

Desjardins Group Pension Plan Quarter ending March 31, 2021

The financial position of the Desjardins Group Pension Plan ("DGPP" or "Plan") remains strong at the beginning of 2021. While the significant increase in interest rates is resulting in a negative return on assets, it is also reducing the value of the Plan's financial commitments. Our strategy therefore largely neutralizes the effects of rate variations to ensure a certain stability in the Plan's financial health.

The Plan's annual meeting was held virtually on March 25, attracting nearly 1,200 people. There is still time to view the recording and learn more about the Plan: the video will remain available on the DGPP website until the end of the year.

Sylvain Gareau, Vice-President, DGPP

Since the beginning of 2021, the Plan has posted a return of -6.8%, resulting in a \$1.2 billion decrease in the Plan's assets, which now

The returns on various asset classes were as follows: fixed income,

-10.4%; public equity, 5.2%; infrastructure, 1.4%; real estate, 1.4%; private equity, 1.5%; and innovation and opportunities, 1.3%.

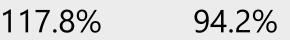
Financial situation

The first quarter of 2021 was marked by a sharp rise in interest rates.

According to our most recent estimates, the funding ratio, the main indicator of the Plan's financial health, declined slightly to 117.8%. It is still well above the stabilization target of 112.6%. The Plan's solvency ratio decreased marginally to 94.2%.

Funding ratio

Solvency ratio



Results of the exercise of voting rights

We work to ensure the optimization of long-term returns on DGPP assets and to meet commitments to Plan members. With this in mind, the DGPP exercises the proxy voting rights it holds as a shareholder and positively influences the companies in which it invests.

To guide its votes, the DGPP has adopted a policy aimed at defining its positions on a range of topics. This policy includes rules of sound governance, as well as a section on corporate social responsibility, including the following factors: human and labour rights, sustainable development, community support and financial ethics. For more information, please see the DGPP's rules governing the exercise of proxy voting rights.

In 2020, the DGPP exercised its voting rights associated with securities held through external management mandates on 20,411 proposals during 1,877 shareholder meetings. For more information, visit the Responsible Investment page of the Plan website

Additional information

Funding ratio: The DGPP's ability to meet its obligations over the long term. Solvency ratio: The DGPP's ability to meet its obligations if it were terminated.

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New members of the DGRC

Net assets

\$16B

total \$16 billion.

The Desiardins Group Retirement Committee (DGRC), the Plan administrator, recently held an election to fill 2 positions designated by members. The results of these elections were announced at the DGPP's annual meeting held on March 25.

For the position of non-voting member designated by retirees, beneficiaries and members entitled to a deferred pension, there were 4 candidates and Robert Desbiens was elected. For the new position of member designated by active members, there were 11 candidates and Dominic Laurin was elected.

As for the members designated by the employers, Roch Ouellet's mandate has ended and his replacement will be announced shortly.

To learn more about the committee's composition, refer to the updated list of DGRC members on the DGPP website.

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Return

-6.8%