

**DFS GIF – CANADIAN BOND**

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

<b>PERFORMANCE</b>	<b>3 months</b>
<b>Series 6</b>	<b>1,60</b>
<b>Series 7</b>	<b>1,78</b>

Portfolio Manager: Desjardins Global Asset Management

Inception Date: October 19, 2015

**CONTRIBUTORS TO PERFORMANCE**

- Sector allocation (provincial and corporate bonds)
- Duration

**DETRACTORS FROM PERFORMANCE**

- Provincial bond selection: Ontario underperformed the other provinces during the period
- Flattening of the yield curve

**MAJOR CHANGES TO PORTFOLIO**

- We increased active risk for corporate credit by 50% by increasing the allocation by about 3%. It now represents roughly 40% of the total portfolio.
- We significantly increased the CMB allocation (federal agencies) in the 10-year portion of the portfolio.
- We accelerated the NHA purchase program for valuation reasons.
- We gradually reinvested the cash in the 1-to-2 year portion for valuation reasons, given market expectations of key rate increases.

The Contract and Information Folder contains important information on the Desjardins Financial Security Guaranteed Investment Funds Plan - Helios2 and the DFS Guaranteed Investment Funds. Please read it carefully before investing. Helios2 is a trademark owned by Desjardins Financial Security Life Assurance Company. DFS Guaranteed Investment Funds is a registered trademark owned by Desjardins Financial Security Life Assurance Company. DFS Guaranteed Investment Funds are established by Desjardins Financial Security Life Assurance Company.

DFS stands for Desjardins Financial Security.

<sup>TM</sup> Trademark owned by Desjardins Financial Security

