***No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and only by persons permitted to sell these securities.***

**PROSPECTUS**

Desjardins Wealth Management
GLOBAL ASSET MANAGEMENT

*Initial Public Offering and Continuous Offering*

March 22, 2017

This prospectus qualifies the distribution of units (the "**Units**") of the following exchange traded funds (each, a "**Desjardins ETF**" and together, the "**Desjardins ETFs**"):

Desjardins Canada Multifactor-Controlled Volatility ETF("**DFC**")
Desjardins USA Multifactor-Controlled Volatility ETF ("**DFU**")
Desjardins Developed ex-USA ex-Canada Multifactor-Controlled Volatility ETF ("**DFD**")
Desjardins Emerging Markets Multifactor-Controlled Volatility ETF ("**DFE**")
(collectively, the "**Desjardins Multifactor-Controlled Volatility ETFs**")

Desjardins Canadian Universe Bond Index ETF ("**DCU**")
Desjardins Canadian Short Term Bond Index ETF ("**DCS**")
Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF ("**DCC**")
Desjardins 1-5 year Laddered Canadian Government Bond Index ETF ("**DCG**")
(collectively, the "**Desjardins Canadian Fixed Income ETFs**")

Desjardins Canadian Preferred Share Index ETF ("**DCP**")
(the "**Desjardins Canadian Preferred Share ETF**")

The Desjardins ETFs are exchange traded mutual funds established under the laws of the province of Québec. Desjardins Global Asset Management Inc. (the "**Manager**" or "**DGAM**") will act as manager and portfolio advisor of the Desjardins ETFs. Desjardins Trust Inc. will act as the trustee of the Desjardins ETFs. See "Organization and Management Details of the Desjardins ETFs".

**Investment Objectives**

The Desjardins ETFs seek to replicate, to the extent reasonably possible and before fees and expenses, the performance of a specified market index. See "Investment Objectives".

**Listing of Units**

Each Desjardins ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units have been conditionally approved for listing on the TSX. Subject to receiving conditional approval and satisfying the TSX's original listing requirements, the Units will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investor resides.

Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any Desjardins ETF in connection with the buying or selling of Units on the TSX. Holders of Units may also (i) redeem Units of any Desjardins ETF for cash at a redemption price per unit equal to 95% of the closing price for the applicable Units on the TSX on the effective day of redemption, subject to a maximum redemption price per Unit equal to the net asset value per unit ("**NAV per Unit**") on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a Prescribed Number of Units (as defined herein) (or an integral multiple thereof) for Baskets of Securities (as defined herein) and cash or, in certain circumstances, for cash. See "Exchange and Redemption of Units - Redemption of Units of a Desjardins ETF for Cash" and "Exchange and Redemption of Units - Exchange of Units of a Desjardins ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash" for further information.

The Desjardins ETFs will issue Units directly to designated brokers and authorized participants.

**Eligibility for Investment**

In the opinion of Blake, Cassels & Graydon LLP, provided that a Desjardins ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act (as defined herein), or that the Units of that Desjardins ETF are listed on a "designated stock exchange" within the meaning of the Tax Act (which includes the TSX), the Units of such Desjardins ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, a registered retirement income fund, a registered disability savings plan, a deferred profit sharing plan, a registered education savings plan or a tax-free savings account.

**Additional Considerations**

No designated broker or authorized participant has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and as such, the designated brokers and authorized participants do not perform many of the usual underwriting activities in connection with the distribution by the Desjardins ETFs of their Units under this prospectus.

For a discussion of the risks associated with an investment in Units of the Desjardins ETFs, see "Risk Factors".

Registration of interests in, and transfer of, the Units will be made only through CDS Clearing and Depository Services Inc. Beneficial owners will not have the right to receive physical certificates evidencing their ownership.

The Manager has entered into a license agreement with certain index providers to use the Indices (as defined herein) and certain other trademarks. See "Other Material Facts – Index Provider Disclaimer".

**Documents Incorporated by Reference**

Additional information about each Desjardins ETF is or will be available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance ("**MRFP**"), any interim MRFP filed after the annual MRFP for each Desjardins ETF, and the most recently filed ETF Summary Document (as defined herein) for each Desjardins ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See "Documents Incorporated by Reference" for further details.

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**(continued)**

## GLOSSARY

*Unless otherwise indicated, the references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

*Allowable Capital Loss* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of Holders”.

*Authorized Participants* **–** means a registered dealer (that may or may not be a Designated Broker) that has entered into a continuous distribution dealer agreement with the Manager, on behalf of a Desjardins ETF, and that has been authorized to subscribe for and purchase Units from that Desjardins ETF.

*Basket of Securities* – means, in relation to a particular Desjardins ETF, a group of securities and/or assets determined by the Manager from time to time representing the constituents of the Desjardins ETF or the applicable Index in approximately the same weightings as such constituents are weighted in the applicable Index.

*Canadian Securities Legislation* – means the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the Securities Regulatory Authorities, as the same may be amended, restated or replaced from time to time.

*Capital Gains Refund* – has the meaning ascribed thereto under “Income Tax Considerations – Taxation of the Desjardins ETFs”.

*Cash Creation Fee* **–** means, in relation to a particular Desjardins ETF, the fee payable in connection with cash only payments for subscriptions of a PNU of a Desjardins ETF, representing brokerage expenses, commissions, transaction costs and other costs or expenses that the Desjardins ETF incurs or expects to incur in purchasing securities on the open market with such proceeds.

*Cash Exchange Fee* **–** means, in relation to a particular Desjardins ETF, the fee payable in connection with cash only payments for exchange of a PNU of a Desjardins ETF, representing brokerage expenses, commissions, transaction costs and other costs or expenses that the Desjardins ETF incurs or expects to incur in purchasing securities on the open market with such proceeds.

*CDS* – means CDS Clearing and Depository Services Inc.

*CDS Participant* – means a registered dealer or other financial institution that is a participant in CDS and that holds Units on behalf of beneficial owners of Units.

*CDSX* – means the clearing and settlement system operated by CDS.

*Constituent Issuers* – means the issuers included in a portfolio or Index of a Desjardins ETF from time to time, or where a Desjardins ETF uses a representative “sampling” methodology, the issuers included in the representative sample of issuers intended to replicate the Index as determined from time to time by the Manager.

*Constituent Securities* – means the securities included in the investment portfolio or Index of a Desjardins ETF from time to time, or where a Desjardins ETF uses a representative “sampling” methodology, the securities included in the representative sample of securities intended to replicate the Index as determined from time to time by the Manager.

*Counterparty* – has the meaning ascribed thereto under “Risk Factors – Securities Lending”.

