

## MESSAGE TO INVESTORS



**SÉBASTIEN VALLÉE**  
**HEAD OF OPERATIONS**  
**DESJARDINS INVESTMENTS INC.**

The 2023-2024 financial year ended on September 30, and I am pleased to share our Annual Management Report of Fund Performance. This document contains relevant information about the funds in which you hold shares, including management's analysis of performance, financial highlights, past performance and a portfolio overview.

### **Economic and market overview**

The end of the financial year saw a resurgence of optimism and confidence among investors regarding growth, inflation and corporate earnings. This, among other factors, contributed to a positive conclusion to the period, with the primary stock market indices reaching record highs. This optimism contrasts with the considerable volatility of the markets in recent months, with major fluctuations mid-summer. This instability was driven by concerns about a potential recession in the United States following the publication of statistics indicating an increase in the unemployment rate to its highest level in three years. The U.S. Federal Reserve subsequently decided to cut its key rate by 50 basis points to prevent the job market from deteriorating, which reassured investors. The Chinese government's announcements of further monetary and fiscal stimulus also had a positive effect on a number of markets around the world, particularly those where basic materials account for a significant proportion of economic activity.

### **Developments that enrich our line of funds**

Keeping the best interests of our members and clients at heart, we continued to enhance our Desjardins Funds offering. We focused on the following four areas: 1. Expanding our fund lineup and amending existing funds; 2. Portfolio manager changes; 3. Management fee reductions; 4. Rebranding our Responsible Investment Funds in English.

#### **1. Expanding our fund lineup and amending existing funds**

Desjardins Investments (DI) regularly reviews its range of mutual funds offer to ensure they continue to meet the evolving investment needs of financial advisors and investors. As a result, we made the following changes to our Wise ETF Portfolios: We added the Wise Balanced 50 ETF Portfolio. The Wise Balanced ETF Portfolio and the Wise Maximum Growth ETF Portfolio were renamed the Wise Moderate ETF Portfolio and the Wise Aggressive ETF Portfolio, respectively. The asset allocation between fixed income securities and equity securities of the Wise Moderate ETF Portfolio and the Wise Conservative ETF Portfolio was revised. We also closed the Wise Fixed Income ETF portfolio.

The Desjardins Dividend Income Fund was renamed the Desjardins Dividend Balanced Fund to better describe the Fund's strategy and asset category. In addition, the investment strategy was amended by changing the weight that can be allocated to each asset category of the Fund to better reflect the investment philosophy of the portfolio manager.

#### **2. Portfolio manager changes**

Ensuring that our members benefit from the best suited portfolio managers for each mandate is important to us. With this in mind, over the past year, we announced the following portfolio manager changes: Wellington was selected as one of the two sub-managers of the Desjardins Global Small Cap Equity Fund. Desjardins Global Asset Management was selected to manage the Desjardins Canadian Equity Value Fund, which was renamed the Desjardins Canadian Equity Focused Fund to better reflect the Fund's investment strategy.

#### **3. Management fee reductions**

New management fee reductions took effect in October 2023. These fees have been reduced by up to 19 basis points for some unit classes of five Desjardins Funds. These changes are a part of DI's commitment to offering competitively priced actively managed investment funds with access to world-class portfolio managers.

#### **4. Rebranding our Responsible Investment Funds offer in English**

The SocieTerra Funds and Portfolios were rebranded as the Sustainable Funds and Portfolios in English. This change did not affect the French versions of the SocieTerra names. In addition, the word "Desjardins" will be added to the French and English names of the SocieTerra/Sustainable Portfolios.

### **A 2024-2025 fiscal year characterized by continuity**

Over the next year, we will stay focused on what really matters to you: access to simple, effective and adaptive investment solutions, tailored to your investor profile, offered at competitive rates and accessible online or through your representative.

I thank you for your renewed confidence in us and reiterate our commitment to continually serve you better and work with your interests at heart.

A handwritten signature in black ink, appearing to read 'S. Vallée', written in a cursive style.