

NOTICE TO THE UNITHOLDERS

Closing of the Desjardins Capital Yield Bond Fund

As previously indicated in our Notice to Unitholders of the Desjardins Capital Yield Bond Fund dated November 26, 2013, the Federal Government's March 2013 budget announced an amendment to the treatment of gains generated by certain specialized investment products, such that going forward, these gains would be considered ordinary income instead of capital gains.

The grace period that was provided for in the budgetary measures for forward agreements entered into before March 21, 2013 will expire at the end of 2014. The Fund uses this type of forward agreement contemplated by the budget and will have no choice but to end its operations before such time.

It is provided that the Fund will cease its operations on or about **December 5, 2014** (the "closing date"), at which time the Fund's units will be redeemed at their net asset value by the manager of Desjardins Funds, Desjardins Investments Inc. (the "Manager"). If you still hold units of the Fund on that date, the Manager will issue you a cheque for an amount equal to the redemption proceeds of your units, and you should be receiving this cheque by the end of the year.

The Fund should continue to pay you monthly distributions until the closing date. However, you will not be able to purchase new units of the Fund, as it will remain closed to any additional purchases.

Income Tax Considerations

When your units are redeemed, you will realize a capital gain if the redemption proceeds are greater than the adjusted cost base of the units, or a capital loss if the redemption proceeds are lower than the adjusted cost base of the units. After the units are redeemed, half of the capital gains (or capital losses) will generally be reflected in the calculation of your income.

This summary is of a general nature only and is not exhaustive of all possible tax consequences. We recommend that you consult your tax advisor for advice regarding your own personal situation.

Other Possible Options

- 1. You could choose to redeem your Fund units before the closing date;** speak to your representative about submitting a redemption request.
- 2. You could opt for another one of our Desjardins Funds or investment solutions;** speak to your representative about it.

Have any questions?

Call us at **1 800 CAISSES (224-7737)**, option 4, from Monday to Friday between 8:00 a.m. and 9:00 p.m., or contact your representative.

If you no longer hold units in the Fund, please disregard this notice.

Dated September 30, 2014

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



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Wealth Management
INVESTMENTS

Cooperating in building the future