April 2020

7 habits of Zen investors

Desjardins
Wealth Management
Investments

Tips to help you prosper in the face of volatility

Your investments are critical to financial freedom. They represent all your achieving dreams and hard work, allow you to carry out your personal projects and are key to securing the future you want for you and your family.

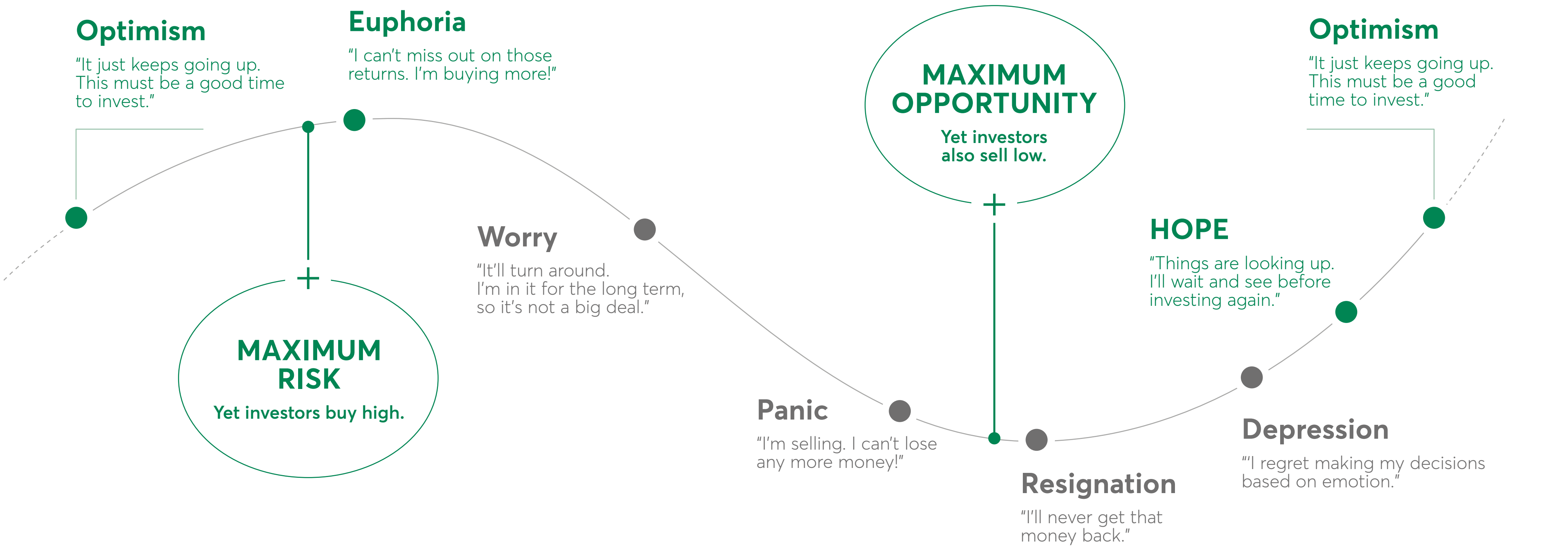
Here are some tips to help you stay confident when markets are volatile.

1. Control your emotions

It's normal to feel nervous when markets are volatile, but emotion may cause you to make a poor decision. Learning to control your emotions will help you reach your goals.

The curve below represents stock market fluctuations. We've summarized how most investors tend to react as the market and their growth stocks* fluctuate.

