

# Notice to Unitholders



## RE: NOTICE OF BEGINNING OF USE OF DERIVATIVE INSTRUMENTS BY THE MELODIA AND SOCIETERRA PORTFOLIOS

This Notice is to inform you that starting on September 30, 2020, Desjardins Investments Inc., the manager of the Desjardins Funds, may adopt investment strategies using derivative instruments by the Melodia and SocieTerra Portfolios (the "Portfolios").

### BENEFITS OF THE USE OF DERIVATIVE INSTRUMENTS

The manager considers that the use of derivative instruments will be advantageous to the unitholders of the concerned Portfolios for the following reasons:

- Unitholders may benefit from the implementation of investment strategies involving the use of derivatives within the Portfolios;
- Unitholders will benefit from an enhanced return potential through the use of derivatives;
- Unitholders will continue to benefit from the same advantages offered by the Portfolios, such as the asset allocation services and the professionally managed portfolios;
- Unitholders may benefit from a reduction in the overall risk of the Portfolios through the use of derivatives.

### USE OF DERIVATIVE INSTRUMENTS

More specifically, the Portfolios may use derivatives for both hedging and non-hedging purposes. They may use various derivative instruments to reduce their global risk or to improve their return. The Portfolios may use various derivatives such as options, forwards, futures contracts and swaps for the purposes of hedging against losses incurred by fluctuations in securities values or exchange rates. They may also use derivatives for non-hedging purposes to gain an exposure to or as a substitute for a security, region or sector, to reduce transaction costs or to provide enhanced liquidity. Derivatives will only be used by the Portfolios in accordance with the requirements of the securities regulations.

These changes will be effective starting on September 30, 2020 and reflect DI's commitment to offer evolved investment solutions.

## NOTICE TO UNITHOLDERS

Here is a list of the concerned Portfolios:

<b>FUNDS</b>
Melodia Very Conservative Income Portfolio
Melodia Conservative Income Portfolio
Melodia Moderate Income Portfolio
Melodia Diversified Income Portfolio
Melodia Moderate Growth Portfolio
Melodia Diversified Growth Portfolio
Melodia Balanced Growth Portfolio
Melodia Aggressive Growth Portfolio
Melodia Maximum Growth Portfolio
Melodia 100% Equity Growth Portfolio
SocieTerra Conservative Portfolio
SocieTerra Balanced Portfolio
SocieTerra Growth Portfolio
SocieTerra Maximum Growth Portfolio
SocieTerra 100% Equity Portfolio

The SocieTerra Moderate Portfolio is not concerned by these changes since it may use derivative instruments since its creation.

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

These changes apply to the Portfolios only. The underlying funds in which they invest may already use derivatives and may continue to use them in their investment strategies.

### NATURE AND IMPACT OF USE OF DERIVATIVE INSTRUMENTS

Starting on September 30, 2020, the Portfolios may use derivatives for both hedging and non-hedging purposes. **These changes require no action on your part.**

All optional plans that are in force, such as preauthorized payment plans, automatic transfer plans and automatic or periodic withdrawal plans, will continue under the same terms and conditions.

### INCOME TAX CONSIDERATIONS

The beginning of the use of derivative instruments will have **no tax consequence** for the unitholders, regardless of whether these are held in a registered or non-registered account.

### QUESTIONS?

If you have any questions, contact your representative or call 1-800-224-7737, option 4, from Monday to Friday, 8:00 a.m. to 9:00 p.m.

The Prospectus and the Fund Facts of the Portfolios are available on the Desjardins Funds website at [desjardinsfunds.com](http://desjardinsfunds.com).

*If you no longer hold Units of a Portfolio, please disregard this Notice.*

Dated June 30, 2020

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

Desjardins and Desjardins Wealth Management are trademarks owned by the Fédération des caisses Desjardins du Québec used under license.