

INFO > FUNDS

QUARTERLY FINANCIAL
INFORMATION BULLETIN

| VOLUME 37 | NUMBER 2 | SPRING 2016 |

SUMMARY

1

Six smart tips for making the most of volatile times

2

The Desjardins Global Equity Growth Fund
Growth style management drives Chorus II Portfolios' returns

2016 targets for the progress
Your responsible investment makes possible!

3

Making sound financial choices to maintain your quality of life
Plan for your renovation project by investing in a TFSA

4

News

SIX SMART TIPS FOR MAKING THE MOST OF VOLATILE TIMES

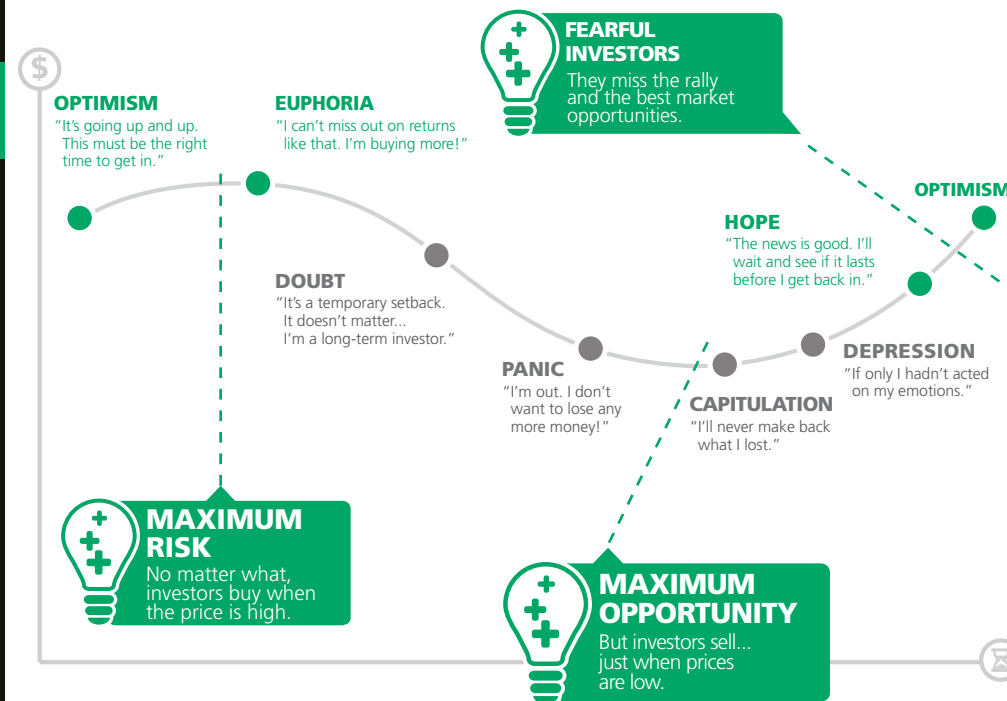
Stock market ups and downs have been a regular feature in the headlines over the last few months. It's normal to feel nervous when you see market volatility. Here are some tips to help you keep your confidence high and adopt winning strategies.

1 KEEP YOUR EMOTIONS IN CHECK

When markets are fluctuating wildly, emotions like doubt can lead you into making bad decisions. Learning to keep your emotions in check will help you reach the goals you've set.

The curved line below illustrates the fluctuations stock markets go through. The dots represent the emotions most investors feel when they think of the investments they have in stocks.

CYCLE OF INVESTOR EMOTIONS



2 STAY INVESTED

Oftentimes, it's after corrections that the markets perform best. A correction occurs when a stock market loses at least 10% of its value. Not being invested during corrections can have a significant impact on the long-term return on your investments. Don't miss out on the best days!



> (continued from previous page)

3 INVEST REGULARLY

No one can predict how the markets will move. That's why investing regularly makes money. When you invest through regular instalments, you capitalize on declining market opportunities and avoid buying only when the news is good and prices are rising. And besides that, it's an easy way to get into the habit of saving.



4 DIVERSIFY YOUR PORTFOLIO

Because one year's winners will probably not generate the best returns the next year, it's important to properly diversify the investments in your portfolio. By including stocks and bonds from across a range of sectors and countries, as well as a variety of management styles, you increase your portfolio's return potential and reduce the risks that it will be severely impacted by the effects of volatility.



5 THINK LONG TERM

Historically, markets experience highs and lows but generally maintain an upward trend.



6 SEEK THE ADVICE OF A PROFESSIONAL

Significant research¹ confirms it: the finances of individuals who turn to a representative for guidance are in better health. Your representative is your best ally for reaching your financial goals.



¹ INVESTMENT FUNDS INSTITUTE OF CANADA – IFIC, New Evidence on the Value of Financial Advice, Jon Cockerline, PhD, 2012.

CHORUS II PORTFOLIOS



THE DESJARDINS GLOBAL EQUITY GROWTH FUND Growth style management drives Chorus II Portfolios' returns

The management style of the Desjardins Global Equity Growth Fund – growth-oriented as its name implies – contributed positively to the Chorus II Portfolios' returns in 2015.

As the Fund's portfolio manager, Baillie Gifford prefers securities with superior long-term potential for growth. The Fund invests in companies with a sustainable competitive advantage, in particular in the technology and health care sectors, which fared better than energy and commodities in 2015. These companies are located around the world, including the emerging markets.

The Fund's global equities were profitable for the Chorus II Portfolios, which helped to offset the impact of the Canadian stock market's poorer performance in 2015. This contribution is proof once again that a diversified portfolio is a win-win strategy for investors.

IN 2016, THE PORTFOLIO MANAGERS REMAIN ON THE LOOKOUT FOR MARKET OPPORTUNITIES TO OPTIMIZE THE ASSET ALLOCATION OF YOUR INVESTMENT AND MAXIMIZE RETURNS.



EXCLUSIVE ADVANTAGES FOR MEMBERS

Cycling enthusiasts Take part in the Gran Fondo Mont-Tremblant – it's to your advantage!

Desjardins Wealth Management invites you to take part in the Gran Fondo Mont-Tremblant mass-start cycling ride on Saturday, May 28, 2016. You choose the distance you want to ride – 45 km, 80 km, 125 km or 160 km.

AS A DESJARDINS MEMBER, YOU GET A

15% DISCOUNT
ON YOUR REGISTRATION FEE

To register:

<https://www.desjardins.com/ca/exclusive-offers/gran-fondo-mont-tremblant.jsp>



RESPONSIBLE INVESTMENT



2016 TARGETS FOR THE PROGRESS Your responsible investment makes possible!



For the seventh year in a row in 2016, the SocieTerra Funds and Portfolios will once again champion the responsible investment approach and engage Focus List companies in dialogue with our partner, NEI Investments. These dialogues aim to foster positive change in the environmental, social and governance (ESG) practices of these companies.

Here are some examples of dialogues that will be opened in 2016:

COMPANY	THEMES
CANADIAN NATURAL RESOURCES (CNRL), GIBSON ENERGY, SUNCOR, CANADIAN UTILITIES / ATCO	<p>› The energy transition</p> <p>Transitioning to energy systems that are less dependent on fossil fuels.*</p>
COCA-COLA, EMPIRE (SOBEYS), LOBLAW, METRO, YUM! BRANDS	<p>› Food from farm to fork</p> <p>Social and environmental issues related to sustainable food production, access to nutritional information, animal welfare and food waste.</p>
CANADIAN TIRE, CHINOOK ENERGY, CGI, EMPIRE (SOBEYS), LOBLAW, MITEL, METRO	<p>› Governance matters</p> <p>Identity diversity on boards, including representation of women and minorities and the value of ESG expertise, and disclosure on the ESG practices targets that companies set for themselves.</p>

* The goal of energy transition is to promote sustainable development over fossil fuel dependent solutions, more specifically coal, oil extracted from the oil sands and shale gas.

WITH SOCIETERRA FUNDS AND PORTFOLIOS, YOU CAN
MAKE MONEY WHILE YOU MAKE A DIFFERENCE
FOR SUSTAINABILITY!

FOR MORE INFORMATION ABOUT THE COMPANIES TARGETED FOR FOCUS LIST DIALOGUE IN 2016, VISIT [DESJARDINS.COM/RITARGETS](https://www.desjardins.com/ca/ritargets).



CASE STUDY

BY ANGELA IERMIERI / DESJARDINS GROUP FINANCIAL PLANNER

MAKING SOUND FINANCIAL CHOICES TO MAINTAIN YOUR QUALITY OF LIFE

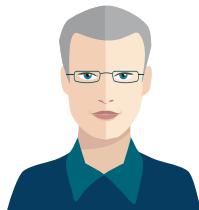
Plan for your renovation project by investing in a TFSA

Mike is proud to be an engineer... and he loves his work. But when the weekend comes along, he likes to relax away from the city. When he turned 50, he and his spouse treated themselves and bought a beautiful cottage on a lakefront property. Since he wants to spend more time there when he retires, he's planning to enlarge the kitchen and do it over so he can have people in.

"I like to have my finances under control. My budget is balanced and I have no problem meeting my obligations on my current income. I already have some savings, but I'd like to put more aside, based on my financial capacity."



"Ideally, I'd like to be able to make the mortgage payments on my cottage and put money aside at the same time to build up an extra financial cushion to pay for the renovations. Then, I wouldn't have any debt at retirement. How can I do that?"



HIS GOAL

- Renovate his cottage in 4 or 5 years without running up debt or jeopardizing the other projects he has in mind.

It's smart to optimize one's TFSA contributions to pay for projects

Mike can invest in his TFSA through periodic investments that will easily fit into his budget. With \$100 a week, he will be able to gradually build up his financial cushion. For individuals who have never contributed to a TFSA, the contribution limit is \$46,500 in 2016 and additional contribution room will be added every year, which gives him the flexibility to increase his instalments.