*CRA* **–** means the Canada Revenue Agency.

*CRS Legislation* – has the meaning ascribed thereto under “Unitholder Matters – International Information Reporting”.

*Custodian* – means State Street Trust Company Canada, in its capacity as custodian of the Desjardins ETFs pursuant to the Custodian Agreement.

*Custodian Agreement* – means the master custodian agreement between the Manager, in its capacity as manager of the Desjardins ETFs, and the Custodian, as may be further supplemented, amended and/or amended and restated from time to time.

*Declaration of Trust* **–** means the master declaration of trust establishing the Desjardins ETFs dated March 22, 2017, as the same may be amended, restated or replaced from time to time.

*Designated Broker* – means a registered dealer that has entered into a designated broker agreement with the Manager, on behalf of a Desjardins ETF, pursuant to which the Designated Broker agrees to perform certain duties in relation to that Desjardins ETF.

*Desjardins ETFs* – means collectively, the exchange traded funds named on the cover page hereof, and each, an investment trust established under the laws of the province of Québec pursuant to the Declaration of Trust.

*DFA Rules* – has the meaning ascribed thereto under "Risk Factors – Taxation of the Desjardins ETFs".

*DGAM* – has the meaning ascribed thereto on the cover page.

*Distribution Record Date* – means, in relation to a particular Desjardins ETF, a date determined by the Manager as a record date for the determination of the Unitholders of the Desjardins ETF entitled to receive a distribution.

*DPSP* – means a deferred profit sharing plan within the meaning of the Tax Act.

*ETF Summary Document* – means a summary document in respect of an exchange traded fund, which summarizes certain features of the exchange traded fund and which is publicly available at www.sedar.com and provided or made available to registered dealers for delivery to purchasers of securities of an exchange traded fund.

*Fund Administrator* – means State Street Fund Services Toronto Inc.

*GST/HST* – means taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.

*IGA* – has the meaning ascribed thereto under "Unitholder Matters – International Information Reporting".

*Index* – means a benchmark or index, provided by an Index Provider, or a replacement or alternative benchmark or index that applies substantially similar criteria to those currently used by the Index Provider for the benchmark or index, or a successor index that is substantially comprised of or would be substantially comprised of the same Constituent Securities or similar contracts or instruments, which is used by a Desjardins ETF in relation to that Desjardins ETF's investment objective.

*Index Providers* – means the third party providers of the Indices, currently Solactive AG with respect to the Solactive AG Canadian Fixed Income Indices and the Solactive Canadian Rate Reset Preferred Share Index (TR) and EDHEC Risk Institute Asia Ltd. with respect to the Scientific Beta Multifactor-Controlled Volatility Indices, with which the Manager has entered into License Agreements to use the relevant Indices and certain trademarks in connection with the operation of the applicable Desjardins ETFs.

*IRC or Independent Review Committee* – means the independent review committee of the Desjardins ETFs established under NI 81-107.

*Lending Agent* – means State Street Bank and Trust Company, in its capacity as lending agent pursuant to the Securities Lending Agreement.

*License Agreements* – means the agreements between the Manager and each of the Index Providers in order to use the relevant Indices and certain trademarks in connection with the operation of the applicable Desjardins ETFs.

*Management Agreement* **–** means the management agreement dated March 22, 2017, between the Desjardins ETFs and the Manager, as it may be amended from time to time.

*Manager* – has the meaning ascribed thereto on the cover page.

*Management Fee* – has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Desjardins ETFs – Management Fees".

*Management Fee Distributions* – has the meaning ascribed thereto under "Fees and Expenses – Fees and Expenses Payable by the Desjardins ETFs – Management Fees".

*Minimum Distribution Requirements* – has the meaning attributed thereto under "Income Tax Considerations – Status of the Desjardins ETFs".

*MRFP* – means management report of fund performance.

*NAV* and *NAV per Unit* – means in relation to a particular Desjardins ETF, the net asset value of the Desjardins ETF and the net asset value per Unit, calculated by the Fund Administrator, as described under "Calculation of Net Asset Value".

*NI 81-102* **–** means National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

*NI 81-106* – means National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

*NI 81-107 –* means National Instrument 81-107 *– Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

*NP 11-203* – means National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* as the same may be amended, restated or replaced from time to time.

*Other Securities* – means securities other than Constituent Securities included in the applicable Index, including securities of exchange traded funds, mutual funds or other public investment funds or derivative instruments;

*Participating Jurisdictions* – has the meaning ascribed to such term under the heading "Unitholder Matters – International Information Reporting".

*Permitted Mergers* – has the meaning ascribed thereto under "Unitholder Matters – Permitted Mergers".

*Plans* – has the meaning ascribed thereto under "Income Tax Considerations – Status of the Desjardins ETFs".

*PNU or Prescribed Number of Units* – means, in relation to a particular Desjardins ETF, the number of Units determined by the Manager from time to time for the purpose of subscription orders, exchanges, redemptions or for other purposes.

*Proxy Voting Policy* – has the meaning ascribed thereto under "Proxy Voting Disclosure for Portfolio Securities Held".

*RDSP* **–** means a registered disability savings plan within the meaning of the Tax Act.

*Registrar and Transfer Agent* – means State Street Trust Company Canada, or its successor.

*RESP* – means a registered education savings plan within the meaning of the Tax Act.

*RRIF* – means a registered retirement income fund within the meaning of the Tax Act.

*RRSP* – means a registered retirement savings plan within the meaning of the Tax Act.

*Scientific Beta Multifactor-Controlled Volatility Indices* – means Scientific Beta Canada Multifactor–Controlled Volatility Index, Scientific Beta USA Multifactor–Controlled Volatility Index, Scientific Beta Developed ex-USA ex-Canada Multifactor–Controlled Volatility Index and Scientific Beta Emerging Markets Multifactor–Controlled Volatility Index, as applicable.

*Securities Lending Agreement* – means the securities lending agreement between the Manager of the Desjardins ETFs and the Lending Agent, as may be further supplemented, amended and/or amended and restated from time to time.

*Securities Regulatory Authorities* – means the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian Securities Legislation in force in such province or territory.

*SIFT trust* – means a specified investment flow-through trust within the meaning of the Tax Act.

*Solactive AG Canadian Fixed Income Indices* – means Solactive Canadian Bond Universe TR Index, Solactive Short-Term Canadian Bond Universe TR Index, Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index and Solactive 1-5 Year Laddered Canadian Government Bond TR Index, as applicable.

*Substituted Property* – has the meaning attributed thereto under "Income Tax Considerations – Taxation of the Desjardins ETFs".

*Tax Act* **–** means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time.

