

# Empire Life Emblem Conservative Portfolio

Annual Management Report of Fund Performance

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## Management Discussion of Fund Performance

### Investment objectives and strategies

Empire Life Emblem Conservative Portfolio (the "Fund") seeks to provide long-term growth with income. The Fund invests in a broadly diversified mix of primarily Canadian fixed income and equity securities through a combination of strategic and tactical asset allocation and a value-oriented approach to security selection. The Fund's target asset mix is 65% fixed income securities (including cash) and 35% equity investments. Tactical shifts in asset allocation may be made by the portfolio manager with the objective of adding incremental value and optimizing this Fund's risk-return profile.

### Risk

For the twelve-month period ending December 31, 2021 (the "Period"), the overall level of risk of investing in the Fund remained the same. The Fund remains suitable for the investor who seeks long-term capital growth with income, has a low tolerance for risk and wishes to diversify their portfolio through fixed income and equity securities to potentially reduce volatility.

### Results of operations

For the Period, Series A of the Fund returned 4.0%, net of fees. The net returns of other series of this Fund are provided under the section titled "Past Performance." The series have different returns due to the expenses charged to each series. The FTSE Canada Universe Bond Index, broadly representative of the Canadian bond market, returned -2.5% for the same Period. The Fund's mandate is to invest in a diversified target asset mix of equity securities (35%) and fixed-income securities and cash (65%). Fund returns are reported net of all management fees and expenses unlike the performance of an index that does not pay fees or incur expenses.

The Fund's blended benchmark returned 6.0% for the Period. The blended benchmark is composed of 65% FTSE Canada Universe Bond Index, 25% S&P/TSX Composite Total Return Index, 5% S&P 500 Index (CAD) and 5% MSCI EAFE Index (CAD). In the portfolio manager's view, the blended benchmark more closely reflects the market sectors in which the Fund invests, to provide a more useful comparison to the performance of the Fund.

The Fund outperformed its benchmark over the Period. The Fund's cash weighting, which averaged around 6%, contributed to its relative performance, as its benchmark posted a loss. The Fund's exposure to equities also contributed positively to performance, as global equity markets posted strong gains over the Period. The fixed income outperformance also came from the yield curve positioning, as the portfolio underweighted the interest rate sensitive five-year part of the curve through the Period as the market priced in a number of hikes in the coming year.

Credit spreads tightened through most of the Period, but once news of the Omicron variant hit the market, spreads quickly widened, and government bonds rallied. The Fund's holdings in longer dated bonds allowed the Fund to participate in the rally, but to a lesser extent than the benchmark index. An underweight position in government bonds detracted the Fund's performance.

During the Period, the global economy continued to recover from the effects of the COVID-19 pandemic. In the portfolio manager's view, high vaccination rates improved confidence, and accommodative financial conditions supported economic activities. The portfolio manager believes that investor sentiment and market risk appetite remained elevated. Global equity markets steadily climbed to multiple records, led by strong earnings, encouraging forward guidance and progress in the economic reopening. Equities posted a third consecutive year of strong gains, while yields on ten-year government bonds remained stuck in a narrow range below 1.8%, even as shorter-term yields climbed in both U.S. and Canada. The Fund's fixed income allocation underperformed equity holdings, detracting from its overall performance.

Oil prices had a strong run during the Period after COVID-19 restrictions were eased around the world and consumers returned to the roads. A recovery in demand drove down crude inventories to a multiple-year low. Low supply from U.S. shale producers and OPEC+ (Organization of the Petroleum Exporting Countries and Russia) also helped elevate prices. The Energy sector posted one of the biggest percentage gains on record, benefiting the energy-related stocks in the Fund's portfolio.

In the portfolio manager's view, inflation rose in response to large fiscal stimulus packages offered by governments and central banks, as well as a recovery in demand. This, in turn, resulted in tighter credit spreads and rising interest rates. A rise in bond yields bolstered the performance of banks and life insurance companies. The Fund benefited from exposure to these companies.

