



# 2008 Annual MER Survey

## Survey Says?

At Empire Life, we offer competitive MERs so that more of the funds' investment returns are passed on to clients. Our annual MER survey shows that most of the MERs for all of our Segregated Funds are less than the average Segregated Fund in the industry.

### Summary of Results

- For all Empire Life Class A Funds included in this survey, 100% had MERs lower than the average Segregated Fund<sup>1</sup> in the industry. From the advisor-sold mutual fund<sup>2</sup> sample, 71% of Empire Life funds were lower than the average MER in the industry.
- For all Empire Life Fund Classes included in this survey, 89% had MERs lower than the average Segregated Fund<sup>1</sup> in the industry with the exception of the Money Market Fund, which was equal to the average MER. From the advisor-sold mutual fund<sup>2</sup> sample, 55% of Empire Life funds were lower than the average MER in the industry.
- The average MER of Segregated Funds decreased by 2.0 basis points (1 basis point or bp = 1/100 of 1%) as reported by Globe HySales<sup>3</sup>.
- Overall, Empire Life Segregated Funds MERs decreased by 3.6 basis points<sup>4</sup>.

### Why choose Empire Life Segregated Funds for your clients?

- Competitive returns, 82% of our funds have a five-year return rank in the 1st or 2nd quartile.<sup>5</sup>
- 8 out of 9 of our funds with at least 10 years history have outperformed their peer category<sup>6</sup>.
- Our conservative, value-oriented investment style for over 40 years, has delivered impressive long-term returns while lessening volatility.
- Attractive guarantees that are not available with most mutual funds: choice of 75% or 100% maturity guarantee benefit<sup>7</sup> and 100% death benefit guarantee.

You CAN have it all – powerful guarantees, solid performance and competitive MERs from Empire Life.

<sup>1</sup>The Segregated Fund-only sample contains all advisor-sold funds excluding those that are not Segregated Funds, no-loads, and those only offered on a front-end load basis. <sup>2</sup>Advisor-sold funds pertains to all funds with a 1-year history, excluding banks, direct-sold funds, associations and pooled funds. <sup>3</sup>Compared to the Empire Life 2007 Annual MER survey. <sup>4</sup>This does not include Class Funds or the Global Dividend Growth Fund as they did not have established MERs in 2007. <sup>5</sup>PalTrak as at April 30, 2008. <sup>6</sup>PalTrak as at April 30, 2008; The performance number is based on the median performance of the category. The peer category is determined by CIFSC. <sup>7</sup>The basic maturity guarantee ensures 75% of net deposits at the policy maturity date. The enhanced protection ensures 100% of net deposits at the policy maturity date. See the Elite/Elite XL Information Folder for full details on our 100% Maturity Guarantee Benefit Option.

Fund Category	Fund Name	MER (%)	Fund Type	Average MER	No. of Funds
<b>Canadian Focused Equity</b>	Elite Equity Fund - Class A	2.56	All	2.75	479
	Elite Equity Fund - Class B	2.56	Advisor	2.81	458
	Elite Equity Fund - Class C	2.99	Seg	3.27	126
	Elite Equity Fund - Class D	1.57			
	Elite Equity Fund - Class E	n/a			
	Aggressive Growth Portfolio Fund - Class A	2.71			
	Aggressive Growth Portfolio Fund - Class B	2.71			
	Aggressive Growth Portfolio Fund - Class C	3.14			
	Aggressive Growth Portfolio Fund - Class D	n/a			
	Aggressive Growth Portfolio Fund - Class E	n/a			
<b>Canadian Equity</b>	Canadian Equity Fund - Class A	2.56	All	2.44	429
	Canadian Equity Fund - Class B	2.56	Advisor	2.65	348
	Canadian Equity Fund - Class C	2.98	Seg	3.17	81
	Canadian Equity Fund - Class D	1.56			
	Canadian Equity Fund - Class E	n/a			
<b>Canadian Small or Mid Cap Equity</b>	Small Cap Equity Fund - Class A	2.56	All	2.63	181
	Small Cap Equity Fund - Class B	2.56	Advisor	2.73	154
	Small Cap Equity Fund - Class C	2.99	Seg	3.21	33
	Small Cap Equity Fund - Class D	1.58			
	Small Cap Equity Fund - Class E	n/a			
<b>Canadian Dividend and Income Equity</b>	Dividend Growth Fund - Class A	2.56	All	2.38	123
	Dividend Growth Fund - Class B	2.56	Advisor	2.42	113
	Dividend Growth Fund - Class C	2.98	Seg	2.92	24
	Dividend Growth Fund - Class D	1.56			
	Dividend Growth Fund - Class E	1.99			
<b>Canadian Neutral Balanced</b>	Balanced Fund - Class A	2.56	All	2.48	435
	Balanced Fund - Class B	2.56	Advisor	2.60	383
	Balanced Fund - Class C	2.86	Seg	2.91	115
	Balanced Fund - Class D	1.58			
	Balanced Fund - Class E	n/a			
<b>Canadian Fixed Income Balanced</b>	Conservative Portfolio Fund - Class A	2.43	All	2.12	200
	Conservative Portfolio Fund - Class B	2.43	Advisor	2.21	168
	Conservative Portfolio Fund - Class C	2.69	Seg	2.55	32
	Conservative Portfolio Fund - Class D	n/a			
	Conservative Portfolio Fund - Class E	n/a			
	Income Fund - Class A	2.17			
	Income Fund - Class B	2.17			
	Income Fund - Class C	2.35			
	Income Fund - Class D	n/a			
	Income Fund - Class E	n/a			

