



This Annual Management Report of Fund Performance contains financial highlights but does not contain the Audited Annual Financial Statements. You can request a copy of the Audited Annual Financial Statements, at no cost, by contacting your mutual fund sales representative, by calling 514 286-3499, or toll-free at 1 866 666-1280, by visiting [desjardinsfunds.com](http://desjardinsfunds.com) and [sedar.com](http://sedar.com), by e-mailing us at [info.fondsdesjardins@desjardins.com](mailto:info.fondsdesjardins@desjardins.com), or by writing us at 2 Complexe Desjardins, P.O. Box 9000, Desjardins Station, Montréal, Québec H5B 1H5.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

# ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

AS AT SEPTEMBER 30, 2013



**Desjardins**  
**Wealth Management**  
INVESTMENTS

Cooperating in building the future

### A Note on Forward-looking Statements

This report may contain forward-looking statements about the Fund, its future performance, strategies or prospects, and possible future Fund actions. The words “may”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Fund and general economic factors, so it is possible that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statements made by the Fund. These factors include but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith but without legal responsibility.



*The last year has been noteworthy for continuing improvement in economic conditions in most parts of the world, particularly the United States and Europe. The favourable economic environment has driven stock market advances in the U.S., Europe, Canada and even Japan – and only the markets in the emerging countries have run into headwinds.*

*Capitalizing on strong market updraft, the Desjardins Funds earned attractive returns – especially for investors whose holdings included a majority weighting in stocks. The low interest rate environment together with the upturn that began during the summer of 2013 made for more modest performance by fixed-income funds. This asset class continues to reduce portfolio volatility and could be effective in generating higher current income if the situation remains unchanged.*

### **The Desjardins Funds... on the move**

With an eye to ongoing improvement, the Melodia and Melodia Retirement Portfolios held in a registered account were converted into a fund of funds structure in May 2013.

The enhanced agility of the fund of funds structure will now allow for continuous rebalancing to reflect current market conditions, as opposed to the quarterly rebalancing that took place in the past. This enables the Portfolio Managers to better capitalize on market opportunities – to your advantage! Another plus... the investment statement is simpler.

Of course, the Melodia Portfolios will continue to provide all the same benefits: the expertise of our recognized managers, optimum diversification in a single investment, alignment with investment objectives and investor profile, and management fee rebates where applicable. What's more, the change involved no tax consequences.

And in order to make sure you always enjoy an array of effective products tailored to your needs, we made a few adjustments: we changed the Manager for the Desjardins Québec Balanced Fund and revised the investment objective of the Desjardins Canadian Balanced Fund and the Melodia Conservative Portfolio.

### **The picture of popularity!**

Socially responsible investing (SRI) aims to influence corporate practices regarding the environment and communities. And the Desjardins SRI products do the same – particularly the SocieTerra Portfolios – by integrating environmental, social and governance factors into investment selection and management.

As so many investors share these values, the assets of the Desjardins Funds SRI products passed the billion dollar milestone in June 2013!

Designed to meet the needs of the most demanding investors, the Chorus II Portfolios are a resounding success. Specifically for clients with \$100,000 and more to invest, Chorus II Portfolio assets now total \$3.71 billion scarcely two years after their launch.

In the same vein, the option of buying and selling Desjardins Fund units online, introduced in 2012, is well aligned with online investors' ever-growing need for accessibility. To top things off, more than 100,000 investors have opted to receive their statements online.

### **Three awards for the Desjardins Emerging Markets Fund**

After grabbing attention as a finalist in Morningstar's 18<sup>th</sup> gala in November 2012, the Desjardins Emerging Markets Fund was recognized at the 2013 Lipper Fund Awards ceremony on February 5, 2013, winning twice for best three- and five-year performance in the Emerging Markets Equity category.

Only days later, it was recognized for its outstanding performance in 2012, earning a Fundata FundGrade A+ rating. That makes a triple crown for the Desjardins Emerging Markets Fund, which was noted not only for the consistency of its returns compared to its peers since inception, but also for its ability to limit capital losses when stock markets in the emerging countries are down.