The mismatch between supply and demand widened, with supply bottlenecks and a rise in energy and food prices further driving the recognition that inflation was potentially more long-term than previously expected. U.S. consumer prices rose at the fastest pace in nearly 40 years at the end of the period, driving government bond yields up from their pandemic lows. Rapid progress in the labour markets and hawkish signals from both the Federal Reserve and the Bank of Canada suggested multiple interest rate hikes in 2022. The Fund's short-dated corporate fixed income holdings benefited, outperforming the broad fixed income benchmark, which consists primarily of bonds issued by government and corporations with an investment-grade credit rating.

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

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Early in the Period, the portfolio manager reduced the Fund's weighting in U.S. equities and increased its exposure to international equities to capture what the portfolio manager believed were stronger value opportunities, as well as to achieve better geographic diversification. The rebalance temperately detracted the performance of the Fund as U.S. equities outperformed during the period. As the signs became clear later in the Period that the output gap was closing, inflation was getting entrenched, and valuations remained elevated, the portfolio manager adjusted the Fund to a slightly less aggressive posture by reducing equity allocations, realigning asset classes exposures back to targets. Within fixed-income securities, the Fund's relatively shorter duration was maintained during the Period, contributing to the outperformance of the Fund as government bond yields generally rose.

At the end of the Period, the Fund's asset mix consisted of 58.4% bonds, 17.1% Canadian equities, 10.1% U.S. equities, 7.8% international equities and 6.6% cash and equivalents and short-term investments.

### Recent developments

Looking ahead, the portfolio manager has a positive outlook for the Fund, particularly as economies in developed markets open up following pandemic lockdowns, global vaccinations increase, and as new treatments come to market to fight COVID-19.

In response to rising inflation, central banks around the world are pivoting from accommodative monetary policy to tighter monetary policies, resulting in a global tightening of financial conditions. The portfolio manager expects that interest rates are likely to continue their trajectory higher, but there are a number of unknown variables that could affect the path of rates. The persistence of inflation, the effect of the Omicron and other potential variants on global growth and the effect of rising interest rates on economies could all drag the growth outlook lower. Given the interest rate outlook, the portfolio manager expects high-growth, high-valuation stocks to face more headwinds, and the fixed income market to experience some increased volatility. The portfolio's tilt towards value oriented equities may disproportionately benefit when such a shift takes shape.

The duration (meaning sensitivity to changes in interest rates) of the Fund's fixed income portfolio remains shorter than that of the broad market index. The portfolio manager has a cautiously optimistic outlook for credit, in which the Fund maintains an overweight position in corporate bonds as the portfolio manager believes corporate balance sheets are still in good shape and corporate credit spreads are likely to move tighter.

The portfolio manager expects robust global economic growth to remain above historical levels over the next year or two. The portfolio manager expects that the ongoing economic recovery is likely to be a tailwind for equities generally, but in particular for Canadian equities that are skewed to economically geared sectors such as Energy, Financials and Materials. Valuations are relatively attractive for Canadian equities compared with the ten-year average. As a result of this positive view, the Fund's equity allocation skews to Canadian value sectors, including Financials, Energy, Real Estate and Communication Services.

Potential risks, in the portfolio manager's view, include the Federal Reserve's reaction to high inflation levels, especially should it raise interest rates too quickly. Additionally, the potential emergence of more transmissible and deadly COVID-19 variants may lead to further economic lockdowns, which may stall the recovery momentum and the Fund's performance.

At the time of writing, events regarding the Russia / Ukraine conflict and ensuing sanctions continue to rapidly evolve. Real-time news updates may cause markets to vacillate between fear and relief and will likely result in continued volatility in equity and credit markets, and potentially Fund performance.

Effective February 1, 2022, the deferred sales charge option and low load options are no longer available for new purchases. Effective on or about May 1, 2022, investors who hold Series A or T6 units through a discount broker will have their series redesignated as Series F units because trailing commissions are not paid in respect of Series F units, and, in accordance with upcoming regulatory changes, trailing commissions to discount brokers will no longer be paid.

### Related party transactions

Empire Life Investments Inc. (the "Manager") is the manager, trustee and portfolio manager of the Fund. The Manager is a wholly-owned subsidiary of The Empire Life Insurance Company.

