

Desjardins

Floating Rate Income Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2020

PIMCO

PORTFOLIO MANAGER:
Pimco Canada

INCEPTION DATE:
May 12, 2014

CIFSC CATEGORY*:
High Yield Fixed Income

Contributors to performance

- Underweight exposure to investment grade credit contributed as spreads widened
- Underweight exposure to external emerging market debt contributed as spreads widened
- Underweight exposure to high yield industrials contributed as spreads widened

Detractors from performance

- Overweight exposure to high yield credit detracted as spreads widened
- Exposure to mortgage credit detracted

Major changes to portfolio in the period

- Reduced high yield and emerging market exposure as we looked to limit exposure to sectors with heightened sensitivity to global trade
- Increased exposure to non-cyclical sectors like telecom as we emphasized a more defensive stance due to heightened uncertainty relating to trade tensions and the coronavirus outbreak
- Broadly favored a higher quality bias due to increased volatility and generally fair valuations in markets

*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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