Fund Category	Fund Name	MER (%)	Fund Type	Average MER	No. of Funds
<b>Canadian Fixed Income</b>	Bond Fund - Class A	2.17	All	1.72	248
	Bond Fund - Class B	2.17	Advisor	1.88	196
	Bond Fund - Class C	2.34	Seg	2.29	51
	Bond Fund - Class D	n/a			
	Bond Fund - Class E	n/a			
<b>Canadian Money Market</b>	Money Market Fund - Class A	1.02	All	1.08	231
	Money Market Fund - Class B	1.44	Advisor	1.15	187
	Money Market Fund - Class C	1.53	Seg	1.44	39
	Money Market Fund - Class D	0.82			
	Money Market Fund - Class E	n/a			
<b>Tactical Balanced</b>	Asset Allocation Fund - Class A	2.57	All	2.78	45
	Asset Allocation Fund - Class B	2.57	Advisor	2.79	44
	Asset Allocation Fund - Class C	2.91	Seg	2.98	16
	Asset Allocation Fund - Class D	1.58			
	Asset Allocation Fund - Class E	n/a			
<b>Global Equity Balanced</b>	Global Balanced Fund - Class A	2.87	All	2.64	371
	Global Balanced Fund - Class B	2.87	Advisor	2.68	336
	Global Balanced Fund - Class C	3.18	Seg	3.07	90
	Global Balanced Fund - Class D	n/a			
	Global Balanced Fund - Class E	n/a			
	Growth Portfolio Fund - Class A	2.65			
	Growth Portfolio Fund - Class B	2.65			
	Growth Portfolio Fund - Class C	3.02			
	Growth Portfolio Fund - Class D	1.65			
	Growth Portfolio Fund - Class E	n/a			
<b>Global Neutral Balanced</b>	Balanced Portfolio Fund - Class A	2.49	All	2.52	232
	Balanced Portfolio Fund - Class B	2.49	Advisor	2.63	177
	Balanced Portfolio Fund - Class C	2.78	Seg	3.07	48
	Balanced Portfolio Fund - Class D	n/a			
	Balanced Portfolio Fund - Class E	n/a			
	Moderate Growth Portfolio Fund - Class A	2.59			
	Moderate Growth Portfolio Fund - Class B	2.59			
	Moderate Growth Portfolio Fund - Class C	2.93			
	Moderate Growth Portfolio Fund - Class D	n/a			
	Moderate Growth Portfolio Fund - Class E	n/a			

Fund Category	Fund Name	MER (%)	Fund Type	Average MER	No. of Funds
<b>Global Equity</b>	Global Dividend Growth Fund - Class A	2.80	All	2.83	707
	Global Dividend Growth Fund - Class B	2.78	Advisor	2.89	632
	Global Dividend Growth Fund - Class C	3.20	Seg	3.49	147
	Global Dividend Growth Fund - Class D	1.75			
	Global Dividend Growth Fund - Class E	n/a			
	Global Equity Fund - Class A	2.63			
	Global Equity Fund - Class B	2.62			
	Global Equity Fund - Class C	3.05			
	Global Equity Fund - Class D	1.63			
	Global Equity Fund - Class E	n/a			
<b>Global Small/Mid Cap Equity</b>	Global Smaller Companies Fund - Class A	3.01	All	2.38	63
	Global Smaller Companies Fund - Class B	3.02	Advisor	2.44	55
	Global Smaller Companies Fund - Class C	3.45	Seg	3.15	4
	Global Smaller Companies Fund - Class D	2.03			
	Global Smaller Companies Fund - Class E	n/a			
<b>U.S. Equity</b>	American Value Fund - Class A	2.58	All	2.61	513
	American Value Fund - Class B	2.58	Advisor	2.78	441
	American Value Fund - Class C	3.00	Seg	3.34	108
	American Value Fund - Class D	n/a			
	American Value Fund - Class E	n/a			
	U.S. Equity Index Fund - Class A	2.56			
	U.S. Equity Index Fund - Class B	2.56			
	U.S. Equity Index Fund - Class C	2.98			
	U.S. Equity Index Fund - Class D	n/a			
	U.S. Equity Index Fund - Class E	n/a			
<b>International Equity</b>	International Equity Fund - Class A	2.93	All	2.46	224
	International Equity Fund - Class B	2.94	Advisor	2.67	181
	International Equity Fund - Class C	3.36	Seg	3.29	32
	International Equity Fund - Class D	1.96			
	International Equity Fund - Class E	n/a			

Source: Globe HySales, May 31, 2008

# Focused Solutions. Superior Service.

In January 1923, a group of five business partners carefully chose a name for their newly founded company to reflect the values of strength and security. Today, more than 80 years later, The Empire Life Insurance Company (Empire Life) continues to be a strong, secure and stable Canadian financial services organization.

We are rated A (Excellent) by A.M. Best Company<sup>1</sup> and *Financial Post Business* magazine has ranked us among the top 10 life insurance companies in Canada.<sup>2</sup>

Our success is based on our commitment to being approachable and responsive to the needs of our clients and business partners, on consistently solid investment performance, and on faith in our employees as future leaders.

<sup>1</sup> As at June 2, 2008

<sup>2</sup> June 2008, based on revenue

[www.empire.ca](http://www.empire.ca)

Past performance is no guarantee of future performance. Empire Life Portfolio Funds currently invest in Class A units of the underlying Empire Life Segregated Funds.

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A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered. Subject to any applicable Death and Maturity Benefit Guarantee, any part of the premium/deposit or other amount that is allocated to a Segregated Fund is invested at the risk of the Plan/Contract Owner and may increase or decrease in value according to the fluctuations in the market value of the assets of the Segregated Fund.



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