The Manager provides or arranges for the provision of all the management and administrative services for the day-to-day operations of the Fund, including providing or arranging the provision of investment advice, record keeping and other administrative services, some of which are provided by an affiliate of the Manager. In consideration of the management and administrative services, the Fund pays the Manager a monthly management fee calculated as a percentage of daily net asset value of each series of the Fund, other than in the case of Series I, where fees are paid directly by the investor to the Manager. The rates for each series are disclosed under "Management fees".

During the Period, the Manager absorbed \$166,019 of total expenses otherwise payable by the Fund, as compared to \$171,093 for the year ended December 31, 2020. The amount of expenses waived or absorbed is determined annually on a series by series basis at the discretion of the Manager and the Manager can terminate the waiver or absorption at any time.

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

### Series description

The Fund offers the following series: A, T6, F and I. Series A and T6 units are available to all investors other than, effective May 1, 2022, investors who invest through discount brokers. Series T6 is designed for investors seeking regular monthly cash flows from the Fund. Series F units are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. In addition, Series F units may be available to other groups where the Manager does not pay commissions to the dealers, including discount brokers. Management fees are payable by the Fund on all series except Series I. Series I units are available to institutional and high-net-worth investors who meet a minimum investment threshold and who have entered into a Series I Agreement with the Manager. The management fee for Series I units is negotiated between the Manager and the investor and is payable directly to the Manager by the investor. Effective on or about May 1, 2022, investors who hold Series A or T6 units through a discount broker will have their series redesignated as Series F units. The redesignation of series may begin as early as March 2022.

### Financial highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the Period and each of the other periods as shown below. This information is derived from the Fund's audited annual financial statements for the periods shown.

#### The Fund's net assets per unit<sup>(1)</sup>

	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Series A Units</b>					
<b>Net Assets, beginning of period</b>	\$ 12.91	\$ 12.34	\$ 11.36	\$ 12.10	\$ 11.75
<b>Increase (decrease) from operations:</b>					
Total revenue	0.33	0.33	0.35	0.33	0.31
Total expenses (excluding distributions)	(0.27)	(0.26)	(0.25)	(0.25)	(0.25)
Realized gains (losses)	0.49	–	0.06	0.02	0.13
Unrealized gains (losses)	(0.06)	0.51	0.92	(0.68)	0.22
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.49</b>	<b>\$ 0.58</b>	<b>\$ 1.08</b>	<b>\$ (0.58)</b>	<b>\$ 0.41</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.02)	(0.03)	(0.04)	(0.03)	(0.02)
From dividends	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)
From capital gains	(0.35)	–	–	(0.06)	(0.03)
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.38)</b>	<b>\$ (0.04)</b>	<b>\$ (0.06)</b>	<b>\$ (0.10)</b>	<b>\$ (0.06)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.04</b>	<b>\$ 12.91</b>	<b>\$ 12.34</b>	<b>\$ 11.36</b>	<b>\$ 12.10</b>

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

Series T6 Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Net Assets, beginning of period</b>	\$ 7.60	\$ 7.77	\$ 7.56	\$ 8.57	\$ 8.82
<b>Increase (decrease) from operations:</b>					
Total revenue	0.19	0.20	0.22	0.23	0.22
Total expenses (excluding distributions)	(0.16)	(0.16)	(0.16)	(0.17)	(0.18)
Realized gains (losses)	0.28	0.03	0.04	0.01	0.10
Unrealized gains (losses)	(0.02)	0.34	0.65	(0.49)	0.16
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.29</b>	<b>\$ 0.41</b>	<b>\$ 0.75</b>	<b>\$ (0.42)</b>	<b>\$ 0.30</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.02)	(0.05)	(0.01)	(0.02)	–
From dividends	(0.01)	(0.02)	–	(0.01)	–
From capital gains	(0.20)	–	–	(0.04)	(0.02)
Return of capital	(0.46)	(0.47)	(0.45)	(0.51)	(0.53)
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.69)</b>	<b>\$ (0.54)</b>	<b>\$ (0.46)</b>	<b>\$ (0.58)</b>	<b>\$ (0.55)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 7.21</b>	<b>\$ 7.60</b>	<b>\$ 7.77</b>	<b>\$ 7.56</b>	<b>\$ 8.57</b>

