

INFO FUNDS



IN SUMMARY:

- P3 INVESTING IN YOUR DESJARDINS FUNDS IS ONLY CLICKS AWAY!
- P3 MAXIMIZE YOUR TFSA CONTRIBUTIONS BEFORE THE END OF THE YEAR
- P4 DESJARDINS ENVIRONMENT FUND



Stay on course when markets turn choppy

Inevitably, it can be difficult to remain clearheaded when market turbulence is high and when the return on your investments is not in line with expectations. At such times, it's easy to wonder if you've made the right choices and whether keeping the same investments is the right thing for you to do.

The fact is, studies show that historical market performance remains profitable over the long term, taking into consideration the risk that an investor is willing to accept. But in the short term, it is usual for markets to experience both upward and downward swings – that can rarely be avoided and are hard to predict for their size or duration.

To help you make the right decisions at the right time, here are five recommendations you can use as landmarks when the going gets rough.

1 STAY CALM!

Stress, and the emotions it stirs up, are poor advisors for making financial decisions. Investors who liquidate their investments in reaction to market pullbacks sell their assets at a discount and don't give themselves the opportunity to take advantage of the later upturns that are also part of market movements. If you feel any of these emotions, stay calm and avoid falling into the trap of making emotional decisions – because the chances are greater that you'll reduce your return rather than increasing it.

2 KEEP YOUR PORTFOLIO WELL DIVERSIFIED

Having well diversified investments that match your investor profile is the best way to make sure you get the most out of the financial markets. For instance, the investments in your Diapason or SocieTerra portfolio are a mix of various asset classes that primarily include fixed-income securities and Canadian and international corporate securities. The weight allocated to the different securities is based on your investor profile and is rebalanced periodically. Moreover, the managers of the Desjardins Funds that make up your portfolio monitor market developments daily and have the required expertise to make investment decisions rapidly in keeping with strategies that are defined and laid out well ahead of time.

In the investment world, a meticulous and disciplined methodology wins hands down over decisions that change with each passing trend.



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▶ If you have any questions about your investments or any feature article in this newsletter, consult your Desjardins advisor and visit desjardinsfunds.com at any time!



Cooperating in building the future

Stay on course when markets turn choppy

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3 ASSESS THE IMPACT ON YOUR OVERALL FINANCIAL POSITION

Market fluctuations cause mutual fund returns to vary in exactly the same way for everyone who holds units. Rather than focusing on the return from one or another investment in particular, look at how the performance of your investments as a whole relates to your financial position.

4 CHECK YOUR INVESTOR PROFILE

Your investor profile evolves over time based on what's happening in your life and your financial priorities. So it's important to take some time to check that the profile you set up still reflects who you are. To determine if that's the case, ask yourself the following questions:

WHAT ARE MY FINANCIAL GOALS?

Do I want to prepare for retirement, build an inheritance for my children or earn investment income? Do I have other goals? What are they?

WHAT IS MY INVESTMENT HORIZON?

How long do I have before I need to use the money I've put into investments? A year? Three years? More than five years?

WHAT IS MY TOLERANCE FOR RISK?

Has my risk tolerance changed since the last time my portfolio was updated?

Your investor profile determines the choice of portfolio that's right for you – be that growing your capital, preserving your assets or drawing an income. Short-term market ups and downs should not be what define your investor profile, but rather your own personal financial goals.

Whatever the case, diversifying the investments in your portfolio makes it possible to reduce the risks related to market volatility.

5 TALK OVER YOUR INVESTMENT STRATEGY WITH YOUR DESJARDINS ADVISOR

Your investment strategy and the action plan you put in place to carry it out are your greatest allies when it comes to staying on course through turbulent markets. If your situation has changed since you set up your investor profile, make an appointment with your Desjardins advisor to determine whether you should make any adjustments to your portfolio – and, if so, when!



GO PAPERLESS CONTEST*

TO BE WON

4 x \$5,000

One draw every month for 4 months

Sign up early at desjardinsfunds.com to increase your chances.

GET YOUR INVESTMENT STATEMENT ONLINE.

A simple, quick and secure method to monitor the performance of your investments. Sign up now for the online investment statement at desjardinsfunds.com and you will automatically be entered in the Go Paperless Contest.

YOUR DESJARDINS ADVISOR IS PLEASED TO ANSWER ANY QUESTIONS YOU HAVE. DON'T HESITATE TO TALK OVER YOUR CONCERNS OR EXPLORE OPTIONS THAT INTEREST YOU. YOUR ADVISOR IS ON YOUR SIDE, REGARDLESS OF MARKET THICK OR THINS!

Redemption of shares

The *Autorité des marchés financiers* protects investors by overseeing compliance with the rules applicable to all investment fund manufacturers in Québec. That's why Desjardins Funds reminds you of your rights annually.

You may therefore, at any time, request the redemption, of all or part, of the units you hold in a fund.

- By calling 1 800 CAISSES (in Québec and Ontario);
- by calling Desjardins Financial Call Centre (in Montréal at 514 286-3225 or toll free at 1 800 361-2680);
- by calling or visiting your Desjardins point of service, an investment advisor or a mutual fund dealer.

Any request received by the Manager before noon on a valuation day is executed at the net asset value per unit determined on that day. Any request received later

than noon will be executed at the net asset value per unit determined on the following day. The Manager will pay the proceeds to you less any applicable fees within three business days from the date on which the sale price was determined, provided all necessary documentation is received by the Manager with your redemption order.