Recognized across the financial world, these awards demonstrate once again Desjardins Funds' commitment to its members – to offer quality investments managed with rigour and consistency.

### **Better... for you**

Constantly on the lookout to better meet your financial needs, we continue to grow our Desjardins Funds offering. I can tell you right now that the months to come will be brimming with news!

So you made the right choice in opting for the Desjardins Funds, one of the many faces of Wealth Management at Desjardins. Discover the other qualities of Desjardins Wealth Management, a comprehensive approach to your financial life. You can count on your advisor to guide you in realizing your projects and reaching your financial objectives.

Éric Lachaine  
Chief Operating Officer,  
Desjardins Investments Inc.  
Desjardins Group

# Desjardins Dividend Growth Fund (A-, T- and I-Class Units)

## Management Discussion of Fund Performance

### Investment Objective and Strategies

The objective of this Fund is to provide high dividend income and long-term capital appreciation. Consequently, the Fund invests primarily in Canadian equity securities.

The Portfolio Sub-Manager, whose management style favours growth at a reasonable price, seeks to add value from its selection of both economic sectors and securities. The Fund may invest up to 20% of its portfolio in foreign securities.

The Fund may use derivatives for hedging and non-hedging purposes. It may also engage in securities lending transactions.

### Risk

Please note that no change taking place during the fiscal year had a material impact on the overall risk linked to an investment in securities issued by the Desjardins Dividend Growth Fund. Said risk remains true to its description in the Simplified Prospectus as at March 28, 2013. Furthermore, the Fund is still intended for investors with a medium tolerance for risk.

### Results of Operations

As at September 30, 2013, the Desjardins Dividend Growth Fund (A-Class Units) posted a 14.71% return, compared to 7.12% for its benchmark, the S&P/TSX Composite Index (Total return). As opposed to the benchmark, the Fund's performance is net of fees and expenses. Performance differences between series of units are mainly attributable to management fees charged to each series. Please refer to the "Past Performance" section for the details of returns by series and to the "Other Material Information" section for more information on the benchmark.

Stimulated by modest inflation levels and low interest rates, the global economy kept on growing in the past year, but at a slower pace. Decelerating growth in the emerging countries contributed to this slowdown, which was felt around the world. In the United States, the economy is advancing steadily thanks to a good showing by the real estate market. The situation in Canada is different: here, the pace of growth is lagging due, in particular, to the imposition of more restrictive mortgage lending requirements. As for Europe, conditions were worrisome at the beginning of the year, but the region now seems to be well on the road to recovery.

During the year, several geopolitical events generated volatility in the markets. These include the nationalization of banks in Cyprus, the ousting of the elected government in Egypt and the conflict in Syria. Stock market investors drove prices up during the year, stimulating absolute returns. Bonds delivered negative returns for the period, a situation that had not taken place in quite some time. As for stock markets, all of them made solid gains, with U.S. equities especially standing out.

Many sectors showed exceptional growth. Canadian equities gave an excellent performance, but foreign stocks appreciated the most over the past 12 months. The underweight to commodities made the greatest relative contribution to the Fund's return. That sector suffered a serious correction in the past year and has slackened considerably, with sharp drops observed in gold stocks in particular, affecting Canadian targets. In addition, the choice of stocks in this sector made a positive contribution to the portfolio's value added, in particular the stock of West Fraser Timber, a Canadian company specializing in lumber.

The consumer staples sector also made a sustained relative contribution over the past year, mainly due to the portfolio's overweight to that sector, which exceeds 11%. Among the outstanding stocks, we would mention Walgreen and Shoppers Drug Mart. Walgreen has put in a strong performance since acquiring 45% of Alliance Boots in June 2012, evidenced by the appreciation of its stock price. As for Shoppers Drug Mart (Pharmaprix in Québec), its stock soared after the company was acquired by Loblaw Companies Limited. The agreement guarantees that both brand names will be preserved, while allowing Loblaw to offer Life Brand products and allowing Shoppers Drug Mart to carry the President's Choice line. Administrative savings will also be achieved.

