

# Canada Life Risk-Managed Portfolios



## Jack and Annie Riley Age 56 and 58



Jack and Annie Riley have worked hard to save for their retirement. Retirement is only a few years away, but things look a little more complicated than they originally thought. Jack is confident that they've been frugal with their money and is ready for them to have the retirement of their dreams. Annie is more nervous about the future, keeping in mind elderly parents who may need long-term care and adult children who are struggling financially. Annie is afraid that their money might not last long enough. No matter how much they plan, retirement can be unpredictable



They've spent their working years accumulating their wealth and as they get closer to retirement, they're worried their investments won't continue to grow and allow them to keep up with the lifestyle they planned for in retirement. This will be the first time they won't be receiving a steady pay cheque. It's also the first time they're withdrawing income from their investments – they've been saving for years, and now it's time to draw on those savings. They want to feel financially comfortable in their retirement for years to come.



The Riley's investments are scattered across employer pensions, RRSPs and savings at their local bank – it's hard to keep track of everything and get a full picture of how their investments are working for them. They need to find a way to get everything they need out of one fund. They want to find an advisor they trust to help guide them to retirement with their investments.

## Solution recommendation:

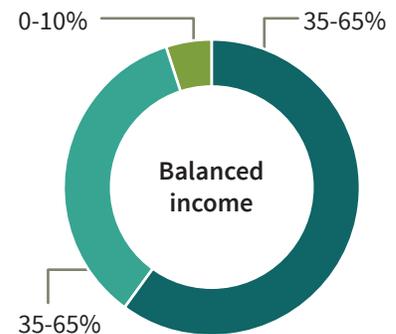
The Canada Life™ Risk-Managed Balanced Portfolio may be suitable for clients like the Rileys who are focused on maintaining and growing their wealth, but still want downside protection. As they shift from focusing on both growth and income, this portfolio aims to provide them with an overall smoother investment journey to help maintain their future savings needs.



## The Canada Life Risk-Managed Balanced Portfolio can provide Jack and Annie with:

- A balance of income and long-term capital growth, while reducing portfolio volatility.** These portfolios may be suitable for people like the Rileys who have accumulated wealth as they transition to their retirement. When it comes time to draw income from their investments, they can be vulnerable to sequencing risk. A solution such as the Risk-Managed Balanced Portfolio, that takes a deliberate risk management approach, may help to potentially avoid some of the consequences of sequencing. The Rileys have worked hard to save for their retirement. These portfolios and the guidance of their advisor will help provide them with a smoother investment journey.
- The opportunity to continue capturing some growth over time.** The Canada Life Risk-Managed Balanced Portfolio can help take some of the unpredictability out of investing and allow the Rileys to continue to experience some growth with less risk, to help them maintain their lifestyle in retirement. An investment portfolio that is able to generate steady growth is important when clients like Jack and Annie are looking to draw a stable income in retirement.
- A simple one-fund investment solution with sophisticated, modern strategies that help achieve growth and reduce risk.** Jack and Annie are looking forward to a fun, productive retirement and will be able to simplify their investments while still maximizing the benefits of reduced volatility and more consistent growth. The Rileys can focus on their goals knowing the experienced team at Irish Life Investment Managers will handle day-to-day investment management, including monitoring and adjusting the portfolio as the markets change. Risk-Managed Portfolios are an all-in-one solution that use sophisticated, modern strategies applied to both traditional and non-traditional types of investments to help achieve growth and reduce risk, keeping the Rileys in the markets, even when they're volatile.

### Asset mix ranges



### Target asset mix

- Equities 55%
- Fixed income 40%
- Alternatives 5%



Sequencing of returns risk impacts clients who are relying on their portfolios for income. This risk occurs when the order and timing of investment returns are unfavourable, for instance when the market drops while regular withdrawals are being made from the portfolio. The risk is at its highest when an investor is in the early years of decumulation, when both the portfolio value and time horizon are at their greatest. If portfolio returns are weak, especially early on in retirement, this can have a lasting negative effect on the long-term value of the portfolio and its ability to meet income needs over the client's lifetime. With the downside protection strategies of Risk-Managed Portfolios, investors can transition into retirement with the ability to navigate sequencing risk.

## Unique risk management levers used in the Canada Life Risk-Managed Portfolios

- The risk reduction pool uses an option collar strategy which acts as the portfolio's central defence system. It provides a cushion to help mitigate equity volatility within the portfolio.
- The equity funds have been meticulously selected, following an investment process that focuses on companies with strong fundamentals. This focus provides exposure to companies that may offer protection from market drawdowns.
- Global tactical equity is a tactical sleeve within the portfolio that can either be fully invested in equities to capture upside potential or moved to cash in sustained market stressed environments.
- Multi-strategy absolute return fund is a liquid alternative strategy. It's designed to provide a positive absolute return regardless of market conditions and provides the portfolio additional diversification benefits through uncorrelated sources of return.



canada **life**<sup>TM</sup>

Visit [canadalife.com](https://canadalife.com)

[f](#) [@](#) [in](#) [t](#) @CanadaLifeCo

---

Portfolios are managed based on the strategic asset mixes shown, however actual allocations may vary. Strategic asset mixes, portfolio holdings, and their percentage weightings are subject to change. Canada Life Risk-Managed Portfolios are available through a segregated funds policy issued by The Canada Life Assurance Company or as a mutual fund managed by Canada Life Investment Management Ltd. offered exclusively through Quadrus Investment Services Ltd. Make your investment decisions wisely. The case study above is for illustrative purposes only, individual circumstances may vary. Important information about mutual funds is found in the prospectus and Fund Facts document. Please read these carefully before investing. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated. A description of the key features of the segregated fund policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.