In 4 or 5 years, he'll be able to sit down with his advisor and assess his strategy for putting his plan into action and, if he needs to, check out available financing options. To fill any gaps in his financing, he could look around to see if there are any renovation programs or tax credits to help him out or decide to take out a loan.

But best of all, he'll be able to choose from a number of options, knowing that he has good advice.

"I didn't realize how flexible a TFSA was! I can contribute to it and keep to my budget, my return is tax free and, when the time comes, I'll be able to use my investment to renovate my cottage or get busy on some of the other projects I'd like to do."

Seeking advice from a professional pays off!

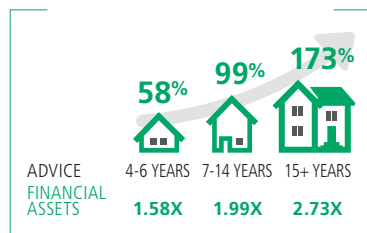
BY TALKING THINGS OVER WITH HIS ADVISOR, WHO KNOWS HIM WELL, MIKE CAN PLAN HIS RENOVATION PROJECT PROPERLY AND SHOP FOR THE SOLUTIONS THAT WORK BEST FOR HIM. HE'LL BE ABLE TO MAKE SMART DECISIONS THAT FACTOR IN HIS WHOLE FINANCIAL PICTURE AS WELL AS HIS GOALS.





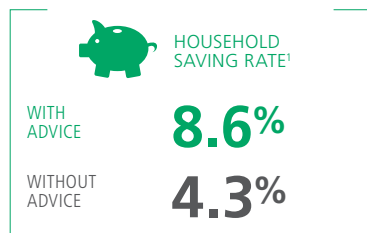
THE BENEFITS OF SEEKING ADVICE FROM PROFESSIONALS

What would you say to building greater wealth? Having winning saving habits? Increasing your chances of reaching your investment goals for retirement? Significant research¹ confirms it: **the finances of individuals who turn to an advisor for guidance are in better health.**



1 GREATER WEALTH

Improve your chances of growing your wealth with guidance from your advisor. The longer you receive financial advice, the greater the wealth you could build.¹



2 A HIGHER SAVING RATE AND BETTER SAVING HABITS

When you turn to your advisor for guidance, you're more likely to develop better saving habits, and by doing so, achieve a saving rate two times higher¹ than households that manage their finances without advice.



3 BETTER PLANNING FOR YOUR RETIREMENT

Financial advice could have a significant effect on how ready you are to retire.¹ It boosts your level of confidence and your chances of enjoying a comfortable retirement.

HAVE THE FREEDOM TO MAKE YOUR DREAMS COME TRUE.

DON'T WAIT! CONTACT YOUR ADVISOR NOW.



¹ Investment Funds Institute of Canada – IFIC, New Evidence on the Value of Financial Advice, Jon Cockerline, PhD, 2012.

FOR THE UPDATES TO DESJARDINS FUNDS' LEGAL AND FINANCIAL PUBLICATIONS

The Fund Facts Documents, Simplified Prospectuses and Annual Information Forms for January and March 2016 as well as the Quarterly Information on Investment Portfolio (unaudited) as at December 31, 2015 are available in the Information Center section at desjardinsfunds.com in the Legal and Financial Publications sub-section, and at sedar.com. The Desjardins Funds Policy on the Exercise of Proxy Voting Rights for 2016 is also available in the Responsible Investing section.

Greater transparency

MAKING INFORMED DECISIONS BEFORE INVESTING IN A MUTUAL FUND

Starting in May 2016, before you initially invest in a mutual fund, your representative will give you a copy of the Fund Facts Document for the fund you're thinking of investing in and go over it with you. It contains important information about asset allocation, returns, the fund or portfolio manager, the risks involved and any fees related to the fund.

Your representative will make sure you understand all of the features of the product and that you can see how it fits in with your objectives. Even more value added in seeking advice from a professional!

Right there on AccèsD

EASILY FIND ALL OF YOUR DESJARDINS FUNDS DOCUMENTS

Your Desjardins Funds documents contain all the information you want about your investments and allow you to track their progress over time. So it's handy to be able to locate them quickly and easily when you want.

That's why AccèsD now consolidates all of your Desjardins Funds documents in a single location. To access them, simply follow this path on AccèsD.

*AccèsD overview >
Statements and Documents >
Investment funds*



Then select the documents you want to view by clicking on the appropriate tab:

- Statements
- Transaction notices
- Fund facts
- Financial statements
- Management report of fund performance

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. Please read the prospectus before investing. The Desjardins Funds are offered by such registered dealers as Desjardins Financial Services Firm Inc., a mutual fund dealer belonging to Desjardins Group that distributes the Funds in caisses throughout Québec and Ontario, as well as through the Centre financier Desjardins.