Finally, stocks in the financial sector generally did extremely well. The stocks of life insurance companies and banks benefited directly from the higher interest rates.

### Recent Developments

The emergence of a number of short-term risk factors could have repercussions on financial market performance. For example, geopolitical developments in the Middle East are still a source of apprehension. A persistent, major concern is the attitude that investors might adopt towards the markets' reaction in the event of monetary tightening in the United States and renewed strength in the U.S. dollar. In addition, the debate on the raising of the debt ceiling could have a significant negative influence on the markets, depending on the outcome of the discussions.

As far as economic outlooks are concerned, monetary policy and the central banks' balance sheets are still key factors in the current context. The announcement of exactly when the Federal Reserve will start scaling back its bond purchases is a short-term event that will have a limited impact on the Portfolio Sub-Manager's long-term objectives. The secular trends are satisfactory, and an extended period of slow growth reduces the probability of episodes of inflation and speculative bubbles that could lead to a recession. From a microeconomic point of view, the technological revolution will have an impact on a growing number of businesses. Technology makes it possible to improve productivity in many industries, and its development is one of the reasons why the Portfolio Sub-Manager is more optimistic about growth in certain information technology sectors.

In the months ahead, the Portfolio Sub-Manager does not anticipate any major change in the portfolio's positioning based on its long-term outlooks. Supported by more moderate stimulus measures, slow growth will continue, although we will probably see some blips.

The Portfolio Sub-Manager believes that the economic recovery is making progress and that it will probably keep going. It also continues to favour fundamental analysis of high-quality corporations, as this approach can be applied consistently through all market phases. Finally, the Portfolio Sub-Manager feels that this approach is essential at this time and that it will be beneficial for the portfolio.

### International Financial Reporting Standards

In December 2011, the Canadian Institute of Chartered Accountants ("CICA") amended the date of application of International Financial Reporting Standards ("IFRS") for investment companies that apply the accounting guideline on investment companies ("AcG-18"). Hence, IFRS will be adopted for interim and annual financial statements for fiscal years beginning January 1, 2014.

Desjardins Investments Inc. (the "Manager") monitors developments in the IFRS conversion program and, in particular, the key elements below:

- Changes in accounting policies;
- Impacts on information technology and data systems;
- Impacts on internal control over financial reporting;

- Impacts on disclosure controls and procedures;
- Impacts on expertise in financial reporting.

A team was appointed to oversee the IFRS conversion project. As of today, the Manager has completed the Identification phase and analysis of the effects of conversion to IFRS. The Feasibility phase is completed, and implementation of improvements is mostly completed. During the year 2013, the team will gather comparative information in order to prepare for the interim financial statements for the period ending March 31, 2015 under Canadian Generally Accepted Accounting Principles ("GAAP") and in accordance with IFRS. Until the switchover to the 2014 IFRS, the Manager will continue to closely monitor the evolution of IFRS and will adjust his transition plan, if necessary.

The Manager established that conversion to the current IFRS will essentially change the following policies:

- Consolidation:

According to current accounting policies AcG-18, consolidation is not required for underlying funds held by other investment funds meeting monitoring criteria.

The new *Investment Entities* Amendments to IFRS 10, *Consolidated Financial Statements*, provide an exception to the consolidation requirements and require investment entities to measure underlying funds at fair value, rather than consolidate them. Therefore, consolidation is no longer required for entities that meet the definition of Investment Entities.

- Classification of Units:

According to current accounting policies (EIC-149, *Accounting for Retractable or Mandatorily Redeemable Shares*) units are presented to the unitholders' equity.

In accordance with IAS 1, *Presentation of Financial Statements*, and IAS 32, *Financial Instruments: Presentation*, units will be classified as liabilities or as unitholders' equity based on the units' characteristics.

- Income Taxes:

According to current accounting policies (EIC-107, *Application of CICA 3465 to Mutual Fund Trusts, Real Estate Investment Trusts, Royalty Trusts and Income Trusts*), investment funds do not report any future income taxes.

In accordance with IAS 12, *Income Taxes*, no similar exception to EIC-107 is permitted. Therefore, investment funds will have to report future income tax assets or liabilities when applicable.

