

# Annual Management Report of Fund Performance

DESJARDINS FUNDS

As at **September 30, 2023**

This Annual Management Report of Fund Performance contains financial highlights but does not contain the Audited Annual Financial Statements of the investment fund. You can request a copy of the Audited Annual Financial Statements, at no cost, by contacting your mutual fund sales representative, by calling 514 286-3499, or toll free at 1 866 666-1280, by visiting [desjardinsfunds.com](http://desjardinsfunds.com) and [www.sedarplus.ca](http://www.sedarplus.ca), by e-mailing us at [info.fondsdesjardins@desjardins.com](mailto:info.fondsdesjardins@desjardins.com), or by writing us at 2 Complexe Desjardins, P.O. Box 9000, Desjardins Station, Montréal, Québec H5B 1H5.

You may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record, or quarterly portfolio disclosure.

## A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements about the Funds, their future performance, strategies or prospects, and possible future Fund actions. The words “may”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective” and similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not guarantees of future performance. Forward-looking statements involve inherent risks and uncertainties, both about the Funds and general economic factors, so it is possible that the predictions, forecasts, projections and other forward-looking statements will not be achieved. We caution you not to place undue reliance on these statements as a number of important factors could cause actual events or results to differ materially from those expressed or implied in any forward-looking statements made by the Funds. These factors include but are not limited to, general economic, political and market factors in Canada, the United States and internationally, interest and foreign exchange rates, global equity and capital markets, business competition, technological changes, changes in laws and regulations, judicial or regulatory judgments, legal proceedings and catastrophic events.

The above list of important factors that may affect future results is not exhaustive. Before making any investment decisions, we encourage you to consider these and other factors carefully. All opinions contained in forward-looking statements are subject to change without notice and are provided in good faith as of the date of this report and without legal responsibility. There should be no expectation that such statements will be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise, unless applicable legislation provides for such an obligation.

## MESSAGE TO INVESTORS



**SÉBASTIEN VALLÉE**  
**HEAD OF OPERATIONS**  
**DESJARDINS INVESTMENTS INC.**

The 2022-2023 fiscal year ended on September 30, 2023, and I am pleased to share our Annual Management Report of Fund Performance. This document contains relevant information on the Desjardins Funds that you hold: Management Discussion of Fund Performance, Financial Highlights, Past Performance and Portfolio Overview.

### **Economic and market overview**

One year ago, leading indicators were all pointing to a recession in 2023 in both North America and Europe. Against all odds, the economy held up, particularly in the United States. A number of very favourable one-off factors supported growth and gave the impression that the economy could withstand rising interest rates. In Canada, rate hikes are starting to affect consumers despite most of their impact not having been fully absorbed by the economy yet. Against this backdrop, we saw the yield of Canadian bonds over a four year period (September 2019 to September 2023) move into negative territory as well as a continuation of the volatile behavior of stock markets observed in 2022.

### **Developments that enrich our line of funds**

Keeping the best interests of our members and clients at heart, we proceeded to evolve our Desjardins Funds offering. We focused on the following four areas: 1. Expanded access to our Responsible Investments lineup; 2. Expanded access to our Desjardins fixed income fund lineup; 3. Portfolio manager changes; 4. Management fee reductions.

#### **1. Expanded access to our Responsible Investments lineup**

Because responsible investing is part of the future of finance, we are proud to offer our members and clients new solutions that will not only allow them to continue on the path to financial autonomy but will also contribute to a more sustainable future for everyone. The Desjardins SocieTerra Funds and SocieTerra Portfolios are just one more way we're making a positive change for communities and the planet. They're also an opportunity for our members to build a greener economy.

To keep up with continued interest in our SocieTerra fund family, in 2023, we added additional classes to four SocieTerra funds. The new unit classes provide more investors with options for diversified portfolio solutions that have the potential for attractive returns and meet investor demand for RI.

#### **2. Expanded access to our Desjardins fixed income fund lineup**

We've expanded our Desjardins fixed income fund lineup to meet growing investor demand. We launched new unit classes to three Desjardins fixed income funds, including two in responsible investing.

#### **3. Portfolio manager changes**

Ensuring that our members benefit from the best suited portfolio managers for a given mandate is important to us. Therefore, in May 2023, we announced the appointment of two new sub-managers.

Ninety-One North America, Inc. ("Ninety One"), was retained as sub-manager of the Desjardins Emerging Markets Fund. We also approved changes to the investment strategies of this fund in order to better reflect the investment philosophy of the new sub-manager, Ninety One.

In addition, Hermes Investment Management Limited ("Hermes"), part of the Federated Hermes group, was retained as sub-manager of the Desjardins SocieTerra Emerging Markets Equity Fund. We have also approved changes to the investment strategies of this fund in order to better reflect the investment philosophy of the new sub-manager, Hermes.

#### **4. Management fee reductions**

New management fee reductions took effect on October 1, 2022. They include fee reductions of up to 19 basis points for five Desjardins Funds. The changes reflect our commitment to always offer investment solutions at competitive prices while giving you access to world-class portfolio managers.

### **A 2023-2024 fiscal year characterized by continuity**

Over the next year, we will stay focused on what really matters to you: access to simple, effective, and adaptive investment solutions, tailored to your investor profile, offered at competitive rates, and accessible through online features or your representative.

I thank you for the renewed confidence you have shown in us, and reiterate our commitment to always serve you better and to work with your interests at heart.

A handwritten signature in black ink, appearing to read 'S. Vallée', written in a cursive style.

# Desjardins Short-Term Income Fund

(A-, I-, C-, F-, D- AND W-CLASS UNITS)

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The objective of this Fund is to provide a high income return. For that purpose, the Fund's assets are primarily invested in corporate and government bonds. The Fund also invests in high-quality money market instruments and first mortgage loans.

The portfolio manager selects the fixed-income securities of governmental and corporate issuers that, for the most part, have a maturity of one to five years. The portfolio manager primarily selects securities with a DBRS credit rating of BBB or better, or any equivalent credit rating set by another designated rating organization. The portfolio manager may also invest up to 10% of the Fund's assets in unrated municipal fixed-income securities and securities with a DBRS credit rating of BB or less, or any equivalent credit rating set by another designated rating organization.

Furthermore, the portfolio manager selects the securities in order to achieve a stable income return better than that of its benchmark index consisting of 50% of the FTSE Canada Short Term Government Bond Index and 50% of the FTSE Canada Short Term Corporate Bond Index. The fundamental analysis of the economy and market anticipations allows the portfolio manager to establish a portfolio strategy in terms of duration, credit risk, yield curve and sector allocation.

The Fund may invest up to 10% of its net assets in foreign securities. It may also invest in other classes of securities, such as mortgage-backed securities, asset-backed securities and mortgage debts.

The Fund may use derivatives for hedging and non-hedging purposes. It may also engage in securities lending, repurchase and reverse repurchase transactions.

### Risk

Please note that no change taking place during the fiscal year had a material impact on the overall risk linked to an investment in securities issued by this Fund. Said risk remains true to its description in the Simplified Prospectus as at March 31, 2023. Furthermore, the Fund is still intended for investors with a low tolerance for risk.

### Results of Operations

As of September 30, 2023, the Desjardins Short-Term Income Fund (A-Class units) posted a 1.24% return, compared to 1.90% for its benchmark, composed of the FTSE Canada Short Term Government Bond Index (50%) and the FTSE Canada Short Term Corporate Bond Index (50%). The FTSE Canada Short Term Overall Bond Index posted a 1.56% return for the same period. As opposed to the benchmark, the Fund's performance is net of fees and expenses. Please refer to the "Past Performance" section for the details of returns by class and to the "Other Material Information" section for more information on the benchmarks. Performance differences between classes of units are mainly due to management fees charged to each class.

During the period, aggressive rate hikes brought about by stubborn inflation had a negative impact on the fixed-income securities.

Early in the period, the 2-to-5-year yield curve flattened considerably. To capitalize on it, the portfolio manager underweighted shorter duration bonds relative to longer duration ones, specifically for corporate debt securities. This strategy proved favourable and enabled the Fund to take advantage of the Bank of Canada's changing forward guidance on rate hikes.

In the second half of the year, seeing the tail end of the rate hike cycle, the portfolio manager introduced a curve steepening bias combined with a gradual increase in the portfolio's duration. But as the monetary tightening and rate increases continued, this decision had a negative impact on the Fund's performance.

Unrated municipal bonds generated value. Meanwhile, despite a few periods of volatility, the overweight to corporate debt securities generated substantial excess returns, especially due to an overweight to bank bonds.

Meanwhile, National Housing Act (NHA) mortgage-backed securities detracted from performance and weighed on the allocation to federal agency and Canadian government bonds. During the year, the portfolio manager gradually reduced corporate debt holdings in favour of federal agency bonds. The decision was made after Canada's government announced it intended to fund this program internally, which could reduce the frequency of issuances.

Generally, the portfolio manager favours investments in high-quality, higher-liquidity sectors, like banks, leaving some leeway in case of fund outflows, despite the corporate debt overweight. Moreover, it favours federal agencies over provincial securities due to their historically low yields.

### Recent Developments

One year ago, the leading indicators, which anticipate economic activity and corporate profits by several months, were pointing to a recession in 2023 in both North America and Europe. Against all odds, the economy performed well, particularly in the United States. Very favourable one-off factors supported growth, giving the impression that the economy could remain strong in a rising interest rate environment.

With inflation still way off target, central banks are continuing to tighten monetary policy, giving no indication as to when they will start cutting rates. Economic indicators are currently suggesting that the economy is gradually deteriorating, which could lead to a soft landing or worse, a recession.

Against this backdrop, both businesses and consumers continue to have to contend with high interest rates. In addition to high financial costs, companies are faced with ever-increasing operating costs. This situation could lead analysts to revise company valuations and earnings per share forecasts downwards, which are decisive factors for stock markets.

The government announced its intention to engage in public consultations in October 2023 on the potential consolidation of the Canada Mortgage and Housing Corporation's (CMHC) lending program with their regular borrowing program in order to reduce the cost of new issues. Furthermore, the government recently indicated that the CMHC program will be enhanced to promote housing accessibility. These announcements drove market volatility. However, the portfolio manager intends to take advantage of the wider rate spreads available on these instruments to add to existing positions.

Persistent inflation and a strong labour market could keep the economy afloat longer than the portfolio manager anticipated. However, rates could rise slightly, which would reduce the portfolio's returns. Yet, the steepening of the yield curve should limit the impact of any weakening.

Credit spreads already partly reflect the economic slowdown, which explains the portfolio manager's reluctance to adjust exposure quickly, since the cost would be prohibitive. However, it constantly improves the quality and liquidity of the securities held in the portfolio, making it possible to act more quickly with the least impact.

Signs of an economic slowdown are emerging in the United States, and even more so in Canada, as growth is moderating and inflation is slowing. Against this backdrop, consumption and profit margins are expected to gradually decline. For this reason, the portfolio manager plans to progressively increase the portfolio's duration and reduce exposure to corporate credit.

### Related Party Transactions

Desjardins Investments Inc. (DI) is the Fund's Manager pursuant to the administration agreement. The Manager ensures the daily administration of the Fund. It provides the Fund or makes sure the Fund is provided with all services (accounting, custody, portfolio management, record maintenance, transfer agent) required to function properly. The Fund pays management fees to the Manager, which are calculated on a daily basis with the net asset value of the Fund and paid weekly. These fees are shown in the "Management Fees" section of this Report. Management and administrative fees presented in the Statement of Comprehensive Income were incurred with the Manager of the Desjardins Funds.

Desjardins Trust Inc., an entity belonging to the same group as the Manager, is the Fund's trustee and custodian. As the Fund's trustee, Desjardins Trust Inc. fees are paid by the Manager. The custodian fees of Desjardins Trust Inc. are paid by the Manager and are established based on market conditions. To the extent the Fund may engage in securities lending transactions, Desjardins Trust Inc. may also act as securities lending agent.

Desjardins Global Asset Management Inc. (DGAM) is the portfolio manager of the Fund. DGAM is an entity belonging to the same group as the Manager. DGAM's fees are entirely paid by the Manager.

Units of the Funds are offered by Desjardins Securities Inc. (including its division Desjardins Online Brokerage), Desjardins Financial Services Firm Inc., Desjardins

## DESJARDINS SHORT-TERM INCOME FUND

Financial Security Investments Inc., Worldsource Financial Management Inc. and Worldsource Securities Inc., entities affiliated to the same group as the Manager. Brokers may receive, depending on the distributed class units, a monthly trailing commission, calculated on the average monthly units outstanding for each Fund sold by the relevant broker.

The Fund relied on the standing instructions of its Independent Review Committee (IRC) with respect to the following transactions that may have occurred in the Fund:

- a) Purchasing or holding the securities of a related issuer, in particular, those of the Fédération des caisses Desjardins du Québec (the Federation);
- b) Investing in the securities of an issuer when an entity related to the Manager acts as an underwriter for the placement or at any time during the 60-day period after the end of the placement;
- c) Purchasing or selling securities to another investment Fund managed by the Manager;
- d) Purchasing or selling debt securities on the secondary market, through related brokers that are main brokers in the Canadian debt securities market (in accordance with an exemption received from the Canadian Securities Administrators).

In accordance with the IRC's standing instructions, in making a decision to cause the Fund to enter into a related party transaction, the Manager and the portfolio manager of the Fund are required to comply with the Manager's written policies and procedures

governing the related party transaction and report periodically to the IRC, describing each instance that the Manager relied on the standing instructions and its compliance or non-compliance with the governing policies and procedures.

The governing policies and procedures are designed to ensure that each related party transaction (i) is made free from any influence of the Manager or an entity belonging to the same group as the Manager and must not take into account any consideration relating to the Manager or an entity belonging to the same group as the Manager ii) represents the business judgment of the portfolio manager without influence other than the best interests of the Fund, and (iii) achieves a fair and reasonable result for the Fund.

Accrued expenses payable (receivable) to the Fund's Manager are:

	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	\$	\$
<b>EXPENSES PAYABLE (RECEIVABLE)</b>	<b>13,404</b>	<b>18,962</b>

During the period, the Fund received income from related parties' securities:

	SEPTEMBER 30, 2023	SEPTEMBER 30, 2022
	\$	\$
<b>INTEREST</b>	<b>147,422</b>	<b>117,577</b>

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for the past five periods, as applicable.

### Net Assets per Unit <sup>(1)</sup>

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
Beginning of Operations in June 1965					
<b>A-CLASS</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Net assets, beginning of period	3.89	4.16	4.22	4.10	4.02
<b>Increase (decrease) from operations:</b>					
Income	0.11	0.08	0.09	0.11	0.09
Realized gains (losses)	(0.11)	(0.07)	0.05	0.04	0.04
Unrealized gains (losses)	0.10	(0.21)	(0.12)	0.06	0.04
Expenses	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.05</b>	<b>(0.25)</b>	<b>(0.03)</b>	<b>0.16</b>	<b>0.12</b>
<b>Distributions:</b>					
From income (excluding dividends)	0.07	0.03	0.04	0.04	0.04
From dividends	—	—	—	—	—
From underlying funds' distribution	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	0.01	—	—	—	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.08</b>	<b>0.03</b>	<b>0.04</b>	<b>0.04</b>	<b>0.04</b>
<b>Net Assets, End of Period</b>	<b>3.86</b>	<b>3.89</b>	<b>4.16</b>	<b>4.22</b>	<b>4.10</b>

## DESJARDINS SHORT-TERM INCOME FUND

### Net Assets per Unit <sup>(1)</sup>

Beginning of Operations in June 2010	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>I-CLASS</b>	\$	\$	\$	\$	\$
Net assets, beginning of period	9.18	9.84	10.00	9.74	9.58
<b>Increase (decrease) from operations:</b>					
Income	0.27	0.20	0.22	0.25	0.22
Realized gains (losses)	(0.26)	(0.16)	0.12	0.09	0.09
Unrealized gains (losses)	0.22	(0.49)	(0.28)	0.17	0.14
Expenses	—	—	—	—	—
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.23</b>	<b>(0.45)</b>	<b>0.06</b>	<b>0.51</b>	<b>0.45</b>
<b>Distributions:</b>					
From income (excluding dividends)	0.28	0.20	0.21	0.25	0.25
From dividends	—	—	—	—	—
From underlying funds' distribution	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	—	—	—	—	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.28</b>	<b>0.20</b>	<b>0.21</b>	<b>0.25</b>	<b>0.25</b>
<b>Net Assets, End of Period</b>	<b>9.12</b>	<b>9.18</b>	<b>9.84</b>	<b>10.00</b>	<b>9.74</b>

### Net Assets per Unit <sup>(1)</sup>

Beginning of Operations in November 2013	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>C-CLASS</b>	\$	\$	\$	\$	\$
Net assets, beginning of period	9.28	9.92	10.07	9.77	9.59
<b>Increase (decrease) from operations:</b>					
Income	0.27	0.20	0.22	0.25	0.23
Realized gains (losses)	(0.26)	(0.16)	0.12	0.09	0.09
Unrealized gains (losses)	0.25	(0.54)	(0.28)	0.19	0.08
Expenses	(0.10)	(0.10)	(0.11)	(0.12)	(0.13)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.16</b>	<b>(0.60)</b>	<b>(0.05)</b>	<b>0.41</b>	<b>0.27</b>
<b>Distributions:</b>					
From income (excluding dividends)	0.16	0.08	0.09	0.10	0.10
From dividends	—	—	—	—	—
From underlying funds' distribution	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	0.07	—	—	—	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.23</b>	<b>0.08</b>	<b>0.09</b>	<b>0.10</b>	<b>0.10</b>
<b>Net Assets, End of Period</b>	<b>9.17</b>	<b>9.28</b>	<b>9.92</b>	<b>10.07</b>	<b>9.77</b>

### Net Assets per Unit <sup>(1)</sup>

Beginning of Operations in November 2013	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>F-CLASS</b>	\$	\$	\$	\$	\$
Net assets, beginning of period	9.32	10.00	10.14	9.84	9.68
<b>Increase (decrease) from operations:</b>					
Income	0.27	0.20	0.22	0.26	0.23
Realized gains (losses)	(0.26)	(0.17)	0.12	0.09	0.09
Unrealized gains (losses)	0.22	(0.51)	(0.32)	0.26	0.10
Expenses	(0.06)	(0.06)	(0.06)	(0.07)	(0.07)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.17</b>	<b>(0.54)</b>	<b>(0.04)</b>	<b>0.54</b>	<b>0.35</b>
<b>Distributions:</b>					
From income (excluding dividends)	0.22	0.14	0.13	0.15	0.18
From dividends	—	—	—	—	—
From underlying funds' distribution	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	0.03	0.01	—	—	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.25</b>	<b>0.15</b>	<b>0.13</b>	<b>0.15</b>	<b>0.18</b>
<b>Net Assets, End of Period</b>	<b>9.24</b>	<b>9.32</b>	<b>10.00</b>	<b>10.14</b>	<b>9.84</b>

## DESJARDINS SHORT-TERM INCOME FUND

### Net Assets per Unit <sup>(1)</sup>

Beginning of Operations in May 2018	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>D-CLASS</b>	\$	\$	\$	\$	\$
Net assets, beginning of period	9.66	10.33	10.47	10.23	10.02
<b>Increase (decrease) from operations:</b>					
Income	0.28	0.21	0.23	0.26	0.23
Realized gains (losses)	(0.27)	(0.17)	0.12	0.10	0.09
Unrealized gains (losses)	0.26	(0.53)	(0.30)	0.18	0.13
Expenses	(0.06)	(0.06)	(0.07)	(0.08)	(0.09)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.21</b>	<b>(0.55)</b>	<b>(0.02)</b>	<b>0.46</b>	<b>0.36</b>
<b>Distributions:</b>					
From income (excluding dividends)	0.22	0.12	0.13	0.20	0.13
From dividends	—	—	—	—	—
From underlying funds' distribution	—	—	—	—	—
From capital gains	—	—	—	—	—
Return of capital	0.04	—	—	0.02	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.26</b>	<b>0.12</b>	<b>0.13</b>	<b>0.22</b>	<b>0.13</b>
<b>Net Assets, End of Period</b>	<b>9.58</b>	<b>9.66</b>	<b>10.33</b>	<b>10.47</b>	<b>10.23</b>

### Net Assets per Unit <sup>(1)</sup>

Beginning of Operations in May 2021	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021
<b>W-CLASS</b>	\$	\$	\$
Net assets, beginning of period	9.35	9.94	10.00
<b>Increase (decrease) from operations:</b>			
Income	0.28	0.21	0.08
Realized gains (losses)	(0.26)	(0.16)	0.12
Unrealized gains (losses)	0.14	(0.47)	(0.26)
Expenses	—	—	—
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>0.16</b>	<b>(0.42)</b>	<b>(0.06)</b>
<b>Distributions:</b>			
From income (excluding dividends)	0.28	0.13	0.06
From dividends	—	—	—
From underlying funds' distribution	—	—	—
From capital gains	—	—	—
Return of capital	0.01	—	—
<b>Total Distributions <sup>(3)</sup></b>	<b>0.29</b>	<b>0.13</b>	<b>0.06</b>
<b>Net Assets, End of Period</b>	<b>9.29</b>	<b>9.35</b>	<b>9.94</b>

(1) This information is derived from the Fund's audited annuals financial statements. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.

(2) Net assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the period.

(3) Distributions were paid in cash or reinvested in additional units of the Fund.

### Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>A-CLASS</b>					
Total net asset value ('000s of \$)	28,409	35,305	50,002	53,821	45,400
Number of redeemable units outstanding	7,368,125	9,084,795	12,020,262	12,745,468	11,067,849
Management expense ratio (%) <sup>(1)</sup>	1.17	1.17	1.17	1.23	1.34
Management expense ratio before waivers and absorptions (%)	1.17	1.17	1.17	1.23	1.34
Trading expense ratio (%) <sup>(3)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42	428.13	472.95
Net asset value per unit (\$)	3.86	3.89	4.16	4.22	4.10

## DESJARDINS SHORT-TERM INCOME FUND

### Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>I-CLASS</b>					
Total net asset value ('000s of \$)	391,892	726,482	348,907	515,661	491,223
Number of redeemable units outstanding	42,955,385	79,151,332	35,471,945	51,583,591	50,449,475
Management expense ratio (%) <sup>(2)</sup>	—	—	—	—	—
Management expense ratio before waivers and absorptions (%)	—	—	—	—	—
Trading expense ratio (%) <sup>(3)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42	428.13	472.95
Net asset value per unit (\$)	9.12	9.18	9.84	10.00	9.74

### Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>C-CLASS</b>					
Total net asset value ('000s of \$)	339	656	1,131	1,009	499
Number of redeemable units outstanding	37,014	70,732	114,033	100,218	51,014
Management expense ratio (%) <sup>(1)</sup>	1.09	1.09	1.09	1.15	1.30
Management expense ratio before waivers and absorptions (%)	1.09	1.09	1.09	1.15	1.30
Trading expense ratio (%) <sup>(3)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42	428.13	472.95
Net asset value per unit (\$)	9.17	9.28	9.92	10.07	9.77

### Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>F-CLASS</b>					
Total net asset value ('000s of \$)	1,115	1,025	1,786	2,986	38
Number of redeemable units outstanding	120,609	109,961	178,631	294,457	3,843
Management expense ratio (%) <sup>(1)</sup>	0.59	0.59	0.59	0.65	0.73
Management expense ratio before waivers and absorptions (%)	0.59	0.59	0.59	0.65	0.73
Trading expense ratio (%) <sup>(3)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42	428.13	472.95
Net asset value per unit (\$)	9.24	9.32	10.00	10.14	9.84

### Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021	SEPT. 30, 2020	SEPT. 30, 2019
<b>D-CLASS</b>					
Total net asset value ('000s of \$)	466	886	935	867	481
Number of redeemable units outstanding	48,658	91,669	90,548	82,833	47,056
Management expense ratio (%) <sup>(1)</sup>	0.60	0.60	0.66	0.77	0.88
Management expense ratio before waivers and absorptions (%)	0.60	0.60	0.66	0.77	0.88
Trading expense ratio (%) <sup>(3)</sup>	—	—	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42	428.13	472.95
Net asset value per unit (\$)	9.58	9.66	10.33	10.47	10.23



# DESJARDINS SHORT-TERM INCOME FUND

## Ratios and Supplemental Data

	SEPT. 30, 2023	SEPT. 30, 2022	SEPT. 30, 2021
<b>W-CLASS</b>			
Total net asset value ('000s of \$)	7,731	7,221	965
Number of redeemable units outstanding	832,519	772,690	97,018
Management expense ratio (%) <sup>(2)</sup>	—	—	—
Management expense ratio before waivers and absorptions (%)	—	—	—
Trading expense ratio (%) <sup>(3)</sup>	—	—	—
Portfolio turnover rate (%) <sup>(4)</sup>	513.12	1,099.72	756.42
Net asset value per unit (\$)	9.29	9.35	9.94

- (1) Management expense ratio is based on total expenses (including applicable taxes and including its proportionate share of the total expenses of the underlying funds, where applicable, but excluding commissions and other portfolio transaction costs and excluding withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (2) Management expense ratio relating to I- and W-Class units is based on total expenses (including applicable taxes and including its proportionate share of the total expenses of the underlying funds, where applicable, but excluding commissions and other portfolio transaction costs and excluding withholding taxes, as well as management fees paid to the Manager, which may differ from one investor to another, as they are negotiated by each one of them directly with the Manager) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period.
- (3) The trading expense ratio represents total commissions and other portfolio transaction costs, including from September 30, 2023, its proportionate share of the expenses incurred by the underlying funds, where applicable, and indirectly attributable to the Fund, expressed as an annualized percentage of daily average net asset value during the period.
- (4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio manager 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 period. The higher a fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a fund.

### Management Fees

Management fees payable to the Manager by the Desjardins Short-Term Income Fund are calculated daily on the net asset value of the Fund at an annual rate of 0.88% for A- and C-Class units. These fees are paid weekly.

The major services paid by the management fees expressed as an approximate percentage of said management fees may be summarized as follows:

- Administration of the Fund, investment portfolio management and profit margin 0.28%
- Dealer compensation 0.50%
- Marketing expenses 0.10%

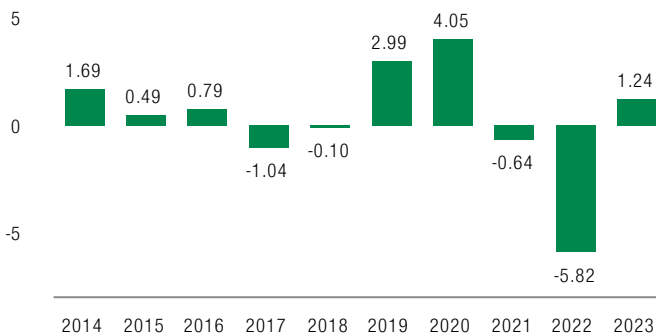
### PAST PERFORMANCE

Performance data assumes that all distributions of each class of the Fund for the periods shown were reinvested in additional Fund units. However, it does not take into account purchases, redemptions, investments or other optional charges, and returns would be lower if it did.

The past performance of each class of the Fund is not necessarily indicative of future performance.

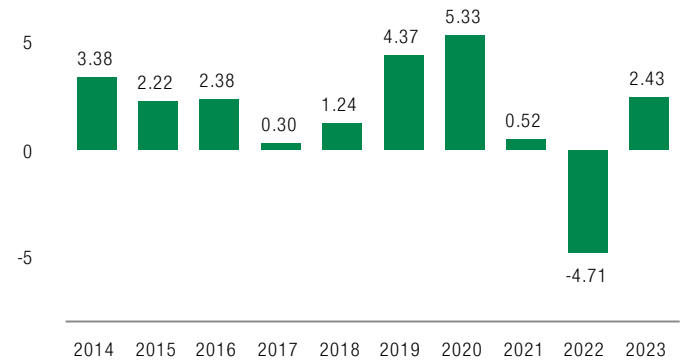
### Annual Performance (%)

#### A-CLASS



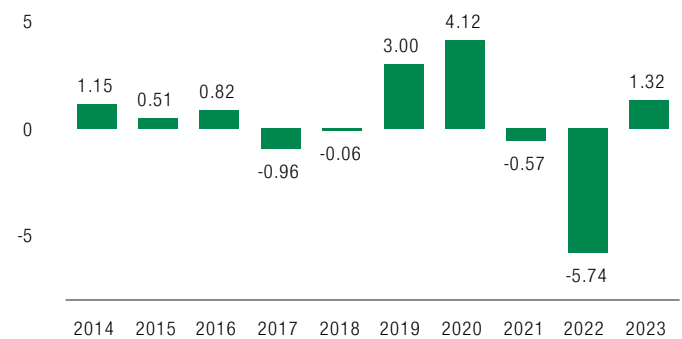
\* Beginning of Operations in June 1965.

#### I-CLASS



\* Beginning of Operations in June 2010.

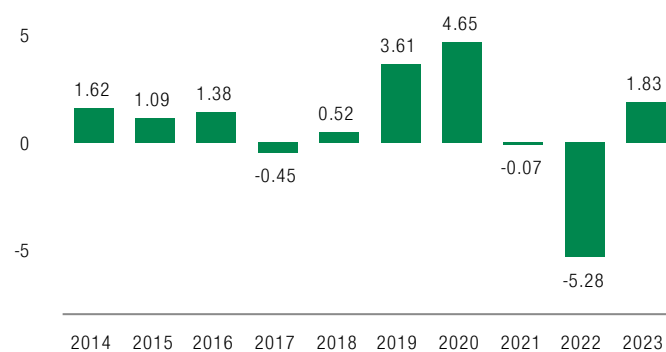
#### C-CLASS



\* Beginning of Operations in November 2013.

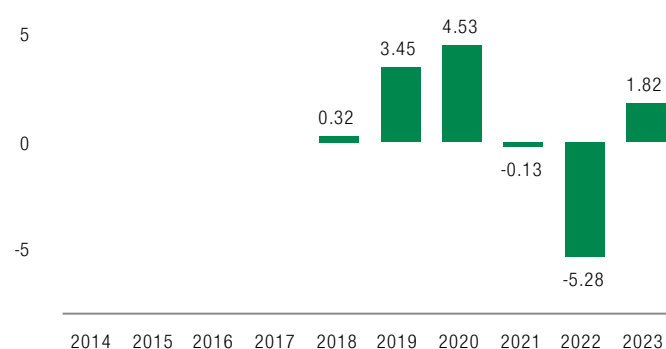
## DESJARDINS SHORT-TERM INCOME FUND

### F-CLASS



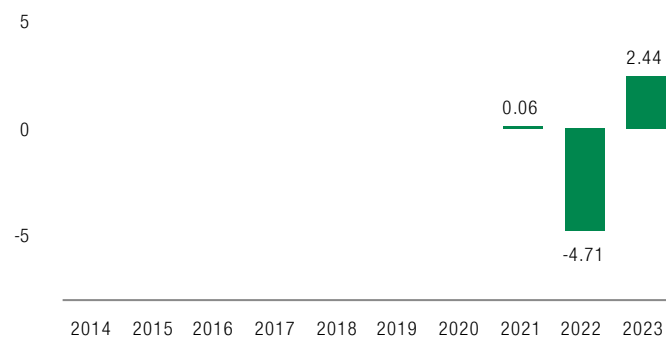
\* Beginning of Operations in November 2013.

### D-CLASS



\* Beginning of Operations in May 2018.

### W-CLASS



\* Beginning of Operations in May 2021.

These graphs present the annual performance of each class of the Fund for each fiscal year shown and illustrate the evolution of each class of the Fund from one year to the next. These graphs also indicate, in percentage terms, how the value of an investment made on the first day of each fiscal year would have evolved as of the last day of that fiscal year. The last column shows the total performance of each class of the Fund at the end of the fiscal year. Returns may differ from one class to another for a number of reasons, including if the class was not issued and outstanding for the entire period under review and because of the different levels of management fees and expenses.

The Annual Compound Returns table compares the performance of each class of the Fund with one or several indices, which includes reinvested income, but do not include management and trading expenses.

### Annual Compound Returns (%)

	1 YEAR	3 YEARS	5 YEARS	10 YEARS OR SINCE INCEPTION
<b>A-CLASS</b>				
A-Class Units	1.24	-1.79	0.30	0.33
FTSE Canada Short Term Overall Bond Index	1.56	-1.23	1.08	1.34
Blended index *	1.90	-1.09	1.25	1.51
<b>I-CLASS</b>				
I-Class Units	2.43	-0.63	1.53	1.71
FTSE Canada Short Term Overall Bond Index	1.56	-1.23	1.08	1.34
Blended index *	1.90	-1.09	1.25	1.51
<b>C-CLASS</b>				
C-Class Units	1.32	-1.71	0.36	0.33
FTSE Canada Short Term Overall Bond Index	1.56	-1.23	1.08	1.34
Blended index *	1.90	-1.09	1.25	1.44
<b>F-CLASS</b>				
F-Class Units	1.83	-1.22	0.89	0.87
FTSE Canada Short Term Overall Bond Index	1.56	-1.23	1.08	1.34
Blended index *	1.90	-1.09	1.25	1.44
<b>D-CLASS</b>				
D-Class Units	1.82	-1.24	0.82	0.82
FTSE Canada Short Term Overall Bond Index	1.56	-1.23	1.08	1.34
Blended index *	1.90	-1.09	1.25	1.22
<b>W-CLASS</b>				
W-Class Units	2.44			-0.98
FTSE Canada Short Term Overall Bond Index	1.56			1.34
Blended index *	1.90			-1.57

\* The blended index is comprised as follows:  
 FTSE Canada Short Term Government Bond Index : 50%  
 FTSE Canada Short Term Corporate Bond Index : 50%

#### FTSE Canada Short Term Overall Bond Index

A sub-index of the FTSE Canada Universe Bond Index, the FTSE Canada Short Term Overall Bond Index is designed to be a broad measure of the Canadian investment-grade fixed-income market. The index includes bonds whose remaining effective term is greater than one year and up to five years.

#### FTSE Canada Short Term Government Bond Index

A sub-index of the FTSE Canada Short Term Overall Bond Index, the FTSE Canada Short Term Government Bond Index measures Canadian investment-grade fixed-income securities with maturities from one to five years issued by Canadian federal, provincial or municipal governments.

#### FTSE Canada Short Term Corporate Bond Index

A sub-index of the FTSE Canada Short Term Bond Index, the FTSE Canada Short Term Corporate Bond Index measures Canadian investment-grade fixed-income securities with maturities from one to five years issued by Canadian corporations.

Please refer to the "Other Material Information" section for more information on the benchmark(s).

## DESJARDINS SHORT-TERM INCOME FUND

### Comparison with the index

As of September 30, 2023, the Desjardins Short-Term Income Fund (A-Class units) posted a 1.24% return, compared to 1.90% for its benchmark, composed of the FTSE Canada Short Term Government Bond Index (50%) and the FTSE Canada Short Term Corporate Bond Index (50%). The FTSE Canada Short Term Overall Bond Index posted a 1.56% return for the same period. As opposed to the benchmark, the Fund's performance is net of fees and expenses. Please refer to the "Past Performance" section for the details of returns by class and to the "Other Material Information" section for more information on the benchmarks. Performance differences between classes of units are mainly due to management fees charged to each class.

- by calling 514 286-3499, or toll free at 1 866 666-1280; or
- at [desjardinsfunds.com](http://desjardinsfunds.com); by e-mail, at [info.fondsdesjardins@desjardins.com](mailto:info.fondsdesjardins@desjardins.com);
- or
- through Desjardins Investments Inc.

Desjardins Funds Customer Service  
2 Complexe Desjardins  
P.O. Box 9000, Desjardins Station  
Montréal, Québec H5B 1H5

Prospectus and other information about the underlying investment funds are available on the Internet at [www.sedarplus.ca](http://www.sedarplus.ca).

### PORTFOLIO OVERVIEW

#### Net Asset Value Mix as at September 30, 2023

NET ASSET VALUE MIX	%
<b>Canadian Bonds</b>	<b>88.6</b>
Government of Canada	32.5
Municipalities and Semi-Public Institutions	3.2
Corporations	52.9
<b>Canadian Mortgage-Backed Securities</b>	<b>8.6</b>
<b>Canadian Asset-Backed Securities</b>	<b>2.1</b>
<b>Cash and Cash Equivalents</b>	<b>0.7</b>
<b>Total</b>	<b>100.0</b>
<b>GEOGRAPHIC ALLOCATION</b>	<b>%</b>
Canada	99.3
Cash and Cash Equivalents	0.7
<b>Total</b>	<b>100.0</b>

Top 25 Positions (Long Positions)*	NET ASSET VALUE %
1 Canada Housing Trust, Series 105, 1.550%, 2026-12-15	10.1
2 Government of Canada, 2.750%, 2027-09-01	6.1
3 Government of Canada, 1.500%, 2025-04-01	5.6
4 PSP Capital, Series 11, 3.000%, 2025-11-05	4.6
5 Royal Bank of Canada, 1.589%, 2026-05-04	3.9
6 National Bank of Canada, 5.219%, 2028-06-14	3.4
7 Canada Housing Trust, Series 113, 3.100%, 2028-06-15	3.3
8 Toronto-Dominion Bank, 2.260%, 2027-01-07	3.0
9 Laurentian Bank of Canada NHA, 0.550%, 2025-12-01	2.6
10 Scotiabank, 5.500%, 2026-05-08	2.0
11 Bank of Montreal, 4.709%, 2027-12-07	2.0
12 Bank of Montreal, 3.650%, 2027-04-01	1.9
13 Canadian Imperial Bank of Commerce, 5.050%, 2027-10-07	1.9
14 Canadian Imperial Bank of Commerce, 2.250%, 2027-01-07	1.7
15 Canada Post Corporation, Series 2, 4.080%, 2025-07-16	1.6
16 Bank of Montreal, 5.039%, 2028-05-29	1.5
17 Scotia Capital NHA, 0.890%, 2026-09-01	1.4
18 National Bank of Canada, 5.296%, 2025-11-03	1.3
19 Scotiabank, 3.934%, floating rate from 2027-05-03, 2032-05-03	1.3
20 Government of Canada, 3.000%, 2024-11-01	1.1
21 Ford Auto Securitization Trust, Series 2022-A, Class A3, Sequential Pay Class, 5.399%, 2028-09-15	1.0
22 Original Wempi, 7.791%, 2027-10-04	0.9
23 Toronto-Dominion Bank, 5.376%, 2027-10-21	0.9
24 Toronto-Dominion Bank, 4.477%, 2028-01-18	0.9
25 Scotiabank, 5.679%, floating rate from 2028-08-02, 2033-08-02	0.9
<b>Total</b>	<b>64.9</b>

\*There is no short position in this Fund.

The Portfolio Overview may change due to ongoing Fund transactions. You can request copies of the quarterly update and other information regarding the Desjardins Funds, at no cost:

- by contacting your representative; or

### OTHER MATERIAL INFORMATION

A-Class units of this Fund are offered to all investors. The Fund's investment portfolio is the same for all its unit classes.

I-Class units of this Fund are offered to large investors who make the required minimum investment. The Fund's investment portfolio is the same for all its unit classes.

C-Class units of this Fund are offered to investors who purchase units using an initial sales charge option, a deferred sales charge option or a low load sales charge option. These units are offered only if the investor's dealer has reached a security agreement with the Fund's Manager. The Fund's investment portfolio is the same for all its unit classes.

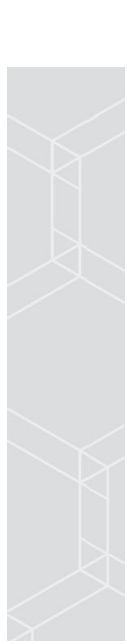
F-Class units of this Fund are offered to investors who compensate their dealer on a "fee for service" basis, who have a dealer-sponsored wrap account or who pay their dealer an annual fee and where the dealer does not receive trailing commissions. These units are offered only if the investor's dealer has reached a security agreement with the Fund's Manager. The Fund's investment portfolio is the same for all its unit classes.

D-Class units of this Fund are offered to investors who purchase their units through Disnat Online Brokerage or an account with a discount broker and who compensate the discount broker's firm on a "fee for service" basis; the discount broker's firm does not receive trailing commissions from the Manager. These units are offered on a no-load basis, which means no initial sales charge and no deferred sales charge. However, the broker executing the transaction may charge the investor execution fees for any transaction on such units. These execution fees can be negotiated between the investor and the discount broker. The investor should refer to the agreement entered with their discount broker for more information. These units are offered only if the investor's discount brokerage firm has entered into a security investment agreement with the Manager.

W-Class units of this Fund are offered as part of the Discretionary Management Service of Desjardins Securities Inc. or to investors who have entered into a discretionary portfolio management agreement with their representative's firm or who have received prior authorization from the Manager. The management and administration fee are reduced and negotiated directly with each investor or with the representative's firm that has entered into a discretionary portfolio management agreement. In the latter case, the fees will be paid by the representative's firm. These units are offered only if the investor's representative's firm has reached a security investment agreement with the Manager. However, the Manager may decide at its discretion to offer these securities to other types of investors.

FTSE Global Debt Capital Markets Inc (FTSE GDCM), FTSE International Limited (FTSE) and the London Stock Exchange Group companies (the Exchange, together with FTSE GDCM, FTSE and the Exchange, the "Licensor Parties"). The Licensor Parties make no warranty or representation whatsoever, expressly or impliedly, either as to the results to be obtained from the use of the FTSE Canada Universe Bond Index (the Index) and/or the figure at which the said Index stands at any particular time on any particular day or otherwise. The Index is compiled and calculated by FTSE GDCM and all copyright in the Index values and constituent lists vests in FTSE GDCM. The Licensor Parties shall not be liable (whether in negligence or otherwise) to any error in the Index and the Licensor Parties shall not be under any obligation to advise any person of any error therein.

FTSE® is a trademark of the FTSE International Limited and is used by FTSE GDCM under licence.



**Desjardins Investments Inc.**  
Desjardins Funds Customer Service  
514 286-3499 (for the Montréal area)  
1 866 666-1280

[info.fondsdesjardins@desjardins.com](mailto:info.fondsdesjardins@desjardins.com)

[desjardinsfunds.com](http://desjardinsfunds.com)