Determine your investor profile

Evaluation and planning of your investments

Desjardins Financial Security®

Money working for people

Life, health, retirement

In order to reach your financial objectives, you must analyze your investment habits and financial situation so that you can choose the strategy best suited to you, one that you will stick with for a long time to come.

Your attitude towards investing will determine how you react to market fluctuations and indicate the level of risk you are prepared to tolerate in your investments. Keep in mind that more volatility means better potential for higher returns.

To determine your profile, answer the following questions. Since your situation is constantly evolving, it is a good idea to repeat this exercise every once in a while, especially if your situation changes (salary, company pension plan, children, house, taxation rate, etc.).

TIME HORIZON

Score (Please circle)

1. How old are you?
   - Age 66 and over 1
   - Age 56 to 65 3
   - Age 46 to 55 5
   - Age 36 to 45 7
   - Age 35 and under 10
2. When are you planning to withdraw your investments?
   - Less than 3 years 0
   - 3 to 5 years 3
   - 6 to 10 years 5
   - 11 to 20 years 7
   - More than 20 years 10
3. In the short and mid-term (3 to 5 years), do you plan to:
   - Withdraw some of your investments (HBP, children studies, retirement, etc.)? 1
   - Use your investments and returns as your main source of income? 3
   - Use your returns only as your main source of income? 5
   - Use your returns as a secondary source of income (occasional withdrawals)? 7
   - No withdrawals (accumulation and growth)? 10

FINANCIAL SITUATION

4. What is your annual family income before taxes?
   - Under $30,000 1
   - $30,000 to $49,999 3
   - $50,000 to $99,999 5
   - $100,000 to $150,000 7
   - More than $150,000 10
5. What is the market value of your current investment portfolio?
   - Under $25,000 1
   - $25,000 to $49,999 3
   - $50,000 to $99,999 5
   - $100,000 to $300,000 7
   - More than $300,000 10
6. How would you assess your current financial situation? (Choose the response that best reflects your situation.)
   - **Precarious:** I am starting my career. Therefore, I save little or I save nothing at all. 1
   - **Variable:** I have contracted major loans (mortgage, car, etc.). Therefore, I have little income available for savings. 3
   - **Stable:** My income is stable. I have started to repay my loans and I am putting aside some savings. 5
   - **Defined:** My financial situation is well-defined. My loans are almost completely paid back and I am saving on a regular basis. 7
   - **Solid:** My income exceeds my expenses. Therefore, I save a large part of my income and I enjoy comfortable financial security. 10

RISK TOLERANCE

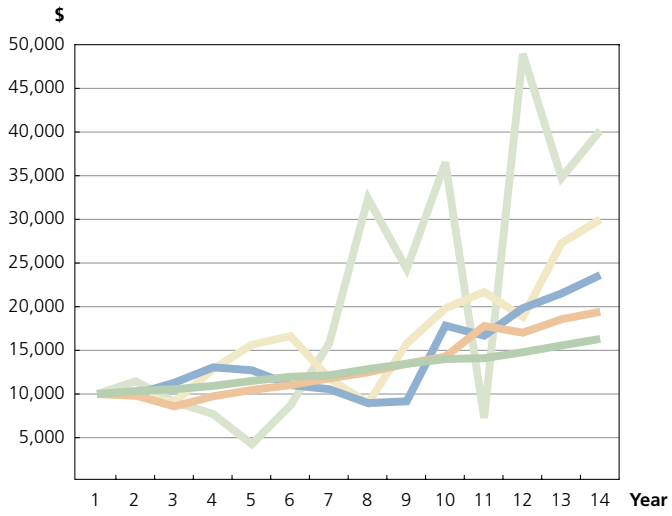
Score
(Please circle)

7. How often do you review your portfolio?
   - Never or very rarely. 1
   - Frequently (quarterly or more often). I sell the investments that have decreased in value to buy more of the ones that have appreciated. 0
   - I keep informed of my investments that have decreased in value, but I still keep those that did not record a positive return. 6
   - Once a year to determine which investments to choose for my upcoming purchases. 15
   - I invest for the long term. Consequently, I assess my portfolio and adapt it if my financial objectives have changed. 20

