

Supporting you is our priority



MARJORIE MINET
Vice-President
Wealth Management Advisory Services

It's been a challenging few months with the COVID-19 pandemic. Even if it seems like things are slowly starting to return to normal, we need to band together and be there for one another, now more than ever. At Desjardins Securities, your well-being and peace of mind are important to us. We're here to help you as the recovery takes shape so you can look to the future with confidence.

That's why we offer a comprehensive range of wealth management advisory services. Our goal is to help you establish a clear vision of your finances, both now and for the future, making your assets easier to manage at every stage of your life, including during times of crisis.

As mentioned in the last issue, your Desjardins Securities investment advisor can connect you with specialists for the wide range of services we offer, including financial planning, tax advisory services, business transfer advisory services, trust services and will consultation services.

- **Our financial planning services** can help reassure you about your financial goals, optimize your finances and organize your wealth. We'll prepare a plan to help you achieve your goals and do a full analysis of your financial profile, covering every angle: legal, estate, tax and insurance. Partial planning services are also available.
- **Our tax advisory services** can help you identify opportunities and provide you with high-level opinions and advice for your complex tax planning needs, for everything from income taxes to sales, business transfer and estate taxes.
- **Our business transfer advisory services** can support you when the time comes to sell your business. Let our specialists help you through this demanding process and provide the time, energy and expertise needed to ensure a successful third-party sale, intergenerational transfer or buyout.

- **Our trust services** can help ensure your estate will be administered in accordance with your wishes in the event of incapacity or death. We can also support you in your role as executor in settling an estate or serve as executor for your own estate.
- **Our will consultation services** can help you update your will, protection mandate or power of attorney, which is recommended if they're more than 5 years old. These documents serve an important purpose: to protect your heirs and your assets, and let you appoint an executor or mandatary of your own choosing.

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as the recovery takes shape
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with confidence.**

To meet with one of our specialists or get more information about any of these services, reach out to your Desjardins Securities investment advisor. They are there to help you reach your financial goals.

In these trying times, we want you to know we're here to support and reassure you in any way we can.

In a crisis, your investment advisors are there to support you



PHILIPPE GUÉRIN, F.P.I.
Team Leader
Financial Planning

When something unexpected happens, it's normal to be concerned about how it may impact your finances. With all the uncertainty amid the COVID-19 pandemic, maintaining financial stability is on everyone's mind.

The best thing you can do is not panic. Your investment advisor or financial planner can help you take a step back and gain some perspective. Whatever your concerns, their job is to help you make a plan and take control. Here are some examples.

Your situation	Your strategy	Your action plan
If you're concerned about the future (losing your job, earning less income, seeing your business slow down)		
<ul style="list-style-type: none"> • Prepare a balance sheet. • Draw up a budget. • Assess your emergency fund and any other liquid assets you could use to cover your expenses. 	<ul style="list-style-type: none"> • Consider contributing more to your emergency fund, which should cover a minimum of 3 months' expenses and even more in times of crisis. • Review your budget. Try to defer or reduce certain expenses. • Rethink your credit options. Consolidate your debts or consider a home equity line of credit. • Check if you're eligible for relief measures offered by the government or your financial institution. 	<ul style="list-style-type: none"> • Put your strategies into action and set a schedule to follow up on them. • Avoid "buy now and pay later" consumer traps.
If you're concerned about your retirement savings		
<ul style="list-style-type: none"> • Assess how the crisis is impacting your investments. Bear in mind that a 10% drop in the markets doesn't mean you've lost 10% of your investments. 	<ul style="list-style-type: none"> • Put together an investment strategy with your advisor. • Don't rush to sell; your patience may be rewarded. • If you're looking to reduce your risk exposure, work with your advisor to choose the right time to rebalance your portfolio. The conventional wisdom is to gradually reduce your risk exposure as you get closer to retirement. 	<ul style="list-style-type: none"> • Monitor your investments less frequently. In times of high volatility, it will only cause more anxiety. • Follow through on your plan to lower your risk exposure once you've reached your goal.
If you're retiring soon or already retired		
<ul style="list-style-type: none"> • Review your retirement savings and determine whether they'll be your main source of income. 	<ul style="list-style-type: none"> • If your investment strategy depends on a market recovery, you could: <ul style="list-style-type: none"> » Adjust your budget temporarily » Work part-time in early retirement » Postpone your retirement date » Lower your RRIF withdrawals for 2020, if you have other sources of income » Start receiving your pension early to postpone drawing from your savings (penalties may apply) 	<ul style="list-style-type: none"> • Once you've identified your options, review your plan with your financial planner.