CYCLE OF INVESTOR EMOTIONS

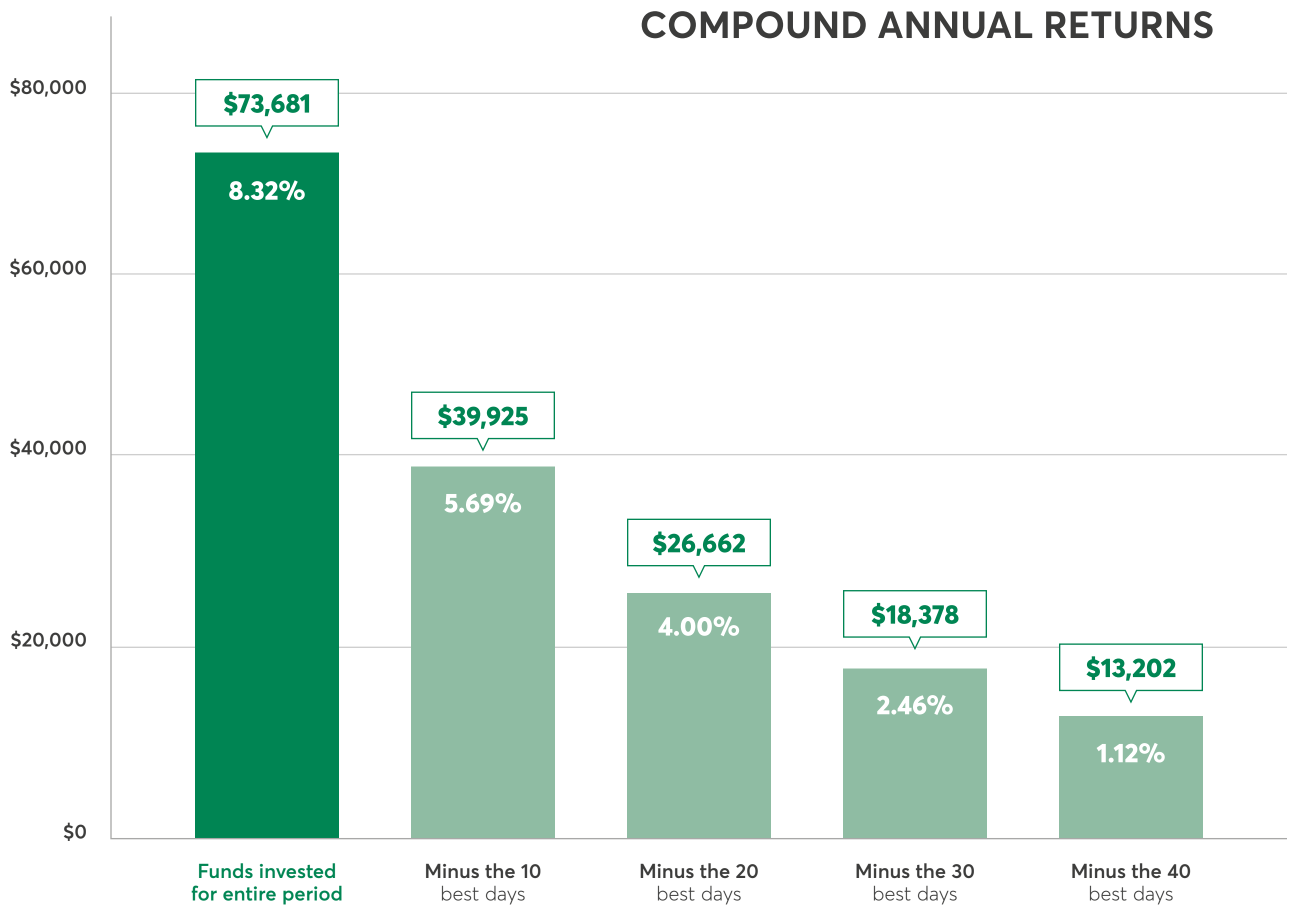


* Growth stocks (e.g., common stocks) are shares held in publicly-traded companies. They target long-term growth and are riskier than fixed-income securities (e.g., bonds) and money market securities (e.g. Treasury bills).

2. Stay invested

There are better days ahead

The best returns are often achieved after a market correction.* Pulling out beforehand can seriously hurt the long-term performance of your investments. Don't miss out on these high-yield days!



GROWTH OF A $10,000 INVESTMENT

S&P/TSX Composite Total Return Index (Canadian stocks) from January 1, 1995, to December 31, 2019

* A market correction is when stock markets drop by 10% or more.
Source: Morningstar data.

