

Desjardins

Enhanced Bond Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2022



PORTFOLIO MANAGER:
AllianceBernstein

INCEPTION DATE:
January 12, 2004

CIFSC CATEGORY*:
Canadian Fixed Income

Contributors to relative performance

- Yield curve positioning was the largest contributor. We had a 2s-30s curve flattener in the portfolio which helped, as yields on shorter maturities rose faster than longer maturities.
- Corporate credit securities selection: We hold corporates across IG and high yield in both the US and Europe. This contributed primarily based on our security selection.
- Securities: Our allocation to CMBS and CRTs contributed.

Detractors from relative performance

- Canadian RRBs detracted as breakevens narrowed throughout the quarter.
- CLOs: detracted as CLO spreads widened throughout Q3.

Major changes to portfolio in the period

- Rotated some European and US IG towards more Canadian IG corporate exposure
- Reduced duration underweight to neutral versus the benchmark
- Reduced exposure to CMBX throughout the quarter

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