

2004 Annual MER Survey

Survey says?

Across the board, Empire's MER's are lower than both the average segregated and mutual fund sold through advisors in Canada. Our annual MER survey shows that you don't have to pay more to enjoy the benefits of segregated funds if you invest with Empire.

Summary of Results

- Empire's MER's are lower than both the average advisor-sold mutual fund and segregated fund in Canada for every fund category.¹
- The average MER increase for all funds (mutual and segregated funds) as reported by Globe HySales was 3.4 basis points (1 basis point or bp = 1/100 of 1%).²
- The increase in the segregated fund-only sample, however, was higher at 10.0 basis points.³
- Empire's overall MER average decreased 0.2 basis points in the past year.

Five more reasons to choose Empire's Elite Family of Funds for your clients

1. Competitive returns, with 10 out of 11 of our funds rated 3 stars or better by GlobeFund (as at April 30, 2004)*
2. Proven risk-adjusted performance with 8 out of 9 active funds ranked 3 stars or better by Morningstar Canada (April, 2004)**
3. Named one of Canada's Top 10 fund families for three consecutive years***
4. Conservative, value-oriented investment style has provided consistent results for over 40 years
5. Attractive guarantees not available with mutual funds: 75% maturity guarantee and up to 100% death benefit guarantee****

*Your clients CAN have it all –
powerful guarantees, solid performance and competitive MERs –
from Empire Financial Group.*

Source: Globe HySales

¹ Advisor-sold fund pertains to all funds with a 1-year history, excluding banks, direct-sold funds, associations and pooled funds. ² All funds with a 1-year history. ³ The segregated fund-only sample contains all advisor-sold funds excluding those that are not segregated funds, no-load funds, and those only offered on a front-end load basis. * Funds with a history of at least two years. ** The ratings are calculated from the funds 3,5 and 10-year returns measured against 91-day Treasury bill returns and peer returns. For each time period the top 10% of the funds in a category get five stars. The Overall Rating is a weighted combination of the 3,5 and 10-year ratings. For greater detail see www.morningstar.ca. *** The Globe and Mail, April 2004, March 2003, February 2002 **** 100% of net deposits up to age 65, 75% of net deposits after age 65 for the Elite Investment Program. 100% of net deposits made at any age for Elite XL.



EMPIRE FINANCIAL GROUP™

Empire's Low MERs

The following table shows that Empire's MERs are lower than advisor-sold funds and seg funds.

Fund Category	Fund Name	MER	Fund Type	Average MER	No. of Funds
Canadian Equity	Elite Equity Fund	2.58	All	2.81	574
	Small Cap Equity Fund	2.60	Advisor	3.07	210
	Concordia Equity Fund	2.43	Seg	3.37	117
	Concordia Special Growth Fund	2.43			
Canadian Dividend	Dividend Growth Fund	2.59	All	2.49	94
			Advisor	2.77	33
			Seg	2.92	21
Global Equity	Global Equity Fund	2.59	All	2.91	526
			Advisor	3.12	239
			Seg	3.67	71
US Equity	US Equity Index Fund	2.58	All	2.69	484
	American Value Fund	2.68	Advisor	3.06	197
			Seg	3.41	86
Canadian Tactical Asset Allocation	Asset Allocation Fund	2.59	All	2.74	90
			Advisor	2.86	35
			Seg	2.89	28
Canadian Balanced	Balanced Fund	2.59	All	2.52	446
	Concordia Balanced Fund	2.43	Advisor	2.87	151
			Seg	2.99	99
Canadian Bonds	Bond Fund	2.19	All	1.85	236
	Corporate Bond Fund	2.20	Advisor	2.23	66
	Concordia Bond Fund	1.74	Seg	2.37	45
Canadian Money Market	Money Market Fund	1.03	All	1.10	199
	Concordia Money Market	1.07	Advisor	1.43	62
			Seg	1.54	33

