



Empire Life Multi-Strategy GIFs

SPECIAL FUND UPDATE

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The Re-emergence of Growth Investing

After a turbulent year in 2022, growth stocks have come charging back with a vengeance. Many of the usual suspects are delivering eye-popping gains. For example, chipmaker NVIDIA made headlines last month as it gained nearly 160% year to date. This meteoric rise was largely driven by a surging interest in the artificial intelligence (AI) space. Even more mature growth companies are surging higher, including Apple and Microsoft, which are both up 37% so far this year. META (Facebook) and Tesla have also benefitted, gaining 121% and 66% year-to-date, respectively.

In the first half of the year, market conditions have been favorable for growth stocks. Fears of an economic slowdown and impending recession have pushed investors towards companies with promising earnings growth potential. Another factor contributing to the strong performance was the regional banking crisis in the U.S. In response to the collapse of Silicon Valley Bank, Signature Bank and First Republic, the Federal Reserve increased liquidity in the banking system through various guarantees and greater access to funding. Many investors also believed that the turbulence caused by the bank failures would prompt the central bank to begin cutting rates. These factors, which contributed to the overall market sentiment, helped push growth stocks to the levels we see today.

Unlock Your Growth Potential with the Empire Life Multi-Strategy Global Growth GIF

Given the positive growth backdrop, it's not surprising to see that the Empire Life Multi-Strategy Global Growth GIF has had a very strong run, gaining 16.4%, while the MSCI World Index is up 10.7%, and the Morningstar Global Growth peer group is up 5.96%. In fact, the Multi-Strategy Global Growth GIF's 3-month performance is in the top 1% of Morningstar's segregated fund performance for the period.

Fund Performance

Empire Life Multi-Strategy Global Growth GIF Class L	1 mo	3 mo	6 mo	YTD	1 yr	2 yr	Since Inception
Fund Performance	2.96	9.95	8.76	16.12	10.55	-0.79	-0.74
Canada Insurance - Global Equity Category Performance	-2.16	0.81	1.17	4.69	4.20	-0.29	-
Fund Percentile Rank	2	1	3	2	6	61	-
Number of funds in the Category	1034	1034	1034	1034	997	946	-

Empire Life Multi-Strategy Global Growth Balanced Portfolio GIF Class L	1 mo	3 mo	6 mo	YTD	1 yr	2 yr	Since Inception
Fund Performance	0.85	5.23	4.55	8.61	4.58	-2.55	-2.44
Canada Insurance - Global Neutral Balanced Category Performance	-1.89	0.16	0.31	2.92	0.52	-1.55	-
Fund Percentile Rank	1	1	1	1	5	76	-
Number of funds in the Category	867	867	867	867	818	765	-

Source: Morningstar as of May 31, 2023

The strong performance has also helped drive the performance of the Empire Life Multi-Strategy Global Growth Balanced Portfolio GIF to the top 1%, as it has a 51% exposure to the latter.

The Multi-Strategy Global Growth GIF implements a growth tilt, which has served as a significant tailwind. This strategy led to greater exposures to surging growth stocks compared to the broader equity market. Some examples include an overweight in NVIDIA (+1.7%), Apple (+3.6%) and Microsoft (+4.4%).

Other factors that contributed positively to performance were:

- **An overweight to the technology sector:** The fund has a nearly 31% exposure to the tech sector, compared to roughly 20% for the MSCI Index.
- **An underweight to financials:** With slightly more than half the index's weight in financials, the Fund was able to sidestep most of the volatility from the U.S. banking crisis.

Recent Changes to the Portfolio:

Over the past year, we added some additional active strategies that have a very strong growth focus, such as the Fidelity Growth Opportunities Fund and T. Rowe Price Blue Chip Growth Fund. Both funds had their struggles in 2022 but have since overcompensated in 2023. Both strategies have been key contributors to our success this year.

Why Invest in the Empire Life Multi-Strategy Global Growth GIF?

- **Growth with lower volatility:** strong growth exposure with less overall volatility than the NASDAQ Index. It has held up better than NASDAQ in down markets, experiencing 84% of the downside.
- **Diversification:** well diversified, with more than 750 positions among its underlying funds. It is also less top-heavy than the NASDAQ; the top 10 holdings represent 39% of the Fund, compared to 59% for the NASDAQ.
- **Simplicity:** passive, smart beta, and active strategies are combined in a simple, one ticket solution.
- **Active monitoring and rebalancing:** the portfolio focuses solely on high growth strategies and is adjusted to reflect the prevailing risk appetite.

Speak to your financial advisor or visit empire.ca/multi-strategy to learn how Empire Life Multi-Strategy GIFs can help you meet your financial goals.

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