## **Tactical Update**

## 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% Canadian U.S. International Cash Bonds Equity Equity Equity 12.3% 5.8% 4.1% resulting asset mix 5.2% 72.5%

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%

5%

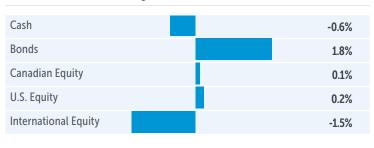
25%

5%

Balanced Portfolio Change in Asset Mix\*

neutral asset mix

80%



	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%

### 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	Pondo	Canadian	U.S.	International

	Cash	Bonds	Equity	Equity	Equity
resulting asset mix	5.6%	14.6%	50.9%	17.0%	11.8%
neutral asset mix	20%		60%	10%	10%

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

#### Moderate Growth Portfolio Change in Asset Mix\*

65%

neutral asset mix

neutral asset mix

Cash					-0.6%
Bonds					1.8%
Canadian Equity					0.0%
U.S. Equity					0.2%
International Equity					-1.4%
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	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	4.6%	28.8%	40.6%	16.0%	10.0%

resutting asset mix	1.070	20.070	10.070	10.070	10.070
neutral asset mix	35%		45%	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%

75%



12.5%

12.5%

## Important Information

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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.

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



## Empire Life Emblem Global Portfolios: Asset Allocation Update

#### **Global Conservative Portfolio** Change in Asset Mix\*

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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\*

Bonds0.0%Canadian Equity0.0%U.S. Equity0.8%	Cash	-0.1%
	Bonds	0.0%
U.S. Equity 0.8%	Canadian Equity	0.0%
	U.S. Equity	0.8%
International Equity -0.6%	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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