Canadian Corporate Bonds

Desjardins Global Asset Management

Strategy summary

- Active top-down strategy that diversifies the sources of added value and reduces idiosyncratic risk.
- Investment approach emphasizing sector allocation and issuer selection, complemented by yield curve positioning and duration management.
- Systematic use of relative credit curves to generate excess returns.
- Risk taken based on analyst recommendations and relative value targets.
- Short- to medium-term investment horizon

Index	50% FTSE Canada Short Term Corporate Bond 50% FTSE Canada Mid Term Corporate Bond
Value-added target	0.25% over a three-year period
Style	Top-down approach
Duration	±1 year vs the index

January 1, 2015 Strategy inception	**$2,193.6M** Strategy AUM	**January 4, 2023** Institutional fund inception	**$253.1M** Fund AUM

Responsible investment

Integration of ESG factors: factored into credit analysis and into the issuers' risk-return profiles. Rating of issuers according to four categories of environmental, social and governance risk.

Issuer engagement: In collaboration with the responsible investment team, we encourage debt issuers to improve their consideration of ESG criteria. The same objective applies when we work with equity teams on joint issuers.

Exclusions: tobacco growers and non-conventional weapons

Returns

(In %)	3 months	YTD	1 year	2 years	3 years	5 years	10 years	Since inception
Portfolio	1.94	2.26	4.78	6.72	7.11	3.14	3.31	3.46
Index	1.91	2.18	4.74	6.61	6.85	2.95	3.21	3.36
Added value	**0.03**	**0.08**	**0.04**	**0.11**	**0.26**	**0.19**	**0.10**	**0.10**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Portfolio	5.09	8.37	7.92	(7.22)	(1.18)	9.20	6.31	1.53	1.80
Index	5.21	7.68	7.62	(7.25)	(1.01)	8.72	6.48	1.55	1.83
Added value	**(0.12)**	**0.69**	**0.30**	**0.03**	**(0.17)**	**0.48**	**(0.17)**	**(0.02)**	**(0.03)**

The returns shown are those of the composite, which started on January 1, 2015. Returns for periods longer than 12 months are annualized.

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Risk measures and statistics

	Portfolio	Index
Duration (years)	4.4	4.4
Average coupon (%)	4.4	4.4
Yield to maturity (%)	3.9	3.9
Average credit rating	A	A
Information ratio	1.6	---
Standard deviation (%)	2.6	2.6

Investment team

Simon Garneau, M. Sc.
Senior Portfolio Manager and Team Leader
Experience: 1996

Mathieu Bouthot, CFA
Portfolio Manager
Experience: 2003

The strategy managers work alongside the fixed income team, made up of portfolio managers and credit analysts. They are supported by the responsible investment team.

Contact us

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Portfolio positioning

Allocation by credit rating (%)	
AAA	2.4
AA	9.8
A	42.7
BBB	39.4
BB	2.5
Nonrated	3.1

Sector allocation (%)	
Corporate	96.5
Communication	5.8
Energie	16.2
Financial services	35.6
Industrials	15.2
Infrastructure	4.8
Real estate	16.3
Asset-backed	2.6
Government	3.1
Cash	0.4

Allocation by term (%)	
Less than 1 year	1.2
1 to 5 years	56.4
5 to 10 years	42.0
More than 10 years	0.4

Source: DGAM, in CAD, June 30, 2026

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