

# Wise ETF Portfolios

Quarterly commentary as of June 30, 2023



## Market overview

Market performance as of June 30, 2023 (%)

	3 months	1 year	3 years	5 years	10 years
<b>Fixed income</b>					
FTSE Canada Universe Bond Index	-0.69	3.15	-3.75	0.65	2.06
Bloomberg Barclays Multiverse Bond Index (CAD-hedged)	-0.05	0.27	-2.93	0.61	2.11
<b>Growth</b>					
MSCI Canada Index (total return)	1.38	9.71	11.73	6.49	7.63
MSCI USA Index (CAD) (total return)	6.18	22.05	12.51	11.74	14.73
MSCI EAFE Index (CAD) (total return)	0.66	21.84	7.89	4.51	7.82
MSCI Emerging Markets Index (CAD) (total return)	-1.35	4.38	1.34	1.05	5.31
MSCI ACWI ex CANADA IMI Index (CAD) (total return)	3.62	19.44	9.84	7.81	11.23

Sources: Desjardins Investments Inc., Morningstar Inc.

## Comments on market performance

- In the second quarter of 2023, fears of a recession weighed heavily on the markets, which experienced high volatility. However, by the end of the quarter, most stock indexes managed to regain some stability.
- The Canadian stock market posted returns of 1.4%, according to the MSCI Canada Index (total return). This was largely due to strong performance in the industrial and tech sectors. The materials sector was down after strong performance in the first quarter of 2023.
- With respect to bonds, the FTSE Canada Universe Bond Index posted a slightly negative return of -0.7%, mainly due to lower government bond yields.
- In the US equity market, the MSCI USA Index (CAD) (total return) posted a return of 6.2% for the second quarter of 2023. This strong performance was primarily driven by the tech, consumer discretionary and telecommunication services sectors.
- Emerging market equities fell in the second quarter of 2023. They posted a negative return of -1.4%, according to the MSCI Emerging Markets Index (CAD). Economic growth in emerging economies slowed mainly due to higher interest rates.

## Portfolio performance (C-Class) as of June 30, 2023 (%)

	3 months	1 year	3 years	5 years	10 years	Since start of operations	Start date of operations
Wise Fixed Income ETF Portfolio	-0.76	1.25	-4.79	N/A	N/A	-2.42	2019/07/08
Wise Conservative ETF Portfolio	-0.30	3.17	-2.91	N/A	N/A	-1.46	2019/07/08
Wise Balanced ETF Portfolio	0.42	6.00	-0.11	N/A	N/A	0.60	2019/07/08
Wise Growth ETF Portfolio	1.12	8.71	2.49	N/A	N/A	1.98	2019/07/08
Wise Maximum Growth ETF Portfolio	1.78	11.26	5.14	N/A	N/A	3.66	2019/07/08
Wise 100% Equity ETF Portfolio	2.29	13.88	7.90	N/A	N/A	5.98	2019/07/08

Unlike the benchmarks, the portfolios' performance is net of fees and expenses.

Source: Desjardins Investments Inc.

## Comments on portfolio performance as of June 30, 2023

### Fixed income (Canadian dollar and A-Class returns for Desjardins Funds)

- During Q2 2023 Desjardins ETFs and fixed-income security funds posted returns ranging from -1.1% (FNB Vanguard U.S. Aggregate Bond Index ETF (CAD-Hedged)) to +1.1% (FNB iShares J.P. Morgan USD Emerging Markets Bond Index (CAD-Hedged)).
- The iShares J.P. Morgan USD Emerging Markets Bond Index ETF (CAD-Hedged) (+1.1%) and Desjardins Global High Yield Bond Fund (+0.1%) were the biggest contributors to the overall returns of the portfolios' fixed income portion.
- Because of their returns in the second quarter of 2023, the FNB Vanguard U.S. Aggregate Bond Index ETF (CAD-Hedged) (-1.1%), the FNB Vanguard U.S. Aggregate Bond Index (CAD-Hedged) (-0.7%), and the Canadian Short Term Bond Index ETF (DCS) (-0.7%) contributed least to the returns in the portfolios' fixed income component.

### Equities (Canadian dollar and A-Class returns for Desjardins Funds)

- Over the past 3 months, all of the equity funds comprising Desjardins Funds and ETFs posted positive returns, ranging from +0.7% (iShares MSCI EAFE Small Cap ETF) to +8.7% (Vanguard S&P 500 Index Fund ETF).
- Due to their high weightings and returns, the Vanguard S&P 500 Index Fund (8.7%), the Desjardins Global Equity Dividend Fund (5.8%) and the Desjardins Global Equity Growth Fund (+4.1%) contributed the most to the equity component of the portfolios' performance.
- The iShares MSCI EAFE Small Cap ETF (+0.7%) was the weakest contributor to the overall performance of the fixed income component of the portfolios.

## Contribution to portfolio performance (C-Class) as of June 30, 2023

	Fixed Income	Equity
Wise Fixed Income ETF Portfolio	-	+
Wise Conservative ETF Portfolio	-	+
Wise Balanced ETF Portfolio	-	++
Wise Growth ETF Portfolio	-	++
Wise Maximum Growth ETF Portfolio	-	+++
Wise 100% Equity ETF Portfolio	N/A	+++

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