8. Assuming a short-term market decline, what temporary decrease in the value of your investments would you accept?
   - None 0
   - Up to 5% 3
   - From 6% to 15% 6
   - 16% to 25% 15
   - Over 25% 25

9. How do you rate your investment knowledge?
   - **Nil:** This is my first experience with investments. 1
   - **Low:** I have basic investment knowledge. I know investments have different levels of risk. 3
   - **Moderate:** I know different types of investments and their level of risk. I own different investments. 6
   - **Advanced:** I am familiar with mutual funds, bonds and equities. I understand the interaction between the levels of risk, different investment types, returns and fluctuation in time. 10
   - **Expert:** I have in-depth knowledge of the financial market, its movement and its effect on my investments. 20

10. Assuming an original investment of $10,000, choose the market value evolution curve with which you feel most comfortable.



$40,456 25

$31,059 15

$23,674 6

$19,672 3

$16,289 0

YOUR INVESTOR PROFILE

Add all your points to identify your investor profile.

0 to 29	SECURE
30 to 59	MODERATE
60 to 84	BALANCED
85 to 109	GROWTH
110 and over	SPECULATIVE
TOTAL	

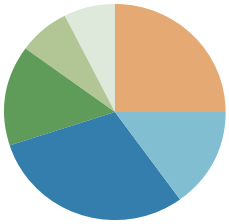
Your investor **profile** is:

SECURE	You feel strongly about protecting your assets. Because you are at a stage where career, family and standard of living are still changing, you are in no position to assume a high level of volatility. Therefore, your investment approach is based on sure things. Your financial strategy is geared toward preservation of capital.
MODERATE	You are prepared to diversify the nature of your investments as long as you are comfortable with the overall level of volatility of your portfolio. It's all right to risk a small percentage of your investments, providing you have the possibility of changing your strategy. Your assets are not yet at their peak. You want your investments to grow in value while generating significant income. Your financial strategy is geared toward income generation.
BALANCED	For you, investing means protecting a portion of your capital while trying to get more out of your money by investing another portion in investment vehicles that represent a greater risk. A fine balance approach seems to be the most appropriate investment strategy for you. You choose your investments based on their ability to generate capital gains and moderate income. Your financial strategy is geared toward income generation and capital growth.
GROWTH	With your experience, knowledge of financial markets and your financial situation, you feel comfortable with a bold investment strategy. However, you are still somewhat cautious and you set aside a minimum portion of your portfolio for more fixed-rate investments. Your financial strategy is geared toward capital growth.
SPECULATIVE	You are calm and patient during major market upheavals, and your focus is on the long term. Thanks to considerable financial stability, you are prepared to accept more volatile investments because you believe that this will give you a better chance of achieving your financial goals. Portfolio returns do not constitute a source of income for maintaining your standard of living. Your financial strategy is geared toward significant long-term capital growth.

Choose the **portfolio** that suits you best.

SECURE

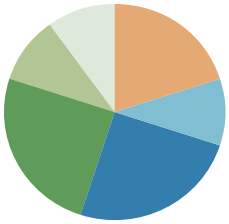
Based on your investor profile, we recommend[1]:



Term Deposits[2, 3]	25%
Fixed Income	15%
Alternative Strategies[3]	30%
Canadian Equity	15%
US Equity	7.5%
International Equity	7.5%

MODERATE

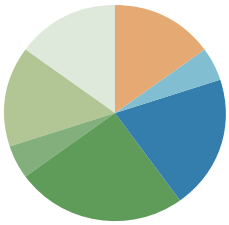
Based on your investor profile, we recommend[1]:



Term Deposits[2, 3]	20%
Fixed Income	10%
Alternative Strategies[3]	25%
Canadian Equity	25%
US Equity	10%
International Equity	10%

BALANCED

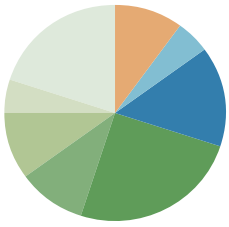
Based on your investor profile, we recommend[1]:



Term Deposits[2, 3]	15%
Fixed Income	5%
Alternative Strategies[3]	20%
Canadian Equity	25%
Canadian Small Capitalisation Equity	5%
US Equity	15%
International Equity	15%

GROWTH

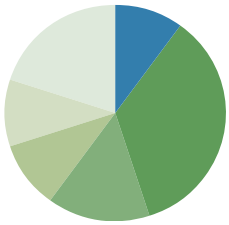
Based on your investor profile, we recommend[1]:



Term Deposits[2, 3]	10%
Fixed Income	5%
Alternative Strategies[3]	15%
Canadian Equity	25%
Canadian Small Capitalisation Equity	10%
US Equity	10%
US Small Capitalisation Equity	5%
International Equity	20%

SPECULATIVE

Based on your investor profile, we recommend[1]:



Alternative Strategies[3]	10%
Canadian Equity	35%
Canadian Small Capitalisation Equity	15%
US Equity	10%
US Small Capitalisation Equity	10%
International Equity	20%

"Portfolio Recommendations" sheets (05131E01 to E05) offer other solutions that meet the needs of the different investor profiles.

[1] This recommendation is based on the use of alternative management products that are well diversified and which include maturity and death benefit guarantees like Strategic Index Plus, Tactical Index Plus and the Alternative Allocation Portfolio offered by Desjardins Financial Security. Please refer to the contract, which describes the rules governing the death benefit and the guarantees.

[2] Under 5 years.

[3] Can be replaced by fixed income investments.

Your representative's **recommendation**

Client's name: _____

Representative's name: _____

Investor profile: _____

Your **objectives**

Your investor profile isn't the only thing that must be taken into account when recommending a portfolio, your objectives are also important. To create a portfolio centred on your needs, you must define the objectives you wish to attain.

To do so, rank each of the elements below in order of importance, from 1 to 10, where 1 represents your first choice and 10 your last.

- ☐ Buying a home
- ☐ Your children's education
- ☐ Inheritance for your children
- ☐ Work-related projects
- ☐ Maintaining your lifestyle when you retire
- ☐ Maintaining your income
- ☐ Obtaining high returns
- ☐ Donations to charitable organizations
- ☐ Travel
- ☐ Reducing your taxes
- ☐ Other

Based on your investor profile, the minimum and maximum holding limits per asset class are:

Asset Class	Minimum (%)	Target (%)	Maximum (%)
Term Deposits			
Fixed Income			
Alternative Strategies			
Canadian Equity			
Canadian Small Capitalisation Equity			
US Equity			
US Small Capitalisation Equity			
International Equity			

It is important for you to take strategy diversification and risk management into account when choosing your portfolio so that you can reach your objectives in as many market conditions as possible.

Portfolio allocation

Asset Class	Volume (%)
A	
B	
C	
D	
E	
F	
G	

A realistic annual rate of return for this portfolio is:

- ☐ 3 to 5%
- ☐ 9 to 11%
- ☐ 6 to 8%
- ☐ More than 12%

Remember that the higher the return is, the greater the risk.

Suggestions from your representative

Date

Client signature

Representative signature

FINANCIAL STRATEGY

You, your representative and Desjardins Financial Security:

Whether it's a question of money or some other important project, the team working for you can make all the difference in the world. Desjardins Financial Security invites you to consult one of its financial experts and optimize the odds for realizing your dreams and reaching your retirement objectives.

Imagine what we can do together for your financial strategy!

More than one hundred years of expertise

Desjardins Financial Security specializes in providing financial security through a sound combination of insurance and investment products. Over five million Canadians from coast to coast rely on Desjardins Financial Security to protect and grow their capital. A subsidiary of the Desjardins Group, the largest integrated cooperative financial group in Canada, with over $135 billion in assets, Desjardins Financial Security has offices in Vancouver, Calgary, Winnipeg, Toronto, Ottawa, Montreal, Quebec City, Levis, Halifax and St. John's.

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Desjardins Financial Security prepared this document as a tool to help you determine your investment risk tolerance and facilitate your investment choices. You are fully responsible for your investment choices. Desjardins Financial Security does not assume any responsibility and is not liable for any damages resulting from the use of this document.

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