



MEMORANDUM
Following the 2011 Annual Meeting of the DGPP
TO ALL MEMBERS
(active, retired and those with deferred pensions)
of the DESJARDINS GROUP PENSION PLAN
(QPP registration no. 25717)

April 15, 2011

The annual meeting of Desjardins Group Pension Plan (DGPP) members was held on March 26, 2011, at the Québec City Convention Centre, within the framework of the Desjardins Group meetings. For the first time, the meeting could be viewed live over the Web.

After welcoming the members, the Chair of the Desjardins Group Retirement Committee, Denis Paré, reminded them that the goal of the elections this year was to fill two positions: a representative of active members from the affiliated corporations and a representative of active members from Desjardins caisses. He declared both incumbents re-elected by acclamation: Mario Lévesque, representative of active members from the affiliated corporations and Sylvain Rouleau, representative of active members from Desjardins caisses. They are elected for a three-year term, which will end at the annual meeting of 2014.

Denis Paré began his speech by proudly announcing that the Plan had produced excellent results for the second year in a row, with returns far beyond the objectives that had been set. These results are evidence of prudent management, value-added investment strategies and, most importantly, the quality of the Plan's many assets. They also confirm that the approach adopted by the Plan's managers, focused on the long term for optimum capitalization of the Plan, guarantees their commitment to all the members. Before presenting the details of the results, he mentioned the efforts and initiatives that had been put forward to optimize the Plan's return, which successfully overcame the upheavals triggered by the turmoil that held sway in 2008 that the great majority of pension plans still have to cope with. Thanks to those efforts, the Plan delivered a solid return of 11.6% in 2010. The investment choices, which were guided by the principle of asset-liability matching, proved to be wise ones. The annual objective of 7% capitalization was surpassed by 460 basis points. Two straight years of excellent performance, in 2009 and 2010, bode well and support confidence for the future. Thanks to a sound management plan focused on the long term, the Plan's financial position should be secured. All the asset classes made a positive contribution to these excellent results.

Next, he reported on the Plan's financial position as at December 31, 2010. He pointed out that the Plan's assets grew by \$704 million over the past 12 months, reaching \$5.5 billion at December 31, 2010. Just as in 2009, each of the asset classes was reviewed in 2010 and was the subject of new investment plans approved by the Investment Committee. The Retirement Committee developed and approved a strategic plan for 2011–2013 and a specific business plan for 2011 which include many initiatives. He stressed the fact that the quality of the Plan's financial governance and its risk management were confirmed in the report issued by Internal Audit.

At a time when many employers are abandoning their defined benefits plans, Denis Paré emphasized that Desjardins Group continues to stand apart by holding onto its plan. He said that the members should be proud to belong to a defined benefits plan in which the employer shares the risks with the employees, making a significant contribution that assures their financial security in retirement. Few organizations offer a plan of such quality these days, when a serious social debate is raging on the issue of funding for tomorrow's pensioners.

He reminded the members that some minor changes were made to the Regulation in 2010. Details of the changes are available on the Plan's Web site, as are some new, dynamic information capsules that enable members to plan now for their retirement.

In conclusion, he thanked all the members of the Retirement Committee, the Senior Vice-President of Finance and Treasury and Chief Financial Officer of Desjardins Group, and the Desjardins Group Pension Plan Division team for all the work accomplished in 2010.

You can watch a video of the 2011 annual meeting and view the 2010 annual report of the Pension Plan on the Desjardins group plan Web site at: www.rcd-dgp.com. On the reverse of this page is the complete list of members of the Desjardins Group Retirement Committee.

Members of the Desjardins Group Retirement Committee

DESJARDINS GROUP RETIREMENT COMMITTEE CHAIR, APPOINTED BY THE FÉDÉRATION BOARD OF DIRECTORS:

Denis Paré

Committee Chair

President, Council of Representatives
Cantons de l'Est

REPRESENTATIVES FOR THE EMPLOYERS APPOINTED BY THE FÉDÉRATION BOARD OF DIRECTORS:

Jacques Baril

Committee Vice-Chair

Chair, Investment Committee

President, Council of Representatives
Est de Montréal

Norman Grant

Committee Secretary

Chair, Audit, Professional Practices and Compliance Committee

President, Council of Representatives
Bas-Saint-Laurent and
Gaspésie—Îles-de-la-Madeleine

Serges Chamberland

President, Council of Representatives
Saguenay—Lac-St-Jean—
Charlevoix—Côte-Nord

Pierre Leblanc

President, Council of Representatives
Mauricie

Benoît Turcotte

Vice-President, Council of Representatives
Outaouais—Abitibi-Témiscamingue—Nord du
Québec

EXTERNAL MEMBER:

Reynald-N. Harpin

Investment Consultant
Corporate Director

REPRESENTATIVES FOR THE MEMBERS ELECTED BY ANNUAL MEETING:

Representatives for active members:

CAISSE REPRESENTATIVES:

Vincent Coulombe

Manager, Investment Financing
Caisse populaire Desjardins
de Charlesbourg

Sylvain Rouleau

Manager, Services to Individuals
Caisse populaire Desjardins
du Piémont Laurentien

REPRESENTATIVE FOR THE FÉDÉRATION:

Guy Cormier

Vice-President, Finance
Cooperative Network
Fédération des caisses
Desjardins du Québec

REPRESENTATIVE FOR THE AFFILIATED CORPORATIONS:

Mario Lévesque

Actuarial Advisor, Product
Development and Pricing,
AssurFinance for Individuals,
Desjardins Financial Security

Representative of retirees and members entitled to a deferred pension:

Michel-Pierre Bergeron

Desjardins retiree

Representative for inactive members:

OBSERVER:

Yvon Lesiège

Desjardins retiree

Representative for active members:

OBSERVER:

Simon Garneau

Portfolio Manager
Desjardins Global Asset Management