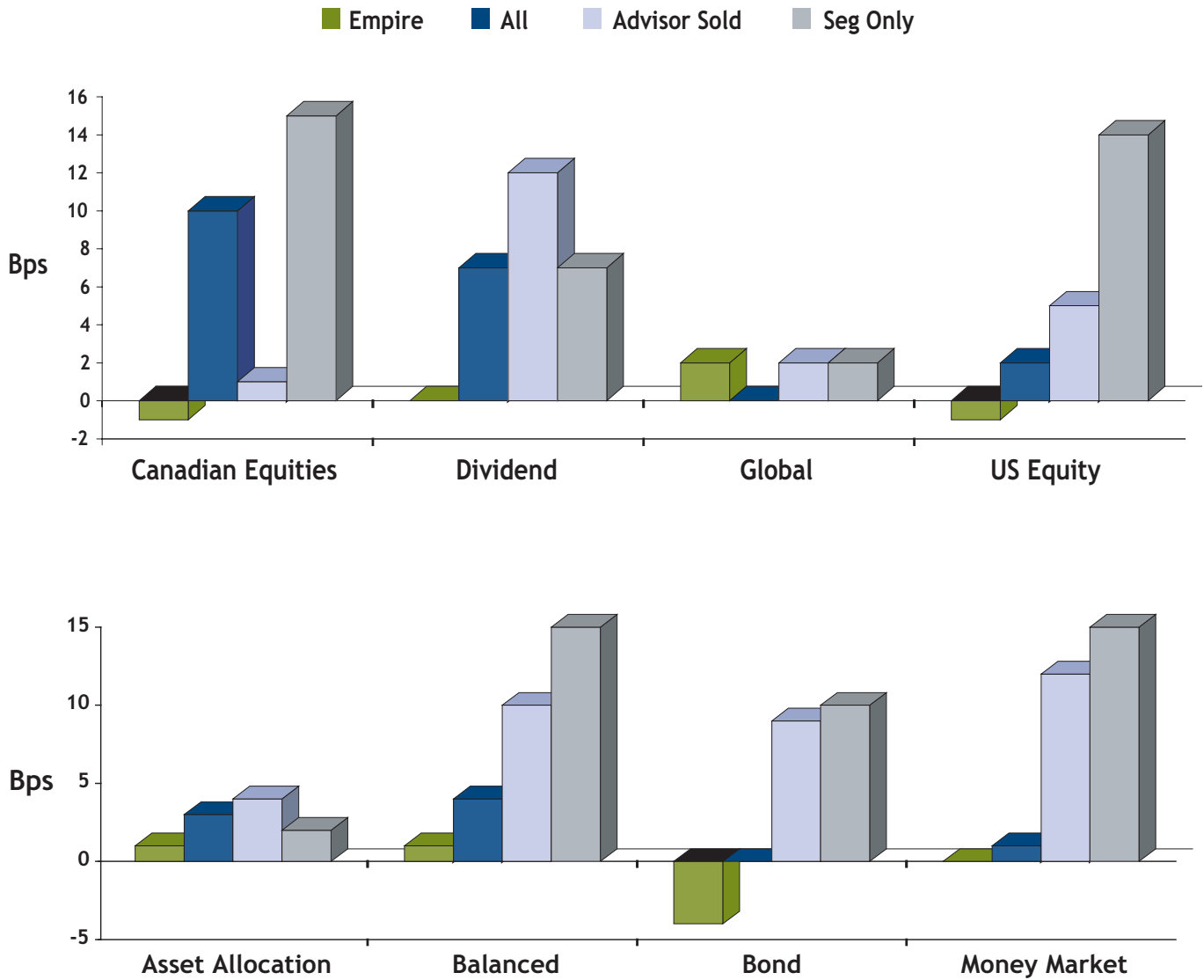
Source: Globe HySales, April 30, 2004



Competitive in every fund category!

The following charts show that Empire is keeping your clients' investing costs down.

Here are the increases/decreases in MER by fund category over the last year.



™ Trademark of The Empire Life Insurance Company.
 Empire Financial Group is the marketing identity used by The Empire Life Insurance Company.

For Advisor Use Only

