

Desjardins

Enhanced Bond Fund



QUARTERLY COMMENTARY AS OF JUNE 30, 2021



PORTFOLIO MANAGER:
AllianceBernstein

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Canadian Fixed Income

Contributors to performance

- Security selection within US and Canadian investment-grade corporates contributed positively as did our selection in US CMBS.
- Off benchmark exposure to US high-yield corporates, US dollar denominated EM sovereigns, and CRTs contributed.
- In Canada, our significant underweight exposure to Federals, along with our exposure to non-investment grade corporates specifically in energy and finance was positive on relative performance.

Detractors from performance

- Our underweight to Canadian provincials particularly longer maturities which significantly outperformed in Q2 dampened performance.
- Our underweight to the 20-year portion of the yield curve hurt performance as yields on the long end of the Canadian curve fell.

Major changes to portfolio in the period

- Reduced some exposure to the US moving to Canadian bonds specifically adding to Canadian investment-grade corporates and Real Return Bonds (RRBs).
- Reduced exposure to Canadian Federals.
- Modestly reduced overall duration and increased our underweight duration position against the benchmark as we anticipate rising rates.

*CIFSC refers to Canadian Investment Funds Standards Committee. The CIFSC has the mandate to standardize the classification of mutual funds in Canada. <http://www.cifsc.org/>.

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