*Tax Amendment* – means a proposed amendment to the Tax Act publicly announced by the Minister of Finance (Canada) prior to the date hereof.

*Taxable Capital Gain* – has the meaning ascribed thereto under "Income Tax Considerations – Taxation of Holders".

*Tax Treaties* – has the meaning ascribed thereto under "Risk Factors – Taxation of the Desjardins ETFs".

*TFSA* – means a tax-free savings account within the meaning of the Tax Act.

*Trading Day* **–** means a day on which a session of the TSX is held.

*Trustee* – means Desjardins Trust Inc., in its capacity as trustee of the Desjardins ETFs pursuant to the Declaration of Trust, or its successor.

*TSX* **–** means the Toronto Stock Exchange.

*Unit* – means, in relation to a particular Desjardins ETF, a redeemable, transferable unit of that Desjardins ETF, which represents an equal, undivided interest in the net assets of that Desjardins ETF.

*Unitholder* **–** means a holder of Units of a Desjardins ETF.

*Valuation Date* – means each Trading Day or any other day designated by the Manager on which the NAV and NAV per Unit of a Desjardins ETF is calculated.

*Valuation Time* – means, in relation to a Desjardins ETF, 4:00 p.m. (Toronto time) on a Valuation Date or such other time that the Manager deems appropriate on each Valuation Date.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of this distribution and should be read together with the more detailed information, financial data and financial statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

**Issuers:**

Desjardins Canada Multifactor-Controlled Volatility ETF ("**DFC**")
Desjardins USA Multifactor-Controlled Volatility ETF ("**DFU**")
Desjardins Developed ex-USA ex-Canada Multifactor-Controlled Volatility ETF ("**DFD**")
Desjardins Emerging Markets Multifactor-Controlled Volatility ETF ("**DFE**")
(collectively, the "**Desjardins Multifactor-Controlled Volatility ETFs**")

Desjardins Canadian Universe Bond Index ETF ("**DCU**")
Desjardins Canadian Short Term Bond Index ETF ("**DCS**")
Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF ("**DCC**")
Desjardins 1-5 year Laddered Canadian Government Bond Index ETF ("**DCG**")
(collectively, the "**Desjardins Canadian Fixed Income ETFs**")

Desjardins Canadian Preferred Share Index ETF ("**DCP**")
(the "**Desjardins Canadian Preferred Share ETF**", and together with the Desjardins Multifactor-Controlled Volatility ETFs and the Desjardins Canadian Fixed Income ETFs, the "**Desjardins ETFs**")

Desjardins Global Asset Management Inc. (the "**Manager**" or "**DGAM**") will act as manager and portfolio advisor of the Desjardins ETFs. Desjardins Trust Inc. (the "**Trustee**") will act as the trustee of the Desjardins ETFs.

**Continuous Distribution:**

Each Desjardins ETF issues Units on a continuous basis and there is no maximum number of Units that may be issued. The Units are denominated in Canadian dollars.

The Units have been conditionally approved for listing on the Toronto Stock Exchange ("**TSX**"). Subject to receiving conditional approval and satisfying the TSX's original listing requirements, the Units will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units. No fees are paid by investors to the Manager or any Desjardins ETF in connection with the buying or selling of Units on the TSX. Investors may trade Units in the same way as other securities listed on the TSX, including by using market orders and limit orders.

See "Purchase of Units – Continuous Distribution" and "Purchase of Units – Buying and Selling Units of a Desjardins ETF".

**Investment Objectives:**

| Desjardins ETF | Investment Objectives and Index |
|---|---|
| DFC | DFC seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Canadian multifactor-controlled volatility equity index. Currently, DFC seeks to replicate the performance of the Scientific Beta Canada Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFC will primarily invest in Canadian equity securities. |
| DFU | DFU seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a U.S. multifactor-controlled volatility equity index. Currently, DFU seeks to replicate the performance of the Scientific Beta USA Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFU will primarily |

invest in U.S. equity securities.

| | |
|---|---|
| DFD | DFD seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Developed Markets (ex-USA ex-Canada) multifactor-controlled volatility equity index. Currently, DFD seeks to replicate the performance of the Scientific Beta Developed ex-USA ex-Canada Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFD will primarily invest in international (ex-USA ex-Canada.) equity securities. |
| DFE | DFE seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of an emerging markets multifactor-controlled volatility equity index. Currently, DFE seeks to replicate the performance of the Scientific Beta Emerging Markets Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFE will primarily invest in emerging markets securities. |
| DCU | DCU seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index. Currently, DCU seeks to replicate the performance of the Solactive Canadian Bond Universe TR Index, net of fees and expenses. Under normal market conditions, DCU will primarily invest in Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate bonds. |
| DCS | DCS seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index with a short-term average maturity. Currently, DCS seeks to replicate the performance of the Solactive Short-Term Canadian Bond Universe TR Index, net of fees and expenses. Under normal market conditions, DCS will primarily invest in short-term Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate short-term bonds. |
| DCC | DCC seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a diversified short term Canadian corporate bond index, which Index is divided into five groupings with staggered maturities. Currently, DCC seeks to replicate the performance of the Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index, net of fees and expenses. Under normal market conditions, DCC invests primarily in corporate bonds issued in the Canadian market, with an effective term to maturity between one and six years. |
| DCG | DCG seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a selected short term Canadian government bond index, which Index is divided into five groupings with staggered maturities. Currently, DCG seeks to replicate the performance of the Solactive 1-5 Year Laddered Canadian Government Bond TR Index, net of fees and expenses. Under normal market conditions, DCG will primarily invest in investment-grade government bonds issued in the Canadian market, with an effective term to maturity between one and six years. |

| | | |
|---|---|---|
| | DCP | DCP seeks to replicate to the extent reasonably possible and before fees and expenses, the performance of a Canadian preferred shares index. Currently, DCP seeks to replicate the performance of the Solactive Canadian Rate Reset Preferred Share Index (TR), net of fees and expenses. Under normal market conditions, DCP will primarily invest in preferred shares listed on the TSX. |

In addition, the Manager may, subject to any required Unitholder approval, change the Index underlying a Desjardins ETF to another index in order to provide investors with substantially the same exposure to the asset class to which that Desjardins ETF is currently exposed. If the Manager changes the Index underlying any Desjardins ETF, or any index replacing such Index, the Manager will issue a press release identifying the new Index, describing its Constituent Securities and specifying the reasons for the change in the Index.

See "Investment Objectives".

