

Desjardins

Global Total Return Bond Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2020



PORTFOLIO MANAGER:
PGIM Fixed Income

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Global Fixed Income

Contributors to performance

- An overweight to the IG Corporate, Emerging Market Sovereign, and CMBS sectors added to performance.
- Security selection in Developed IG Corporates, Developed HY Corporates, Developed Sovereigns, Emerging Sovereigns, and Emerging Agencies added to performance.

Detractors from performance

- A long duration position in US rates detracted from performance.
- A long duration position in NZD rates detracted from performance.
- Security selection in CMBS detracted from performance.

Major changes to portfolio in the period

- Duration/Curve: Decreased our duration overweight in US Rates.
 - We have reduced our duration overweight due to the near-term upward pressure that stimulus and COVID vaccines are placing on treasury yields. Our long-term view remains bullish.
- Sectors: Reduced spread duration overweight.
 - We have reduced our overweights in High Yield, Investment Grade, structured products, and Emerging markets as spreads have tightened significantly since the COVID-wides.

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Major changes to portfolio in the period (cont'd)

- Credit quality: Maintained overweight to lower-quality IG names.
 - Continue to maintain an underweight to AA and AAA securities. We find the value of lower quality IG securities to be attractive on a risk-adjusted basis. Consequently, we have maintained a sizeable overweight to BBB corporates.

*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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