Series F Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Net Assets, beginning of period</b>	\$ 12.87	\$ 12.33	\$ 11.35	\$ 12.12	\$ 11.80
<b>Increase (decrease) from operations:</b>					
Total revenue	0.34	0.33	0.35	0.33	0.31
Total expenses (excluding distributions)	(0.14)	(0.14)	(0.14)	(0.14)	(0.13)
Realized gains (losses)	0.50	0.01	0.06	0.01	0.15
Unrealized gains (losses)	(0.12)	0.50	0.92	(0.69)	0.20
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.58</b>	<b>\$ 0.70</b>	<b>\$ 1.19</b>	<b>\$ (0.49)</b>	<b>\$ 0.53</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.12)	(0.15)	(0.13)	(0.14)	(0.13)
From dividends	(0.04)	(0.06)	(0.05)	(0.05)	(0.05)
From capital gains	(0.35)	–	–	(0.06)	(0.04)
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.51)</b>	<b>\$ (0.21)</b>	<b>\$ (0.18)</b>	<b>\$ (0.25)</b>	<b>\$ (0.22)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.00</b>	<b>\$ 12.87</b>	<b>\$ 12.33</b>	<b>\$ 11.35</b>	<b>\$ 12.12</b>

Series I Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Net Assets, beginning of period</b>	\$ 13.43	\$ 12.85	\$ 11.84	\$ 12.65	\$ 12.30
<b>Increase (decrease) from operations:</b>					
Total revenue	0.35	0.35	0.35	0.35	0.32
Total expenses (excluding distributions)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses)	0.50	0.02	0.06	0.01	0.15
Unrealized gains (losses)	(0.01)	0.53	0.92	(0.76)	0.24
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>\$ 0.83</b>	<b>\$ 0.89</b>	<b>\$ 1.32</b>	<b>\$ (0.41)</b>	<b>\$ 0.70</b>
<b>Distributions:</b>					
From net investment income (excluding dividends)	(0.24)	(0.26)	(0.24)	(0.25)	(0.21)
From dividends	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)
From capital gains	(0.37)	–	–	(0.06)	(0.04)
Return of capital	–	–	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>\$ (0.70)</b>	<b>\$ (0.35)</b>	<b>\$ (0.33)</b>	<b>\$ (0.40)</b>	<b>\$ (0.34)</b>
<b>Net Assets, end of period<sup>(4)</sup></b>	<b>\$ 13.54</b>	<b>\$ 13.43</b>	<b>\$ 12.85</b>	<b>\$ 11.84</b>	<b>\$ 12.65</b>

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

### Ratios and supplemental data

Series A Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Total Net Asset Value<sup>(5)</sup></b>	\$ 4,881,690	\$ 6,184,230	\$ 7,842,502	\$ 8,362,923	\$ 12,741,829
<b>Number of units outstanding</b>	374,424	479,198	635,739	735,933	1,053,350
Management expense ratio <sup>(6)</sup>	2.06%	2.05%	2.05%	2.05%	2.06%
Management expense ratio before waivers or absorptions	2.88%	2.60%	2.63%	2.55%	2.31%
Trading expense ratio <sup>(7)</sup>	0.04%	0.06%	0.04%	0.05%	0.04%
Portfolio turnover rate <sup>(8)</sup>	46.79%	48.12%	38.34%	46.34%	115.37%
<b>Net Asset Value per unit</b>	<b>\$ 13.04</b>	<b>\$ 12.91</b>	<b>\$ 12.34</b>	<b>\$ 11.36</b>	<b>\$ 12.10</b>

Series T6 Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Total Net Asset Value<sup>(5)</sup></b>	\$ 327,614	\$ 366,469	\$ 294,451	\$ 426,937	\$ 585,812
<b>Number of units outstanding</b>	45,420	48,216	37,893	56,455	68,390
Management expense ratio <sup>(6)</sup>	2.06%	2.05%	2.05%	2.05%	2.06%
Management expense ratio before waivers or absorptions	11.07%	11.52%	10.34%	7.82%	5.71%
Trading expense ratio <sup>(7)</sup>	0.04%	0.06%	0.04%	0.05%	0.04%
Portfolio turnover rate <sup>(8)</sup>	46.79%	48.12%	38.34%	46.34%	115.37%
<b>Net Asset Value per unit</b>	<b>\$ 7.21</b>	<b>\$ 7.60</b>	<b>\$ 7.77</b>	<b>\$ 7.56</b>	<b>\$ 8.57</b>