**Investment Strategies:**

*Specific Investment Strategies*

**Desjardins Multifactor-Controlled Volatility ETFs**

The investment strategy of each Desjardins Multifactor-Controlled Volatility ETF is to invest, directly or indirectly, in a portfolio of equity securities or Other Securities selected by the Manager that closely matches the regional market exposure of the applicable Index. Securities selected for inclusion in a Desjardins Multifactor-Controlled Volatility ETF's portfolio will have aggregate investment characteristics that represent six factors: size, valuation, momentum, volatility, profitability and investment, and constructed in a manner designed to minimize volatility and improve diversification similar to those reflected in the applicable Index.

**Desjardins Canadian Fixed Income ETFs**

The investment strategy of each Desjardins Canadian Fixed Income ETF is to invest, directly or indirectly, in a regularly balanced portfolio of bonds or Other Securities selected by the Manager that closely matches the market exposure of the applicable Index. Securities selected for inclusion in a Desjardins Canadian Fixed Income ETF's portfolio will have aggregate investment characteristics such as credit quality, yield and term to maturity, similar to those of the applicable Index.

**Desjardins Canadian Preferred Share ETF**

The investment strategy of the Desjardins Canadian Preferred Share ETF is to invest, directly or indirectly, in a portfolio of preferred shares or Other Securities selected by the Manager that closely matches the market exposure of the Solactive Canadian Rate Reset Preferred Share Index (TR). Preferred shares selected for inclusion in the Desjardins Canadian Preferred Share ETF's portfolio will generally have an adjustable dividend rate, and will be subject to minimum market capitalization, quality and liquidity screens, similar to those of the Solactive Canadian Rate Reset Preferred Share Index (TR).

*General Investment Strategies*

In order to achieve its investment objective and to obtain direct or indirect exposure to the Constituent Securities of the applicable Index, the investment strategy of each Desjardins ETF is to invest in and hold the Constituent Securities of the applicable Index in the same proportion as they are reflected in the applicable Index or otherwise invest in a manner intended to replicate the performance of such Index. The Desjardins ETFs may also hold cash and cash equivalents or other money market instruments in order to meet their current obligations.

A Desjardins ETF may, in certain circumstances and at the discretion of the Manager, employ a "sampling" strategy. Under a sampling strategy, such Desjardins ETF may not hold all of the Constituent Securities that are included in the applicable Index, but instead will hold a portfolio of constituent or Other Securities selected by the Manager that closely matches the aggregate investment characteristics (e.g., market capitalization, industry sector, weightings, credit quality, yield and term to maturity etc.) of the securities included in the applicable Index. The Constituent Securities selected using such sampling methodology will be based on a number of factors, including the asset base of the Desjardins ETF.

*Investment in other Investment Funds*

In accordance with applicable securities legislation, as part of its investment strategy and as an alternative to or in conjunction with investing in and holding securities directly, a Desjardins ETF may invest in one or more other investment funds or exchange traded funds listed on a stock exchange in Canada or the United States that provides exposure to the Constituent Securities of the Index or a substantially similar index.

*Use of Derivatives*

A Desjardins ETF may use derivative instruments from time to time for hedging or investment purposes. Any use of derivative instruments by a Desjardins ETF must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Desjardins ETF.

Any exposure that the portion of the portfolio of a Desjardins ETF attributable to the Units may have to foreign currencies will not be hedged back to the Canadian dollar.

*Securities Lending*

A Desjardins ETF may enter into securities lending transactions in compliance with NI 81-102 in order to earn additional income for the Desjardins ETFs, provided that the use of such securities lending transactions are in compliance with applicable Canadian securities legislation and are consistent with the investment objective and investment strategies of the applicable Desjardins ETF.

See “Investment Strategies”.

**Special Considerations for Purchasers:**

The provisions of the so-called “early warning” requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Desjardins ETFs have obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units of any Desjardins ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian Securities Legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units of the Desjardins ETF at any meeting of Unitholders.

Units of the Desjardins ETFs are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of a Desjardins ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable Desjardins ETF should be considered index participation units, as well as the control, concentration and certain of the “fund-of-funds” restrictions. No purchase of Units of a Desjardins ETF should be made solely in reliance on the above statements.

See “Attributes of the Securities – Description of the Securities Distributed”.

**Risk Factors:**

There are certain general risk factors inherent in an investment in the Desjardins ETFs, including:

(a) no guaranteed return;
(b) the general risks of investments;
(c) the risks associated with investing in particular asset classes;
(d) the risks associated with index investment and passive investment strategies;
(e) the risk of error in replicating or tracking the applicable Index;
(f) the risks associated with the use of a sampling methodology;
(g) the risks associated with rebalancing and subscriptions;

(h) the risks regarding the calculation and termination of the Indices;
(i) the risks associated with the issuers in which the Desjardins ETF's invest;
(j) the risks associated with volatile markets
(k) the risks associated with illiquid securities;
(l) the risks associated with reliance on key personnel;
(m) the risk that Units may trade at a premium or a discount to the NAV per Unit;
(n) fluctuations in the NAV and NAV per Unit of the Desjardins ETFs;
(o) the risks associated with the cease trading of securities held by the Desjardins ETFs;
(p) the risks associated with less diversified portfolios;
(q) the risks associated with the use of derivative instruments;
(r) the risks associated with settlement procedures;
(s) the risks associated with changes in legislation, including tax legislation;
(t) the risks relating to the taxation of the Desjardins ETFs;
(u) the risks associated with the valuation of portfolio securities;
(v) the risks associated with the lack of operating history of the Desjardins ETFs; and
(w) the risks associated with the potential cease trading of Units.

See "Risk Factors – General Risks Relating to an Investment in the Desjardins ETFs".

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Desjardins ETFs as indicated in the table below:

| **ETF Specific Risks** | DFC | DFU | DFD | DFE | DCU | DCS | DCC | DCG | DCP |
|---|---|---|---|---|---|---|---|---|---|
| Call Risk | | | | | | | | | ✓ |
| Country Risk | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Credit Rating Related Risk | | | | | ✓ | ✓ | ✓ | ✓ | |
| Currency Fluctuations Risks | | ✓ | ✓ | ✓ | | | | | |
| Emerging Markets Risk | | | | ✓ | | | | | |
| Extension Risk | | | | | | | | | ✓ |
| Foreign Investments Risk | | ✓ | ✓ | ✓ | | | | | |
| General Risks of Fixed-Income Securities | | | | | ✓ | ✓ | ✓ | ✓ | |
| General Risks of Equity Investments | ✓ | ✓ | ✓ | ✓ | | | | | |
| General Risks of Preferred Shares | | | | | | | | | ✓ |
| Interest Rate Risk | | | | | ✓ | ✓ | ✓ | ✓ | |
| Large-Capitalization Issuer Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Low Volatility Risk | ✓ | ✓ | ✓ | ✓ | | | | | |
| Mid and Small-Capitalization Issuer Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Securities Lending Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Underlying Fund Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

**Income Tax Considerations:**

A Unitholder of a Desjardins ETF who is resident in Canada will generally be required to include, in computing income for a taxation year, the amount of income (including any net realized taxable capital gains) that is paid or becomes payable to the Unitholder by that Desjardins ETF in that year (including such income that is paid in Units of the Desjardins ETF or reinvested in additional Units of the Desjardins ETF).

