

# Never Think VOL. 3 | NO. 4 NEVER



## Some advice to help optimize your portfolio's yield potential

*Today's financial uncertainty is causing many investors to fall back on more liquid investments or even to leave their money under the mattress. This is a normal reaction in troubled times but it certainly has an impact on your portfolio's return. In this edition, we will suggest some tips to help you get the most out of your portfolio according to your level of comfort with the financial markets.*

### Don't let your emotions get the upper hand

When it comes to investing, remember that short-term volatility is not a reason to give up on your long-term objectives. In other words, don't let your emotions get the upper hand. Fluctuating market indicators will definitely have an impact on your investment returns, but all the experts agree that the last thing to do when this happens is panic.

What is important to remember is that an investment decision should always be made with a long-term strategy in mind, which is established according to your objectives and risk tolerance level.

Don't hesitate to come in and meet with your Desjardins advisor.

### Some tips to stay the course

- Since it's difficult to predict how investments will react in times of high volatility, avoid switching from one kind of investment to another too quickly.
- If you move your investments around, do so with your portfolio's objectives in mind and not according to current market fluctuations.
- Don't let the panic in the media get the better of you.
- Talk about your finances with your advisor.
- Reinvest your maturing guaranteed investment certificates with diversified maturity dates in order to benefit from market fluctuations.

## Contributing early is the best strategy!

Don't wait to plan your RRSP contribution for 2009. Come and meet with us right away. We will take the time to give you the advice you need. We will set up a detailed plan, covering several of your objectives, such as achieving a dream, buying a house or planning your retirement. The earlier you contribute, the sooner your investment will grow!

At Desjardins, we have the RRSP that fits your profile.



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## The TFSA: tax-sheltered earnings

The Tax-Free Savings Account (TFSA), which will be launched in January 2009, offers a great investment opportunity for any depositor or investor given the tax advantage it brings. You can invest up to \$5,000 per year, and the interest income, dividends and capital gains earned by the TFSA will never be taxable, even when withdrawn. This tax savings is added to the earnings achieved on your investment to increase its overall yield.

### A good deal for everyone

The TFSA is an excellent way to complement a well-planned financial strategy for anyone age 18 or over, regardless of their situation.

#### For preparing your retirement

Are you hoping to save more for your retirement but you've already reached your RRSP contribution ceiling? You have everything to gain with the TFSA since it will give you a better rate of return than a savings account.

This new account will also be of interest to you if you contribute to a retirement fund and your contributions are limited due to a high pension adjustment.

#### For retirees

Are you retired and have accumulated substantial non-RRSP savings – \$10,000, \$15,000? With the TFSA, you can now grow those savings and the profits you generate will not affect your eligible income for the Old Age Security pension or the Guaranteed Income Supplement offered by the government. In addition there is no age limit. You can open a TFSA even after age 71.

#### For couples

To reduce their income tax rate, a couple can invest \$10,000 per year that will bring in tax-sheltered earnings for each of them. It is even possible for the wealthier spouse to contribute \$5,000 to the other's TFSA without being subject to attribution rules.

## New solutions adapted to the market context

If you are looking for investment solutions that offer a potential for both performance and stability, these new products are for you:

- Enhanced Return Guaranteed Investment – Consumer Goods and Global Equity – offers you a minimum guaranteed rate of return in addition to a potential return linked to that of businesses favourably positioned in the current economic context.
- The Helios2 contract enables you to achieve your retirement plans with no unpleasant surprises from the financial markets and assures you guaranteed and predictable retirement income.

Call for an appointment now!

**It may be that you are concerned by your financial position at this time, and that's normal. Why not take advantage of the opportunity to come in to meet with us? You will see that, with some enlightened advice, it will be easier to optimize the return on your portfolio.**

- 1 Desjardins Funds are offered by the group savings representatives at Desjardins Financial Services Firm Inc., a Desjardins Group subsidiary. The Desjardins Funds are not guaranteed, their value fluctuates frequently and past performance is not necessarily indicative of future returns. Commissions, trailing commissions, management fees and expenses may all be associated with investing in a mutual fund and using an asset distribution service. Please read the simplified prospectus before investing.
- 2 Offered at Québec caisses only. Guaranteed Investment Funds are established exclusively by a financial security advisor who is an employee of the Desjardins Financial Security Life Assurance Company.
- 3 Available through an investment advisor of Desjardins Securities (CIPF Member) or through Disnat Online Brokerage.

## The TFSA: plan it before December 31, 2008

Deposit money in a savings product in order to pay into a TFSA on January 1, 2009 and take advantage of special rates on your investments. There are several eligible products, such as guaranteed investments at great fixed rates, Market-linked Guaranteed Investments and Profile Guaranteed Investment Portfolios, Desjardins Funds (including the Diapason<sup>1</sup> portfolios), Helios<sup>2</sup> guaranteed investment funds contracts and products traded on the stock market<sup>3</sup>. In addition, certain investment products eligible for the TFSA entitle you to member dividends – an advantage unique to Desjardins.



Money working for people

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