- Statement of Cash Flow:

According to current accounting policies (Section 1540, *Cash Flow Statement*), presentation of Cash Flow Statement is not required when the cash flow information is readily apparent from the other financial statements or is adequately disclosed in the notes to the financial statements.

In accordance with IAS 7, *Statement of Cash Flows*, the presentation of the Statement of Cash Flows will be required for all entities.

- Fair Value Measurement:

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement*, fair value is measured based on bid price for a long position and on the ask price for a short position.

According to IFRS 13, *Fair Value Measurement*, the fair value is measured with the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions. The fair value should be between the bid/ask range. Therefore, this standard could reduce the spread between the Net Assets per Unit per the Financial Statements and the Net Asset Value per Unit for Purposes Other than the Financial Statements.

In light of evolving standards, the Manager has determined that the switchover to IFRS will have no material impact on the Funds' net asset value per unit. A section regarding the quantitative effect will be included in the annual financial statements as at September 30, 2014.

### Related Party Transactions

Desjardins Investments Inc. is the Fund's Manager pursuant to the administration agreement. The Manager ensures the daily administration of the Fund. He provides the Fund or makes sure the Fund is provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required to function properly. The Fund pays management fees to the Manager, which are calculated on a daily basis with the net asset value of the Fund and paid weekly. These fees are shown in the "Management Fees" section of this Report. Management, custody and administrative fees presented in the operating statements were incurred with the Manager of the Desjardins Funds.

Desjardins Trust Inc., an entity belonging to the same group as the Manager, is the Fund's Trustee and Custodian. The Fund's Trustee fees are at the Manager's expense. The Custodian fees of Desjardins Trust Inc. are at the Fund's expense and are established based on market conditions.

Desjardins Global Asset Management Inc. ("DGAM") is the Portfolio Manager of the Fund. DGAM is an entity belonging to the same group as the Manager. DGAM's fees are entirely paid by the Manager.

These transactions take place in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Desjardins Securities Inc. ("DSI") is an entity belonging to the same group as the Manager. DSI is a broker responsible for security transactions on behalf of the Fund. During the year ended September 30, 2013, the amounts paid in commission by the Fund to DSI are \$1,830 (\$980 in 2012).

As at September 30, 2013, accrued expenses payable to the Manager are \$6,273 (\$63,900 as at September 30, 2012).

## Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five periods.

### Net Assets per Unit<sup>(1)</sup>

	2013 (12 months) \$	2012 (12 months) \$	2011 (12 months) \$	2010 (12 months) \$	2009 (9 months)* \$
<b>A-Class</b>					
Net assets, beginning of period	14.01	12.61	13.28	12.50	10.00
<b>Increase (Decrease) from Operations:</b>					
Total revenue	0.49	0.45	0.44	0.38	0.24
Total expenses	(0.34)	(0.29)	(0.30)	(0.28)	(0.17)
Realized gains (losses)	0.25	0.65	(0.04)	0.05	0.27
Unrealized gains (losses)	2.16	0.76	(0.96)	0.72	2.27
Commissions and other portfolio transaction costs	—	—	—	(0.01)	(0.01)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>2.56</b>	1.57	(0.86)	0.86	2.60
<b>Distributions:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	0.14	0.07	0.04	0.01	0.08
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Distributions<sup>(3)</sup></b>	<b>0.14</b>	0.07	0.04	0.01	0.08
<b>Net Assets at September 30 of Period Shown</b>	<b>15.94</b>	14.01	12.61	13.28	12.50

