tax advice. The Empire Life Insurance Company assumes no responsibility for any reliance made on, or omissions to, the information contained in this document. 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.** Please seek professional advice before making any decision. Policies are issued by The Empire Life Insurance Company.

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