

# Desjardins SocieTerra

## Canadian Bond Fund



QUARTERLY COMMENTARY AS OF DECEMBER 31, 2023

### PORTFOLIO MANAGER:

Desjardins Global Asset Management

### INCEPTION DATE:

June 8, 2015

### CIFSC CATEGORY\*:

Canadian Fixed Income

### Contributors to relative performance

- Added value is mostly due to the portfolio's overweight position in corporate securities compared to its benchmark index. This asset class outperformed government securities, regardless of the term chosen.

### Detractors from performance

- Duration, which remained slightly shorter than the benchmark index, discretely detracted value during the quarter due to the general decline in rates.

### Major changes to portfolio in the period

- Exposure to corporate credit with longer maturities was reduced during the quarter for valuation reasons. As a result, the portfolio's holdings in this asset class were nearly 5% below the level reached on January 31, 2023, for the entire portfolio. The objective of this strategy is to protect the value of the fund, given the increasingly noticeable signs of an economic slowdown to come. Nevertheless, assets remain overweight to corporate issuers.

\*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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**ESG Analysis**

- As at December 31, the level of green, sustainable and social bonds held represented 8.47% of the portfolio, and the carbon footprint was 85.98% lower than the FTSE Canada Corporate Index average. Corporate securities with an ESG rating of 1 represent 34% of the asset class, while 62% are classified as 2 (on a scale of 1 to 4, with 1 being the highest).

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