Series F Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Total Net Asset Value<sup>(5)</sup></b>	\$ 769,759	\$ 1,709,531	\$ 1,692,221	\$ 1,924,158	\$ 2,367,045
<b>Number of units outstanding</b>	59,209	132,790	137,191	169,462	195,239
Management expense ratio <sup>(6)</sup>	1.05%	1.05%	1.05%	1.05%	1.05%
Management expense ratio before waivers or absorptions	4.59%	2.83%	2.60%	2.49%	2.22%
Trading expense ratio <sup>(7)</sup>	0.04%	0.06%	0.04%	0.05%	0.04%
Portfolio turnover rate <sup>(8)</sup>	46.79%	48.12%	38.34%	46.34%	115.37%
<b>Net Asset Value per unit</b>	<b>\$ 13.00</b>	<b>\$ 12.87</b>	<b>\$ 12.33</b>	<b>\$ 11.35</b>	<b>\$ 12.12</b>

Series I Units	For the year ended December 31, 2021	For the year ended December 31, 2020	For the year ended December 31, 2019	For the year ended December 31, 2018	For the year ended December 31, 2017
<b>Total Net Asset Value<sup>(5)</sup></b>	\$ 182,118,961	\$ 166,881,622	\$ 158,706,551	\$ 129,723,376	\$ 129,421,330
<b>Number of units outstanding</b>	13,450,683	12,429,769	12,346,447	10,957,446	10,227,755
Management expense ratio <sup>(6)</sup>	–	–	–	–	–
Management expense ratio before waivers or absorptions	0.04%	0.05%	0.04%	0.05%	0.06%
Trading expense ratio <sup>(7)</sup>	0.04%	0.06%	0.04%	0.05%	0.04%
Portfolio turnover rate <sup>(8)</sup>	46.79%	48.12%	38.34%	46.34%	115.37%
<b>Net Asset Value per unit</b>	<b>\$ 13.54</b>	<b>\$ 13.43</b>	<b>\$ 12.85</b>	<b>\$ 11.84</b>	<b>\$ 12.65</b>

(1) This information is derived from the Fund's audited annual financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund, or both.

(4) This is not a reconciliation of the beginning and ending net assets per unit.

(5) This information is provided as of December 31 of the year shown.

(6) Management expense ratio (MER) is based on total expenses (excluding distributions, commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

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- (7) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
- (8) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

### Management fees

The management fee for Series A, T6 and F units is an annualized rate calculated as a percentage of net assets of the applicable series of the Fund and accrued daily and paid monthly to the Manager. The management fee for Series I units is negotiated between the Manager and the investor and paid directly by the investor, not by the Fund.

The Fund's management fees are used by the Manager to pay for the costs of the overall business and affairs of the Fund including activities related to making units of the Fund available to investors, providing or arranging for the provision of investment advisory services and/or marketing services to the Fund. Management fees are also used to pay trailing commissions in connection with Series A and Series T6 to registered dealers.

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	As a percentage of management fees		
	Management fee rates	Dealer compensation	General administration, investment advice and profit
Series A	1.75%	54.55%	45.45%
Series T6	1.75%	43.45%	56.55%
Series F	0.75%	0.00%	100.00%

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# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

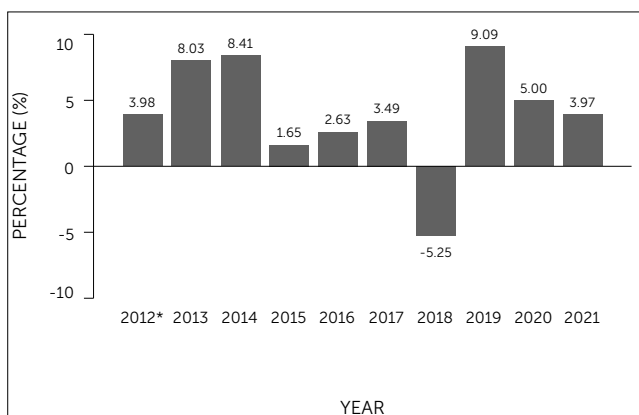
### Past performance

The indicated rates of return assume reinvestment of all distributions in units of the Fund. They do not take into account sales, redemption, distribution or optional sales charges that would have reduced returns or performance. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

