Enhanced statements and fee disclosure for segregated fund investments

We are writing to inform you of important updates to your contract and upcoming enhancements to your December 2026 year-end statements.

What is changing?

1. A new look for your statements

Starting with your December 31, 2026, statement, you will also notice a new layout that provides a clearer view of your investments, the features of your contract, and the fees associated with it.

2. Enhanced fee disclosure for segregated funds

While the fees associated with owning a segregated fund contract are not changing, **the way they are disclosed and reported is**. Starting in your December 2026 statement, if you hold segregated funds in your contract, fees will be reported to you in a dollar amount and as a percentage of your investments. This new disclosure is based on regulatory changes that apply to all investment funds.

To support this change, we have updated your Fund Facts to include more comprehensive cost terms: **Fund Expense Ratio (FER)** and **Trading Expense Ratio (TER)**. These terms are defined below. Additionally, if the Contract Provisions for your contract state that the **Management Expense Ratio (MER)** in the Fund Facts forms part of your contract, then effective June 2026, the reference to MER is replaced with FER.

Key terms to know

To help you understand the costs you pay, here is a breakdown of the reporting terms being used.

Term	What it means
Fund Expense Ratio (FER)	The total cost of the fund. It is the sum of the MER and the TER, expressed as a percentage of the fund's average daily net asset value.
Management Expense Ratio (MER)	This includes the management fee, the embedded insurance fee, fund operating expenses, applicable taxes and, where applicable, the MER attributable to secondary funds.
Trading Expense Ratio (TER)	Trading expenses are the fund's trading costs, or how much it costs the portfolio manager (and/or the portfolio manager of a secondary fund) to buy and sell the underlying securities within a segregated fund. This includes the commissions paid to broker-dealers when buying and selling underlying securities, and other portfolio transaction costs payable from assets in the fund.

Note: The FER, MER, and TER for each fund you hold under your contract is available in the Fund Facts document on our website at empire.ca.

These enhancements are designed to help you and your advisor have more meaningful conversations about how your contract, including professional investment management, insurance guarantees and estate planning benefits, can help you achieve your financial goals.

If you have any questions, please reach out to your advisor or our Customer Service team at 1 800 561-1268.