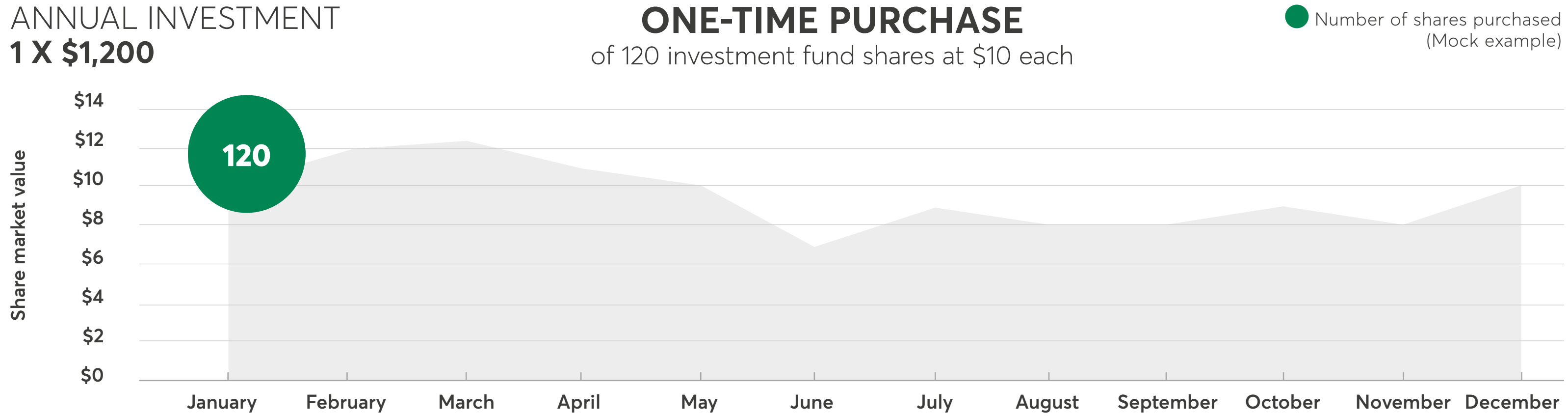
3. Invest regularly

Capitalize on market opportunities

No one can predict the market. That's why it pays to invest regularly. Take advantage of market lows and avoid buying when things are rosy and prices are high. By setting up automatic investments, you can aim for the best average cost per share possible and capitalize on market opportunities.

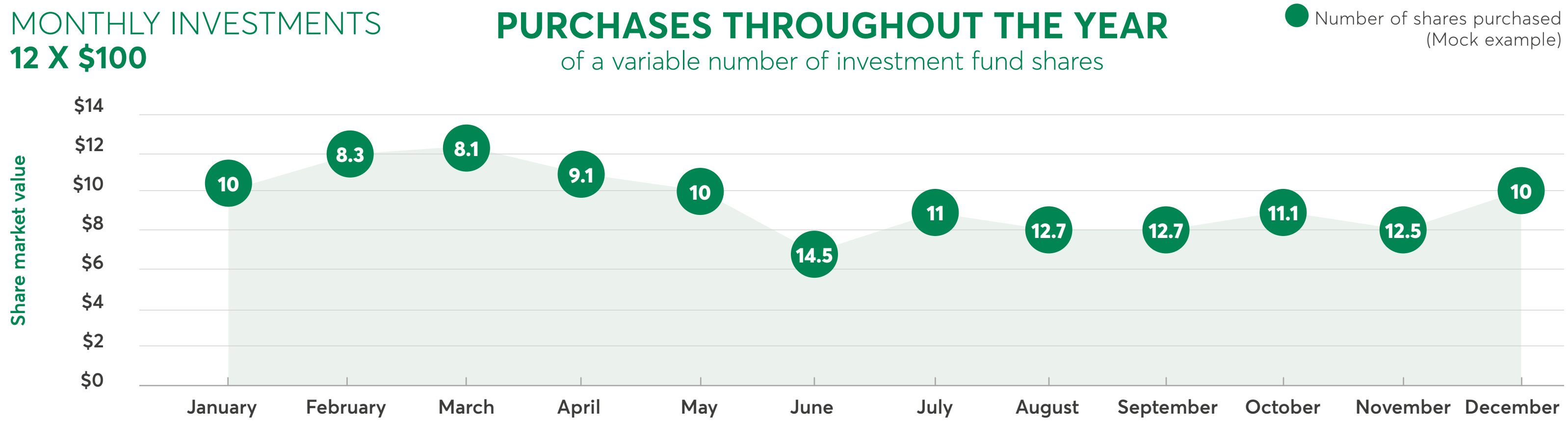
ANNUAL INVESTMENT
1 X $1,200

ONE-TIME PURCHASE
of 120 investment fund shares at $10 each



MONTHLY INVESTMENTS
12 X $100

PURCHASES THROUGHOUT THE YEAR
of a variable number of investment fund shares



4. Diversify your portfolio

Past performance is no guarantee

It's important to diversify your investments. A portfolio with a variety of industries, management styles, countries and asset classes will have a higher return potential and be less vulnerable to volatility.

