# Empire Life Emblem Portfolios: Asset Allocation Update

Tactical Update January 25, 2021

#### **Key Takeaways**

- Increased International equities
- Decreased US equities

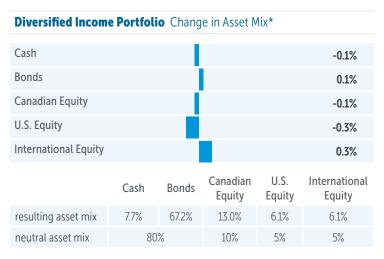
#### Rationale:

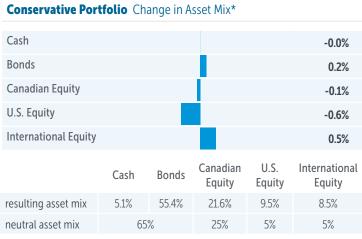
European markets have materially lagged US equities over the past year due to multiple reasons including index composition and Brexit uncertainties. This has resulted in Europe trading at a near record discount to the US. Given its cyclical nature, the Japanese market has performed well but continues to provide exposure to a rebounding global economy.

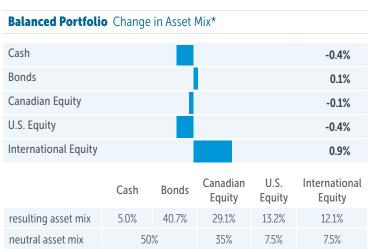
Moving closer to US and International equity market weights within the equity component of each portfolio allows for increased diversification and an expanded geographic opportunity set. It also allows an opportunity to diversify economic risk, as different regions will likely follow varying economic re-opening scenarios.

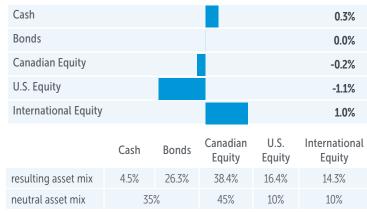


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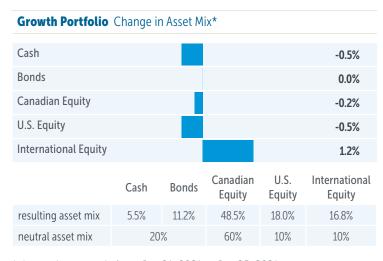


Moderate Growth Portfolio Change in Asset Mix\*

Aggressive Growth Portfolio Change in Asset Mix\*

Cash

Bonds



**Canadian Equity** -0.3% U.S. Equity -1.1% International Equity 1.4% Canadian U.S. International Cash Bonds Equity Equity Equity resulting asset mix 4.0% 0% 54.3% 22.9% 18.9% 75% 12.5% 12.5% neutral asset mix



0.0%

0.0%

<sup>\*</sup>change in asset mix from Jan 21, 2021 to Jan 25, 2021

## Empire Life Emblem Portfolios: Asset Allocation Update

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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.** 

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