

DFS GIF – MONEY MARKET

QUARTERLY COMMENTARY AS OF DECEMBER 31, 2017

PERFORMANCE	3 months
Series 6	0.20
Series 7	0.20

Portfolio Manager: Desjardins Global Asset Management

Inception Date: February 24, 2014

CONTRIBUTORS TO PERFORMANCE

- The portfolio's running yield is above the benchmark (positive carry)
- Credit spreads in the 12- to 18-month portion contracted, minimizing the negative effects of the rate hike at the end of the quarter
- Significant holdings in floating-rate bonds
- Curve positioning (roll down)

DETRACTORS FROM PERFORMANCE

- Prices have been climbing higher and higher with new rate increases, whereas the portfolio's duration was slightly longer than the benchmark
- Limited availability of investment-grade corporate debt and narrowing of the yield spread with bankers' acceptances

MAJOR CHANGES TO PORTFOLIO

- Since late November, cash flows are being reinvested in very short term investments to align the portfolio's duration more closely with the benchmark.

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