### Net Assets per Unit<sup>(1)</sup>

	2013 (12 months) \$	2012 (12 months) \$	2011 (12 months) \$	2010 (12 months) \$	2009 (9 months)* \$
<b>T-Class</b>					
Net assets, beginning of period	10.61	10.36	11.76	11.90	10.00
<b>Increase (Decrease) from Operations:</b>					
Total revenue	0.36	0.35	0.38	0.35	0.24
Total expenses	(0.25)	(0.23)	(0.26)	(0.26)	(0.17)
Realized gains (losses)	0.13	0.51	(0.01)	0.08	0.26
Unrealized gains (losses)	1.29	0.63	(0.62)	0.61	2.22
Commissions and other portfolio transaction costs	—	—	—	(0.01)	(0.01)
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>1.53</b>	1.26	(0.51)	0.77	2.54
<b>Distributions:</b>					
From income (excluding dividends)	—	—	—	—	—
From dividends	0.11	0.13	0.12	0.08	0.07
From capital gains	—	—	—	—	—
Return of capital	0.81	0.79	0.80	0.77	0.53
<b>Total Distributions<sup>(3)</sup></b>	<b>0.92</b>	0.92	0.92	0.85	0.60
<b>Net Assets at September 30 of Period Shown</b>	<b>11.20</b>	10.61	10.36	11.76	11.90



## Desjardins Dividend Growth Fund

### Net Assets per Unit<sup>(1)</sup>

	2013 (12 months) \$	2012 (11 months)* \$
<b>I-Class</b>		
Net assets, beginning of period	11.05	10.00
<b>Increase (Decrease) from Operations:</b>		
Total revenue	0.42	0.31
Total expenses	-	-
Realized gains (losses)	0.04	0.41
Unrealized gains (losses)	0.59	0.19
Commissions and other portfolio transaction costs	-	-
<b>Total Increase (Decrease) from Operations<sup>(2)</sup></b>	<b>1.05</b>	<b>0.91</b>
<b>Distributions:</b>		
From income (excluding dividends)	0.01	-
From dividends	0.31	0.10
From capital gains	-	-
Return of capital	-	-
<b>Total Distributions<sup>(3)</sup></b>	<b>0.32</b>	<b>0.10</b>
<b>Net Assets at September 30 of Period Shown</b>	<b>12.63</b>	<b>11.05</b>

(1) This information is derived from the Fund's audited annual financial statements. The net asset per unit presented in the financial statements differs from the net asset value calculated for fund pricing purposes. An explanation of these differences can be found in the notes to the financial statements.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

\* Beginning of operations of A- and T-Class Units in January 2009, and in November 2011 for I-Class Units.

### Ratios and Supplemental Data

<b>A-Class</b>	2013 (12 months)	2012 (12 months)	2011 (12 months)	2010 (12 months)	2009 (9 months)*
Total net asset value (000's of \$) <sup>(1)</sup>	144,763	290,384	404,089	344,642	105,116
Number of units outstanding <sup>(1)</sup>	9,079,565	20,698,943	31,948,001	25,932,444	8,392,237
Management expense ratio (%) <sup>(2)</sup>	2.27	2.15	2.17	2.17	2.17
Management expense ratio before waivers and absorptions (%)	2.27	2.15	2.17	2.25	2.36
Trading expense ratio (%) <sup>(4)</sup>	0.02	0.03	0.02	0.04	0.19
Portfolio turnover rate (%) <sup>(5)</sup>	19.81	9.59	6.55	0.99	3.44
Net asset value per unit (\$)	15.94	14.03	12.65	13.29	12.53

### Ratios and Supplemental Data

<b>T-Class</b>	2013 (12 months)	2012 (12 months)	2011 (12 months)	2010 (12 months)	2009 (9 months)*
Total net asset value (000's of \$) <sup>(1)</sup>	37,639	36,709	57,390	61,950	29,981
Number of units outstanding <sup>(1)</sup>	3,358,521	3,455,704	5,522,283	5,264,031	2,513,769
Management expense ratio (%) <sup>(2)</sup>	2.27	2.15	2.16	2.17	2.17
Management expense ratio before waivers and absorptions (%)	2.27	2.15	2.16	2.23	2.36
Trading expense ratio (%) <sup>(4)</sup>	0.02	0.03	0.02	0.04	0.19
Portfolio turnover rate (%) <sup>(5)</sup>	19.81	9.59	6.55	0.99	3.44
Net asset value per unit (\$)	11.21	10.62	10.39	11.77	11.93