A Unitholder of a Desjardins ETF who disposes of a Unit of that Desjardins ETF that is held as capital property, including on a redemption or otherwise, will generally realize a capital gain (or capital loss) to the extent that the proceeds of disposition (other than any amount payable by a Desjardins ETF which represents capital gains allocated and designated to the redeeming Unitholder), net of costs of disposition, exceed (or are less than) the adjusted cost base of that Unit.

Each investor should satisfy himself or herself as to the federal and provincial tax consequences of an investment in Units of a Desjardins ETF by obtaining advice from his or her tax advisor.

See “Income Tax Considerations”.

**Exchanges and Redemptions:**

In addition to the ability to sell Units on the TSX, Unitholders may also (i) redeem Units of any Desjardins ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the TSX on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) exchange a PNU (or an integral multiple thereof) for Baskets of Securities and cash or, in certain circumstances, for cash.

See “Exchange and Redemption of Units – Redemption of Units of a Desjardins ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of a Desjardins ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash”.

**Distributions:**

Cash distributions of income, if any, on Units will be paid on the following basis:

| **Desjardins ETF** | **Frequency of Distributions** |
|---|---|
| DFC | At least Quarterly |
| DFU | At least Quarterly |
| DFD | At least Quarterly |
| DFE | At least Semi-Annually |
| DCU | At least Monthly |
| DCS | At least Monthly |
| DCC | At least Monthly |
| DCG | At least Monthly |
| DCP | At least Monthly |

Depending on the underlying investments of a Desjardins ETF, distributions on Units may consist of ordinary income, including foreign source income, sourced from dividends, interest or distributions received by the Desjardins ETF but may also include net realized capital gains, in any case, less the expenses of that Desjardins ETF and may include returns of capital. To the extent that the expenses of a Desjardins ETF exceed the income generated by such Desjardins ETF in any given month, quarter, six-month period or year, as the case may be, it is not expected that a monthly, quarterly, semi-annual or annual distribution will be paid.

In addition, a Desjardins ETF may from time to time pay additional distributions on its Units, including without restriction in connection with a special dividend or in connection with returns of capital.

The tax treatment to Unitholders of distributions is discussed under the heading “Income Tax Considerations”.

| | |
|---|---|
| | See “Distribution Policy”. |
| **Distribution Reinvestment Plan** | The Desjardins ETFs may provide Unitholders with the opportunity to reinvest cash distributions in additional Units through participation in a distribution reinvestment plan.<br><br>See “Distribution Policy – Distribution Reinvestment Plan”. |
| **Termination:** | The Desjardins ETFs do not have a fixed termination date but may be terminated at the discretion of the Manager in accordance with the terms of the Declaration of Trust.<br><br>See “Termination of the Desjardins ETFs”. |
| **Eligibility for Investment:** | Provided that a Desjardins ETF qualifies as a “mutual fund trust” within the meaning of the Tax Act, or the Units of that Desjardins ETF are listed on a “designated stock exchange” within the meaning of the Tax Act, Units of that Desjardins ETF, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, an RDSP, a DPSP, an RESP or a TFSA.<br><br>See “Income Tax Considerations – Taxation of Registered Plans”. |
| **Documents Incorporated by Reference:** | Additional information about each Desjardins ETF is, or will be, available in the most recently filed annual financial statements, any interim financial statements filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), any interim MRFP filed after the annual MRFP for each Desjardins ETF, and the most recently filed ETF Summary Document for each Desjardins ETF. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Desjardins ETFs’ website at www.DesjardinsETF.com and may be obtained upon request, at no cost, by calling 1-877-353-8686 or by contacting a registered dealer. These documents and other information about the Desjardins ETFs are also publicly available at www.sedar.com.<br><br>See “Documents Incorporated by Reference”. |

***Organization and Management of the Desjardins ETFs***

| | |
|---|---|
| **The Manager and Portfolio Advisor:** | DGAM manages the overall business and operations of, and provides or arranges for all administration services required by, the Desjardins ETFs.<br><br>The principal office of the Desjardins ETFs and DGAM is located at 1 Complexe Desjardins, Suite 2500, P.O. Box 153, Montreal, Québec H5B 1B3.<br><br>See “Organization and Management Details of the Desjardins ETFs – Manager”. |
| **Trustee** | Desjardins Trust Inc. will be the trustee of the Desjardins ETFs. The principal office of the Trustee located at 1 Complexe Desjardins, Suite 1422, Montreal, Québec H5B 1E4.<br><br>See “Organization and Management Details of the Desjardins ETFs – Trustee”. |
| **Promoter:** | DGAM has taken the initiative of founding and organizing the Desjardins ETFs and is, accordingly, the promoter of the Desjardins ETFs within the meaning of securities legislation of certain provinces and territories of Canada.<br><br>See “Organization and Management Details of the Desjardins ETFs – Promoter”. |
| **Custodian:** | State Street Trust Company Canada is the custodian of the Desjardins ETFs and is independent of the Manager. The Custodian provides custodial services to the Desjardins ETFs. The Custodian is located in Toronto, Ontario.<br><br>See “Organization and Management Details of the Desjardins ETFs – Custodian”. |
| **Fund Administrator:** | State Street Fund Services Toronto Inc. is responsible for certain aspects of the day-to-day administration of the Desjardins ETFs, including NAV calculations, accounting for net income and net realized capital gains of the Desjardins ETFs and maintaining the |

| | |
|---|---|
| | books and records of the Desjardins ETFs. State Street Fund Services Toronto Inc. is located in Toronto, Ontario.<br><br>See "Organization and Management Details of the Desjardins ETFs – Fund Administrator". |
| **Registrar and Transfer Agent:** | State Street Trust Company Canada, at its principal office in Toronto, Ontario, is the registrar and transfer agent for the Units of the Desjardins ETFs and maintains the register of registered Unitholders. The register of the Desjardins ETFs is kept in Toronto, Ontario.<br><br>See "Organization and Management Details of the Desjardins ETFs – Transfer Agent and Registrar". |
| **Securities Lending Agent:** | State Street Bank and Trust Company may act as the securities lending agent for the Desjardins ETFs pursuant to a securities lending authorization agreement.<br><br>See "Organization and Management Details of the Desjardins ETFs – Securities Lending Agent". |
| **Auditors:** | PricewaterhouseCoopers LLP, at its principal offices in Toronto, Ontario, are the auditors of the Desjardins ETFs. The auditors will audit each Desjardins ETF's annual financial statements and provide an opinion as to whether they present fairly the Desjardins ETF's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards. The auditors are independent of the Manager.<br><br>See "Organization and Management Details of the Desjardins ETFs – Auditors". |

***Summary of Fees and Expenses***

The following table lists the fees and expenses that an investor may have to pay if the investor invests in the Desjardins ETFs. An investor may have to pay some of these fees and expenses directly. The Desjardins ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Desjardins ETFs.

