



# Empire Life

January 2010

## A vote of confidence

This past year has tested the confidence of many Canadian investors. Confidence in the markets, confidence in the products and investments they selected, confidence in the companies they chose to trust their money with, and for some of us, confidence in our own judgement and ability to make the right investment decisions.

The economic climate of the past 12-18 months has presented many challenges for Canadian companies and, particularly, Canadian financial service institutions. I am proud to report that throughout the economic crisis, Empire Life has remained strong, fulfilling all our obligations and maintaining a strong capital base so that we can continue to meet our commitments in the future.

One thing you can be confident in is our commitment to investment excellence. Our investment management team has been managing funds for four decades, through bear and bull markets, using a conservative, value-oriented approach. It is significant that our flagship Canadian equity fund, our Elite Equity Fund, celebrated 40 years of history in 2009 (the fund has returned an average of 10% since its inception as at October 31, 2009).

In 2009, we made some changes to our team and welcomed **Gaelen Morphet**, CFA as our new Senior Vice-President, and Chief Investment Officer. Gaelen brings more than 25 years of experience to our Company and is known for her impressive track record, industry experience and leadership abilities. Joining her are **Lieh Wang**, CFA as Senior Portfolio Manager, and **Nessim Mansoor**, CA, CFA as Portfolio Manager. I am confident under Gaelen's leadership the team will follow a disciplined investment process and approach to help our clients build wealth in good markets, and more important protect capital in bad and uncertain times.

In addition to having confidence in the company and the people managing your money, you must believe in the product you have chosen. If this past year has taught Canadian investors anything, it is the value of segregated fund guarantees. All of our segregated funds come with valuable guarantees at maturity and death, and now, guaranteed retirement income for life with our Class Plus product.

Most important of all, you must have confidence in your own investment decisions, such as when to invest in the markets, and what types of investments are right for you based on your risk profile. We've included some articles with tips and strategies for getting back into the market to help you invest confidently. After reading these articles, talk to your advisor to make sure the decisions you are making together are right for your situation and goals.

I have never been more confident about the future of Empire Life and our ability to help you build and protect your wealth. I thank you for your trust and vote of confidence in our Company and look forward to brighter days ahead.

Sincerely,

Leslie (Les) C. Herr

President & Chief Executive Officer

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