Empire Life Emblem Portfolios: Asset Allocation Update

Tactical Update February 26, 2020

Key Takeaways

- Increased US equities
- · Decreased cash

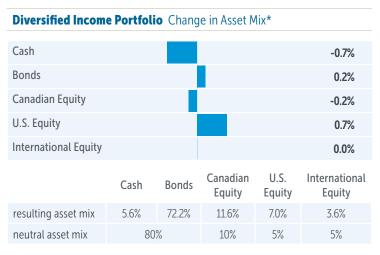
Rationale:

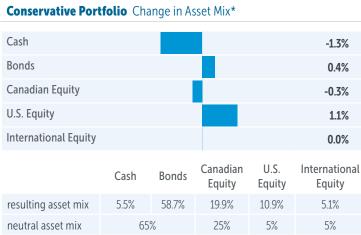
Global equities retreated sharply over the last week as investors digested news about the spread of the coronavirus to countries beyond China. The broadly based S&P 500 Index is now down over 7% from its recent high.

While we will continue to monitor the situation, as longer-term investors we know that volatility can often come out of nowhere and rattle investor sentiment, while the longer term impact on company fundamentals is minimal. It is difficult to handicap the virus in the short-to-medium term and the impact of COVID-19 on economic activity can be large in the short-term. However, market overreactions provide an opportunity to put some cash to work. We have tactically increased the Funds' allocation to US equities.

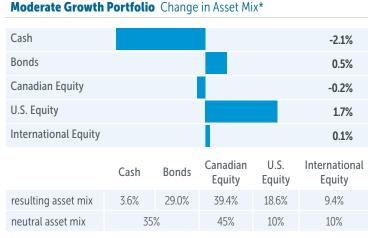


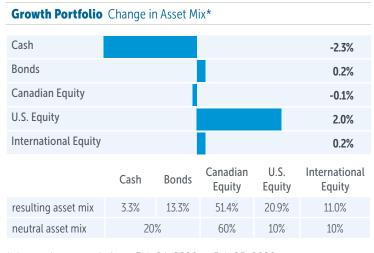
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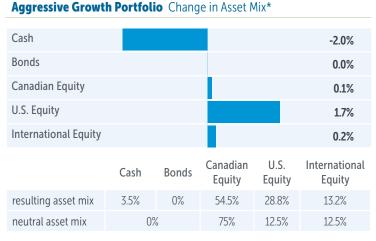




Balanced Portfolio Change in Asset Mix* Cash -2.0% Bonds 0.5% **Canadian Equity** -0.3% U.S. Equity 1.8% International Equity 0.1% U.S. Canadian International Cash **Bonds** Equity Equity Equity 44.0% 28.0% 15.5% 8.4% resulting asset mix 4.1% neutral asset mix 50% 35% 7.5% 7.5%









^{*}change in asset mix from Feb 24, 2020 to Feb 25, 2020

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