Trust your advisor

Your investment advisor is always there to support you, especially in times of crisis. Feel free to reach out for support. They'll help you or put you in touch with someone who can.

Thinking of selling your business during COVID-19?



ALAIN CHEVALIER, MBA, F.PI., PCC
Senior Advisor and
Business Transfer Coach Expert

Nothing in modern history compares to the unpredictability of the current crisis. Overnight, countless business transfer negotiations—even those in very advanced stages—came to a standstill due to the coronavirus outbreak.

In recent weeks however buyers and sellers have gradually been getting back to the negotiating table, suggesting that things are still moving in some business sectors.

The pandemic could have an impact on the market value of most businesses, especially if it lasts for some time, since several of them have been severely affected, much to their owners' dismay. In some contexts, this can actually be a boon to the seller—for example, a parent seeking to transfer their business to their son or daughter at the lowest possible price. And other businesses are thriving right now—think essential service providers. As you can see, it's not all black and white. Every business has its own unique needs and requires adapted solutions.

Take the time to plan

Just as a stock market exit is ill-advised in the middle of a crisis, circumstances permitting, you would be wise to keep ownership of your business in times of high instability. In both cases, the horizon for a return to normal is difficult to predict.

In the present circumstances, time is your best asset in planning your business transfer. Try to take advantage of the lull to review your business strategy and see if it's still working. If you don't have an action plan, now's the time to put one together. Focus your energy on what you can control. Remember that selling a business can take 2 to 5 years, and the better prepared you are, the better your chances of a profitable sale.

3 keys to a successful business transfer

- ✓ Assess your situation—both personal and professional.
- ✓ Identify and assess all your options (family transfer, internal sale, external or hybrid sale) and your plans for the future.
- ✓ Build your succession planning team—a task force of professionals to lighten your workload and support you throughout the process (accountant, lawyer or notary, business valuation expert, tax expert, trusted family member, business transfer advisor, financial planner, account manager, etc.).

Don't wait for things to return to normal. Use the time you have now to think about optimizing your business and making it more attractive to potential buyers so that, ultimately, you get what you want out of the sale.



For a sound preparation, don't hesitate to reach out to specialists to help you.

ECONOMIC AND MARKET TRENDS

Governments and central banks strive to rescue the global economy



MICHEL DOUCET
Vice-President and Portfolio Manager
Full-Service Brokerage

Remember February 19? Eons ago. Everything was going so well. The S&P 500 had hit an all-time high of 3,394 points and, 24 hours later, the S&P/TSX followed suit, setting a new record of 17,971 points. The future was bright.

A December US-China trade truce heralded a revival of global trade and an acceleration of global economic growth. Just the outlook needed for the emerging and European economies to seriously get going again. In North America, expansionary monetary and fiscal policy, full employment and an anticipated recovery in global trade were set to give a second wind to economic and investment cycles.

Who would have thought at the time that a virus would get the better of an expansion that had seemed Teflon-coated, dodging shocks of every kind since 2009? Just 16 business days later, COVID-19 sent stock markets into a major correction, ending the longest bull market in US history.

The International Monetary Fund said it best: "This crisis is like no other. First, the shock is large. The output loss associated with this health emergency and related containment measures likely dwarfs the losses that triggered the global financial crisis. Second, like in

a war or a political crisis, there is continued severe uncertainty about the duration and intensity of the shock. Third, under current circumstances there is a very different role for economic policy. In normal crises, policymakers try to encourage economic activity by stimulating aggregate demand as quickly as possible. This time, the crisis is to a large extent the consequence of needed containment measures."

Nothing compares to the recession we're currently going through. Never in modern history have governments around the world all pressed pause at the same time as they have in recent months. The Great Lockdown has resulted in a steep contraction in the global economy for the first half of the year. Desjardins's economists are predicting a 2.9% decline in global GDP in 2020, followed by 5% growth in 2021.

Since the beginning of the economic paralysis, governments and central banks have taken extraordinary measures to support households, businesses and financial markets. They will continue to invest in the recovery until the economy enters a new cycle of sustainable growth. This differs fundamentally from the Great Depression. Back then, there were no lenders of last resort. Today's central banks have acted quickly to ensure liquidity. And, in the 1930s, elected officials aggravated the Great Depression by hewing to sterile mercantilist policies instead of the current stabilizing and stimulating public action. Different times call for different measures!



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