ASSET CLASS RETURN HISTORY

2002 to 2019

Higher return — Lower return

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
16.5	29.1	16.4	30.6	31.6	18.2	6.4	58.8	19.5	9.7	15.8	41.3	23.9	21.6	21.1	28.3	4.2	24.8
8.7	28.8	15.3	24.1	25.9	9.8	4.8	51.6	17.6	5.6	15.6	41.3	14.4	19.6	17.1	16.8	1.4	22.9
-0.2	27.5	14.5	12.8	19.6	9.5	-14.5	35.1	14.9	5.0	14.9	35.2	11.1	19.0	8.8	14.6	-0.5	21.2
-4.7	26.7	11.5	10.7	17.3	3.7	-21.2	22.4	12.7	4.6	14.7	31.0	10.6	18.9	8.1	14.4	-1.2	19.8
-7.1	13.9	11.1	9.4	16.8	2.3	-25.8	18.5	9.2	1.4	13.4	13.9	9.7	6.4	7.3	13.8	-1.6	15.9
-12.4	13.4	9.3	6.7	15.4	1.2	-25.9	11.9	9.1	-3.2	13.3	13.0	8.8	3.5	6.5	9.3	-2.1	14.3
-16.8	12.5	9.1	6.5	13.1	-5.7	-27.3	10.4	6.7	-6.8	9.3	7.4	6.6	2.0	3.8	9.1	-6.0	14.3
-16.9	8.9	7.1	2.8	10.8	-7.5	-29.2	7.4	5.9	-8.7	7.2	3.9	3.7	-3.2	2.1	7.5	-6.1	12.4
-20.7	6.7	6.4	2.3	6.6	-10.5	-33.0	6.9	5.5	-10.0	4.3	-1.2	2.5	-4.4	1.7	7.4	-6.9	6.9
-22.9	5.3	2.8	-4.5	4.1	-14.5	-41.6	5.4	2.1	-16.4	3.6	-2.6	0.6	-8.3	-2.5	2.5	-8.9	6.8

Asset classes	Index
Canadian bonds	FTSE Canada Universe Bonds
High-yield bonds	BBgBarc US HY 2% Issuer Cap TR USD
Global bonds	BBgBarc Global Aggregate TR US
Canadian equity	S&P/TSX Composite R
U.S. equity	S&P 500 TR USD
Global equity	MSCI World NR USD
International equity	MSCI EAFE NR USD
Global small-cap equity	MSCI World Small Cap NR USD
Emerging markets equity	MSCI EM NR USD
Balanced portfolio	50% growth / 50% fixed-income

Source: Morningstar, December 31, 2019.

