

Desjardins

Floating Rate Income Fund



QUARTERLY COMMENTARY AS OF SEPTEMBER 30, 2024

PIMCO

PORTFOLIO MANAGER:

Pimco Canada

INCEPTION DATE:

May 12, 2014

CIFSC CATEGORY*:

High Yield Fixed Income

Contributors to relative performance

- Tactical exposure to the Turkish lira.
- Overweight exposure to high yield, particularly via CDX.
- Tactical exposure to securitized credit, particularly CMBS and European RMBS.

Detractors from performance

- Tactical exposure to equities of recently restructured companies.
- Positioning within Latin American and European emerging markets, particularly exposure to sovereign debt.
- GBP interest rate positioning.

Major changes to portfolio in the period

- The portfolio decreased overall credit risk exposure relative to the benchmark, primarily through its decreased exposure to investment-grade credit and emerging markets, slightly offset by an increase in relative exposure to high-yield credit.
- Within investment-grade credit, the portfolio reduced relative exposure to consumer credit, particularly the automotive sector. The portfolio also reduced its Middle Eastern emerging market corporate and quasi-sovereign debt exposure.
- Within high-yield credit, the portfolio increased relative exposure to utilities and brokerage.
- Increased overall portfolio duration relative to the benchmark, mainly at the short end of the curve.

*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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