See "Fees and Expenses".

*Fees and Expenses Payable by the Desjardins ETFs*

| Type of Fee | Amount and Description |
|---|---|
| **Management Fee:** | Each Desjardins ETF will pay an annual management fee (the "**Management Fee**") to the Manager equal to an annual percentage of the NAV of that Desjardins ETF, calculated daily and payable monthly in arrears, plus applicable taxes. See "Organization and Management Details – Duties and Services to be Provided by the Manager" for a description of the services provided by the Manager.<br><br>The Management Fee is based on a percentage of the NAV of each of the following Desjardins ETFs and is listed below: |

| Desjardins ETFs | Management Fee (annual rate) |
|---|---|
| DFC | 0.50% of NAV |
| DFU | 0.50% of NAV |
| DFD | 0.60% of NAV |
| DFE | 0.65% of NAV |
| DCU | 0.10% of NAV |
| DCS | 0.15% of NAV |

| | |
|---|---|
| DCC | 0.25% of NAV |
| DCG | 0.20% of NAV |
| DCP | 0.45% of NAV |

In the event that a Desjardins ETF invests in another investment fund to obtain exposure to the Constituent Securities of the applicable Index or a substantially similar index and the management fee payable by the other fund is higher than that of the Desjardins ETF, the Desjardins ETF may pay the higher management fee on the portion of the Desjardins ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. As a result, the actual management fee may be higher than that shown in the table above.

The Manager may, at its discretion, agree to charge a reduced Management Fee as compared to the Management Fee that it otherwise would be entitled to receive from the Desjardins ETF, provided that the difference between the fee otherwise chargeable and the reduced Management Fee is distributed periodically by the Desjardins ETF to the applicable Unitholders as a Management Fee Distribution. Any reduction will depend on a number of factors, including the amount invested, the NAV of the Desjardins ETF and the expected amount of account activity. Management Fee Distributions will be paid first out of net income of the Desjardins ETF, then out of capital gains of the Desjardins ETF and thereafter out of capital.

See "Fees and Expenses".

**Operating Expenses:** Unless otherwise waived or reimbursed by the Manager, in addition to the payment of the Management Fee, each Desjardins ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST and QST, and the costs of complying with any new governmental or regulatory requirement introduced after the Desjardins ETF was established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Desjardins ETFs, including the fees payable to the Trustee, Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Providers, retained by the Manager.

See "Fees and Expenses".

*Fees and Expenses Payable Directly by Unitholders*

**Administration Fee:** An amount of up to 1.00% of the issue, exchange or redemption price, or such other amount as may be agreed to by the Manager and Designated Broker or Dealer, as the case may be, of a Desjardins ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Desjardins ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

See "Exchange and Redemption of Units – Administration Fee".

***Annual Returns and Management Expense Ratio***

As the Desjardins ETFs are new, information related to annual returns and management expense ratios are not yet available.

## OVERVIEW OF THE LEGAL STRUCTURE OF THE DESJARDINS ETFs

The Desjardins ETFs are exchange traded mutual funds established under the laws of the province of Québec, pursuant to the terms of the Declaration of Trust. Each Desjardins ETF is a mutual fund under the securities legislation of the provinces and territories of Canada. DGAM is the manager and portfolio advisor of the Desjardins ETFs and is responsible for the administration of the Desjardins ETFs. Desjardins Trust Inc. is the trustee of the Desjardins ETFs.

The principal office of the Desjardins ETFs and DGAM is located at 1 Complexe Desjardins, Suite 2500, P.O. Box 153, Montreal, Québec H5B 1B3.

The following chart sets out the full legal name as well as the TSX ticker symbol for each of the Desjardins ETFs:

| **Desjardins ETFs** | **TSX Ticker Symbol** |
|---|---|
| Desjardins Canada Multifactor-Controlled Volatility ETF | DFC |
| Desjardins USA Multifactor-Controlled Volatility ETF | DFU |
| Desjardins Developed ex-USA ex-Canada Multifactor-Controlled Volatility ETF | DFD |
| Desjardins Emerging Markets Multifactor–Controlled Volatility ETF | DFE |
| Desjardins Canadian Universe Bond Index ETF | DCU |
| Desjardins Canadian Short Term Bond Index ETF | DCS |
| Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF | DCC |
| Desjardins 1-5 year Laddered Canadian Government Bond Index ETF | DCG |
| Desjardins Canadian Preferred Share Index ETF | DCP |

## INVESTMENT OBJECTIVES

Each Desjardins ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a specified market index or any successor thereto. The investment strategy of each Desjardins ETF is to invest in and hold the Constituent Securities of the applicable Index in the same proportion as they are reflected in the applicable Index or otherwise invest in a manner intended to replicate the performance of the applicable Index.

**Desjardins Canada Multifactor-Controlled Volatility ETF (DFC)**

DFC seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Canadian multifactor-controlled volatility equity index. Currently, DFC seeks to replicate the performance of the Scientific Beta Canada Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFC will primarily invest in Canadian equity securities.

**Desjardins USA Multifactor-Controlled Volatility ETF (DFU)**

DFU seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a U.S. multifactor-controlled volatility equity index. Currently, DFU seeks to replicate the performance of the Scientific Beta USA Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFU will primarily invest in U.S. equity securities.

**Desjardins Developed ex-USA ex-Canada Multifactor-Controlled Volatility ETF (DFD)**

DFD seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a developed markets (ex-USA ex-Canada) multifactor-controlled volatility equity index. Currently, DFD seeks to replicate the performance of the Scientific Beta Developed ex-USA ex-Canada Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFD will primarily invest in international (ex-USA ex-Canada.) equity securities

**Desjardins Emerging Markets Multifactor–Controlled Volatility ETF (DFE)**

DFE seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of an emerging markets multifactor-controlled volatility equity index. Currently, DFE seeks to replicate the performance of the Scientific Beta Emerging Markets Multifactor–Controlled Volatility Index, net of fees and expenses. Under normal market conditions, DFE will primarily invest in emerging markets equity securities.

