

Melodia Growth Portfolios

Quarterly commentary as of March 31, 2023



Market overview

Market performance as of March 31, 2023 (%)

	3 months	1 year	3 years	5 years	10 years
Fixed income					
FTSE Canada Universe Bond Index	3.22	-2.01	-1.67	0.89	1.88
Bloomberg Barclays Multiverse Bond Index (CAD-hedged)	2.75	-4.30	-2.04	0.60	1.95
Growth					
MSCI Canada Index (total return)	4.19	-5.83	16.53	7.60	7.05
MSCI USA Index (CAD) (total return)	7.47	-1.32	15.99	11.60	14.77
MSCI EAFE Index (CAD) (total return)	8.34	6.86	11.10	4.53	8.05
MSCI Emerging Markets Index (CAD) (total return)	3.83	-3.25	6.03	0.06	4.96
MSCI ACWI ex CANADA IMI Index (CAD) (total return)	6.90	0.22	13.59	7.61	11.24

Sources: Desjardins Investments Inc., Morningstar Inc.

Comments on market performance

- Inflation continued its downward trend in the first quarter of 2023. This decrease is mainly attributable to the repeated key interest rate hikes by the Bank of Canada.
- The Canadian stock market posted returns of 4.2%, according to the MSCI Canada Index (total return). This was largely due to strong performance in the materials, industrial goods and technology sectors. The energy sector declined slightly after a remarkable rise in the fourth quarter of 2022.
- With respect to bonds, the FTSE Canada Universe Bond Index posted a positive return of 3.2%, driven by strong performance from government bonds.
- In the US equity market, the MSCI USA Index (CAD) (total return) posted a return of 7.5% for the first quarter of 2023. This increase was primarily driven by the technology, consumer discretionary and telecommunication services sectors.
- With respect to emerging markets, the MSCI Emerging Markets Index (CAD) (total return) performed well, ending the quarter with a return of 3.8%. This increase is mainly due to the good performance of the Chinese market. The technology and consumer discretionary sectors also had a positive impact on the performance of the MSCI Emerging Markets Index (CAD) (total return) with their strong quarterly returns.

Contribution to portfolio performance (A-Class) as of March 31, 2023

	3 months	1 year	3 years	5 years	10 years	Since start of operations	Start date of operations
Melodia Moderate Growth Portfolio	3.47	-4.76	2.46	1.11	N/A	2.78	2013/05/10
Melodia Diversified Growth Portfolio	3.84	-4.77	4.44	2.03	N/A	3.49	2013/05/17
Melodia Balanced Growth Portfolio	4.08	-4.77	5.83	2.59	N/A	4.24	2013/05/17
Melodia Maximum Growth Portfolio	4.57	-4.83	8.69	3.59	N/A	5.78	2013/05/17
Melodia 100% Equity Growth	5.09	-4.62	11.81	5.11	N/A	7.51	2016/04/11

Unlike the benchmark, the portfolio's performance is net of fees and expenses.
Source: Desjardins Investments Inc.

Comments on portfolio performance as of March 31, 2023

Fixed Income (A-Class return)

- All Canadian bond funds ended the first quarter of 2023 with positive returns ranging from 0.1% (Desjardins Emerging Markets Bond Fund) to 3.0%* (Desjardins Global Government Bond Index Fund).
- Due to its weighting and performance, the Desjardins Canadian Bond Fund (+2.9%) contributed the most to the fixed income component of the portfolios. The Desjardins Emerging Markets Bond Fund (+0.1%) was the weakest contributor to overall performance.
- The Desjardins Global Tactical Bond Fund (+3.0%), Desjardins Global Total Return Bond Fund (+2.9%) and Desjardins Enhanced Bond Fund (+2.9%) were the main contributors to the overall performance of fixed income funds.

Growth (A-Class return)

- With the exception of the Desjardins American Equity Value Fund (-2.5%), all of the equity funds in the portfolios posted positive returns ranging from 0.9% (Desjardins Emerging Markets Opportunities Fund) to 12.5% (Desjardins Overseas Equity Growth Fund).
- The Desjardins Overseas Equity Growth Fund (+12.5%), Desjardins American Equity Growth Fund (+11.8%) and Desjardins Overseas Equity Fund (+10.9%) contributed most to the strong performance of the equity component of the portfolios.
- The Desjardins American Equity Value Fund (-2.5%) detracted from the performance of the equity component of the portfolios. The Desjardins Emerging Markets Opportunities Fund (+0.8%) also had a slight dampening effect on overall performance.
- Overall, equity funds with significant investments in quality or growth stocks generally performed better. Conversely, funds with a greater focus on value or lower volatility were the biggest detractors overall during the first quarter of 2023.

* Class I performance

Contribution to portfolio performance (A-Class) as of March 31, 2023

	Fixed Income	Growth
Melodia Moderate Growth Portfolio	++	++
Melodia Diversified Growth Portfolio	++	+++
Melodia Balanced Growth Portfolio	++	+++
Melodia Maximum Growth Portfolio	+	+++
Melodia 100% Equity Growth	Neutral	+++

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