

Desjardins

Global Total Return Bond Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2020



PORTFOLIO MANAGER:
PGIM Fixed Income

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Global Fixed Income

Contributors to performance

- An overweight to US and European rates
- An underweight to US mortgages

Detractors from performance

- An overweight to the high yield sector as well as issue selection within the sector. The biggest underperformer was an overweight to AMC Entertainment.
- An overweight to the emerging sovereign sector as well as issue selection within the sector. The biggest underperformer was an overweight to Argentina.
- An overweight to Commercial Mortgage-Backed Securities

Major changes to portfolio in the period

- Duration / Curve: Increased our duration exposure in European rates
 - This was primarily to add onto our European peripheral overweight. Since the sector has markedly widened off the lows of early 2020, we feel it has offers good risk-reward.
- Sectors: Increased our spread duration in attractive spread sectors
 - As COVID-19 continues to take its toll on the global economy, we feel that specific sectors such as IG Corporates, European peripherals, and select HY corporates have cheapened. We have added risk in these sectors, mainly in March.
- Credit quality: Increased our exposure in BBB rated securities
 - Attractive valuations among BBB rated securities

*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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