

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

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