**Ratios and Supplemental Data**

I-Class	2013 (12 months)	2012 (11 months)*
Total net asset value (000's of \$) <sup>(1)</sup>	254,237	32,113
Number of units outstanding <sup>(1)</sup>	20,121,514	2,902,331
Management expense ratio (%) <sup>(2), (6)</sup>	N/A	N/A
Management expense ratio before waivers and absorptions (%) <sup>(6)</sup>	N/A	N/A
Trading expense ratio (%) <sup>(4)</sup>	0.02	0.04
Portfolio turnover rate (%) <sup>(5)</sup>	19.81	9.59
Net asset value per unit (\$)	12.64	11.06

- (1) This information is provided as at September 30 of the year shown.
  - (2) Management expense ratio is based on total expenses (including applicable taxes, but excluding commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
  - (3) Management expense ratio relating to I-Class Units is based on total expenses (including applicable taxes, but excluding commissions and other portfolio transaction costs, as well as management fees paid to the Manager, which may differ from one investor to another, as they are negotiated by each one of them directly with the Manager) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
  - (4) The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average net asset value during the period.
  - (5) The Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Manager manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund.
  - (6) There are no expenses charged to this Class.
- \* Beginning of operations of A- and T-Class Units in January 2009, and in November 2011 for I-Class Units.

**Management Fees**

Management fees payable to the Manager by the Desjardins Dividend Growth Fund (A-Class Units) are calculated daily on the net asset value of the Fund at an annual rate of 1.87%. These fees are paid weekly.

The major services paid by the management fees expressed as an approximate percentage of said management fees may be summarized as follows:

- Administration of the Fund, investment portfolio management and profit margin 0.77%
- Dealer compensation 1.00%
- Marketing expenses 0.10%

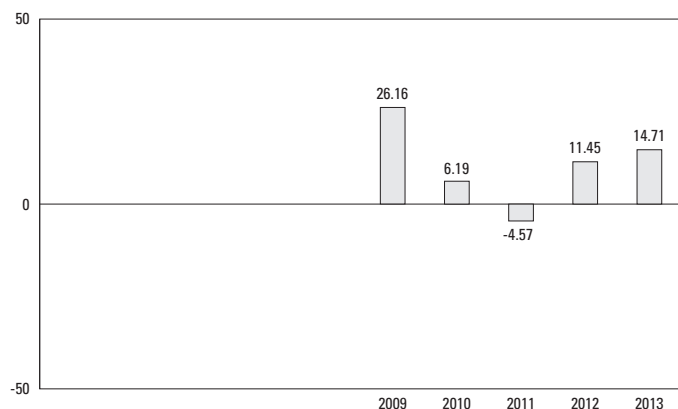
**Past Performance**

Performance data assumes that all distributions of each class of the Fund for the periods shown were reinvested in additional Fund units. However, it does not take into account purchase, redemption, investment or other optional charges, and returns would be lower if it did.

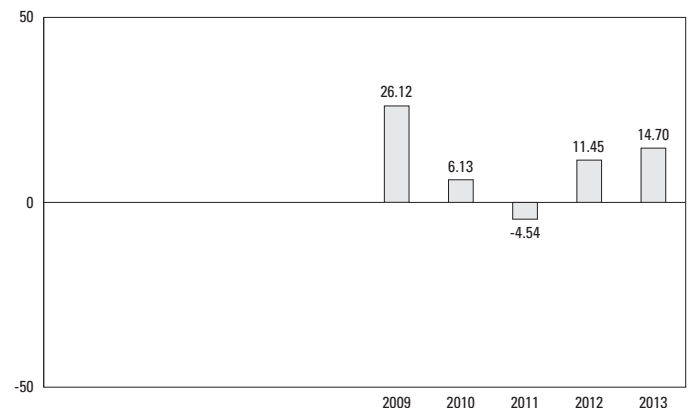
The past performance of each class of the Fund is not necessarily indicative of future performance.

**Annual Performance (%)**

**A-Class**



**T-Class**



**I-Class**



The graphs and tables show the Fund's past performance for each of the Fund's classes of units and present an overview of the risk over a 10-year period or since the Fund's inception.