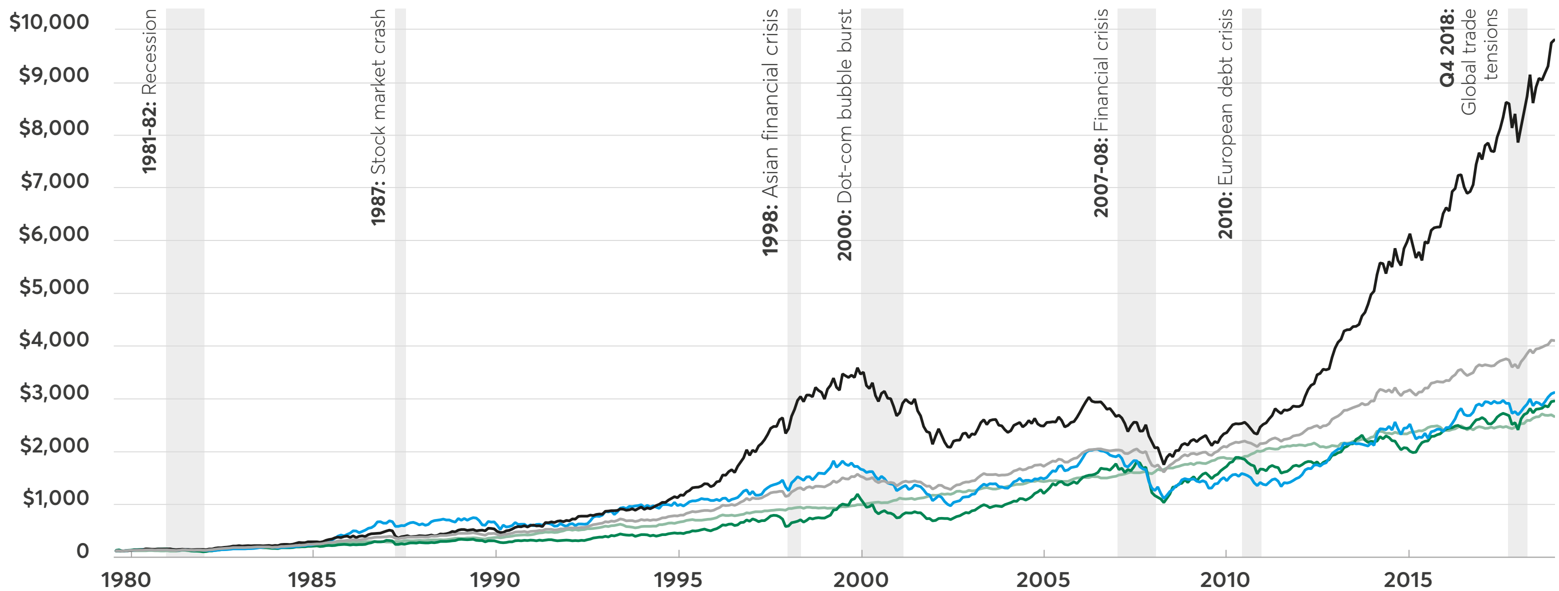
5. Think long term

Let time work for you

Stick to your long-term investment strategy and you'll be more likely to achieve positive returns and come out ahead in times of volatility. Markets will always have ups and downs, but history shows that they tend to grow in the long run.

GROWTH OF A $100 INVESTMENT

From January 1, 1980, to December 31, 2019



Despite various crises and corrections, markets tend to grow in the long run.

COMPOUND ANNUAL RETURNS

Balanced portfolio (45% fixed-income, 55% growth)	**9.69%**
FTSE TMX Canada Universe Bond Index	**8.51%**
S&P/TSX Canadian equities	**8.79%**
MSCI EAEO overseas equities	**8,93%**
S&P 500 U.S. equities	**12.11%**

Source: Morningstar, December 31, 2019.

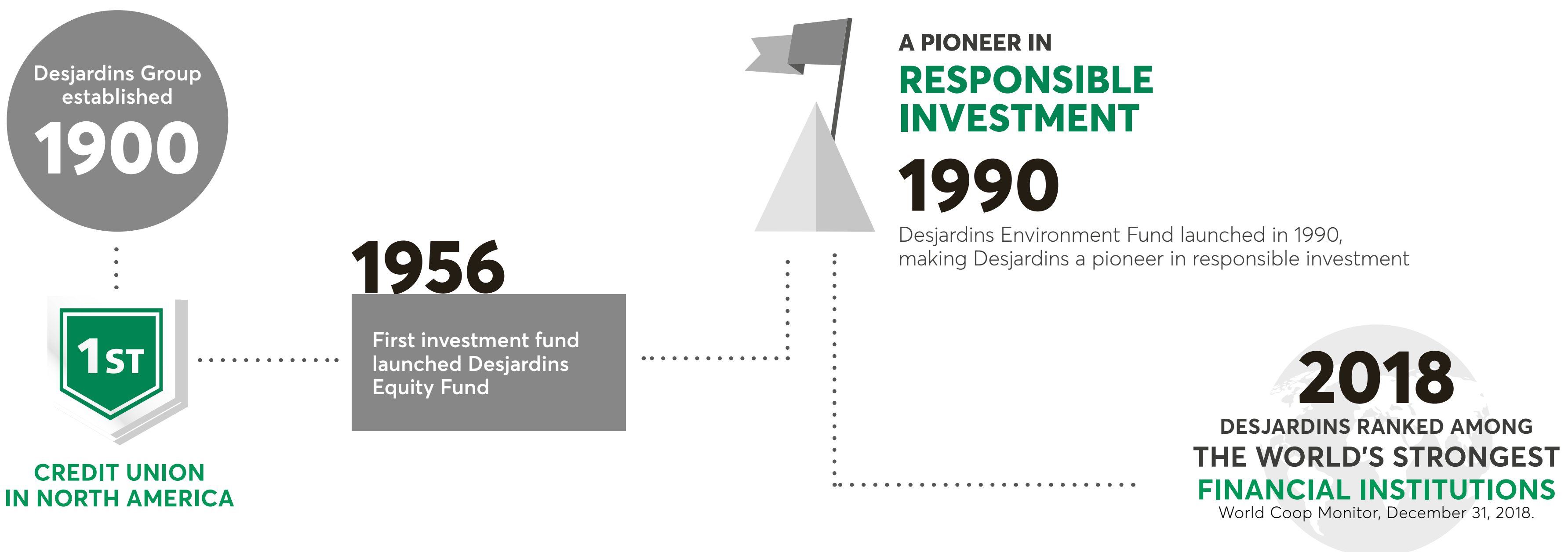
6. Choose a trusted financial institution

