

Desjardins Group Pension Plan



QUATERLY NEWSLETTER AS AT JUNE 30, 2024

Financial position

Developments in terms of inflation measures, the labour market and monetary policy influenced financial markets this quarter. The Bank of Canada cut the key interest rate in June in response to cooling inflation and weaker-than-expected growth. In the US, the Federal Reserve left rates unchanged as economic growth continues steadily. Only one rate cut is expected in 2024. Stock markets continued to perform despite geopolitical tensions, with big tech posting solid returns.

In this environment, the funding ratio for the Desjardins Group Pension Plan (DGPP or Plan), which measures the value of the Plan's assets against its long-term liabilities, has held steady at 120%, demonstrating our ability to meet future obligations.

The Plan's solvency ratio rose slightly to 104%, meaning it could meet all its obligations even in the event of complete liquidation.

In short, despite complex economic conditions, the Plan has maintained financial stability and continues to safeguard the financial security of its members.



Funding ratio¹
120%



Solvency ratio²
104%

The Characteristics of the Plan document provides an overview of the main provisions of your pension plan, including the annuity formula, cost-sharing ratio and pension indexation.

Characteristics of the Plan

Summary by Era



To get a better understanding of the characteristics of your plan, the document is available on our website : rcd-dgp.com

Climate action is at the core of our strategy



Responsible investment is one of our priorities. That's why we've incorporated environmental, social and governance (ESG) factors into our investment strategy. This not only improves our returns, it also helps us better manage risk and contributes to the betterment of our society and the environment.

In keeping with these goals, we're developing a new strategic position on climate change, which will be broken down into several components. Last quarter, we updated how we calculate our carbon footprint. We integrated market best practices and modelled ourselves on what other Canadian pension plans are doing right in this area.

We have committed to reducing our financed greenhouse gas (GHG) emissions from our public equity portfolio by 50% by 2030, relative to 2020. This is in line with DGPP's return objectives and risk limits. Our decarbonization target is comparable to [Desjardins's own ambitious goal](#).

The Plan contributes to positive and sustainable initiatives that will help shape a better future for everyone, while also protecting and growing plan members' assets.

Read our [Responsible Investment Policy](#) to learn more about our commitment to sustainable investment practices.



Did you know?



In Canada, **only 17%** of employers in the financial, banking and insurance sectors still offer their employees a defined benefit plan³.

Defined benefit pension plan

A defined benefit pension plan like ours is special because it offers long-term security to plan members. This type of plan pays out a fixed and predictable income at retirement, which makes it more stable in the long run. As a plan member, you get a guaranteed annuity based on your salary during your highest-earning years of service and how long you've contributed. That means your pension income is protected regardless of market fluctuations.

Defined contribution pension plan

Conversely, with a defined contribution plan, the amount of retirement income depends on the amounts invested in the plan and market performance, which means benefits are more vulnerable to market fluctuations. This type of plan does give plan members the flexibility to make their own investment decisions based on their personal goals. However, this freedom does place more responsibility on plan members, as they are the ones making the investment decisions and taking on the associated risks—not the employer.

We're proud to be part of 17% that offers a defined benefit plan to its members, ensuring a stable income at retirement—and peace of mind.

Additional information

¹ **Funding ratio** : DGPP's ability to meet its obligations over the long term.

² **Solvency ratio** : DGPP's ability to meet its obligations if it were terminated.

³ **Source** : Benefits Online, 2024

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