**Desjardins Canadian Universe Bond Index ETF (DCU)**

DCU seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index. Currently, DCU seeks to replicate the performance of the Solactive Canadian Bond Universe TR Index, net of fees and expenses. Under normal market conditions, DCU will primarily invest in Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate bonds.

**Desjardins Canadian Short Term Bond Index ETF (DCS)**

DCS seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a broad Canadian bond index with a short-term average maturity. Currently, DCS seeks to replicate the performance of the Solactive Short-Term Canadian Bond Universe TR Index, net of fees and expenses. Under normal market conditions, DCS will primarily invest in short-term Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate short term bonds.

**Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF (DCC)**

DCC seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a diversified short term Canadian corporate bond index, which Index is divided into five groupings with staggered maturities. Currently, DCC seeks to replicate the performance of the Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index, net of fees and expenses. Under normal market conditions, DCC invests primarily in corporate bonds issued in the Canadian market, with an effective term to maturity between one and six years.

**Desjardins 1-5 year Laddered Canadian Government Bond Index ETF (DCG)**

DCG seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a selected short term Canadian government bond index, which Index is divided into five groupings with staggered maturities. Currently, DCG seeks to replicate the performance of the Solactive 1-5 Year Laddered Canadian Government Bond TR Index, net of fees and expenses. Under normal market conditions, DCG will primarily invest in investment-grade government bonds issued in the Canadian market, with an effective term to maturity between one and six years.

**Desjardins Canadian Preferred Share Index ETF (DCP)**

DCP seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Canadian preferred shares index. Currently, DCP seeks to replicate the performance of the Solactive Canadian Rate Reset Preferred Share Index (TR), net of fees and expenses. Under normal market conditions, DCP will primarily invest in preferred shares listed on the TSX.

The investment objective of each Desjardins ETF may not be changed except with the approval of its Unitholders. See “Unitholder Matters”.

## THE INDICES

The Indices are based on rules-based methodologies. The conditions for eligibility, inclusion and retention of Constituent Issuers of each of the Indices shall be governed by the applicable Index rulebook published by the applicable Index Provider. A general description of each of the current Indices is set out below.

*Scientific Beta Multifactor - Controlled Volatility Indices*

The Scientific Beta Multifactor–Controlled Volatility Indices have been constructed to produce less volatility than broader market performance in the applicable country or region as measured by market-capitalization weighted benchmark indices, and to reflect performance that captures potential rebounds in the market. Each Scientific Beta Multifactor–Controlled Volatility Index utilizes a portfolio allocation strategy that employs a multifactor approach that has historically produced desirable risk adjusted returns relative to their overall levels of risk over long periods of time in the applicable country or region. The Scientific Beta Canada Multifactor–Controlled Volatility Index, Scientific Beta USA Multifactor–Controlled Volatility Index, Scientific Beta Developed Markets ex-USA ex-Canada Multifactor–Controlled Volatility Index and Scientific Beta Emerging Markets Multifactor–Controlled Volatility Index apply the following selection process to their respective country or region:

The selection process used by the Scientific Beta Multifactor–Controlled Volatility Indices is systematic and quantitative, and begins with identifying and allocating weight to six factors, namely:

1. **Size (Mid-Capitalization):** Size is defined as free-float market capitalization. Only a portion of shares issued by a company are considered to be available for trading and this portion is called the free-float. It is calculated by subtracting the number of shares unavailable for trading from the total outstanding amount of issued shares. The size selection process consists of ranking stocks according to their free-float market capitalization and partitioning the resulting ranked securities into two complementary and equally important universes: securities of large capitalization issuers on the one hand, and securities of mid-capitalization issuers on the other, and selecting only the securities of mid-capitalization issuers.

2. **Valuation (Value):** Valuation is defined as the “book-to-market” ratio, which is the ratio of the latest available book value of shareholders’ equity to the cut-off date’s closing price. The valuation selection process consists of ranking stocks according to their book-to-market ratio and partitioning the resulting ranked securities into two complementary and equally important universes: high book-to-market (or value) securities on the one hand, and low book-to-market (or growth) securities on the other, and selecting only the value securities.

3. **Momentum (High Momentum):** Momentum is defined as compounded return over the period covering the past 52 weeks but excluding the most recent four weeks. The momentum selection process consists of ranking securities according to their total return over the period corresponding to the past 12 months, excluding the last month, and partitioning the resulting ranked securities into two complementary and equally important universes: high (positive) momentum securities on the one hand, and low (negative) momentum securities on the other, and selecting only the high momentum securities.

4. **Volatility (Low Volatility):** Volatility is defined as the standard deviation of the last 104 weekly returns (end of week data points). The volatility selection process consists of ranking securities according to their historical volatility and partitioning the resulting ranked stocks into two complementary and equally important universes: high volatility securities on the one hand, and low volatility securities on the other; and selecting only the low volatility securities.

5. **Profitability (High Profitability):** Profitability is defined as the “gross profitability” ratio, which is the ratio of the previous fiscal year’s gross profit to total assets. The profitability selection process consists of ranking securities according to their gross profitability ratio and partitioning the resulting ranked securities into two complementary and equally important universes: high profitability securities on the one hand, and low profitability securities on the other, and selecting only the high profitability securities.

6. **Investment (Low Investment):** Investment is defined as the percentage increase in the total assets of an issuer in the previous fiscal year compared to two years before the previous fiscal year (also referred to as "**asset growth**"). The investment selection process consists of ranking securities according to their asset growth and partitioning the resulting ranked securities into two complementary and equally important universes: high asset growth, or high investment, securities on the one hand, and low asset growth, or low investment, securities on the other, and selecting only the low investment securities.

Each of the six groups is then shrunk from one-half (50%) to 30% of the size of the regional universe by applying a filter that screens out the securities in each grouping that offer the least attractive factor exposures for multi-factor investment (as measured by their arithmetic average rank across the valuation, momentum, volatility, profitability and investment factors).

Finally, two diversification-based weighting schemes are applied to each of the six filtered results:

- Maximum Deconcentration: aims to minimize portfolio concentration by balancing the dollar weights of securities, subject to certain constraints. The objective of the Maximum Deconcentration approach is to maximize diversification measured by the effective number of constituents of the allocation (defined as the inverse of the sum of squared constituent weights).

- Efficient Minimum Volatility: aims to minimize total portfolio volatility by exploiting the whole variance-covariance matrix while ensuring a high degree of diversification of the portfolio.

The Scientific Beta Multifactor–Controlled Volatility Indices are rebalanced quarterly. Further information about the Scientific Beta Multifactor–Controlled Volatility Indices, including a detailed description of their methodologies, is available from via Scientific Beta's website: http://www.scientificbeta.com/#/about-us/about-us-partners.

