

# Desjardins Enhanced Bond Fund



QUARTERLY COMMENTARY AS OF MARCH 31, 2023



PORTFOLIO MANAGER:  
AllianceBernstein

INCEPTION DATE:  
January 12, 2004

CIFSC CATEGORY\*:  
Canadian Fixed Income

## Contributors to relative performance

- Credit Risk Transfer Securities (CRTs) and (to a lesser extent) Collateralized Loan Obligations contributed to returns.
- Security selection within Canadian investment grade corporates also helped performance.

## Detractors from relative performance

- Due to the stress in the banking sector in March, a small exposure to a Credit Suisse AT1 holding was a large detractor from relative performance. This was by far the biggest driver, with other sectors having a more modest impact.
- Within those other drivers, our holdings within eurozone investment grade corporates hurt relative returns.

## Major changes to portfolio in the period

- The portfolio managers reduced the exposure to high yield bonds to bring the overall risk of the portfolio down. Additionally, we were able to take partial profits on our Real Return Bond position and reduced that exposure.
- We increased the exposure to Canadian investment grade corporates.
- Within Canadian provincials, we have replaced holdings in British Columbia with Saskatchewan. This was due to a negative view on British Columbia based on their recent budget release.

\*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.

Desjardins®, all trademarks containing the word Desjardins, as well as related logos are trademarks of the Fédération des caisses Desjardins du Québec, used under licence.