

Notice to Unitholders



THE PURPOSE OF THIS LETTER IS TO INFORM YOU OF PROPOSED CHANGES TO SOME OR YOUR INVESTMENTS; THEY ARE DESCRIBED IN DETAIL BELOW.

SUBJECT: UPDATES TO THE PREFERRED PRICING PROGRAM FOR DESJARDINS FUNDS

This Notice is to inform you that starting on January 4, 2021, Desjardins Investments Inc. (« DI »), the manager of the Desjardins Funds is planning to revise some parameters of the Desjardins Funds preferred pricing program. The planned changes to the Preferred Pricing Program are described in detail below.

In addition, DI advises you that these changes may reduce the management fee rebates you currently receive on your investments in Desjardins Funds units. These potential impacts are described in more detail in the Nature and Impact of the Preferred Pricing Program Review on the following page.

Management fee reductions for some Desjardins Funds

DI has recently announced management fee reductions of 39 Desjardins Funds and Investment Solutions (the "Targeted Funds"), effective October 1, 2020. Please refer to the press release dated September 2, 2020 in the Newsroom section of the website desjardinsfunds.com for further information.

The management fee reductions concern all unitholders of the Targeted Funds.

AMENDMENT TO THE PREFERRED PRICING PROGRAM

In conjunction with the management fee reductions mentioned in the insert, DI plans to revise certain parameters of the preferred pricing program in order to:

- Broaden the program's eligibility criteria to allow a greater number of unitholders to benefit from the preferred pricing program:
 - Increase the number of eligible funds by including individual Desjardins Funds (subject to a minimum eligibility threshold of \$100,000 CAD in assets invested in Desjardins Funds units by an individual unitholder);
 - Opportunity to join a family grouping account (subject to the principal investor holding a minimum of CAD \$250,000 in assets in units of Desjardins Funds);
 - Eligibility to management fee rebates starting with the first dollar invested in Chorus II Portfolios.
- Simplify the rebate calculation by:
 - Harmonizing the fee schedule applicable to the asset tranches;
 - Adopting a quarterly payment frequency for all units of Desjardins Funds and Investment Solutions.

Please refer to Appendix A for more information on the new fee schedule.

These changes will be effective as of January 4, 2021 and reflect DI's commitment to offer investment products that are constantly evolving.

DI reserves the right to defer implementation of the changes described above to a later date.

NOTICE TO UNITHOLDERS

BENEFITS OF THE AMENDMENT TO THE PREFERRED PRICING PROGRAM

DI deems the revision of the Desjardins Funds Preferred Pricing Program will be advantageous to the eligible unitholders for the following reasons:

- By increasing the number of unitholders who will benefit from the Preferred Pricing Program;
- By maintaining the benefits offered by Desjardins Funds, such as, professional portfolio management and asset allocation services (with respect to Investment Solutions).

NATURE AND IMPACT OF THE AMENDEMENT TO THE PREFERRED PRICING PROGRAM

DI anticipates that changes to the Desjardins Funds' preferred pricing program will adversely impact some investors. As a recipient of this notice, you may be impacted by these changes for the following reasons:

- A decrease in the management fee rebates in the new fee schedule applicable to the higher tranches of assets invested in units of the Funds .

However, certain changes to the program will mitigate these impacts, including:

- Joining a family grouping account, subject to compliance with eligibility requirements;
- Including individual Desjardins Funds in the management fee rebate calculation;
- Reducing management fees for the Targeted Funds in question, announced in the DI press release dated September 2, 2020.

DI is convinced these changes will allow it to maintain competitive pricing while providing equitable treatment to all Desjardins Funds unitholders.

Please contact your representative for more information regarding the various mitigation measures available.

INCOME TAX CONSIDERATIONS

Changes to the Preferred Pricing Program will not have any direct tax consequences to Unitholders, whether held in a registered or non-registered account. However, the management fee rebates you receive may qualify as income or a return of capital for tax purposes. As a result, these changes may result in minor indirect tax consequences for unitholders of units held in a non-registered account.

Please refer to the Income Tax Considerations for Investors section of the Desjardins Funds' prospectus or consult your tax advisor or representative for more information.

QUESTIONS?

The Prospectus and the Fund Facts of the Portfolios are available on the Desjardins Funds website at desjardinsfunds.com.

If you no longer hold Units of a Desjardins Fund, please disregard this Notice.

Dated October 26, 2020

**DESJARDINS INVESTMENTS INC.
MANAGER OF THE DESJARDINS FUNDS**

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SCHEDULE A

NEW FEE SCHEDULE

Please find below the new fee schedule which will be in effect as of January 4, 2021:

DAILY MARKET VALUE	REBATE RATE % (before taxes)
On the first \$100,000	0.025%
On the next \$150,000	0.065%
On the next \$250,000	0.095%
On the next \$500,000	0.115%
On the next \$4M	0.135%
On the amount exceeding \$5M	0.155%