

# Canada Life segregated funds

## Target risk asset allocation funds

Starting this year, Canada life is making enhancements to our target risk allocation funds. These changes are designed to provide optimal returns and will position the funds for long-term growth that consistently aligns with your client's risk expectations.

With extensive industry research and forward-looking views on capital markets, we've taken this opportunity to enhance our asset allocation portfolios with a view to be more competitive – with our peers and in all market conditions. These enhancements focus on making important structural changes to our offering by increasing our foreign equity position and eliminating our past bias to domestic holdings.

### What are the benefits of these changes?



#### Maximized expected returns for each risk profile through a full market cycle

Investors can have confidence, knowing that the single-fund solution will continue to deliver strong investment returns through a full market cycle, positioning the portfolio to take advantage of long-term market trends without increasing risk ratings.



#### Broader diversification

These enhancements will increase the flexibility of our asset allocation fund managers, allowing them to take advantage of the full strength of the new Canada Life fund shelf and the newly added global mandates.



#### Expertise and insights

In addition to our research-driven approach to asset allocation, we have access to the best-of-breed managers from around the world who bring the necessary expertise and specialty of portfolio management for the target risk funds.

### Current targets

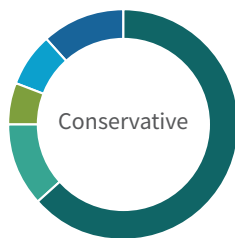
Canadian fixed income **63.4%**

Foreign fixed income **11.6%**

Real estate **6.0%**

Canadian equity **7.6%**

Foreign equity **11.4%**



### Proposed targets

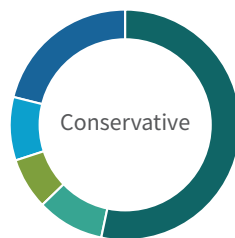
Canadian fixed income **53.5%**

Foreign fixed income **9.5%**

Real estate **7.0%**

Canadian equity **9.0%**

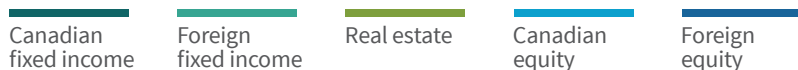
Foreign equity **21.0%**



### Key enhancements:

#### Conservative

- Significant increase to foreign equity where we were historically under weighted relative to peers
- Reduction of Canadian fixed income without increasing risk rating
- Shift to global categories to provide greater access the full breadth of our fund shelf
- Access to popular new mandates, including:
  - American Equity (Beutel Goodman)
  - International Opportunity (JP Morgan)
- Access to exclusive Pathways mandate:
  - Emerging Markets (Northcape)



## Current targets

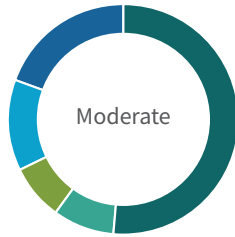
Canadian fixed income **51.6%**

Foreign fixed income **8.4%**

Real estate **8.0%**

Canadian equity **12.8%**

Foreign equity **19.2%**



## Proposed targets

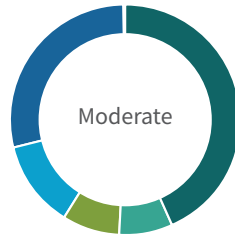
Canadian fixed income **43.4%**

Foreign fixed income **7.7%**

Real estate **8.0%**

Canadian equity **12.3%**

Foreign equity **28.7%**



## Key enhancements:

### Moderate

- Significant increase to foreign equity where we were historically under weighted relative to peers
- Reduction of Canadian fixed income without increasing risk rating
- Shift to global categories to provide greater access the full breadth of our fund shelf
- Access to popular new mandates, including:
  - American Equity (Beutel Goodman)
  - International Opportunity (JP Morgan)
- Access to exclusive Pathways mandate:
  - Emerging Markets (Northcape)

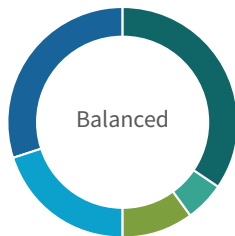
Canadian fixed income **34.5%**

Foreign fixed income **5.5%**

Real estate **10.0%**

Canadian equity **20.0%**

Foreign equity **30.0%**



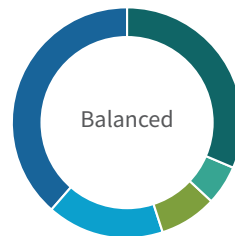
Canadian fixed income **31.5%**

Foreign fixed income **5.6%**

Real estate **8.0%**

Canadian equity **16.5%**

Foreign equity **38.5%**



### Balanced

- Small reduction to Canadian fixed Income
- Significant increase to foreign equity where we were historically under weighted relative to peers
- Shift to global categories to provide greater access the full breadth of our fund shelf
- Access to popular managers, including:
  - American Equity (Beutel Goodman)
  - Emerging Markets (Northcape)
  - Global Multi Sector Bond (Brandywine)

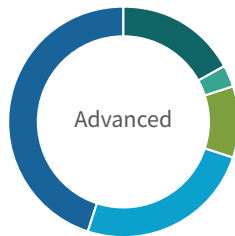
Canadian fixed income **17.0%**

Foreign fixed income **3.0%**

Real estate **10.0%**

Canadian equity **25.0%**

Foreign equity **45.0%**



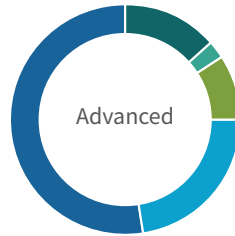
Canadian fixed income **13.6%**

Foreign fixed income **2.4%**

Real estate **9.0%**

Canadian equity **22.5%**

Foreign equity **52.5%**



### Advanced

- Small reduction to Canadian fixed Income
- Increase to foreign content based on forward-looking risk/return expectations
- Access to popular managers, including:
  - American Equity (Beutel Goodman)
  - Emerging Markets (Northcape)
  - Global Multi Sector Bond (Brandywine)

Real estate **10.0%**

Canadian equity **31.0%**

Foreign equity **59.0%**



Real estate **10.0%**

Canadian equity **27.0%**

Foreign equity **63.0%**



### Aggressive

- Increase to foreign content based on forward-looking risk/return expectations
- Flexibility to increase/decrease foreign allocations based on outlook
- Access to popular managers, including:
  - American Equity (Beutel Goodman)
  - Emerging Markets (Northcape)
  - Global Multi Sector Bond (Brandywine)

Canadian fixed income

Foreign fixed income

Real estate

Canadian equity

Foreign equity

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