

# NOTICE

## TO SECURITYHOLDERS OF THE DESJARDINS FUNDS

July 20, 2015

Dear Investor,

We hereby wish to inform you that we intend to modify the Desjardins Funds' fee structure.

Desjardins Investments Inc. (the "Manager"), as manager of the Desjardins Funds (the "Fund(s)"), is constantly improving its product line to ensure that it meets your needs and is adapted to the competitive environment. This is the context in which the Manager wishes to adopt a simpler fee structure that will set a fixed rate for most of the Funds' operating expenses.

### **Current situation for paying operating expenses**

Each Fund is considered to be a legal entity that is required to pay its own various operating expenses. These operating expenses fluctuate from one year to the next, depending mainly on variations in assets. Consequently, the management expense ratio (MER) of each Fund will also vary each year.

The MER is expressed as an annual percentage of the Fund's total net asset value. The management expense ratio is calculated as follows:

$$\text{Management Fees} + \text{Operating Expenses} + \text{Taxes} = \text{MER (\%)}$$

Even though you do not pay management fees and operating expenses directly, these fees have an impact on investors because they reduce the Fund's return.

### **Towards a simplified fee structure**

Under the proposed change, it is the Manager that would pay most of the operating expenses in exchange for the fixed administration fees paid to it by each of the Funds.

With fixed administration fees, it is the Manager that would bear most of the fluctuations in operating expenses.

For more details on the fee structure, see Table 1 for the proposed fixed administration fees and Table 2 for the summary of expenses charged both before and after the proposed change.

### **The advantages for investors of fixed administration fees**

**Equal or lower MER:** For a vast majority of the Funds, the MER will remain equal to that of March 31, 2015. In some cases, it may even be lower.

**Transparent and predictable fees:** With most of the operating expenses being fixed at a specific percentage, it will be easier for you to determine a Fund's fees.

**Competitive costs for years to come:** The fixed administration fees have been set at highly competitive rates and their implementation will crystalize this situation.

### **Favourable recommendation of the Independent Review Committee**

The Funds have an Independent Review Committee consisting of members who are external to Desjardins and whose mandate is to examine certain questions independently. Because the committee works in the best interests of the Funds, it also works in your interest. The committee has concluded that implementing the fixed administration fees would be fair and reasonable for the Funds.

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### Conditions for implementing the change

The implementation of the proposed change, scheduled for October 1, 2015, is conditional on the Manager obtaining the approval of investors holding C- and R-Class or Series C and R voting securities.

If the fixed administration fees proposed for a Fund are not approved by the investors holding C- and R-Class or Series C and R voting securities, that Fund will continue to pay its operating expenses as before. Furthermore, if the proposed change is not approved by the holders of voting securities of all of the Funds, the Manager will have the discretion to choose not to introduce the fixed administration fees, even if the change could be implemented for certain Funds, and even if the investors of certain Funds have approved the proposal to implement fixed administration fees.

**As a holder of A-, T-, F- or S-Class, or Series A, T, F or S securities of the Funds, no action is required on your part.** If you have any questions regarding this change, please contact your representative or call Desjardins Funds Customer Service at **514-286-3499 or 1-866-666-1280** from Monday to Friday, 8:00 a.m. to 9:00 p.m.

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

Éric Lachaine  
Chief Operating Officer

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

### Table 1: Applicable Fixed Administration Fees

Desjardins Funds	Class or Series (%)			
	A	F	T, T4, T5, T6, T7, T8	S, S4, S5, S6, S7, S8
<b>Trust Funds</b>				
Money Market	0.10	0.10		
Short-Term Income	0.14	0.14		
Canadian Bond	0.14	0.14		
Enhanced Bond	0.15	0.15		
Global Inflation Linked Bond (formerly Completion Investments)	0.15	0.15		
Global Corporate Bond	0.15	0.15		
Floating Rate Income	0.15	0.15		
Global Tactical Bond	0.15	0.15		
Emerging Markets Bond	0.15	0.15		
Tactical Balanced	0.20	0.20		
Québec Balanced	0.16	0.16	0.16	0.16
Dividend Income	0.15	0.15	0.15	0.15
Dividend Growth	0.17	0.17	0.17	0.17
Canadian Equity Income	0.17	0.17		
Canadian Equity Value	0.17	0.17	0.17	0.17
Canadian Equity Growth	0.17	0.17		
Canadian Small Cap Equity	0.20	0.20		
American Equity Value	0.18	0.18		
American Equity Growth	0.18	0.18		
Overseas Equity Value	0.23	0.23		
Overseas Equity Growth	0.22	0.22		
Global Dividend	0.22	0.22	0.22	0.22
Global Equity Value (formerly Global All Cap Equity)	0.23	0.23	0.23	0.23
SocieTerra Environment (formerly Environment)	0.23	0.23		
Global Small Cap Equity	0.23	0.23		
Emerging Markets	0.21	0.21		
Emerging Markets Opportunities	0.20	0.20		
Global Infrastructure	0.20	0.20		