They also illustrate returns after management fees, operating expenses and trading expenses have been deducted.

For I-Class units, they also illustrate returns after operating expenses and trading expenses have been deducted, but not management fees paid directly by each investor to the Manager which may differ from one investor to another as they are negotiated by each one of them directly with the Manager.



Please note that for units other than those held in a tax deferral program, distributions from income or capital gains are taxable even if they are reinvested.

The Annual Performance graphs indicate, in percentage terms, how the value of an investment made on October 1 would have evolved as at September 30 of the following year.

The Annual Compound Returns tables compare the performance of each class of the Fund with one or several indices, which include reinvested income, but do not include management and trading expenses.

## Annual Compound Returns (%)

	1 year	3 years	5 years	Since inception
<b>A-Class</b>				
A-Class Units	14.71	6.85	–	11.03
S&P/TSX Composite Index (Total return)	7.12	4.09	–	13.92
<b>T-Class</b>				
T-Class Units	14.70	6.86	–	11.01
S&P/TSX Composite Index (Total return)	7.12	4.09	–	13.92
<b>I-Class</b>				
I-Class Units	17.31	–	–	15.81
S&P/TSX Composite Index (Total return)	7.12	–	–	9.61

## S&P/TSX Composite Index (Total return)

The S&P/TSX Composite Index (Total return) is a capitalization-weighted index designed to measure market activity of stocks listed on the TSX. The index is the principal broad market measure for the Canadian equity markets.

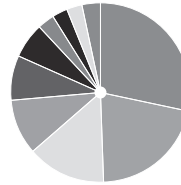
Please refer to the "Other Material Information" section for more information on the benchmark(s).

## Comparison with the Index

As at September 30, 2013, the Desjardins Dividend Growth Fund (A-Class Units) posted a 14.71% return, compared to 7.12% for its benchmark, the S&P/TSX Composite Index (Total return). As opposed to the benchmark, the Fund's performance is net of fees and expenses. Performance differences between series of units are mainly attributable to management fees charged to each series. Please refer to the "Past Performance" section for the details of returns by series and to the "Other Material Information" section for more information on the benchmark.

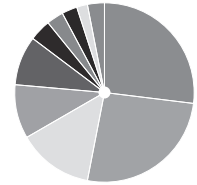
## Portfolio Overview

Net Asset Value Mix (%) as at September 30, 2012



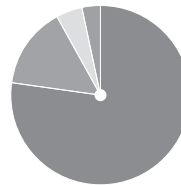
- 28.5 Energy
- 21.0 Financials
- 14.2 Consumer Staples
- 10.0 Industrials
- 8.2 Consumer Discretionary
- 6.3 Telecommunication Services
- 3.0 Health Care
- 2.9 Materials
- 2.7 Utilities
- 3.2 Cash and Cash Equivalents

Net Asset Value Mix (%) as at September 30, 2013



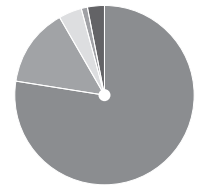
- 27.0 Financials
- 26.2 Energy
- 13.5 Consumer Staples
- 9.7 Industrials
- 8.9 Consumer Discretionary
- 4.1 Materials
- 2.9 Utilities
- 2.7 Health Care
- 2.0 Telecommunication Services
- 3.0 Cash and Cash Equivalents

Geographic Allocation (%) as at September 30, 2012



- 77.4 Canada
- 14.8 United States
- 4.6 United Kingdom
- 3.2 Cash and Cash Equivalents

Geographic Allocation (%) as at September 30, 2013



- 77.5 Canada
- 14.3 United States
- 4.2 United Kingdom
- 1.0 Other Countries\*\*
- 3.0 Cash and Cash Equivalents

\*\* This category includes all countries representing less than 2% of the Fund's net asset value.

