

Desjardins Floating Rate Income Fund



QUARTERLY COMMENTARY AS JUNE 30, 2020

PIMCO

PORTFOLIO MANAGER:
Pimco Canada

INCEPTION DATE:
May 12, 2014

CIFSC CATEGORY*:
High Yield Fixed Income

Contributors to performance

- Exposure to U.S. non-agency and European RMBS contributed

Detractors from performance

- Underweight exposure to investment grade credit detracted
- U.S. interest rate positioning detracted
- Underweight exposure to external emerging market debt detracted

Major changes to portfolio in the period

- Over the period, the fund generally increased risk to take advantage of attractive opportunities and valuations following the March dislocation
- Over the period, the fund decreased its underweight to external EM sovereign debt. The fund maintains a slight underweight to EM debt more broadly given the asset class tends to be more growth-sensitive, but we have emphasized external debt issued by countries with strong balance sheets that we believe are attractive on a risk-adjusted basis.
- Over the period, the fund selectively increased exposure within the technology sector as the COVID-19 pandemic has accelerated innovation within this area. We believe innovators within the sector have the potential to deliver higher growth and would generally be resilient under various economic scenarios due to strong balance sheets and more stable cash flows.

*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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