If these duly completed documents have not been received by the Manager by the close of business on the 10th business day following the redemption date, the fund will be deemed to have accepted an order for the purchase of a number of units of the fund equivalent to that redeemed. The redemption proceeds shall be applied to the payment of the replacement units.

The Manager may suspend the redemption of units of a fund or delay the payment of the redemption price under the exceptional circumstances set out in the "Redemptions" section of the *Simplified Prospectus* (page 6).

ACCÈSD

Investing in your Desjardins Funds is only clicks away!

IF YOU HOLD DESJARDINS FUND UNITS AND HAVE AN ACCÈSD ACCOUNT, YOU'LL SOON BE ABLE TO PURCHASE NEW UNITS IN THE DESJARDINS FUNDS YOU'RE ALREADY INVESTED IN RIGHT ON LINE. THIS CONVENIENT NEW SERVICE WILL BE AVAILABLE – FREE OF PURCHASE OR TRANSACTION FEES – AT THE END OF 2011.

REGISTER FOR ACCÈSD SERVICE
FREE OF CHARGE BY CALLING
1 800 CAISSES OR VISITING
DESJARDINS.COM

FULLY SECURE, AT ALL TIMES

All unitholders of Desjardins Funds or Diapason or SocieTerra portfolios with an Internet connection will be able to invest securely, at any time, 24/7.

It makes investing fast and simple – and worry free! Make sure to get an AccèsD account so you can enjoy the advantages.

TO BE ELIGIBLE

This service is provided exclusively for purchasing new units in the Desjardins Funds or Diapason or SocieTerra portfolios you already hold units in. They may – or may not – be in a registered retirement savings plan (RRSP), tax free savings account (TFSA), registered education savings plan (RESP) or a fixed-term annuity retirement savings plan.

For more information about the conditions of eligibility for the new AccèsD service, or if you wish to invest in a new fund or investment portfolio, talk to your Desjardins advisor.



TFSA

Maximize your TFSA contributions before the end of the year

INVESTING IN A TAX-FREE SAVINGS ACCOUNT (TFSA) GIVES YOU AN INCOME TAX SHELTER FOR INVESTMENT INCOME YOU RECEIVE. EACH YEAR, YOU CAN CONTRIBUTE \$5,000 AND INVEST UNUSED CONTRIBUTION ROOM FROM PREVIOUS YEARS. FURTHERMORE, WITHDRAWALS YOU MAKE FROM A TFSA ARE NOT TAXABLE.

TO MAXIMIZE YOUR TFSA CONTRIBUTIONS, YOU CAN:

- ▶ Share your assets with your spouse, which allows both of you to enjoy the tax benefit of the TFSA
- ▶ Make a gift to your adult children who can then invest in their own TFSA while you reduce your taxable income.

INVESTING IN A TFSA IS AN EXCELLENT WAY TO DRAW ON INVESTMENT INCOME AND AT THE SAME TIME SHELTER IT FROM INCOME TAXES. CHECK IT OUT!

DID YOU KNOW?

If you have the option, you should contribute as much as you can to your employer's group retirement savings plan. You could end up with a nice premium on your return because management fees are generally lower in a group retirement savings plan.

TALK TO YOUR DESJARDINS ADVISOR ABOUT IT.



SOCIALLY RESPONSIBLE INVESTMENT

Sobeys renews its commitment to environmental protection

The representatives of NEI Investments recently spoke with members of management at Sobeys. These discussions led the business to update its strategy on sustainable development as well as the limits on its carbon emissions and waste generation.

NEI Investments is also continuing its dialogue with the business concerning the procurement of fish and seafood in keeping with sustainable fishing practices, the reduction of packaging and the social compliance of its supply chain. Furthermore, Sobeys has committed to publishing a sustainability report every two years.

BCE says no to metal originating from conflict zones

NEI Investments made several inroads during its most recent meeting in March 2011 with management of BCE, Canada's leader in telecommunications. The company first undertook serious steps to audit its suppliers to make sure they do not deal in metals originating from conflict zones such as the Democratic Republic of the Congo, for instance.

NEI Investments also induced BCE to adopt a proactive approach to educating the public with respect to cell phone use safety practices. This issue will be discussed primarily in the company's official reports.

DESJARDINS ENVIRONMENT FUND

Two well-known experts join the ranks of the Environmental Advisory Group

In September, Desjardins Funds welcomed two distinguished experts onto its Environmental Advisory Group: Ginette Bureau and Lise Parent. A lawyer by training, Ms. Bureau boasts more than 25 years' experience working in the environmental sector. She has been President and CEO of RECYC-QUÉBEC since 2008.

Ms. Parent has over 25 years of experience as a retirement and investment advisor with major actuarial consulting firms. She was also a key contributor to the creation of Amnesty International's Economy and Human Rights Group. Ms. Parent also served on the board of directors of *Regroupement pour la responsabilité sociale des entreprises* (RRSE) from 2004 to 2009.

The appointments were made following announcement of the departure of André Beauchamp and Robert Daigneault. Desjardins Funds wishes to thank them for their exceptional contribution and commitment in fulfilling their mandate.

A unique group of experts supporting the Desjardins Environment Fund mission

The Environmental Advisory Group is made up of independent experts working in the environmental sector who are recognized in their particular fields. The Group assesses the eligibility of securities for the Desjardins Environment Fund and submits opinions and recommendations on the preferability of the selection based on environmental assessment criteria.



MORE NEWS! More SRI news are available in the *Investing in Your World* newsletter, click on the *Responsible Investment* tab at desjardinsfunds.com.

QUESTIONS? Write us at sri@desjardins.com.