**Top 25 Positions  
(Long Positions) \***

	<b>Net Asset Value %</b>
1. Toronto-Dominion Bank	7.0
2. Royal Bank of Canada	6.0
3. Scotiabank	6.0
4. Suncor Energy	3.7
5. Cenovus Energy	3.2
6. Cash and Cash Equivalents	3.0
7. Canadian National Railway Company	2.8
8. Metro	2.8
9. Thomson Reuters Corporation	2.4
10. SNC-Lavalin Group	2.4
11. Potash Corporation of Saskatchewan	2.3
12. Manulife Financial Corporation	2.2
13. Canadian Natural Resources	2.2
14. Inter Pipeline	2.2
15. ARC Resources	2.1
16. Shoppers Drug Mart Corporation	2.1
17. Walgreen Co.	2.0
18. Enbridge	2.0
19. Great-West Lifeco	1.9
20. Talisman Energy	1.9
21. TransCanada Corporation	1.9
22. West Fraser Timber Co.	1.7
23. Pembina Pipeline Corporation	1.6
24. Johnson & Johnson	1.6
25. Tim Hortons	1.5
<b>Total</b>	<b>68.5</b>

\* There is no short position in this Fund.

The Portfolio Overview may change due to ongoing Fund transactions. You can request copies of the quarterly update and other information regarding the Desjardins Funds, at no cost:

- by contacting your advisor; or
- by calling 514 286-3499, or toll-free at 1 866 666-1280; or
- at [desjardinsfunds.com](http://desjardinsfunds.com); by e-mail, at [info.fondsdesjardins@desjardins.com](mailto:info.fondsdesjardins@desjardins.com); or
- through Desjardins Investments Inc.  
Desjardins Funds Customer Service  
2 Complexe Desjardins  
P.O. Box 9000, Desjardins Station  
Montréal, Québec H5B 1H5

**Other Material Information**

The T-Class Units for the Desjardins Dividend Growth Fund provide you with a periodical monthly cash distribution composed of a net income, a non-taxable capital distribution or a combination of both. They were designed for investors who wish to obtain additional income, along with a tax benefit, over their income from other sources. T-Class Units are related to the same securities portfolio as A-Class and I-Class Units and have the same percentage of management fees as A-Class Units.

I-Class Units for the Desjardins Dividend Growth Fund are related to the same securities portfolio as A- and T-Class Units.

S&P Indices are trademarks of The McGraw-Hill Companies, Inc. ("S&P"). This Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). Standard & Poor's makes no representations with regard to the Fund's relevance.

The Fund is not sponsored, endorsed, sold or promoted by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") or its third party licensors. Neither S&P nor its third party licensors makes any representation or warranty, express or implied, to the owners of the Fund or any member of the public regarding the advisability of investing in generally or in the Fund particularly or the ability of the S&P/TSX Composite Index (the "Index") to track general stock market performance. S&P's and its third party licensor's only relationship to the Fédération des caisses Desjardins du Québec is the licensing of certain trademarks and trade names of S&P and the third party licensors and of the Index which is determined, composed and calculated by S&P or its third party licensors without regard to the Fédération des caisses Desjardins du Québec or the Fund. S&P and its third party licensors have no obligation to take the needs of the Fédération des caisses Desjardins du Québec or the owners of the Fund into consideration in determining, composing or calculating the Index. Neither S&P nor its third party licensors is responsible for and has not participated in the determination of the prices and amount of the Fund or the timing of the issuance or sale of the Fund or in the determination or calculation of the equation by which the Fund is to be converted into cash. S&P has no obligation or liability in connection with the administration, marketing or trading of the Fund.

Neither S&P, its affiliates nor their third party licensors guarantee the adequacy, accuracy, timeliness or completeness of the Index or any other data included therein or any communications, including but not limited to oral or written communications (including electronic communications) with respect thereto. S&P, its affiliates and their third party licensors shall not be subject to any damages or liability for any errors, omissions or delays therein. S&P makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to the brands, the Index or any data included therein. Without limiting any of the foregoing, in no event whatsoever shall S&P, its affiliates or their third party licensors be liable for any indirect, special, incidental, punitive or consequential damages, including but not limited to, loss of profits, trading losses, lost time or goodwill, even if they have been advised of the possibility of such damages, whether in contract, tort, strict liability or otherwise.