



CHORUS

IN SUMMARY:

Bulletin

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Investment solutions



→ DESJARDINS ENHANCED BOND FUND
A WINNER AT THE 2011 LIPPER FUND AWARDS



LIPPER
FUND AWARDS 2011
CANADA

MANAGING YOUR RETIREMENT INCOME IS IMPORTANT!

After working hard to have the retirement they dream of, many people wonder whether they've saved enough. And most have questions about how much they will be able to withdraw from their savings, and how often. These questions are important, and developing a personal retirement income management strategy ahead of time is your best chance to make sure that this time of your life is even better than you hoped.

When you work, you have a salary, and you know exactly how much you have to spend on the different things you need. The situation changes after retirement, when you have different sources of income: government plans, private employer plans, RIFFs, LIRAs, Chorus Retirement Portfolios, etc.

Basically, the objective of any retirement income management strategy should be to maintain the standard of living you're accustomed to. It should also protect your capital from completely eroding, so that government benefits don't end up as your sole source of income. To achieve this, you should consider various factors in your planning.



SPENDING AND INFLATION

Not all retirement income is adjusted for inflation, but spending is, which reduces your buying power. To maintain your lifestyle, your retirement income management strategy should take this into account.

WITHDRAWALS

Making withdrawals too early or withdrawing too much could erode your savings. The frequency and amount must be carefully determined. Similarly, if you have different income sources, it's best to determine the order in which you use them.

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DESJARDINS ENHANCED BOND FUND A WINNER AT THE 2011 LIPPER FUND AWARDS



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The Desjardins Enhanced Bond Fund was honored at the Lipper Fund Awards Gala on February 3 in Toronto for having achieved the best 1-year return in the Canadian fixed income fund category.

WHAT REALLY MAKES THE DESJARDINS ENHANCED BOND FUND STAND OUT FROM THE OTHER FUNDS IN THE CANADIAN FIXED INCOME FUND CATEGORY IS THAT A PORTION OF ITS ASSETS IS INVESTED IN FOREIGN FIXED INCOME SECURITIES. THIS ASSET ALLOCATION ALLOWS IT TO TAKE ADVANTAGE OF OPPORTUNITIES IN FIXED INCOME MARKETS AROUND THE WORLD. WHAT'S MORE, THE PORTFOLIO CAN ALSO INCLUDE HIGH YIELD SECURITIES. **WITH ITS BROADER INVESTMENT UNIVERSE, THE FUND WAS ABLE TO SHINE IN FISCAL YEAR 2010.**



The Desjardins Enhanced Bond Fund is included in most of our Chorus Portfolios.

FRAUD PREVENTION

According to the *Autorité des marchés financiers* (AMF), illegal investment schemes are the most common type of offence in Canada. Unfortunately, anyone can be a victim of fraud. However, there are a number of precautions that can be taken.

Desjardins Funds wish to remind investors that prospectuses are still the best source of information about investments. They provide a detailed description of both investments and the risks they expose you to. **The first thing an informed investor should do is read the prospectus.**



TFSA

TFSA AT DEATH: THINK ABOUT YOUR SPOUSE

If your TFSA is transmitted to your spouse by will or other means, the entire accumulated savings will be transferred to your spouse's TFSA, without affecting his or her existing contribution room. So these amounts will continue to be tax free.

In Québec, if your spouse is your heir, income earned by your TFSA between the date of your death and the time of transfer is taxable and paid to your spouse.

Unlike RRSPs, your unused TFSA contribution room at the time of your death will be lost and your estate cannot continue contributing for the benefit of your spouse.

TEST YOUR FINANCIAL KNOWLEDGE

TRUE OR FALSE?

- | | |
|---|---|
| 1 | I must be earning income to contribute to a TFSA. |
| 2 | TFSA withdrawals are not taxable. |
| 3 | I can open a TFSA on my joint account. |

ANSWERS 1. (False) 2. (True) 3. (False)



Contact your Desjardins advisor today and take advantage of your advisor's investment expertise!

SOCIALLY RESPONSIBLE INVESTMENT



BECAUSE EVERY VOTE COUNTS!

During its annual review process, Desjardins Funds modified its Policy on the Exercise of Proxy Voting Rights. The changes came into effect on February 1, 2011.

The policy consists of the positions that Desjardins Funds takes when voting at shareholders' meetings of companies whose securities are held by its funds. The issues voted on at meetings (annual or special) may be of an environmental, social or financial nature or they may be related to corporate governance.



A proxy voting policy is a powerful agent of change within companies, which is why Desjardins Funds never misses an opportunity to vote on your behalf. Between July 1, 2009 and June 30, 2010, Desjardins Funds registered more than 12,447 votes. To read the policy, go to the *Information for Investors* section on desjardinsfunds.com.

A MAJOR STRIDE FOR THE RECOGNITION OF INDIGENOUS PEOPLES' RIGHTS

Since 2006, our partner, NEI Investments, has influenced the debate on free, prior and informed consent (FPIC) of indigenous peoples, also endorsed by the United Nations Declaration on the Rights of Indigenous Peoples. This principle calls for recognition of indigenous peoples' right to self determination, land rights and right to self government. Therefore, any company planning to undertake an industrial project on land belonging to indigenous people must first obtain FPIC.

This debate has always met with strong opposition from mining companies involved in the discussions. Despite a shaky start, we're starting to see positive results. One example is the company Talisman.

READ THE FULL STORY in the *Investing in Your World* newsletter (go to desjardinsfunds.com and click on the *Responsible Investment* tab).

QUESTIONS? Write us at sri@desjardins.com.

AVAILABLE INFORMATION ON desjardinsfunds.com

■ TIPS AND STRATEGIES SECTION

Basic concepts, strategies and info-capsules to guide your investment choices.

→ **April info-capsule:** Good tax planning tips

■ RETURNS OF DESJARDINS FUNDS, CHORUS AND SOCIETERRA PORTFOLIOS

Returns of the Desjardins Funds, Chorus and SocieTerra Portfolios are posted on March 31 in the *Investment* section.

■ THE DESJARDINS ENVIRONMENT FUND TURNS 20: CHECK OUT OUR AMATEUR PHOTO CONTEST

The contest starts on Earth Day, April 22, 2011 and ends at midnight on May 22, 2011. To participate, fill out the online registration form available starting April 22 at desjardinsfunds.com and attach your best photo of the Québec natural habitat you love. You can also participate by voting online for the ten top photos submitted. Participants' work will be featured in a public exhibit following the contest.

■ LEGAL AND FINANCIAL PUBLICATIONS

The *Information for Investors* section contains all the legal and financial information concerning the Desjardins Funds. Two new documents have been added since our last edition: the **Annual Report to Unitholders from the Independent Review Committee (IRC)** and the **2011 Desjardins Funds Policy on the Exercise of Proxy Voting Rights**. Use these documents as your preferred source of information about your investments.

Desjardins Funds are offered by Desjardins Financial Services Firm Inc., a Desjardins Group company. The Desjardins Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments and the use of an asset allocation service. Please read the simplified prospectus of the Desjardins Funds before investing. SocieTerra Portfolios – Desjardins Funds™ is the property of the Fédération des caisses Desjardins du Québec.