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Desjardins Funds	Class or Series (%)			
	A	F	T, T4, T5, T6, T7, T8	S, S4, S5, S6, S7, S8
<b>Trust Portfolios</b>				
Melodia Very Conservative Income	0.16	0.16	0.16	0.16
Melodia Conservative Income	0.16	0.16	0.16	0.16
Melodia Moderate Income	0.16	0.16	0.16	0.16
Melodia Diversified Income	0.16	0.16	0.16	0.16
Melodia Moderate Growth	0.16	0.16		
Melodia Diversified Growth	0.15	0.15		
Melodia Balanced Growth	0.15	0.15		
Melodia Aggressive Growth	0.16	0.16		
Melodia Maximum Growth	0.16	0.16		
SocieTerra Conservative (formerly SocieTerra Secure Market)	0.16	0.16		
SocieTerra Balanced	0.16	0.16		
SocieTerra Growth	0.16	0.16		
SocieTerra Maximal Growth (formerly SocieTerra Growth Plus)	0.16	0.16		
Chorus II Conservative	0.15	0.15	0.15	0.15
Chorus II Balanced Income	0.15	0.15	0.15	0.15
Chorus II Balanced Growth	0.15	0.15	0.15	0.15
Chorus II Growth	0.15	0.15	0.15	0.15
Chorus II High Growth	0.15	0.15	0.15	0.15
Chorus II Maximum Growth	0.15	0.15	0.15	0.15
<b>Corporate Class Funds</b>				
Desjardins Dividend Growth Corporate Class	0.20			
Desjardins Canadian Equity Income Corporate Class	0.17			
Desjardins Canadian Equity Value Corporate Class	0.19			
Desjardins Canadian Equity Growth Corporate Class	0.20			
Desjardins American Equity Growth Corporate Class	0.18			
Desjardins Overseas Equity Growth Corporate Class	0.22			
Desjardins Global Small Cap Equity Corporate Class	0.23			
Desjardins Emerging Markets Opportunities Corporate Class	0.20			
<b>Corporate Class Portfolios</b>				
Chorus II Corporate Class Conservative	0.15		0.15	0.15
Chorus II Corporate Class Balanced Income	0.15		0.15	0.15
Chorus II Corporate Class Balanced Growth	0.15		0.15	0.15
Chorus II Corporate Class Growth	0.15		0.15	0.15
Chorus II Corporate Class High Growth	0.15		0.15	0.15
Chorus II Corporate Class Maximum Growth	0.15		0.15	0.15

The fixed administration fees are calculated as a percentage of the net assets of each class or series of securities of the Funds. The taxes that apply to these fixed administration fees, including GST and HST, have not been included in the list above.

Please note that the following Desjardins Funds, created in 2015, already charge fixed administration fees:

- Desjardins SocieTerra Canadian Bond Fund
- Desjardins IBrix Canadian High Dividend Equity Fund
- Desjardins IBrix Canadian Equity Focus Fund
- Desjardins IBrix Low Volatility Global Equity Fund
- Desjardins IBrix Global Equity Focus Fund
- Desjardins Global Equity Growth Fund
- Desjardins Money Market Corporate Class
- Desjardins IBrix Canadian High Dividend Equity Corporate Class
- Desjardins IBrix Canadian Equity Focus Corporate Class
- Desjardins Global Equity Growth Corporate Class

**Table 2: Summary of Fees**

BEFORE THE CHANGE	AFTER THE CHANGE: Based on the proposed Fixed Administration Fees
Costs, expenses and fees payable by each Fund	Costs, expenses and fees payable by each Fund
<b>Operating expenses*</b>	<b>Operating expenses</b>
<ul style="list-style-type: none"> <li>- Transfer agent and registrar fees;</li> <li>- Custody costs;</li> <li>- Legal counsel and auditing expenses;</li> <li>- Fund accounting and valuation fees;</li> <li>- Administrative fees and trustee services relating to registered tax plans;</li> <li>- Costs of preparing and distributing fund financial reports, simplified prospectuses, fund facts and other investor communications relating to the Funds;</li> <li>- Fees for filing with the regulatory authorities.</li> </ul>	<b>These expenses will henceforth be borne by the Manager.</b>
<b>Other operating expenses</b>	<b>Other operating expenses</b>
<ul style="list-style-type: none"> <li>- Borrowing costs;</li> <li>- Tax, such as the GST and HST levied on the Fund's operating expenses;</li> <li>- Fees associated with the independent review committee;</li> <li>- New fees relating to external services that were not commonly applied to Canadian investment companies;</li> <li>- Costs of complying with regulatory changes or new government requirements;</li> <li>- Fees incurred and expenses disbursed outside the normal course of the Funds' business.</li> </ul>	No change; all of these operating expenses will continue to be borne by the Fund.
<b>Portfolio transaction costs**</b>	<b>Portfolio transaction costs</b>
<ul style="list-style-type: none"> <li>- Brokerage commission for buying and selling securities as well as research and execution fees, if any.</li> </ul>	No change; all of these costs will continue to be borne by the Fund.
<b>Fees payable to the Manager</b>	<b>Fees payable to the Manager</b>
<ul style="list-style-type: none"> <li>- Management fees.</li> </ul>	<ul style="list-style-type: none"> <li>- Management fees;</li> <li>- Fixed administration fees.</li> </ul>

\* The list of operating expenses is not exhaustive.

\*\* The list of portfolio transaction costs is not exhaustive and such costs are not included in the MER of a Fund's class or series.