

Key Takeaways

- Tactically increased bonds, decreased international equities*

Rationale:

- We are taking a slightly more defensive posture by trimming international equities and adding to bonds. This is indeed a tactical, but measured decision. It is a move in a more conservative direction with an eye towards taking potential risk exposures incrementally lower.
- This is related to a range of concerns we are seeing including the potential persistence of inflationary pressures, the pace and magnitude of interest rate hikes, geopolitical uncertainty and certain pockets of elevated valuation.

* excludes Emblem Aggressive Growth, which has no allocation to bonds

Empire Life Emblem Portfolios: Asset Allocation Update

Diversified Income Portfolio Change in Asset Mix*

Cash					-0.5%
Bonds					1.0%
Canadian Equity					0.1%
U.S. Equity					0.1%
International Equity					-0.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.2%	72.5%	12.3%	5.8%	4.1%
neutral asset mix	80%		10%	5%	5%

Conservative Portfolio Change in Asset Mix*

Cash					-0.5%
Bonds					0.8%
Canadian Equity					0.1%
U.S. Equity					0.2%
International Equity					-0.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.7%	59.5%	19.8%	8.8%	6.2%
neutral asset mix	65%		25%	5%	5%

Balanced Portfolio Change in Asset Mix*

Cash					-0.6%
Bonds					1.8%
Canadian Equity					0.1%
U.S. Equity					0.2%
International Equity					-1.5%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.2%	43.5%	30.0%	12.6%	8.7%
neutral asset mix	50%		35%	7.5%	7.5%

Moderate Growth Portfolio Change in Asset Mix*

Cash					-0.6%
Bonds					1.8%
Canadian Equity					0.0%
U.S. Equity					0.2%
International Equity					-1.4%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	4.6%	28.8%	40.6%	16.0%	10.0%
neutral asset mix	35%		45%	10%	10%

Growth Portfolio Change in Asset Mix*

Cash					-1.2%
Bonds					1.8%
Canadian Equity					0.0%
U.S. Equity					0.3%
International Equity					-0.9%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.6%	14.6%	50.9%	17.0%	11.8%
neutral asset mix	20%		60%	10%	10%

Aggressive Growth Portfolio Change in Asset Mix*

Cash					-0.6%
Bonds					0.0%
Canadian Equity					0.2%
U.S. Equity					0.5%
International Equity					0.0%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.6%	0%	56.3%	22.5%	15.6%
neutral asset mix	0%		75%	12.5%	12.5%

*change in asset mix from January 26, 2022 to January 28, 2022

Empire Life Emblem Portfolios: Asset Allocation Update

Important Information

Empire Life Investments Inc. is the Portfolio Manager of the Empire Life segregated funds. Empire Life Investments Inc. is a wholly-owned subsidiary of The Empire Life Insurance Company.

Empire Life Emblem GIF Portfolios currently invest primarily in units of Empire Life Mutual Funds.

A description of the key features of the individual variable insurance contract is contained in the Information Folder for the product being considered.

Any amount that is allocated to a Segregated Fund is invested at the risk of the contract owner and may increase or decrease in value.

Policies are issued by The Empire Life Insurance Company.

Empire Life Investments Inc. is the Manager of the Empire Life Emblem Portfolios and Empire Life Mutual Funds (the "Portfolios" or "Funds"). The units of the Portfolios and Funds are available only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such units.

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The Empire Life Insurance Company

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Empire Life Emblem Global Portfolios: Asset Allocation Update

Tactical Update

January 27, 2022

Key Takeaways

- Tactically increased bonds, decreased international equities*

Rationale:

- We are taking a slightly more defensive posture by trimming international equities and adding to bonds. This is indeed a tactical, but measured decision. It is a move in a more conservative direction with an eye towards taking potential risk exposures incrementally lower.
- This is related to a range of concerns we are seeing including the potential persistence of inflationary pressures, the pace and magnitude of interest rate hikes, geopolitical uncertainty and certain pockets of elevated valuation.

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Empire Life Emblem Global Portfolios: Asset Allocation Update

Global Conservative Portfolio

Change in Asset Mix*

Cash					-2.4%
Bonds					3.6%
Canadian Equity					0.0%
U.S. Equity					0.2%
International Equity					-1.5%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	6.1%	67%	3.9%	13.5%	10.0%
neutral asset mix	70%		30%		

Global Balanced Portfolio

Change in Asset Mix*

Cash					0.9%
Bonds					0.6%
Canadian Equity					0.0%
U.S. Equity					0.3%
International Equity					-1.8%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.3%	46%	6.4%	24.0%	17.8%
neutral asset mix	50%		50%		

Global Moderate Growth Portfolio

Change in Asset Mix*

Cash					-2.7%
Bonds					3.1%
Canadian Equity					0.0%
U.S. Equity					0.6%
International Equity					-1.0%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.8%	28%	7.5%	33.0%	25.5%
neutral asset mix	30%		70%		

Global Aggressive Growth Portfolio

Change in Asset Mix*

Cash					-0.1%
Bonds					0.0%
Canadian Equity					0.0%
U.S. Equity					0.8%
International Equity					-0.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	4.6%	0%	8.1%	48.1%	39.2%
neutral asset mix	0%		100%		

*change in asset mix from January 26, 2022 to January 28, 2022

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