

Desjardins

Global Total Return Bond Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2020



PORTFOLIO MANAGER:
PGIM Fixed Income

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Global Fixed Income

Contributors to performance

- A bull-flattener in European rates contributed to performance.
- Sector overweights to Developed Sovereigns and Emerging Sovereigns added to performance.
- Security selection in IG Corporates, HY Corporates, Developed Sovereigns, and Emerging Agencies/Supras also boosted performance. Overweights in Italy, Petrobras, and Loxam SAS were the largest contributors.

Detractors from performance

- Curve positioning in US Rates hurt performance.
- Security selection in developed CMBS hurt performance. Barclays Commercial Mortgage securities was the largest detractor

Major changes to portfolio during the period

- Duration / Curve: Increased our duration exposure in US Rates.
 - USD-denominated bonds have looked increasingly attractive in Q3 given recent interest rate levels. We've gradually increased US rate exposure accordingly.
- Sectors: Increased our spread duration in Emerging and Developed Sovereigns.
 - We maintain our belief that European Peripheral and select emerging market sovereigns offer attractive yields.

Desjardins

Global Total Return Bond Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2020



PORTFOLIO MANAGER:
PGIM Fixed Income

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Global Fixed Income

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

- Credit quality: Increased our exposure to A-rated securities.
- Continue to maintain an underweight to AA and AAA securities, we find the value of lower quality IG securities to be more attractive (consequently, have maintained a large overweight to BBB securities as well).

*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/>.

The information provided in this document is presented for illustration and discussion purposes only. It should not be considered as investment advice or securities transaction recommendations or recommendations on specific investment strategies. This document should in no case be considered or used for the purpose of buying units in a fund or any other offer of securities, regardless of jurisdiction. Said information is intended to be general and intended to illustrate and present examples relating to management of the portfolio manager cited in this document. All views, comments and opinions are subject to change without notice. The information presented on the market context and strategy represents a summary of the cited portfolio manager's observations with regards to the markets as a whole and its strategy as of the stated date. Different perspectives can be expressed based on different management styles, objectives, opinions or philosophies. Under no circumstances may this document be reproduced, in whole or in part, without obtaining written permission from the cited portfolio manager.

The Desjardins Funds are not guaranteed, their value fluctuates frequently, and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers.