

Desjardins Money Market Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022

PORTFOLIO MANAGER:
Desjardins Global Asset Management

INCEPTION DATE:
January 15, 1989

CIFSC CATEGORY*:
Canadian Money Market

Contributors to relative performance

- Exposure to bankers' acceptances (BAs) maturing in 2 to 3 months was increased as rate spreads widened. Credit exposure has been concentrated in the less than 3-month portion through commercial paper (CP) and certain corporate bonds benefitting from the yield curve shift. The scarcity of available instruments remains a challenge in the CP market as issuers repay debt instead of rolling it over.

Detractors from relative performance

- Canadian short-term rates continued to climb during the quarter, as the Bank of Canada (BoC) introduced major rate hikes to quell rising inflationary pressures. This has caused a widening of credit spreads over the short term. Exposure to commercial paper (CP) decreased over the period due to the scarcity of these products, which continues to be a considerable short-term challenge. CP credit spreads remained tight, with most shorter-term maturities being offered at the same yield as BAs.

Major changes to portfolio in the period

- To capture the steeper BA curve, shorter-term securities were consistently replaced with those mainly maturing in 2 months. Not only did these maturities offer the best value compared to other credit exposures, but they also provided a substantial cushion against additional rate increases to what was already priced.

*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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