### Year-by-year returns

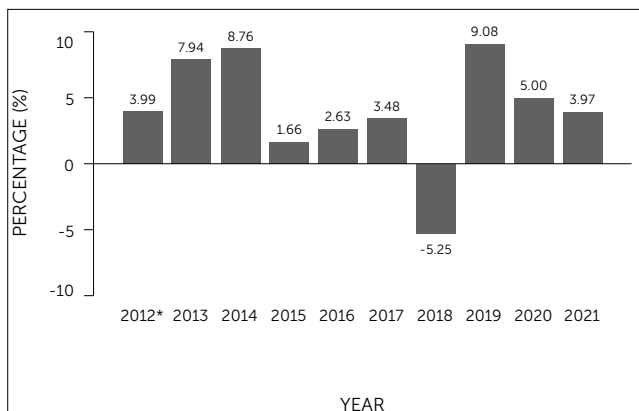
The following bar charts show the annual performance for each series of the Fund and illustrate how each series' performance has varied from year to year. The charts show, in percentage terms, how much an investment made on the first day of each financial year would have increased or decreased by the end of the period. For the first year of a series, the percentage shown is the actual return of the series from its commencement of operations.

**Series A**



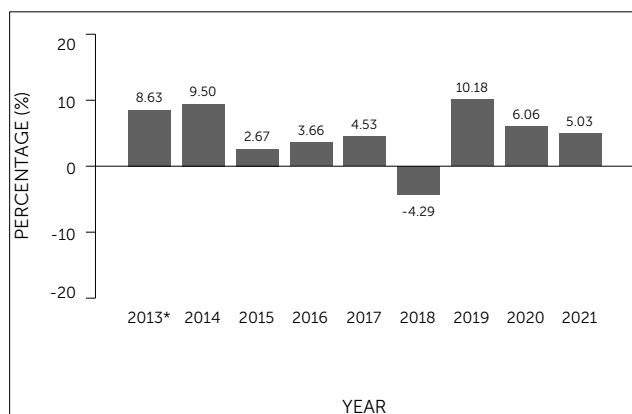
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series T6**



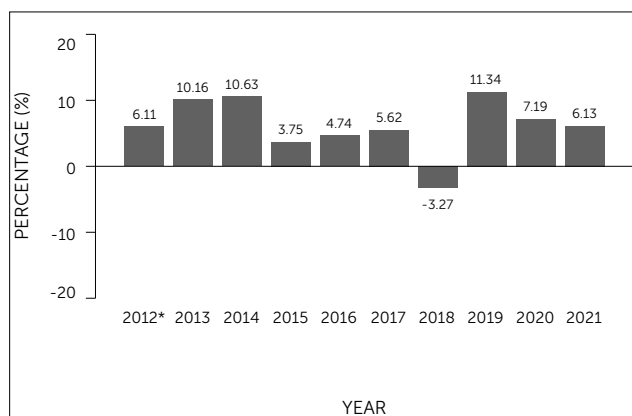
\*From January 9, 2012 to December 31, 2012 (not annualized)

**Series F**



\*From January 15, 2013 to December 31, 2013 (not annualized)

**Series I**



\*From January 9, 2012 to December 31, 2012 (not annualized)

# Empire Life Emblem Conservative Portfolio

## Annual Management Report of Fund Performance

### Annual compound returns

This table shows the Fund's historical annual compound returns for each series of the Fund for the periods indicated compared to a broad based index and a blended index, as described below.

	1 Year	3 Years	5 Years	Since Inception*	Inception Date
Series A units <sup>1</sup>	4.0%	6.0%	3.1%	4.0%	January 9, 2012
Series I units <sup>1</sup>	6.1%	8.2%	5.3%	6.2%	January 9, 2012
Series T6 units <sup>1</sup>	4.0%	6.0%	3.1%	4.1%	January 9, 2012
Series F units <sup>1</sup>	5.0%	7.1%	4.2%	5.0%	January 15, 2013
FTSE Canada Universe Bond Index <sup>2</sup>	-2.5%	4.2%	3.3%	3.3%	(10 year return)
Blended Benchmark <sup>3</sup>	6.0%	8.9%	6.1%	6.0%	(10 year return)

(1) Net of all fees and expenses paid by the Fund.

(2) The FTSE Canada Universe Bond Index is broadly representative of the Canadian bond market. The FTSE Canada Universe Bond Index is the broadest and most widely used measure of performance of marketable government and corporate bonds outstanding in the Canadian market.

(3) The blended benchmark is composed of 65% FTSE Canada Universe Bond Index, 25% S&P/TSX Composite TR Index, 5% S&P 500 Index (CAD) and 5% MSCI EAFE Index (CAD).

### Summary of investment portfolio

The summary of investment portfolio may have changed since December 31, 2021, due to ongoing portfolio transactions of the Fund. Quarterly updates are available within 60 days after quarter-end, except for December 31st, the Fund's fiscal year-end, when they are available within 90 days.

Top 25 Holdings	Percentage of Net Asset Value (%)
Royal Bank of Canada 0.200% January 4, 2022*	3.4
Canada Housing Trust 2.400% December 15, 2022*	2.3
Canada Housing Trust 2.900% June 15, 2024*	1.6
Royal Bank of Canada	1.5
Toronto-Dominion Bank	1.3
Government of Canada 2.500% June 1, 2024*	1.3
Government of Canada 2.000% December 1, 2051*	1.2
Government of Canada 2.250% June 1, 2029*	1.2
AltaLink Limited Partnership 2.978% November 28, 2022*	1.2
Bank of Nova Scotia	1.1
Royal Bank of Canada 2.949% May 1, 2023*	1.1
Canada Housing Trust 2.550% December 15, 2023*	1.1
Province of Ontario 4.700% June 2, 2037*	1.1
Credit Union Central Alberta Limited 0.300% January 6, 2022*	1.1
Hydro One Inc. 0.301% March 15, 2022*	1.1
Brookfield Asset Management Inc. 'A'	1.0
407 International Inc. 2.470% September 8, 2022*	1.0
Government of Canada 1.250% June 1, 2030*	0.9
Canada Housing Trust 1.600% December 15, 2031*	0.9
Province of Alberta 3.050% December 1, 2048*	0.9
Westcoast Energy Inc. 4.791% October 28, 2041*	0.9
Province of Alberta 3.300% December 1, 2046*	0.8
Province of Alberta 3.100% June 1, 2024*	0.8
Enbridge Inc. 4.850% February 22, 2022*	0.8
Canada Housing Trust 1.750% June 15, 2030*	0.8
	<b>30.4</b>

\* Debt Instruments

### Portfolio by Category

Asset Type	Percentage of Net Asset Value (%)
Bonds	58.4
Equities	35.0
Short-Term Investments	6.2
Other Net Assets (Liabilities)	0.4
	<b>100.0</b>

Sector	Percentage of Net Asset Value (%)
Canadian Corporate Bonds	26.1
Provincial Bonds	15.1
Government Bonds	15.0
Financials	9.6
Information Technology	4.5
Industrials	4.1
Term Deposit Receipts	3.4
Energy	3.3
Communication Services	2.9
Consumer Staples	2.9
Commercial Papers	2.8
Consumer Discretionary	2.6
Health Care	1.8
Materials	1.6
Other	4.3
	<b>100.0</b>

Country	Percentage of Net Asset Value (%)
Canada	81.7
United States of America	10.1
United Kingdom	1.7
France	1.2
Japan	1.2
Australia	0.7
Switzerland	0.6
Germany	0.4
Italy	0.3
Netherlands	0.3
Ireland	0.2
Bermuda	0.2
Spain	0.1
Mexico	0.1
Cayman Islands	0.1
Sweden	0.1
South Korea	0.1
India	0.1
Taiwan	0.1
Indonesia	0.1
Jersey	0.1
Israel	0.1
Other Net Assets (Liabilities)	0.4
	<b>100.0</b>