

Key Takeaways

- Incrementally less aggressive outlook/positioning towards risk assets
- Deploying cash to realign select asset class exposures back to targets

Rationale:

Moving to a slightly less aggressive posture given some reopening has played out, supply chain difficulties remain and valuations remain elevated.

We are also seeing some indications of slowing economic growth and we still don't have a clear picture of just how transitory inflationary pressures will prove to be.

In light of all these factors we decided to make a modest change to a somewhat less aggressive positioning, while deploying cash in select portfolios to realign select asset class weights back to targets.

Empire Life Emblem Portfolios: Asset Allocation Update

Diversified Income Portfolio Change in Asset Mix*

Cash					2.9%
Bonds					0.3%
Canadian Equity					-1.7%
U.S. Equity					-0.9%
International Equity					-0.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	4.8%	72.7%	11.7%	5.7%	5.1%
neutral asset mix	80%		10%	5%	5%

Conservative Portfolio Change in Asset Mix*

Cash					-2.6%
Bonds					5.4%
Canadian Equity					-1.8%
U.S. Equity					-0.7%
International Equity					-0.2%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.0%	58.6%	20.0%	9.2%	7.3%
neutral asset mix	65%		25%	5%	5%

Balanced Portfolio Change in Asset Mix*

Cash					-0.4%
Bonds					1.8%
Canadian Equity					-0.4%
U.S. Equity					-0.9%
International Equity					-0.1%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.4%	42.4%	28.8%	12.7%	10.7%
neutral asset mix	50%		35%	7.5%	7.5%

Moderate Growth Portfolio Change in Asset Mix*

Cash					-1.5%
Bonds					1.8%
Canadian Equity					0.8%
U.S. Equity					-0.8%
International Equity					-0.4%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.1%	27.5%	39.1%	16.2%	12.1%
neutral asset mix	35%		45%	10%	10%

Growth Portfolio Change in Asset Mix*

Cash					-2.8%
Bonds					1.1%
Canadian Equity					3.0%
U.S. Equity					-0.3%
International Equity					-1.0%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.0%	13.5%	49.9%	17.6%	14.0%
neutral asset mix	20%		60%	10%	10%

Aggressive Growth Portfolio Change in Asset Mix*

Cash					-2.7%
Bonds					0.0%
Canadian Equity					2.7%
U.S. Equity					-0.1%
International Equity					0.0%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.5%	0%	55.1%	22.8%	16.6%
neutral asset mix	0%		75%	12.5%	12.5%

*change in asset mix from September 17, 2021 to September 22, 2021

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.

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The Empire Life Insurance Company

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Empire Life Emblem Global Portfolios: Asset Allocation Update

Tactical Update

September 27, 2021

Key Takeaways

- Incrementally less aggressive outlook/positioning towards risk assets
- Deploying cash to realign select asset class exposures back to targets

Rationale:

- Moving to a slightly less aggressive posture given some reopening has played out, supply chain difficulties remain and valuations remain elevated.
- We are also seeing some indications of slowing economic growth and we still don't have a clear picture of just how transitory inflationary pressures will prove to be.
- In light of all these factors we decided to make a modest change to a somewhat less aggressive positioning, while deploying cash in select portfolios to realign select asset class weights back to targets.

Empire Life Emblem Global Portfolios: Asset Allocation Update

Global Conservative Portfolio

Change in Asset Mix*

Cash					-1.8%
Bonds					0.9%
Canadian Equity					0.1%
U.S. Equity					0.5%
International Equity					0.3%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.3%	64.7%	4.0%	13.8%	12.2%
neutral asset mix	70%		30%		

Global Balanced Portfolio

Change in Asset Mix*

Cash					-2.2%
Bonds					0.8%
Canadian Equity					0.4%
U.S. Equity					0.9%
International Equity					0.0%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	4.7%	44.6%	6.5%	23.6%	20.7%
neutral asset mix	50%		50%		

Global Moderate Growth Portfolio

Change in Asset Mix*

Cash					-5.2%
Bonds					0.1%
Canadian Equity					0.8%
U.S. Equity					3.7%
International Equity					0.7%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.4%	25.3%	7.8%	33.3%	28.2%
neutral asset mix	30%		70%		

Global Aggressive Growth Portfolio

Change in Asset Mix*

Cash					-3.5%
Bonds					0.0%
Canadian Equity					0.6%
U.S. Equity					3.0%
International Equity					-0.1%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.8%	0%	7.9%	46.5%	39.8%
neutral asset mix	0%		100%		

*change in asset mix from September 23, 2021 to September 27, 2021

Empire Life Emblem Global Portfolios: Asset Allocation Update

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