It's natural to have reservations about entrusting your investments to a financial institution, no matter how big it is. Recent financial scandals have shaken the trust of many investors. Make sure you choose the right financial institution.

ABOUT DESJARDINS FUNDS

Desjardins Funds are managed by Desjardins Investments Inc. (DII), one of the leading investment fund manufacturers in Canada, with $36.1 billion in assets under management.[1]

Desjardins Investments offers a wide range of mutual funds and stands out for its innovative investment solutions that meet the varied and changing needs of Canadian investors. Recognized for its rigorous, credible and transparent approach, Desjardins Investments plays a leadership role in supporting and promoting responsible investment in Canada through the SocieTerra family of funds and portfolios.



[1] As of December 31, 2019

7. Get professional advice

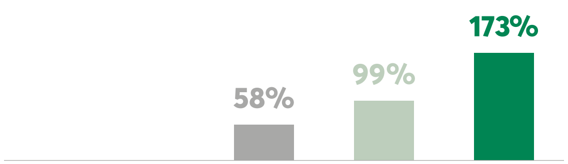
Seek the help of a professional to get objective advice from an expert who knows your financial situation. Studies[1] have shown that people with financial advisors tend to be in better financial health.

BENEFITS OF PROFESSIONAL ADVICE

1 Potentially higher net worth

Improve the likelihood of growing your wealth with the help of an advisor.

The earlier you start working with a financial advisor, the longer your assets have an opportunity to grow.[1]



Advice:	4–6 years	7–14 years	15+ years
Financial assets	**1.58X**	**1.99X**	**2.73X**

2 Better saving rates and habits

Getting advice from a financial advisor can help you **improve your saving habits** and **save twice as much**[1] as households that manage their own finances.

Household saving rate[1]

WITHOUT ADVICE **4.3%** WITH ADVICE **8.6%**

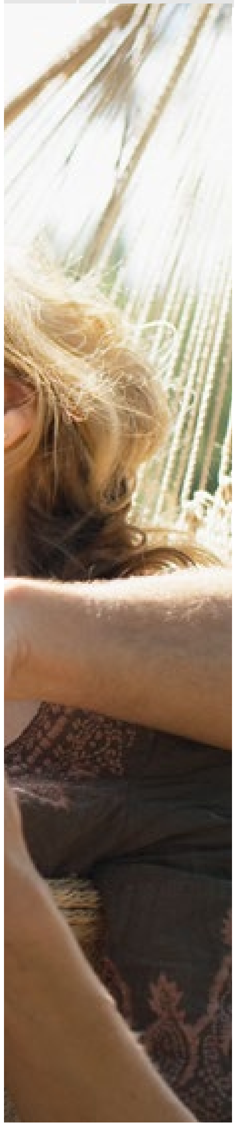
3 Better retirement planning

Getting financial advice can make you much better prepared for retirement.[1]

Be more confident about having enough money to last through your retirement.

Increase your likelihood of having a **comfortable retirement**.

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



About Desjardins Group[1]

Desjardins Group is the leading cooperative financial group in Canada and the sixth largest in the world, with assets of $313 billion. It has been rated one of the Best Employers in Canada by Aon Hewitt. To meet the diverse needs of its members and clients, Desjardins offers a full range of personal and commercial products and services through its extensive distribution network, online platforms and subsidiaries across Canada. Ranked among the World's Strongest Banks by The Banker magazine, Desjardins has one of the highest capital ratios and credit ratings in the industry.

- Moody's Aa2
- Standard & Poor's (S&P) A+
- Dominion Bond Rating Service (DBRS) AA
- Fitch AA-

[1] As of December 31, 2019.

desjardinsfunds.com

Desjardins
Wealth Management
Investments

20061E (2020-04)