

Desjardins SocieTerra

Canadian Bond Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023

PORTFOLIO MANAGER:

Desjardins Global Asset Management

INCEPTION DATE:

June 8, 2015

CIFSC CATEGORY*:

Canadian Fixed Income

Contributors to relative performance

- Value added of 18 basis points for the quarter was primarily due to the portfolio's overweight position in corporate securities of approximately 25% relative to its benchmark. This asset class outperformed government securities, regardless of the term chosen.

Detractors from relative performance

- The steepening of the interest rate curve between the two- and 10-year terms that occurred during the period has diminished in value given the portfolio's positioning on that term. However, the duration which was slightly shorter than that of the benchmark counteracted its effect.

Desjardins SocieTerra

Canadian Bond Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2023

PORTFOLIO MANAGER:

Desjardins Global Asset Management

INCEPTION DATE:

June 8, 2015

CIFSC CATEGORY*:

Canadian Fixed Income

Major changes to portfolio in the period

- The allocation to federal agencies was doubled during the quarter for valuation reasons. As such, the longer duration could be done without reducing the portfolio's forward yield despite the inversion of the interest rate curve. This is explained by the increased spread of return that this asset class offers. The goal is to gradually increase the portfolio as rates rise, given signs of an increasingly discernible economic downturn.

ESG Analysis

The allocation in green, sustainability and social bonds represents 8% of the portfolio, unchanged from the previous quarter.

We take the scope of climate change risk into account when selecting issuers. In the third quarter, the portfolio had a lower carbon footprint than the FTSE Canada bond index average.

*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/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.

Desjardins®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence.