

SIMPLIFIED PROSPECTUS

March 24, 2011

GENERAL INFORMATION ABOUT OUR FUNDS PART A



Desjardins

Cooperating in building the future



A COMPLETE SIMPLIFIED PROSPECTUS FOR THE MUTUAL FUNDS LISTED ON THIS PAGE CONSISTS OF THIS DOCUMENT (PART A) AND AN ADDITIONAL DISCLOSURE DOCUMENT (PART B) THAT PROVIDES SPECIFIC INFORMATION ABOUT THE MUTUAL FUNDS IN WHICH YOU ARE INVESTING. THIS DOCUMENT PROVIDES GENERAL INFORMATION APPLICABLE TO ALL OF THE DESJARDINS FUNDS.

NO SECURITIES REGULATORY AUTHORITY HAS EXPRESSED AN OPINION ABOUT THESE UNITS AND IT IS AN OFFENCE TO CLAIM OTHERWISE.

THE FUNDS AND THE UNITS OF THE FUNDS OFFERED UNDER THIS SIMPLIFIED PROSPECTUS ARE NOT REGISTERED WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND THEY ARE SOLD IN THE UNITED STATES ONLY IN RELIANCE ON EXEMPTIONS FROM REGISTRATION.

*This Fund follows a socially responsible approach to investing.

Income Funds

Desjardins Money Market Fund
Desjardins Short-Term Income Fund (A- and I-Class Units)
Desjardins Canadian Bond Fund (A- and I-Class Units)
Desjardins Enhanced Bond Fund (A- and I-Class Units)
Desjardins Capital Yield Bond Fund (A- and I-Class Units)

Balanced Funds

Desjardins Canadian Balanced Fund (A- and I-Class Units)
Desjardins Québec Balanced Fund (A-, T- and I-Class Units)
Desjardins Dividend Income Fund (A-, T- and I-Class Units)

Canadian Equity Funds

Desjardins Dividend Growth Fund (A-, T- and I-Class Units)
Desjardins Canadian Equity Value Fund (A-, T- and I-Class Units)
Desjardins Canadian Equity Growth Fund (A- and I-Class Units)
Desjardins Environment Fund (A- and I-Class Units)*
Desjardins Canadian Small Cap Equity Fund (A- and I-Class Units)

American Equity Funds

Desjardins American Equity Value Fund (A- and I-Class Units)
Desjardins American Equity Growth Fund (A- and I-Class Units)

Global and International Equity Funds

Desjardins Overseas Equity Value Fund (A- and I-Class Units)
Desjardins Overseas Equity Growth Fund (A- and I-Class Units)
Desjardins Global Equity Value Fund (A-, T- and I-Class Units)
Desjardins Global All Cap Equity Fund (A-, T- and I-Class Units)
Desjardins Global Small Cap Equity Fund (A- and I-Class Units)
Desjardins Emerging Markets Fund (A- and I-Class Units)

Specialty Funds

Desjardins Completion Investments Fund (A-, T- and I-Class Units)
Desjardins Global Real Estate Fund (A-, T- and I-Class Units)

Investment Solutions

SocieTerra Secure Market Portfolio*
SocieTerra Balanced Portfolio*
SocieTerra Growth Portfolio*
SocieTerra Growth Plus Portfolio*

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SocieTerra Growth Portfolio	
SocieTerra Growth Plus Portfolio	

In addition to receiving the information contained in this part of the Simplified Prospectus, you will also find in Part B an additional disclosure document that provides specific information about the mutual funds in which you are investing.

Introduction

In this document *we, us* and *our* refer to the **Fédération des caisses Desjardins du Québec** (the “Manager”). The mutual funds offered under this document are referred to collectively as the *Funds* or the *Desjardins Funds* and individually as a *Fund* or a *Desjardins Fund*.

This document contains important selected information to help you make an informed investment decision about an investment in the Funds and to help you understand your rights as an investor. This document is divided into two parts:

- the first part (Part A) contains general information which applies to all of the Desjardins Funds; and
- the second part (Part B) contains specific information about each of the Desjardins Funds described in this document.

Additional information about each Fund is available in the following documents:

- the Annual Information Form;
- the most recently filed Audited Annual Financial Statements;
- the Interim Financial Statements filed after those Annual Financial Statements;
- the most recently filed Annual Management Report of Fund Performance; and
- the Interim Management Report of Fund Performance filed after that Annual Management Report of Fund Performance.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as a part hereof.

You can get a copy of these documents and other information about the Desjardins Funds, at your request, and at no cost, by calling in the Montréal area 514 286-3499 or toll free 1 866 666-1280, or from your Desjardins advisor.

These documents are available on the Desjardins Funds’ Website www.desjardinsfunds.com or by contacting us at:

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These documents and other information about the Funds are available at www.sedar.com.

What Is a Mutual Fund and What Are the Risks of Investing in a Mutual Fund?

What Is a Mutual Fund?

A mutual fund consists of a pool of different types of investments purchased with sums of money contributed by investors. Investments in a mutual fund may include equity securities of small-, mid- or large-capitalization Canadian or foreign corporations, bonds issued by Canadian governments or Canadian corporations as well as foreign issuers, Treasury bills, debentures, cash or cash equivalents.

Some mutual funds invest in corporations engaged in specialized areas such as science or technology, or in certain areas of the world such as the United States, Europe, Australasia or the Far East. The precise nature of a particular mutual fund’s investments depends upon its stated investment objective.

Mutual funds seek to preserve capital and, if possible, increase the value of your investment and to earn income through dividends or interest payments. Your investment in a mutual fund is not guaranteed. Unlike bank accounts or GICs, mutual fund units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Details of the investment objectives of the Desjardins Funds offered under this Simplified Prospectus are set out in the second part of this document (Part B) along with the types of investments they pursue to try and achieve those objectives.

What Affects the Price of Units in a Mutual Fund?

The value of a mutual fund’s investments will change from day to day, reflecting, in particular, fluctuations in the value of the portfolio, operating expenses, changes in interest rates, economic conditions, and market and company news. Accordingly, the value of a mutual fund’s portfolio may go up and down and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it. There is no guarantee that you will receive the full amount of your investment. You will find the net asset value per unit of a mutual fund through electronic sources such as our Website – www.desjardinsfunds.com.

Why Invest in a Mutual Fund?

The benefits of investing in mutual funds include the following:

Choice — Various types of portfolios with different investment objectives and investment styles are available for purchase under various options to satisfy investors’ needs.

Professional Management — Experts with the requisite knowledge and resources are hired to manage mutual fund portfolios.

Diversification — Mutual funds invest in a wide variety of securities and industries and sometimes in different countries. This leads to reduced risk exposure and helps to achieve capital appreciation.

Liquidity — Investors are generally able to redeem their investments at any time. Under exceptional circumstances, a mutual fund may suspend the redemption of its units. See “Purchases, Redemptions and Switches” on page 6 for details of the circumstances under which this may occur.

Administration — Record-keeping, safekeeping of assets, reporting to investors, income tax information and the reinvestment of distributions are among the administrative matters that are handled, or arranged for, by the mutual fund manager.

Are There Any Costs?

A number of expenses may be involved in buying and owning units of a mutual fund. First, there are costs paid directly by investors when they buy certain units of a mutual fund. Then there are expenses paid by the mutual fund itself. For example, there are management fees, brokerage commissions, audit and legal costs, and other operating expenses. Even though the mutual fund and not the investor pays these costs, they will reduce an investor’s return. See the section “Fees and Expenses” on page 10 for more details about the costs of Desjardins Funds.

What the Mutual Fund Pays

Mutual fund managers make their money by charging a management fee. Usually, this is a percentage of the net assets of the mutual fund. Managers collect it directly from the mutual fund itself, not from individual investors. The managers use the management fee to pay expenses like employee salaries, research costs and promotional expenses.

There are also a number of other expenses involved in running a mutual fund. For example, the manager of a mutual fund needs to value all of its investments every day and determine the appropriate price to process the day’s orders to buy and redeem units of a mutual fund.

There are also brokerage commissions, legal fees, regulatory filing fees, auditing charges and taxes. Again, these costs are collected directly from the mutual fund, not from individual investors. These costs are called operating expenses.

When you add together the management fees and operating expenses, you get a mutual fund’s total expenses. There are strict regulations for determining which expenses to include in the calculation. When you divide these total expenses by the mutual fund’s net asset value you get the mutual fund’s *management expense ratio*.

How Do You Know if Mutual Funds Are Right for You?

One of the real strengths of mutual funds is that they offer many choices that can be matched to your goals. They range from the extremely conservative to the most speculative. Your investment professional should be able to help you make the important decisions about which mutual funds suit you best.

What Are the Risks of Investing in a Mutual Fund?

Asset-Backed Securities and Mortgage-Backed Securities Risk

Asset-backed securities are fixed-income instruments backed by a portfolio of personal and commercial loans. Mortgage-backed securities are fixed-income instruments backed by a portfolio of residential and commercial mortgages. These loans and mortgages are respectively the underlying assets of the asset-backed and mortgage-backed securities. A decline in the value or in the liquidity of the underlying assets or in the credit rating of the security may negatively affect the price of the security.

Capital Erosion Risk

Some of the Funds and T-Class units of Funds are designed to distribute a fixed cash flow to investors. In periods of declining markets or increases in interest rates, such a Fund's net asset value would likely drop in line with the market conditions. A decline in the net asset value may force the Manager to reduce the distribution amount in accordance with the long-term growth outlook of the Fund's asset classes. In situations where a Fund's distributions for a period exceed the Fund's net income and net realized capital gains for that period, the distribution will constitute, in whole or in part, a return of capital. Returns of capital will reduce the net asset value of the Fund, which could diminish the Fund's ability to generate future income.

Class Risk

For a mutual fund which offers more than one class of units for sale, if the assets referable to a particular class are insufficient to pay the liabilities of such class, there is a risk that the other class or classes of units of the fund will be liable for such liabilities.

Concentration Risk

If a Fund's holdings in one issuer exceed 10% of the Fund's assets, it is possible that the Fund could experience reduced liquidity and diversification. Additionally, if a Fund holds significant investments in a few issuers, changes in the value of the securities of those issuers may increase the volatility of the net asset value of the Fund.

Credit Risk

A mutual fund can lose money if the issuer of a bond or other fixed-income security cannot pay interest or repay principal when it is due. This risk is higher if the fixed-income security has a low credit rating or no rating at all. Fixed-income securities with a low credit rating usually offer a better return than securities with a high credit rating, but they also have the potential for substantial loss. These are known as high-yield securities.

Currency Risk

Mutual funds that buy and sell securities in currencies other than the Canadian dollar can lose money when the Canadian dollar rises compared with the foreign currency. Here's how. To buy a security, the mutual fund will convert its Canadian dollars to the foreign currency. When the mutual fund sells the security, it will convert the foreign currency back into Canadian dollars. If the Canadian dollar has risen in the meantime, the investment will be worth less in Canadian dollars when it is sold.

This can affect the day-to-day value of a mutual fund, especially if it holds a lot of foreign investments. Of course, these kinds of investments have the potential to make money on exchange rates as well.

Derivatives Risk

Securities legislation sets limits on the amount and types of derivative instruments that mutual funds can hold. Generally, this depends on whether the derivative is being used for hedging purposes (to mitigate market or portfolio risk) or for non-hedging purposes (to enhance returns). Either way, derivatives involve risk as mentioned below.

Non-Hedging Strategies

Although derivatives used for non-hedging purposes may offer the potential for increased returns, they also expose a mutual fund to risk. In addition to the risks described hereafter, there is the risk that the underlying security or investment on which the derivative is based, and the derivative itself, may not perform the way the managers expect. If this happens, a mutual fund may lose money on its investments, which may cause increased volatility.

Hedging Strategies

A currency hedging strategy may be used by a mutual fund in an effort to reduce the overall risk of currency fluctuations, but there can be no assurance that a mutual fund's hedging transactions will be effective. There may be an imperfect historical correlation between changes in the market value of the investment or attribute of the investment (including currency risk) being hedged and the instrument with which the investment or attribute is hedged, and any historical correlation may not continue for the period during which the hedge is in place. Hedging against a decline in the value of a currency does not eliminate fluctuations in the prices of portfolio securities or prevent losses if the prices of such securities decline. It may also preclude the opportunity for gain if the value of the hedged currency should rise. Moreover, it may not be possible for a mutual fund to hedge against generally anticipated devaluations as the mutual fund may not be able to contract to sell the currency at a price above the devaluation level generally anticipated.

Options, Futures and Forward Contracts

In the case of options, whether exchange traded or traded over-the-counter (OTC), and futures and forward contracts, there can be no assurance that a liquid exchange or OTC market will exist to permit a mutual fund to realize its profits or limit its losses by closing out positions. A mutual fund is subject to the credit risk that its counterpart (whether a clearing corporation in the case of exchange traded instruments, or another third party in the case of OTC-traded instruments) may be unable to meet its obligations. In addition, there is the risk of loss by a mutual fund of margin deposits in the event of bankruptcy of a dealer with whom the mutual fund has an open position in an option or futures or forward contract. Derivative instruments traded in foreign markets may offer less liquidity and greater credit risk than comparable instruments traded in North American markets.

The ability of a mutual fund to close out its positions may also be affected by exchange-imposed daily trading limits on options and futures contracts. If a mutual fund is unable to close out a position, it will be unable to realize its profits or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward contracts could also have an adverse impact on a mutual fund's ability to use derivative instruments to effectively hedge its portfolio or implement its investment strategy.

Stock or bond index options and futures contracts present the additional risk that index prices may be distorted if trading of certain stocks or bonds included in the index is interrupted. Trading in these derivative instruments may also be interrupted if trading is halted in a substantial number of stocks or bonds included in the index. If this occurred, a mutual fund would not be able to close out its options and futures positions, and if restrictions on the exercise of the options or performance of the futures contracts were imposed, a mutual fund might experience losses.

Emerging Markets Risk

Funds that invest in emerging or developing markets are subject to the same risks as noted hereafter under "Foreign Securities Risk" but emerging markets are generally more unstable than more developed markets. Because of the instability, prices may fluctuate more dramatically than in other more developed countries. In addition, securities markets in less developed countries may have lower trading volumes and so it may be more difficult to sell securities.

Foreign Securities Risk

Mutual funds that invest in foreign securities are influenced by world economic factors and will be affected favourably or unfavourably by changes in currency rates or other exchange control regulations. There may be less publicly available information about a foreign company as foreign companies are not generally subject to uniform accounting, auditing and financial reporting standards comparable to those imposed upon Canadian companies. Volume, liquidity and some foreign stock and bond markets may make a sale more difficult than in Canada and price volatility may be greater. There is generally less government supervision and regulation of stock exchanges, listed companies and investment dealers than in North America. In certain foreign countries, there is the possibility of expropriation of assets, confiscatory taxation, political or social instability or diplomatic developments that could affect investments in those countries.

High-Yield Bond Risk

High-yield bonds are subject to greater risk of loss of principal and income than higher-rated fixed-income securities and are considered to be less certain with respect to the issuer's capacity to pay interest and repay principal.

An economic downtrend could adversely impact issuers' ability to pay interest and repay principal and could result in issuers defaulting on such payments. In addition, the value of lower rated or non-rated corporate income securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower-rated or unrated income securities may decline in market value due to investors' heightened concerns and perceptions over credit quality.

Lower-rated and non-rated corporate bonds and notes are traded principally by dealers in the over-the-counter market. The market for these securities may be less active and less liquid than for higher rated securities. Under adverse market or economic conditions, the secondary market for these bonds and notes could contract further, causing difficulties in valuing and selling such securities.

Income Trust Risk

Income trusts generally hold debt and/or equity securities of an underlying active business or are entitled to receive a royalty on revenues generated by such business.

Returns on income trusts are neither fixed nor guaranteed. Returns will vary based on the performance of the underlying assets of the income trust.

Risks related to specific income trusts will vary depending upon the business or sector in which the income trust invests. For example, oil and gas and other commodity-based royalty trusts, real estate trusts and pipeline and power trusts will have varying degrees of risk related to their sector and the underlying asset or business. These may include business developments such as deciding to expand into a new type of business, entering into a favourable supply contract, the cancellation by a major customer of its contract or significant litigation.

Trust units are typically more volatile than bonds (corporate and government) and preferred shares.

It is possible, if claims against an income trust are not satisfied by that trust, that investors, including a mutual fund investing in such a trust, could be held responsible for such obligations.

Changes regarding the taxation of income trusts have been enacted and, generally, apply as of 2011. These rules are such that certain income trusts are now subject to tax on certain income.

Interest Rates Risk

In the case of fixed-income funds, bonds generally fluctuate in value with the level of interest rates prevailing at any time in the economy. In general, there is an inverse relationship between interest rate levels and the price of bonds. When interest rates rise, bond prices will decline. In such a case, the value of the units you hold in a bond fund is likely to decrease. Conversely, when interest rates decline, bond prices will likely rise. The value of the units you hold in a bond fund is then likely to increase. Moreover, the longer the average maturity of a bond fund, the more sensitive the value of its units will be to a given change in interest rate levels.

Large Transactions Risk

A significant portion of the units of a Fund may be held by a securityholder, including other mutual funds managed by us or others and financial institutions, including members of the Desjardins Group, in connection with the offering of principal protected products linked to the performance of the Fund. There is the risk that such securityholder may purchase or redeem a substantial number of units relatively frequently in a short period of time, which may make the execution of the Fund's investment strategy difficult and thereby negatively affect its investment performance. The Fund may need to purchase or sell significant investments for or from its portfolio at prices less advantageous than might be obtained in respect of purchases or sales of lesser amounts of portfolio investments. The operating expenses charged to the Fund could also be higher in result of these transactions. These various events could negatively affect the Fund. In addition, in the event a significant unitholder redeems a part or all of his holdings in a Fund, this Fund may have to realize capital gains.

Liquidity Risk

Investors often describe the speed with which an asset can be sold and changed into cash as its liquidity. Most of the securities owned by a mutual fund can usually be sold promptly at a fair price and can be described as relatively liquid. But a mutual fund may also invest in illiquid securities, which means they can't be sold quickly or easily. Some securities are illiquid because of legal restrictions, the nature of the investment itself, settlement terms, or other reasons. Sometimes, there may simply be a shortage of buyers. A mutual fund that has trouble selling a security can lose money or incur extra costs.

Market Risk

Market risk is the risk of investing in the equity and fixed-income markets. The market value of a mutual fund's investments will rise and fall based on specific company developments and broader equity or fixed-income market. Market value may also vary with changes in the general economic, and financial and political conditions in countries where the investments are based and the company or issuer operates.

Repurchase and Reverse Repurchase Transaction Risk

Sometimes mutual funds enter into what are called repurchase and reverse repurchase transactions. In a repurchase transaction, a mutual fund sells a security that it owns to a third party for cash and agrees to buy the same security back from the same party at a given price on an agreed future date. The mutual fund's fee will be to keep some of the yield generated by investing the cash received in consideration for the security that it sold. Where a mutual fund enters into a reverse repurchase transaction it buys a security at one price and agrees to sell the same security back to the same party at a given price on an agreed future date. The mutual fund's fee will be to keep some of the yield generated by the security that it purchased.

To engage in repurchase and reverse repurchase transactions the Manager of the Funds appoints a qualified agent under a written agreement between the Manager and agent, which addresses, among other requirements, the responsibility for administration and supervision of the repurchase and reverse repurchase transaction program.

The danger is that the other party may default on the agreement or go bankrupt. In a repurchase transaction, the mutual fund would be left holding the cash and collateral received in return for the security it sold. The value of the cash and collateral held by the mutual fund might be less than the value of the security sold. In a reverse repurchase transaction, the mutual fund would be left holding the security purchased by it. The mutual fund may not be able to sell the security at the same price it paid for it, plus interest, if the market value of the security has dropped in the meantime.

The Manager reduces these risks by requiring the other party to provide collateral to the Fund. The value of the collateral has to be at least 102% of the market value of the security sold by the Fund in a repurchase transaction or of the cash paid by the Fund for the securities purchased by it in a reverse repurchase agreement. The value of the collateral is checked and reset daily. These risks are also reduced by checking the credit of the other party and dealing only with parties who appear to have the resources and financial strength to live up to the terms of the repurchase agreement. Repurchase transactions, together with securities lending transactions, are limited to 50% of a Fund's assets.

For more details on repurchase and reverse repurchase transactions and associated risks, see, "Securities Lending, Repurchase and Reverse Repurchase Transactions" in the Annual Information Form of the Funds.

Securities Lending Risk

In a securities lending transaction, mutual funds lend the securities they hold for a period of time that may or may not be set in exchange for collateral and for fees pursuant to the terms and conditions of a pre-established agreement. Collateral can include cash, qualified securities or securities that can be immediately converted into the securities that are on loan.

To engage in securities lending, the Manager will appoint a qualified agent under a written agreement between the Manager and the agent, which addresses, among other requirements, the responsibility for administration and supervision of the securities lending program.

There is a risk that the other party to the transaction may not live up to its obligations under the transaction, leaving the mutual fund holding collateral which could be worth less than the loaned securities if the value of the loaned securities increases relative to the value of the cash or other collateral, resulting in a loss to the mutual fund.

To limit this risk:

- (i) a Fund must hold collateral equal to no less than 102% of the market value of the loaned securities (where the amount of collateral is adjusted each trading day to make sure that the value of the collateral does not go below the 102% minimum level);
- (ii) the collateral held may consist of cash, qualified securities or securities that can be immediately converted into identical securities to those that are on loan; and
- (iii) a Fund cannot loan more than 50% of the total value of its assets (not including the collateral held by the Fund) through securities lending transactions and repurchase transactions.

For more information on securities lending activities and associated risks, see "Securities Lending, Repurchase and Reverse Repurchase Transactions" in the Annual Information Form of the Funds.

Short Selling Risk

Short selling involves transactions whereby a mutual fund borrows securities from a lender to sell them on the market. Short selling exposes the mutual fund to certain risks. There is no guarantee that the value of the securities borrowed and sold short will sufficiently decrease during the period that the securities are sold short to offset the interest paid to the lender by the fund and to make a profit. Instead, the value of the securities borrowed could increase. In addition, if there is no liquid market for borrowed securities, the fund could have difficulty buying the securities it has borrowed and sold short to return them to the lender. Also, the lender from whom the fund borrowed the securities could go bankrupt and the fund could lose the collateral deposited with the lender. Strict limits and controls will be followed by a Fund which engages in short selling in order to manage the risks associated with short selling. More specifically, the Fund will short sell only liquid securities of issuers having a large market capitalization and will deposit collateral only with lenders that meet certain creditworthiness criteria. A Fund which engages in short selling will limit its short sale exposure to a maximum percentage of its assets.

Smaller Companies Risk

Investments in equity securities of smaller, less established companies may involve greater risks than investments in larger, more established companies. Smaller companies may have more limited markets and financial resources and their securities may be more sensitive to market changes.

Specialized Markets Risk

Mutual funds that invest in specialized segments of the marketplace (e.g. specific region, sector or industry) could experience greater volatility than mutual funds with more broadly diversified investment portfolios. The value of the investment portfolios held by such mutual funds could fluctuate substantially over a short period of time, resulting in comparable fluctuations in the unit value of the mutual funds. These funds must continue to follow their investment objectives by investing in their particular segment even during periods when this particular segment is performing poorly.

Specific Issuer Risk

The value of all securities will vary positively and negatively with developments within the specific companies or governments which issue the securities.

Tax Policy Risk

All mutual funds may be affected by changes in the tax legislation that affect the entities in which the funds invest or in the taxation of mutual funds.

Additional Risks

Any additional risks specifically related to certain Desjardins Funds are set out in the specific information about each of the Funds in Part B of this Simplified Prospectus.

Under exceptional circumstances a Fund may suspend redemptions. See page 8 for details.

Organization and Management of Desjardins Funds

<p>Manager, Promoter, Registrar and Transfer Agent: Fédération des caisses Desjardins du Québec (the “Federation” or the “Manager”) Desjardins Funds Customer Service 2 Complexe Desjardins P.O. Box 9000, Desjardins Station Montréal, Québec H5B 1H5</p>	<p>The Federation has been hired by Desjardins Trust under an agreement to manage the overall business and operations of the Funds on behalf of Desjardins Trust.</p> <p>The Manager keeps the records for each of the Funds and acts as transfer agent.</p> <p>The Funds’ records are kept in the offices of the Manager.</p>
<p>Portfolio Advisor: Desjardins Global Asset Management Inc. Montréal, Québec</p> <p>Portfolio Subadvisors: Aberdeen Asset Management Inc. (“Aberdeen”) Aberdeen, Scotland, UK Sanford C. Bernstein & Co., LLC (“Bernstein”) New York, USA Baillie Gifford Overseas Limited (“Baillie Gifford”) Edinburgh, Scotland, UK CBRE Global Real Estate Securities LLC (“CBRE”) Baltimore, USA EPOCH Investment Partners, Inc. (« EPOCH ») New York, USA Fiera Sceptre Inc. Montréal, Québec GlobeFlex Capital, L.P. (“GlobeFlex”) San Diego, USA Jarislowsky Fraser Limited Montréal, Québec Lazard Asset Management LLC (“Lazard”) New York, USA LSV Asset Management (“LSV”) Chicago, USA Picton Mahoney Asset Management Toronto, Ontario SINOPIA Asset Management S.A. (“SINOPIA”) Paris, France Tetrem Capital Management Ltd. Winnipeg, Manitoba Wellington Management Company, LLP (“Wellington”) Boston, USA</p>	<p>Desjardins Global Asset Management Inc., a wholly-owned subsidiary of the Manager, is responsible for providing investment management services to the Desjardins Funds.</p> <p>Desjardins Global Asset Management Inc. is also responsible for retaining Portfolio Subadvisors and has retained the services of the noted Portfolio Subadvisors.</p> <p>Aberdeen, Bernstein, EPOCH, GlobeFlex, LSV and Wellington are non-resident companies of Canada and Desjardins Global Asset Management Inc. is liable for any advice provided by them to the Funds. Such liability cannot be waived by Desjardins Global Asset Management Inc. or Desjardins Trust.</p> <p>Baillie Gifford, CBRE, Lazard and SINOPIA are non-resident companies of Canada and provide advice in reliance on an exemption from the registration requirement. Desjardins Global Asset Management Inc. is liable for any advice provided by Baillie Gifford, CBRE, Lazard and SINOPIA to the Funds. Such liability cannot be waived by Desjardins Global Asset Management Inc. or Desjardins Trust.</p> <p>There may be difficulty in enforcing any legal rights against non-resident Portfolio Subadvisors because they reside outside Canada and all or a substantial part of their assets are situated outside Canada.</p>
<p>Trustee and Custodian: Desjardins Trust Inc. (“Desjardins Trust” or the “Trustee”) Montréal, Québec</p>	<p>In its capacity as Trustee of the Funds, Desjardins Trust, a wholly-owned subsidiary of the Manager, holds title to the assets of each of the Funds on behalf of unitholders.</p> <p>As custodian, Desjardins Trust is responsible for the physical custodianship of the securities in the Funds’ portfolios, on behalf of the Funds.</p>
<p>Auditors: PricewaterhouseCoopers, LLP Montréal, Québec</p>	<p>The Auditors audit the Financial Statements of the Funds, in accordance with generally accepted auditing standards in Canada, to ensure that the Financial Statements present fairly in all material respects the Funds’ financial position as well as their investment portfolio, the results of their operations, the changes in their net assets and their cash flows.</p> <p>Unitholders will be sent a written notice at least 60 days before the effective date of any change in Auditor of the Funds.</p>

Organization and Management of Desjardins Funds (continued)

Independent Review Committee

In accordance with Regulation 81-107 (known as National Instrument 81-107 outside Québec), the Manager has appointed an independent review committee (IRC).

The IRC reviews conflict of interest matters related to the operations of the Funds. Subject to the satisfaction of certain regulatory requirements, a Fund may be reorganized with or its assets transferred to another mutual fund managed by the Manager or an affiliate, provided that the IRC has approved the transaction and that unitholders are sent a written notice at least 60 days before the effective date.

The IRC is composed of persons who are independent of the Manager, the Funds and entities related to the Manager.

The IRC will prepare at least annually a report of its activities for unitholders which will be available on the Funds' website at www.desjardinsfunds.com, or at a unitholder's request at no cost by contacting the Manager at info@desjardins.com.

Additional information about the IRC, including the names of its members, is available in the Funds' Annual Information Form.

Certain Funds may achieve their investment objectives by investing in other mutual funds, including other Desjardins Funds. The securities held in other Desjardins Funds will not be voted by the Manager. The Manager may, if it determines it to be practicable, arrange for the securities of the underlying mutual fund to be voted by the beneficial holders of such securities, but the Manager is not obliged to do so.

Purchases, Redemptions and Switches

In Québec and Ontario, securities of the Desjardins Funds described in this Simplified Prospectus may be purchased, redeemed (sold) or switched (exchanged) in person, by telephone or by mail through:

- your Québec or Ontario Desjardins caisse: 1 800 CAISSES (1 800 224-7737)
- for redemptions only and for non-resident Canadians – Desjardins Funds Customer Service: 514 286-3499 or 1 866 666-1280
- Desjardins On Line Solutions – Accès D: 514 JACCESD (522-2373) or 1 800 CAISSES (1 800 224-7737)

In addition, in any jurisdiction in Canada where a receipt has been obtained from the securities regulatory authorities, securities of the Desjardins Funds may be purchased, redeemed (sold) or transferred (exchanged) through duly registered securities dealers and their representatives.

Any written order must include your name and address, the name of the Fund and the number of securities or value of the transaction. You must sign the order and return it to your point of business.

For more information, contact your Desjardins representative.

Any decision to refuse a purchase, redemption (sale) or switch (exchange) order shall be taken promptly and no later than the business day following its receipt. You will not receive certificates for units that you hold.

When you purchase securities of a Fund you are buying units of an open-ended mutual fund trust. The units are offered in the following classes, all of which are referable to the same portfolio of assets of the applicable Fund:

A-Class units*	Offered to all investors.
I-Class units	Offered to large investors who make a required minimum investment determined by the Manager from time to time. Pay a reduced management fee, which is negotiated directly with each investor.
T-Class units	Offered to investors who wish to have additional tax advantaged income to complement their income from other sources. Not eligible for purchase by registered plans. Offer a monthly cash distribution which consists of net income and/or a non-taxable return of capital. The distribution amount is not guaranteed and may be adjusted by the Manager in accordance with long-term market conditions. A return of capital reduces the value of your original investment and is not the same as the return on your investment. Returns of capital that are not reinvested may reduce the net asset value of the Fund and the Fund's subsequent ability to generate income.

* Where a Fund's units are not designated as a particular class, that Fund's units are the same as A-Class units.

These Classes and other Classes of units of a Fund may be offered by the Funds under separate simplified prospectuses, confidential offering memoranda or otherwise.

Purchases

You pay no commission to purchase units of any of the Funds. Reference is made to "Fees and Expenses" on page 10 for more details.

If your purchase order is received by the Manager before 12:00 p.m. (Montréal time) on a business day, if the offices of the Manager in Québec are open for business on such day, you will pay the price set on that day or, if it is received after 12:00 p.m. the price set on the next business day, provided the Manager receives all necessary forms properly completed within three business days (one business day in the case of the Desjardins Money Market Fund) of receipt of your order.

A-Class units of Desjardins Capital Yield Bond Fund may currently only be purchased through the Chorus Portfolio service and are exclusively for non-registered accounts. Desjardins Capital Yield Bond Fund may be offered to other types of non-registered accounts at the option of the Manager without notice at any time.

The following table sets out applicable minimum amounts for purchases and account balances. These minimum amounts may be changed by the Manager at any time without notice.

Minimum Purchase Amounts and Minimum Balance

	Initial Minimum Purchase Amount		Subsequent Minimum Purchase Amount		Minimum Account Balance
	Lump-sum Investment ⁽¹⁾	Investment by Preauthorized Payment Plan Contribution ⁽²⁾	Lump-sum Investment ⁽²⁾	Investment by Preauthorized Payment Plan Contribution ⁽²⁾	
Stand alone Funds	\$1,000 (invested in one or more Funds)	No prior investment required. Investors may immediately establish a Preauthorized Payment Plan with an investment of \$25 per purchase, including \$15 per Fund	\$25 per purchase, including \$15 per Fund	\$25 per purchase including \$15 per Fund	\$1,000 at any time one year after the account is opened ⁽³⁾
Diapason Portfolio	\$1,000 in the Portfolio	No prior investment required. Investors may immediately establish a Preauthorized Payment Plan with an investment of \$25 per purchase (except for RESPs: \$100 per purchase)	\$25 per purchase (except for RESPs: \$100 per purchase)	\$25 per purchase (except RESPs: \$100 per purchase)	According to the Investor Agreement
SocieTerra Portfolios	\$500 in the Portfolio	No prior investment required. Investors may immediately establish a Preauthorized Payment Plan with an investment of \$25 per purchase	\$25 per purchase	\$25 per purchase	\$1,000 at any time one year after the account is opened ⁽³⁾
Diapason Portfolio – T-Class Income or Customized Income	\$25,000 in the Portfolio	N/A	\$25 per purchase	\$25 per purchase	According to the Investor Agreement
Chorus Portfolio ⁽⁴⁾	\$100,000 in the Portfolio	Investors may immediately establish a Preauthorized Payment Plan provided that the minimum threshold of \$100,000 is reached within the year following the sign-up date.	\$25 per purchase	\$25 per purchase	According to the Investor Agreement
Chorus Portfolio ⁽⁴⁾ – T-Class Income or Customized Income	\$100,000 in the Portfolio	N/A			

(1) Applicable to non-registered accounts, RRSPs, RESPs, RRIFFs, TFSAs, LIRAs, LIFs. No minimum for group plans.

(2) Applicable to non-registered accounts, RRSPs and RESPs.

(3) Applicable to non-registered accounts, RRSPs, RRIFFs, TFSAs, LIRAs, LIFs. No minimum balance is required to be maintained for RESPs and group plans.

(4) Not available for RESPs and group plans.

T-Class units of the Funds are not eligible for registered plans.

If all necessary documents properly completed together with the purchase price are not received by the Manager within three business days, the Fund shall sell the same number of units originally bought by you on the fourth business day (the second business day in the case of the Desjardins Money Market Fund) after the date of purchase or on the day on which the Manager first learns that the method of payment will not be honoured. Any deficiency resulting from the offsetting or sale will be paid by the Manager, which shall be entitled to collect that deficiency plus all costs related to the account with a financial institution from your dealer who placed the order. Your dealer may be entitled to recover any losses where a trade is not settled for a reason attributable to you. Any net surplus resulting from the offsetting transaction will be retained by the Fund. The Manager reserves the right to refuse a purchase order of units of a Fund made by a person who has requested a redemption in that Fund within the 90-day period preceding the date of the purchase order.

Redemptions

You may at any time request the redemption of all or part of the units you hold in a Fund. The value you obtain from the redemption of your units will be determined as of the day of your request if it is made before 12:00 p.m. After that time, your request will be executed at the net asset value per unit determined on the following valuation day.

The Manager will pay the sale proceeds to you less any applicable fees within three business days of the date the sale price was determined, provided all necessary documentation is received by the Manager with your redemption order.

If the Manager does not receive properly completed documentation with your redemption order, the proceeds of redemption will be paid within three business days (or any other period of time as may be specified under securities legislation) following receipt by the Manager of all redemption documentation properly completed or its decision to waive the requirement for properly completed documentation.

If such documentation, properly completed, has not been received by the Manager or the requirement waived by the close of business on the 10th business day (or any other period of time as may be prescribed by securities legislation) following the redemption date, the Fund will be deemed to have accepted an order for the purchase of a number of units of the Fund equivalent to that redeemed. The redemption proceeds shall be applied to the payment of the purchase price of the replacement units. Any deficiency resulting from the offsetting purchase will be paid by the Manager, which is entitled to collect that deficiency plus all bank charges from you or your dealer who placed the redemption order. Your dealer may be entitled to recover any losses suffered resulting from a failed settlement caused by you. Any net surplus resulting from the transaction will be retained by the Fund.

The Manager may, on your behalf at any time more than one year after your account is opened, request a redemption of units if your account balance is less than \$1,000. In such a case, you will receive the redemption price determined on the next evaluation following the request for redemption made by the Manager on your behalf. This minimum account balance may be changed by the Manager at any time.

Suspension of Redemptions

The Manager may suspend the redemption of units of a Fund or delay the payment of the redemption price (i) during any period when normal trading is suspended on the Toronto Stock Exchange or on any other stock exchange, options exchange or futures exchange on which securities are listed and traded, or on which specified derivatives are traded which represent more than 50% by value or underlying market exposure of the total assets of the Fund, without allowance for liabilities and if those securities or specified derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund; or (ii) with the consent of any securities commission or regulatory body having jurisdiction. The Manager will seek the consent of any securities commission or regulatory authority having jurisdiction to suspend the redemption of units of a Fund during any period when the redemption of securities in an underlying fund is suspended. During any period of suspension, no calculation of the net asset value per unit will be made and a Fund will not be permitted to issue further units or redeem any units previously issued.

Short-Term Trading

Mutual funds are considered long-term investments and, accordingly, we discourage investors in our Funds from short-term trading. Such trading generates significant costs for a Fund, which can reduce returns, thereby affecting all unitholders. We may charge you a short-term trading fee of up to 2% of the total amount you redeem, if you redeem or switch your units within 90 business days of buying them. The short-term trading fee is added to the other fees to which you would otherwise be subject to under this simplified prospectus. See the heading "Fees and Expenses" for details on fees and expenses payable by you. We may also refuse to accept further purchase orders from you.

Subject to the following, we have adopted policies and procedures to monitor, identify and deter short-term trading. When the Fund is used as underlying product for other investment vehicles, for example in the case of funds of funds or principal protected products, its units may be subject to short-term trading. These transactions are however, governed by terms and conditions agreed to in advance by us and the investor, with the objective of reducing short-term trading risks. As a result such transactions are not considered short-term trading and are not subject to the policies described in the preceding paragraph.

The limitations on short-term trading, including short-term trading fee, are usually not applicable to the following redemptions and switches: related to money market funds and similar funds; made by us; in special circumstances as specified by us at our sole discretion; or under optional programs, including rebalancing between funds and systematic withdrawal plans. If applicable, the annual information form of the Funds describes any arrangement (formal or not) made by an individual or a legal entity for authorizing short-term trading on units of the Funds.

While the Desjardins Group seeks to monitor, identify and deter excessive or short-term transactions, we cannot ensure that such activities will be entirely eliminated.

Switches

Switches are made by redeeming units in a Fund and using proceeds resulting from the redemption to purchase new units in another Fund. The switch of units may give rise to a capital gain or loss for tax purposes. An investor may re-classify A-Class, T-Class or I-Class units of a Fund as another class of units of the same Fund, subject to meeting the eligibility requirements for holding the other class of units. A re-classification will not give rise to a capital gain or capital loss for tax purposes. The Manager may limit the number of switches or re-classifications which an investor is permitted to make in each year.

Switching Funds to speculate on changes in the financial markets is not advised. Excessive switches can negatively affect the performance of the Funds and affect the value of units held by other investors. The Manager has therefore adopted the following rules to limit switches:

- An investor may not make more than ten Fund switches during any 12-month period. The Manager reserves the right to refuse any request that would exceed this number; and
- The minimum amount for a switch from one Fund to another is \$500. If on the date a switch is requested, an investor holds units in a Fund valued at less than \$500, the investor is deemed to have requested the redemption of all units that he holds in that Fund.

Orders to switch with respect to unpaid units may not be accepted.

Where a request for switches has been rejected, the Manager will not be bound to redeem the Fund units which were the object of the request unless the investor has given specific instructions in such event, despite the rejection of the switch request.

Other Considerations

You will be provided with a statement at least once each year providing detailed information concerning all transactions made in your account.

See "Fees and Expenses" on page 10 for details of the fees payable by the Funds and by yourself when you purchase, redeem and switch your units as well as other related costs. Details of compensation paid to dealers as well as information in connection with our sales practices are provided on page 12 under "Dealer Compensation".

Optional Services

You may set up any of the following plans by completing an application form which may be obtained from the Manager or your dealer. See "Fees and Expenses" on page 10 for a summary of the fees payable.

Preauthorized Payment Plan

This program permits the purchase of units through automatic periodic deductions of a fixed dollar amount from your account with a financial institution. Simply sign the power of attorney form authorizing the Manager to withdraw, from your account with a bank, Caisse Desjardins or any other financial institution, the amount you wish to invest.

Payment may be made as often as you like, be it weekly, every two weeks, monthly, bi-monthly, quarterly, semi-annually or annually on any given business day of a month selected by you. You may change the dollar amount of your investment, the frequency of payment or discontinue the service altogether by giving 10 days' prior written notice to your advisor. For information about the minimum purchase amounts, see the table on page 7 under "Purchases".

Periodic Withdrawal Plan

All RRIF and LIF holders may request that their withdrawals be automatically deposited into their account with any financial institution in Canada by direct deposit.

Systematic Withdrawal Plan

This program allows you to receive regular fixed dollar payments through the systematic periodic redemption of units of one or more Funds. Payment will be deposited directly into your account with a financial institution if instructions are given to that effect. The minimum total value per investor account or Diapason or Chorus or SocieTerra Portfolios must be \$10,000 to establish the plan and the minimum individual withdrawal is \$100 per Fund or Diapason or Chorus or SocieTerra Portfolios. For RRIF and LRF accounts, the minimum amounts required under the *Income Tax Act* prevail.

Withdrawals may be made monthly, bi-monthly, quarterly, semi-annually or annually on any day of a month selected by you. You may change the dollar amount of your withdrawal, the frequency of the withdrawal or discontinue the plan by giving 10 days' prior written notice to your advisor.

This program is available for non-registered accounts as well as for the following registered accounts: RRSP, RIF and LIF.

Automatic Switch Plan

The automatic switch plan allows you to make automatic switches from one Fund to another. They are essentially predetermined switches which allow you to systematically invest in the stock market, stagger your purchase or re-balance your portfolio. For example, an investment of \$2,000 in the Desjardins Money Market Fund could be divided into four monthly switches of \$500 into the Desjardins Canadian Equity Fund. The required minimum amount is set out under "Switches".

Automatic Rebalancing - Investment Solutions

The Desjardins Funds offer three portfolio rebalancing services which enable investment in a variety of asset classes while ensuring optimal diversification and appropriate portfolio risk. For the Diapason, Chorus and SocieTerra Portfolios, your Desjardins investment professional will assist you in completing a questionnaire to determine what combination of assets is best suited to your needs. The Diapason and Chorus Portfolios provide for quarterly rebalancing to reflect your target allocation, within limits specified for the particular program, whereas the SocieTerra Portfolios provide the same advantages with daily rebalancing to the target allocation. You may revise your asset allocation as your circumstances change.

The Diapason, Chorus and SocieTerra Portfolios permit a margin of up to $\pm 2.5\%$, relative to your target allocation **for registered and non-registered accounts**. For the Diapason and Chorus Portfolios, a margin of up to $\pm 10\%$, relative to your target allocation is permitted for **non-registered T-Class Income Option accounts only**.

Diapason and Chorus Portfolios are governed by investor applications and agreements. These documents provide that new accounts must be opened in your name and not in the name of your dealer or advisor.

Management Fee Rebates

The Diapason, Chorus and SocieTerra Portfolios provide management fee rebates on a sliding scale related to assets under management. For the Diapason and Chorus Portfolios, the details are specified in the investor application and agreement. For the SocieTerra Portfolios the details are specified in a written notice available to all new SocieTerra investors. The Manager reserves the right to amend the conditions applicable to the management fee rebates, including the amount of those rebates, and to terminate same at any time.

For information about minimum purchase amounts, see the table on page 7 under "Purchases".

Registered Plans

When you purchase units of a Desjardins Fund, you may do so for your personal account or you may purchase them as part of the various registered plans, and in particular the following. T-Class units of the Funds are not eligible for registered plans. Units of the Desjardins Capital Yield Bond Fund are not eligible for registered plans.

Registered Retirement Savings Plan (RRSP)

You may purchase units of Desjardins Funds for an RRSP in order to benefit from the tax advantages associated with this plan. Contributions to your RRSP may be made by way of preauthorized payments, as previously described and by salary deductions in the case of a group RRSP.

Tax-Free Savings Account (TFSA)

Income earned in this registered savings account is tax-free and withdrawals from the account are not taxable. The TFSA is an additional tool to help you save money and reduce your taxes. All Canadian residents aged 18 and older with a Social Insurance Number can open a TFSA.

The age of majority is 19 for residents of Newfoundland and Labrador, New Brunswick, Nova Scotia, British Columbia, Northwest Territories, Yukon and Nunavut, which may delay the opening of a TFSA. However the accumulation of contribution room will start at age 18.

Registered Retirement Income Fund (RRIF)

The RRIF plan allows you to continue to defer the tax you pay on amounts accumulated in an RRSP. Amounts accumulated in this way may be invested in Desjardins Funds for the purpose of an RRIF.

Locked-in Retirement Account (LIRA)

The only amounts which may be held in a LIRA are those which are transferred to it directly from a registered pension plan (RPP) eligible for such transfers. The capital and interest are thus sheltered from tax until these amounts are converted into a life income fund or life annuity. These amounts may be invested in Desjardins Funds as long as they are not converted into a life annuity.

Life Income Fund (LIF)

To set up a LIF, you must sign an agreement to such effect with Desjardins Trust or another financial institution authorized for such purpose. Amounts which may be deposited in a LIF are lump sums from a registered pension plan (RPP) or a locked-in retirement account (LIRA) of which you are the beneficiary in order to make it grow and permit limited withdrawals until such amounts are fully converted into a life annuity. Amounts deposited in a LIF may be invested in Desjardins Funds as long as they are not converted into a life annuity.

Registered Education Savings Plan (RESP)

This plan allows you to set up capital for the benefit of a child which will allow him or her to pursue post-secondary studies. The income from this plan is not taxable as long as it remains in the plan and your contributions may be invested in the Funds. In addition, you may, under certain conditions, transfer income from the ESP to your RRSP without penalty.

Group Savings Plans

Some employers, unions or associations may offer Desjardins Funds as an investment option through a group RRSP, Simplified Pension Plan, Deferred Profit-Sharing Plan or other Group Savings Plans. There is no minimum initial purchase through a group plan. The minimum subsequent purchase is \$25 (with a minimum of \$15 per Fund) other than for payroll deductions and employer contribution for which there is no minimum. Contributions made through payroll deductions and employer contributions, if any, will be deposited in your account at the frequency set up by your employer, union or association.

However, the purchase and management of the investment is the responsibility of the plan member. The employer, the union or the association is not responsible for the performance of the investments. Therefore, you must make your own decisions to purchase units of the Funds based on your investor profile and information about the Funds. Your investment professional should be able to help you make these decisions.

Deferred Profit-Sharing Plan (DPSP)

A DPSP is a plan to which an employer contributes for an employee's benefit. Contributions are not taxed as employee income until withdrawn from the plan. The contributions reduce the amount you can pay into a RRSP in the following year. The amounts you accumulate in a DPSP can be invested in Desjardins Funds. However, the purchase and management of the investment is your responsibility. Your employer is not responsible for the performance of the investments. Therefore, you must make your own decisions to purchase units of the Funds based on your investor profile and information about the Funds. Your investment professional should be able to help you make these decisions.

Simplified Pension Plan (SPP)

As a defined contribution supplemental pension plan, the SPP predetermines the amount of contributions you and your employer will make. As a result, the income or annuity you will receive when you retire will depend on the total contributions made and on the return generated by your investments. Based on the total contributions deposited into your accounts, your employer will determine your pension adjustment (PA) which must be factored in when calculating the amounts you are allowed to contribute to individual or group RRSPs. The amounts accumulated in the SPP can be invested in Desjardins Funds. However, the purchase and management of the investment is your responsibility. The promoter of the plan is not responsible for the return on the investments. Therefore, you must make your own decisions to purchase units of the Funds based on your investor profile and information about the Funds. Your investment professional should be able to help you make these decisions.

Fees and Expenses

This table lists the fees and expenses that you may have to pay if you invest in the Funds. You may have to pay some of these fees and expenses directly. A Fund may have to pay some of these fees and expenses, which will therefore reduce the value

of your investment in the Fund. Unitholders will be sent a written notice at least 60 days before the effective date of any change that could result in an increase in charges to the Funds.

Fees and Expenses Payable by the Funds

Management Fees	The Manager receives management fees with respect to each Fund as follows:																																																								
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Desjardins Funds</th> <th style="text-align: right;">Management Fees %</th> </tr> </thead> <tbody> <tr><td>Money Market</td><td style="text-align: right;">1.00</td></tr> <tr><td>Short-Term Income (A- and I*-Class Units)</td><td style="text-align: right;">1.31</td></tr> <tr><td>Canadian Bond (A- and I*-Class Units)</td><td style="text-align: right;">1.33</td></tr> <tr><td>Enhanced Bond (A- and I*-Class Units)</td><td style="text-align: right;">1.44</td></tr> <tr><td>Capital Yield Bond (A- and I*-Class Units)</td><td style="text-align: right;">1.49</td></tr> <tr><td>Canadian Balanced (A- and I*-Class Units)</td><td style="text-align: right;">1.84</td></tr> <tr><td>Québec Balanced (A-, T- and I*-Class Units)</td><td style="text-align: right;">1.89</td></tr> <tr><td>Dividend Income (A-, T- and I*-Class Units)</td><td style="text-align: right;">1.75</td></tr> <tr><td>Dividend Growth (A-, T- and I*-Class Units)</td><td style="text-align: right;">1.87</td></tr> <tr><td>Canadian Equity Value (A-, T- and I*-Class Units)</td><td style="text-align: right;">2.11</td></tr> <tr><td>Canadian Equity Growth (A- and I*-Class Units)</td><td style="text-align: right;">1.89</td></tr> <tr><td>Environment (A- and I*-Class Units)</td><td style="text-align: right;">2.00</td></tr> <tr><td>Canadian Small Cap Equity (A- and I*-Class Units)</td><td style="text-align: right;">1.89</td></tr> <tr><td>American Equity Value (A- and I*-Class Units)</td><td style="text-align: right;">2.19</td></tr> <tr><td>American Equity Growth (A- and I*-Class Units)</td><td style="text-align: right;">2.25</td></tr> <tr><td>Overseas Equity Value (A- and I*-Class Units)</td><td style="text-align: right;">2.23</td></tr> <tr><td>Overseas Equity Growth (A- and I*-Class Units)</td><td style="text-align: right;">2.29</td></tr> <tr><td>Global Equity Value (A-, T- and I*-Class Units)</td><td style="text-align: right;">2.13</td></tr> <tr><td>Global All Cap Equity (A-, T- and I*-Class Units)</td><td style="text-align: right;">2.19</td></tr> <tr><td>Global Small Cap Equity (A- and I*-Class Units)</td><td style="text-align: right;">2.17</td></tr> <tr><td>Emerging Markets (A- and I*-Class Units)</td><td style="text-align: right;">2.49</td></tr> <tr><td>Completion Investments (A-, T- and I*-Class Units)</td><td style="text-align: right;">2.10</td></tr> <tr><td>Global Real Estate (A-, T- and I*-Class Units)</td><td style="text-align: right;">2.36</td></tr> <tr><td>SocieTerra Secure Market</td><td style="text-align: right;">1.71</td></tr> <tr><td>SocieTerra Balanced</td><td style="text-align: right;">1.86</td></tr> <tr><td>SocieTerra Growth</td><td style="text-align: right;">1.99</td></tr> <tr><td>SocieTerra Growth Plus</td><td style="text-align: right;">2.16</td></tr> </tbody> </table> <p>These annual fees are calculated daily and paid weekly. The taxes that apply to these management fees, including GST or HST, have not been included in the list above.</p> <p>* I-Class units pay a reduced management fee, which is negotiated directly with each investor.</p>	Desjardins Funds	Management Fees %	Money Market	1.00	Short-Term Income (A- and I*-Class Units)	1.31	Canadian Bond (A- and I*-Class Units)	1.33	Enhanced Bond (A- and I*-Class Units)	1.44	Capital Yield Bond (A- and I*-Class Units)	1.49	Canadian Balanced (A- and I*-Class Units)	1.84	Québec Balanced (A-, T- and I*-Class Units)	1.89	Dividend Income (A-, T- and I*-Class Units)	1.75	Dividend Growth (A-, T- and I*-Class Units)	1.87	Canadian Equity Value (A-, T- and I*-Class Units)	2.11	Canadian Equity Growth (A- and I*-Class Units)	1.89	Environment (A- and I*-Class Units)	2.00	Canadian Small Cap Equity (A- and I*-Class Units)	1.89	American Equity Value (A- and I*-Class Units)	2.19	American Equity Growth (A- and I*-Class Units)	2.25	Overseas Equity Value (A- and I*-Class Units)	2.23	Overseas Equity Growth (A- and I*-Class Units)	2.29	Global Equity Value (A-, T- and I*-Class Units)	2.13	Global All Cap Equity (A-, T- and I*-Class Units)	2.19	Global Small Cap Equity (A- and I*-Class Units)	2.17	Emerging Markets (A- and I*-Class Units)	2.49	Completion Investments (A-, T- and I*-Class Units)	2.10	Global Real Estate (A-, T- and I*-Class Units)	2.36	SocieTerra Secure Market	1.71	SocieTerra Balanced	1.86	SocieTerra Growth	1.99	SocieTerra Growth Plus	2.16
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Portfolio Transaction Costs	<p>Each Fund may have to pay costs associated with its portfolio transactions ("Portfolio Transaction Costs"), including, but not limited to, brokerage commissions to purchase and sell portfolio securities as well as research and execution costs, if any. While Portfolio Transaction Costs are charged to the Fund they are not currently included in the management expense ratio ("MER") calculation of the Fund but are rather disclosed in the Management Report on Fund Performance as an annualized percentage of the average daily net asset value of the Fund. This percentage is called the Trading Expense Ratio ("TER").</p>																																																								
Operating Expenses	<p>The Funds pay expenses related to their operations. Each of the Funds pays all of its own operating expenses, which include, but are not limited to: custody, derivatives, legal, audit, filing and administrative costs, taxes as well as costs associated with the Funds' Independent Review Committee (IRC). The fees and expenses associated with the IRC include annual fees and meeting fees, if any, payable to members and the payment of any other expenses related to the operation of the IRC which could include travel expenses, educational amounts and legal fees. The Chair of the IRC is paid an annual fee of \$20,000 and the other members are each paid an annual fee of \$15,000. During the Funds' last financial year, the members of the IRC received total compensation in the amount of \$56,000 of which \$6,000 related to attendance fees. These amounts were allocated among the Funds managed by the Manager in a manner that was fair and reasonable. For amounts allocated to a particular Fund please refer to the Fund's financial statements.</p> <p>The Manager is responsible for the payment of investment advisory fees payable to subadvisors retained for the Funds.</p> <p>The authority of the Manager to charge operating expenses to the Funds is subject to a management expense ratio limitation contained in the management agreement which provides that the Manager may not charge such expenses, or part thereof, to a Fund where the effect of such expense would cause the operating expenses of the Fund (excluding brokerage charges and portfolio transaction costs) expressed as a percentage of average net assets of the Fund to be in excess of a predetermined percentage (the "MER Cap"). The MER Cap of each Desjardins Fund is as follows:</p>																																																								

Fees and Expenses Payable by the Funds (continued)

Operating Expenses (continued)	Desjardins Funds	Management	Operating	MER
		Fee	Expenses	Cap
		%	%	%
	Money Market	1.00	0.15	1.15
	Short-Term Income (A- and I*-Class Units)	1.31	0.25	1.56
	Canadian Bond (A- and I*-Class Units)	1.33	0.25	1.58
	Enhanced Bond (A- and I*-Class Units)	1.44	0.25	1.69
	Capital Yield Bond (A- and I*-Class Units)	1.49	0.25	1.74
	Canadian Balanced (A- and I*-Class Units)	1.84	0.30	2.14
	Québec Balanced (A-, T- and I*-Class Units)	1.89	0.30	2.19
	Dividend Income (A-, T- and I*-Class Units)	1.75	0.30	2.05
	Dividend Growth (A-, T- and I*-Class Units)	1.87	0.30	2.17
	Canadian Equity Value (A-, T- and I*-Class Units)	2.11	0.30	2.41
	Canadian Equity Growth (A- and I*-Class Units)	1.89	0.30	2.19
	Environment (A- and I*-Class Units)	2.00	0.35	2.35
	Canadian Small Cap Equity (A- and I*-Class Units)	1.89	0.30	2.19
	American Equity Value (A- and I*-Class Units)	2.19	0.30	2.49
	American Equity Growth (A- and I*-Class Units)	2.25	0.30	2.55
	Overseas Equity Value (A- and I*-Class Units)	2.23	0.35	2.58
	Overseas Equity Growth (A- and I*-Class Units)	2.29	0.35	2.64
	Global Equity Value (A-, T- and I*-Class Units)	2.13	0.35	2.48
	Global All Cap Equity (A-, T- and I*-Class Units)	2.19	0.35	2.54
	Global Small Cap Equity (A- and I*-Class Units)	2.17	0.35	2.52
	Emerging Markets (A- and I*-Class Units)	2.49	0.35	2.84
	Completion Investments (A-, T- and I*-Class Units)	2.10	0.35	2.45
	Global Real Estate (A-, T- and I*-Class Units)	2.36	0.35	2.71
	SocieTerra Secure Market	1.71	0.30	2.01
	SocieTerra Balanced	1.86	0.30	2.16
	SocieTerra Growth	1.99	0.30	2.29
	SocieTerra Growth Plus	2.16	0.30	2.46
	* I-Class units pay reduced management fees and operational expenses, which are negotiated directly with each investor.			
	<p><i>SocieTerra Portfolios</i></p> <p>The SocieTerra Portfolios invest their assets mainly in Class D units of various underlying funds that are part of the family of Ethical Funds® and in the I-Class Units of the Desjardins Environment Fund. There are fees and expenses payable by the underlying funds in addition to the fees and expenses payable by the SocieTerra Portfolios, which may vary from one mutual fund to another. No management fees or incentive fees are payable by the SocieTerra Portfolios that, to a reasonable person, would duplicate a fee payable by the underlying funds for the same service. Additionally, the SocieTerra Portfolios will acquire units of the underlying funds on the basis that no sales charges or redemption fees will be paid by the SocieTerra Portfolios.</p> <p>Ethical Funds® is a registered trademark owned by Northwest and Ethical Investments L.P. and is used under licence.</p>			
Fee Distributions	<p>In some cases, we may reduce the management fees and operating expenses of a Fund for certain investors. Our decision to reduce our usual management fees or Fund expenses depends on a number of factors, including the size of the investment, the expected level of account activity and the investor's total investments with us. In fact, the investors receive a rebate for the management fees or expenses that apply to their units. We do this by reducing the management fee charged to the Fund or certain expenses and having the Fund pay out the amount for the reduction to the investors as a distribution (the "fee distributions").</p> <p>The details of management fee reductions applicable to Chorus and Diapason Portfolios are set out in the applicable investor agreements. The details of management fee reductions applicable to all SocieTerra Portfolios are set out in a written notice available to all SocieTerra investors.</p> <p>Essentially, we will reduce the management fees charged to the Fund and the Fund will pay you the amount of the applicable reduction as a special distribution of units. We will calculate and accrue the reduction daily. The reduction reflects the lower administrative costs associated with larger investments, which contributes to lower management expense ratios. The reduction, its associated threshold and frequency of distribution will form part of the arrangement you have with us. If you fully redeem your account, you will receive any reduction that has been accrued but not yet distributed in cash on the next scheduled payment date.</p>			
Counterparty Costs	<p>Desjardins Capital Yield Bond Fund pays counterparty costs to the counterparty under the forward contracts. Based on the current arrangements which the Fund has with the counterparty, these costs are expected to range between 0.60% and 0.70% per year of the value of the forward contracts each year, but this could change.</p>			

Fees and Expenses Payable Directly by You

Purchase Charge	None In addition, the SocieTerra Portfolios pay no commission for the purchase of units of the underlying funds.
Redemption Fee	None
Switching Fee	None
Short-Term Trading Fee	We may charge you a short-term trading fee of 2% of the total amount you redeem if you redeem or switch your units within 90 business days of buying them.
Expenses Relating to the Transfer of Registered Plans	There are no expenses associated with the registered plans other than a \$50 administration fee applied to the transfer in whole or in part of any RESP, RRSP, TSFA, RRRIF, LIRA, LIF or other registered plans to another institution which is not part of the Desjardins Group. These fees may be changed from time to time and the investors will have to be notified of any increase, including changes to fees specifically related to the management of RESP's. These fees are deducted from the investor's account.
Desjardins Account Fees	Annual administration fee: none Dishonoured cheques and rejected electronic transfers: \$25 per dishonoured cheque or rejected electronic transfer Preauthorized payment plan: \$25 per dishonoured cheque or rejected electronic transfer <i>Optional Services</i> Preauthorized payment plan: none Periodic withdrawal plan: none Systematic withdrawal plan: none Automatic switch plan: none Portfolio rebalancing program: none
	All of the above charges are subject to applicable sales taxes.

Dealer Compensation

The caisses Desjardins receive an administration fee from the Manager for their participation in distributing units of the Desjardins Funds. These fees are calculated on the net asset value of the Funds' units held by their members.

Sales Incentive Plan

We distribute the Funds mainly through registered dealers. Dealers represent many different financial services. As a result, fund companies often engage in cooperative marketing so people know the companies' products are available through their advisors. We provide dealers with advertising and promotion support, including research and marketing materials about the Funds and other investment literature. We may share the costs of local advertising with a dealer, and may pay dealers a portion of their costs to participate in conferences, seminars or other sales communications aimed at promoting Desjardins mutual

funds to investors. We may also pay a portion of the dealers' cost of providing general information about financial planning, investing in securities, mutual fund industry matters or mutual funds in general. We review cost-sharing proposals on an individual basis. Our marketing support programs are all carried out in compliance with National Instrument 81-105.

Trailer Commissions

The Manager may also pay trailer commissions to registered dealers for selling units of the Funds. These trailer commissions are calculated at the end of each month on the average monthly units outstanding for each Fund sold by a dealer, at the rate specified for each Fund in the following table. The average monthly units outstanding in a Fund sold by a dealer is equal to the sum of the value of the units in question determined each valuation date during the course of the month, divided by the number of valuation days in the month.

No trailer commissions are paid to registered dealers with respect to I-Class units.

Desjardins Funds	Monthly Rate
Money Market	1/12 of 0.250%
Short-Term Income (A- and I*-Class Units)	1/12 of 0.500%
Canadian Bond (A- and I*-Class Units)	1/12 of 0.500%
Enhanced Bond (A- and I*-Class Units)	1/12 of 0.500%
Capital Yield Bond (A- and I*-Class Units)	1/12 of 0.500%
Canadian Balanced (A- and I*-Class Units)	1/12 of 1.000%
Québec Balanced (A-, T- and I*-Class Units)	1/12 of 1.000%
Dividend Income (A-, T- and I*-Class Units)	1/12 of 1.000%
Dividend Growth (A-, T- and I*-Class Units)	1/12 of 1.000%
Canadian Equity Value (A-, T- and I*-Class Units)	1/12 of 1.000%
Canadian Equity Growth (A- and I*-Class Units)	1/12 of 1.000%
Environment (A- and I*-Class Units)	1/12 of 1.000%
Canadian Small Cap Equity (A- and I*-Class Units)	1/12 of 1.000%
American Equity Value (A- and I*-Class Units)	1/12 of 1.000%
American Equity Growth (A- and I*-Class Units)	1/12 of 1.000%
Overseas Equity Value (A- and I*-Class Units)	1/12 of 1.000%
Overseas Equity Growth (A- and I*-Class Units)	1/12 of 1.000%
Global Equity Value (A-, T- and I*-Class Units)	1/12 of 1.000%
Global All Cap Equity (A-, T- and I*-Class Units)	1/12 of 1.000%
Global Small Cap Equity (A- and I*-Class Units)	1/12 of 1.000%
Emerging Markets (A- and I*-Class Units)	1/12 of 1.000%
Completion Investments (A-, T- and I*-Class Units)	1/12 of 0.800%
Global Real Estate (A-, T- and I*-Class Units)	1/12 of 1.000%
SocieTerra Secure Market	1/12 of 1.000%
SocieTerra Balanced	1/12 of 1.000%
SocieTerra Growth	1/12 of 1.000%
SocieTerra Growth Plus	1/12 of 1.000%

No salary or other form of remuneration paid to salespersons or to the caisses Desjardins, and no trailer fees paid to registered dealers shall be charged either to the Funds or the investors.

For the calendar year ended December 31, 2010, the Funds' Manager paid approximately \$740,803 in marketing costs and dealer compensation, representing 0.35% of the aggregate management fees paid by the Funds for such calendar year.

* The Funds identified offer I-Class units, which pay reduced management fees and operational expenses negotiated directly with each investor. They are not subject to dealer compensation.

Income Tax Considerations for Investors

This section is intended for individual unitholders who are residents of Canada and who hold units of a Fund as capital property for the purposes of the *Income Tax Act* (Canada) (the "Tax Act").

This section is based on the current provisions of the Tax Act and the regulations thereunder, specific proposals to amend the Tax Act and regulations that have been publicly announced by the Minister of Finance (Canada) prior to the date hereof and the published administrative practices and policies of the Canada Revenue Agency (the "CRA"). This summary is not exhaustive of all tax considerations and is not intended to constitute legal or tax advice to an investor. Additional information is in the Annual Information Form.

We have tried to make this section as helpful and accurate as possible, but your situation may be different. Please consult a tax advisor about your own circumstances.

How Do the Funds Make Money?

A Fund can make money two ways. It can earn income. Examples are interest paid on bonds and dividends paid on stocks.

A Fund can also have capital gains if the value of its holdings goes up. If the Fund sells an investment at a gain, the gain is *realized*. If the Fund continues to hold the investment, the gain is *unrealized*.

Each year, the Funds pay out a sufficient amount of their income (after deducting expenses) and net realized capital gains so that the Funds do not have to pay income tax. This is known as a *distribution*.

How Your Mutual Fund Investment is Taxed

The tax you pay on your mutual fund investment depends on whether you hold units directly in a non-registered account or indirectly through a registered plan like an RRSP.

Units You Hold in a Registered Plan

If you hold your units in a registered plan, distributions from the Fund and capital gains from a disposition of the units are generally not subject to tax under the Tax Act. Withdrawals made from the plan (other than a TFSA) are generally subject to tax under the Tax Act.

Units Held Outside of a Registered Plan

If you hold units outside of a registered plan, we will send you a tax slip by the end of March each year. It shows your share of the Fund's distributions (this may include fee distributions) of net income and net realized capital gains for the previous year, as well as any allowable tax credits. You must include in computing your income for tax purposes the amount of the net income and the taxable portion of the net capital gains paid or payable to you by a Fund in the year (including fee distributions), whether you receive these distributions in cash or they are reinvested in additional units. To the extent that the Funds so designate them under the Tax Act, distributions of net taxable capital gains, taxable dividends on shares of taxable Canadian corporations including eligible dividends and foreign source income of a Fund paid or payable to you by the Fund will effectively retain their character in your hands and be subject to the special tax treatment applicable to income of that character.

If you receive more in distributions (including fee distributions) in a year than your share of the Fund's net income and net realized capital gains for the year, you will have a return of capital. You do not pay tax on a return of capital. Instead, it will reduce the adjusted cost base of your units of the Fund. If the adjusted cost base of your units is reduced to less than zero you will be deemed to have realized a capital gain equal to the negative amount.

You will be taxed on distributions of income and capital gains, even if the income and capital gains accrued to the Fund or were realized by the Fund before you acquired the units and were reflected in the purchase price of the units. This can happen, for example, when the Fund makes a distribution in December of everything it earned for the whole year. Therefore, you should consider how this tax cost might affect you when you buy units of a Fund, especially if you are considering buying units late in the year.

A Fund's portfolio turnover rate indicates how actively the Fund's Portfolio Advisor 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 financial year, the greater the chance that you will receive a distribution from the Fund that must be included in computing your income for tax purposes for that year.

You will have a capital gain if the money you make from selling or switching a unit is more than the adjusted cost base of the unit, after deducting any costs of selling or switching the unit. You will have a capital loss if the money you receive from a sale or switch is less than the adjusted cost base, after deducting any costs of selling or switching your units. In the case of a disposition of units, one-half of a capital gain (or capital loss) is generally included in determining your income. Any excess capital losses can be carried back three years or carried forward indefinitely and applied against capital gains in those other years.

In general, the adjusted cost base of your units in a Fund equals:

- your initial investment in the Fund;
- *plus* the cost of any additional investments in the Fund;
- *plus* reinvested distributions;
- *minus* the capital returned in any distributions;
- *minus* the adjusted cost base of any previous redemption.

In certain cases, individuals may have to pay an alternative minimum tax on the capital gains or dividends they earn.

Additional Information

Funds-Linked Guaranteed Investment

From time to time, the Manager or its affiliates may, directly or through the intermediary of caisses Desjardins, issue guaranteed investment products with a performance that is wholly or partially linked to the performance of a theoretical benchmark portfolio made up, in whole or in part, of I-Class units issued by one or several Funds. This product is known as the Desjardins Funds-Linked Guaranteed Investment (the "DF-LGI"). The Manager, its affiliates and caisses Desjardins may receive a fee as well as any other benefit related to the issue of DF-LGIs and assumption of the obligations associated with those securities.

The Manager takes part in completing and trailing each issue of DF-LGIs, as well as in negotiating the various agreements underlying those issues. The Manager develops and adjusts the structure of the DF-LGI, and performs the appropriate tests to measure the effects that DF-LGI-related transactions might have on the Funds. The Manager believes that the issue of DF-LGIs, which in all points complies with the terms and conditions of the procedure it adopted in that respect, poses a reasonable, even minimal, risk to the Funds.

The potential risks essentially stem from the transactions that the Manager's counterpart or counterparts who are guaranteeing the investment must conduct for hedging purposes. These are the risks associated with large transactions and engaging relatively frequently in short-term trading. In order to minimize these risks, the Federation has entered into an agreement contemplating the subscription for and redemption of units with each of these counterparts. The agreement provides, among other things, that the counterpart must only trade in Fund units to provide coverage and agree to provide certain estimates and notices of the transactions it intends to make.

The counterpart's hedging transactions are conducted for the sole purposes of replicating the performance of a Desjardins Fund portfolio while taking into consideration the characteristics that are specific to the DF-LGIs. Coverage consists in selling and buying Fund units based on their performance. The Manager also periodically performs tests to ensure that the counterparts' holdings in the Funds, whether individually or collectively, do not exceed certain percentages.

There nevertheless remain the risks associated with the redeeming of the Fund units in order to pay the holders of DF-LGI upon maturity. These redemptions, while foreseeable and planned, can still lead to liquidity problems and increased operating costs that could result in capital gains or losses. For more information, see "Large Transactions Risk" on page 3 and "Short-Term Trading" on page 8.

What Are Your Legal Rights?

Securities legislation in some provinces gives you the right to withdraw from an agreement to buy mutual funds within two business days of receiving the Simplified Prospectus, or to cancel your purchase within 48 hours of receiving confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund units and get your money back, or to make a claim for damages, if the Simplified Prospectus, Annual Information Form or Annual Audited or Interim Financial Statements misrepresent any facts about the mutual fund. These rights must usually be exercised within certain time limits.

For more information, refer to the securities legislation of your province or territory, or consult your lawyer.

Specific Information about Each of the Desjardins Funds

Introduction

The Desjardins Funds are divided into seven major groups: Income Funds, Balanced Funds, Canadian Equity Funds, American Equity Funds, Global and International Equity Funds, Specialty Funds and Investment Solutions. Each group has a wide range of investment choices. Choosing the right ones means knowing what kinds of investments the Funds make and what kinds of risks they face. In the Fund Profiles document, you will find the profiles of each Desjardins Fund. Here's what the profiles look like and what they will tell you:

1. Desjardins Fund Name

2. Fund Details

This is a quick overview of the Fund: the type of mutual fund it is, when it was started, the nature of the securities offered, its eligibility for registered plans, as the case may be, and the name of the Portfolio Subadvisor, where applicable.

3. What Does the Fund Invest in?

This section tells you the Fund's investment objective and strategies.

Investment Objective

Just like you, mutual funds have a certain goal for the money they invest. This section tells you what this goal is. Some Funds want to earn income, while others want to increase the value of their investments as much as possible. Still, others want to do both. You will find details about the kinds of securities the Fund invests in as well as any special focus such as a particular world area or industry.

We cannot modify the investment objective of a Fund without the approval of a majority of unitholders who vote at a meeting called for this purpose.

Investment Strategies

This section tells you how the Portfolio Advisor tries to achieve the Fund's objective. You will find the Portfolio Advisor's general approach to investing and how the Portfolio Advisor chooses investments for the Fund.

Derivatives

A derivative is an investment that bases its value on how well another kind of investment, like a stock, bond, currency or market index, is doing. Derivatives usually take the form of a contract with another party to buy or sell an asset at a later time. Here are some examples of derivatives:

- **Options.** Options give you the right to buy or sell an asset like a security or currency at a set price and a set time. It is called an option because you can choose not to go ahead with the deal, although the other party must usually complete the deal if you say so. The other party normally gets a cash payment called "a premium" just for agreeing to give you the option.
- **Forward Contracts.** In a forward contract, you agree today to buy or sell things like securities or currencies at a set price and a set time. You have to complete the deal or sometimes make or receive a cash payment, even if the price has changed by the time the deal closes.
- **Futures Contracts.** A futures contract works much like a forward contract, except the price is set through a commodity exchange.
- **Swaps.** With a swap agreement, you and another party agree to exchange, or "swap," payments. The payments you and the other party make are based on an agreed underlying amount, like a bond. Each party's payments are calculated differently. For example, one party's payments may be based on a floating interest rate, while the other party's payments may be based on a fixed interest rate.

When a Fund uses a derivative, it must hold another derivative or asset that will offset any losses from the contract, or cash that is equal to the Fund's market exposure from the derivative.

All derivatives contracts shall have a maturity of one year or less and must not exceed the market value of the securities in the Fund's portfolio. Their current market value is determined each day and any difference resulting from their revaluation is treated as an unrealized capital gain or loss. Derivatives contracts shall be checked each working day by the Portfolio Advisor.

4. What Are the Risks of Investing in the Fund?

This section tells you about the specific risks of investing in the Fund. You will find an explanation of the main risks of each Fund and a risk checklist that tells you all of the Fund's risks. A complete description of each risk is in the section "What Are the Risks of Investing in a Mutual Fund?" on pages 2 to 4 of the first part of this document.

To determine the risk level of investing in the Funds, the Manager uses what is known as the "standard deviation" method that is widely accepted in the industry for measuring the total return volatility of an investment fund. Standard deviation helps capture both upside and downside risks associated with an investment in the Funds. It provides a reliable quantitative framework for assessing the Funds' volatility.

The Fund's volatility risk is measured using a rolling average standard deviation over periods of three to five years, which represent the typical minimum investor time horizon. Essentially, the greater the dispersion of the Funds' performance (as calculated at several intervals during a given three or five year period) from its mean for that same period, the greater the Funds' volatility. Note that if the historic performance of the Funds is less than three to five years, the Manager will then use a benchmark index that most closely resembles the investment mandate and strategies of the Funds.

The risk level of investing in the Funds is reviewed at least once a year and each time a material change is made to the Funds' investment strategies and/or investment objective.

A description of the method used by the Manager to determine the risk level of investing in the Funds may be obtained on request, free of charge, by following the same procedure given below for obtaining other documents and information on the Funds.

5. Who Should Invest in the Fund?

When you are deciding on a Fund, it is important to find one that has the same goal as you do. This section tells you the kind of investor the Fund may be suitable for and how the Fund could fit in your portfolio. It is meant as a guide only. Your investment professional can help you make the decisions about which Funds best match your goals. To determine the risk tolerance level of an investment in the Funds, the Manager relied on the volatility risk level of the Funds, measured as described in the above section.

6. Distribution Policy

This section explains how income and capital gains of each Fund will be treated, and the time at which distributions are to be made. Each of the Funds pays its unitholders, by way of distribution, enough of its net income and net capital gains, if any, in order not to be liable for ordinary income tax.

Since the undistributed net revenue is combined with the value of the net assets of the Fund, the value of the units increases between the distribution dates and decreases immediately after that. Also, whenever they ask to redeem their units in the Funds, the investors will cash the net income that was not distributed to them.

It is important to note that the fiscal year for the Funds for tax purposes ends on December 15, except for the Desjardins Money Market Fund, which ends on December 31, and that the Manager reserves the right to make the last income and capital gains distribution between December 15 and 31.

There is no guarantee that distributions will be made for any class of units. The Funds reserve the right to make additional distributions over the course of a given year should the Manager deem it appropriate. The Fund's distribution policy is subject to change at any time without notice.

With regard to T-Class units, you can obtain information on current monthly distributions from your Desjardins advisor or otherwise as specified on page 1 of this document under the heading "Introduction".

7. Fund Expenses Indirectly Borne by Investors

The information provided is intended to help you compare the cost of an investment in a Fund with the cost of an investment in another Fund.

Each Fund is responsible for its own expenses. While you do not pay these costs directly, they reduce the Fund's return. You will find more information about the costs of investing in Desjardins Funds in the section "Fees and Expenses" on page 10.

The example shows the expenses you would pay if:

- You invested \$1,000 in the Fund for each period shown and paid the MER Cap;
- The Fund's return was 5% each year;
- The Fund paid the same MER in all periods as it did in its last financial year.

Income Funds

Desjardins Money Market Fund
Desjardins Short-Term Income Fund (A- and I-Class Units)
Desjardins Canadian Bond Fund (A- and I-Class Units)
Desjardins Enhanced Bond Fund (A- and I-Class Units)
Desjardins Capital Yield Bond Fund (A- and I-Class Units)

Balanced Funds

Desjardins Canadian Balanced Fund (A- and I-Class Units)
Desjardins Québec Balanced Fund (A-, T- and I-Class Units)
Desjardins Dividend Income Fund (A-, T- and I-Class Units)

Canadian Equity Funds

Desjardins Dividend Growth Fund (A-, T- and I-Class Units)
Desjardins Canadian Equity Value Fund (A-, T- and I-Class Units)
Desjardins Canadian Equity Growth Fund (A- and I-Class Units)
Desjardins Environment Fund (A- and I-Class Units)
Desjardins Canadian Small Cap Equity Fund (A- and I-Class Units)

American Equity Funds

Desjardins American Equity Value Fund (A- and I-Class Units)
Desjardins American Equity Growth Fund (A- and I-Class Units)

Global and International Equity Funds

Desjardins Overseas Equity Value Fund (A- and I-Class Units)
Desjardins Overseas Equity Growth Fund (A- and I-Class Units)
Desjardins Global Equity Value Fund (A-, T- and I-Class Units)
Desjardins Global All Cap Equity Fund (A-, T- and I-Class Units)
Desjardins Global Small Cap Equity Fund (A- and I-Class Units)
Desjardins Emerging Markets Fund (A- and I-Class Units)

Specialty Funds

Desjardins Completion Investments Fund (A-, T- and I-Class Units)
Desjardins Global Real Estate Fund (A-, T- and I-Class Units)

Investment Solutions

SocieTerra Secure Market Portfolio
SocieTerra Balanced Portfolio
SocieTerra Growth Portfolio
SocieTerra Growth Plus Portfolio

Additional information about the Funds is available in the Funds' Annual Information Form, Management Reports of Fund Performance and Financial Statements. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this document just as if they were printed as a part of this document.

You may obtain a copy of these documents, at your request and free of charge, in the Montréal area **514 286-3499** or toll free **1 866 666-1280**, from your Desjardins advisor or by e-mail at info.fondsdesjardins@desjardins.com.

These documents and other information about the Desjardins Funds, such as information circulars and material contracts, are also available on the Websites **www.desjardinsfunds.com** and **www.sedar.com**.

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A complete simplified prospectus for the mutual funds listed on this cover consists of this document (Part A) and an additional disclosure document (Part B) that provides specific information about the mutual funds in which you are investing. This document provides general information applicable to all of the Desjardins Funds. The additional disclosure document provides specific information about each of the Desjardins Funds you hold.

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Desjardins

Cooperating in building the future