

Empire Life Emblem Global Portfolios: Asset Allocation Update

Tactical Update

May 21, 2021

Key Takeaways

- Increase Canadian, US, International equities
- Decrease cash, bonds

Rationale:

- Economies in Canada, the United States, and Europe continue their gradual re-openings following their COVID-19 induced shutdowns
- Desire to increase the portfolios' leverage to these re-opening scenarios
- Global monetary and fiscal policies largely remain supportive of further growth
- Although the bond strategies in the (relevant) portfolios have exposure to government bonds and to more economically sensitive corporate, convertible, and high yield bonds, shifting some of this exposure to equities will likely provide additional leverage to an economic rebound

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Global Conservative Portfolio

Change in Asset Mix*

Cash					-2.1%
Bonds					-2.0%
Canadian Equity					1.0%
U.S. Equity					1.5%
International Equity					1.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.6%	64%	3.6%	13.9%	12.6%
neutral asset mix	70%		30%		

Global Balanced Portfolio

Change in Asset Mix*

Cash					0.6%
Bonds					-6.5%
Canadian Equity					1.0%
U.S. Equity					2.3%
International Equity					2.6%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	6.0%	43%	5.7%	23.8%	21.8%
neutral asset mix	50%		50%		

Global Moderate Growth Portfolio

Change in Asset Mix*

Cash					-3.9%
Bonds					-4.5%
Canadian Equity					1.3%
U.S. Equity					3.4%
International Equity					3.7%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.4%	25%	7.4%	32.8%	29.9%
neutral asset mix	30%		70%		

Global Aggressive Growth Portfolio

Change in Asset Mix*

Cash					-3.0%
Bonds					0.0%
Canadian Equity					0.0%
U.S. Equity					0.1%
International Equity					2.9%

	Cash	Bonds	Canadian Equity	U.S. Equity	International Equity
resulting asset mix	5.0%	0%	6.9%	46.9%	41.2%
neutral asset mix	0%		100%		

*change in asset mix from May 20, 2021 to May 21, 2021

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The Empire Life Insurance Company

259 King Street East, Kingston, ON K7L 3A8

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empire.ca info@empire.ca 1 877 548-1881