*Solactive AG Canada Universe Bond TR Index*

The Solactive Canadian Bond Universe TR Index is designed to replicate the performance of bonds denominated in Canadian Dollars that are issued in the Canadian market, with an investment grade rating of at least BBB- or its equivalent from S&P, Moody's or DBRS and a remaining effective term to maturity of at least one year. The Solactive Canadian Bond Universe TR Index seeks to provide a broad measure of the Canadian investment-grade fixed income market, covering government, quasi-government and corporate bonds. The Solactive Canadian Bond Universe TR Index is rebalanced quarterly.

The Solactive Canadian Bond Universe TR Index is calculated and distributed by Solactive AG. Further information about the Solactive Canadian Bond Universe TR Index and its Constituent Issuers is available from Solactive AG on its website at www.solactive.com.

*Solactive AG Canada Short Term Universe Bond TR Index*

The Solactive Short-Term Canadian Bond Universe TR Index is a maturity sub-index of the Solactive Canadian Bond Universe TR Index. The Solactive Short-Term Canadian Bond Universe TR Index is designed to replicate the 1 to 5 year maturity band of the broad Canadian investment-grade fixed income market. The Solactive Short-Term Canadian Bond Universe TR Index is rebalanced quarterly.

The Solactive Short-Term Canadian Bond Universe TR Index is calculated and distributed by Solactive AG. Further information about the Solactive Short-Term Canadian Bond Universe TR Index and its Constituent Issuers is available from Solactive AG on its website at www.solactive.com.

*Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index*

The Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index measures the return of a 1-5-year ladder in corporate bonds issued in the Canadian market, with an effective term to maturity between one and six years. The Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index is rebalanced quarterly.

The Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index is calculated and distributed by Solactive AG. Further information about the Solactive 1-5 Year Laddered Canadian Corporate Bond TR Index and its Constituent Issuers is available from Solactive AG on its website at www.solactive.com.

*Solactive 1-5 Year Laddered Canadian Government Bond TR Index*

The Solactive 1-5 Year Laddered Canadian Government Bond TR Index measures the return of a 1-5-year ladder in investment-grade government bonds issued in the Canadian market, with an effective term to maturity between one and six years. The Solactive 1-5 Year Laddered Canadian Government Bond TR Index is rebalanced quarterly.

The Solactive 1-5 Year Laddered Canadian Government Bond TR Index is calculated and distributed by Solactive AG. Further information about the Solactive 1-5 Year Laddered Canadian Government Bond TR Index and its Constituent Issuers is available from Solactive AG on its website at www.solactive.com.

*Solactive Canadian Rate Reset Preferred Share Index (TR)*

The Solactive Canadian Rate Reset Preferred Share Index (TR) includes preferred shares that generally have an adjustable dividend rate and are market capitalization weighted. Constituents Issuers are subject to minimum market capitalization, quality and liquidity screens, and are capped at 10% per issuer. In order to be eligible for inclusion in the Solactive Canadian Rate Reset Preferred Share Index (TR) as at any selection date, the preferred shares must meet the following criteria: (i) be listed on the TSX, (ii) be traded in Canadian dollars, (iii) have rate reset dates of five years or less, (iv) for instruments that are already included in the Solactive Canadian Rate Reset Preferred Share Index (TR) as at such rebalancing date, have a minimum total market capitalization of $50 million with average daily value traded over the last three months of $50,000 (or for instruments that are not already included in the Solactive Canadian Rate Reset Preferred Share Index (TR) as at such rebalancing date, have a minimum total market capitalization of $100 million with average daily value traded over the last 3 months of $100,000), (v) be assigned a minimum rating by DBRS or S&P of P3 (low) or a minimum rating by Moodys above Baa3, and (vi) have time to maturity of up to six years. Floating rate instruments will not qualify for inclusion in the Solactive Canadian Rate Reset Preferred Share Index (TR). The Solactive Canadian Rate Reset Preferred Share Index (TR) is rebalanced quarterly.

The Solactive Canadian Rate Reset Preferred Share Index (TR) is calculated and distributed by Solactive AG. Further information about the Solactive Canadian Rate Reset Preferred Share Index (TR) and its Constituent Issuers is available from Solactive AG on its website at www.solactive.com.

**Change in an Index**

The Manager may, subject to any required Unitholder approval, change the Index tracked by a Desjardins ETF to another widely-recognized index in order to provide investors with substantially the same exposure to the asset class to that which the Desjardins ETF is currently exposed. If the Manager changes the Index, or any index replacing such Index, the Manager will issue a press release identifying the new Index, describing its Constituent Securities and specifying the reasons for the change in the Index.

**Termination of an Index**

The Index Providers maintain the Indices and the Index calculation agent determines and calculates the Indices for the Index Providers. In the event that the Index Providers or Index calculation agent cease to calculate an Index or the applicable License Agreement is terminated, the Manager may terminate a Desjardins ETF on 60 days' notice, change the investment objective of that Desjardins ETF or seek to replicate the performance of an alternative Index (subject to Unitholder approval if required in accordance with NI 81-102), or make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders in the circumstances.

If an alternate Index is selected, the investment objective of the Desjardins ETF shall be to replicate, to the extent reasonably possible and before fees and expenses, the performance of such alternate specified market index.

### Use of the Indices

The Manager and each Desjardins ETF are permitted to use the applicable Index pursuant to the applicable License Agreement described under "Material Contracts". The Manager and the Desjardins ETFs do not accept responsibility for, or guarantee the accuracy and/or completeness of, the Indices or any data included in the Indices.

## INVESTMENT STRATEGIES

### Desjardins Multifactor-Controlled Volatility ETFs

The investment strategy of each Desjardins Multifactor-Controlled Volatility ETF is to invest, directly or indirectly, in a portfolio of equity securities or Other Securities selected by the Manager that closely matches the regional market exposure of the applicable Index. Securities selected for inclusion in a Desjardins Multifactor-Controlled Volatility ETF's portfolio will generally have aggregate investment characteristics that utilize six factor tilts: size, valuation, momentum, volatility, profitability and investment, and weighting schemes: Maximum Deconcentration and Minimum Volatility, similar to those reflected in the applicable Index.

The Manager expects to rebalance the Desjardins Multifactor-Controlled Volatility ETF's holdings at regular intervals, in order to reflect changes in the composition and characteristics of the applicable Index.

### Desjardins Canadian Fixed Income ETFs

The investment strategy of each Desjardins Canadian Fixed Income ETF is to invest, directly or indirectly, in a regularly balanced portfolio of bonds or Other Securities selected by the Manager that closely matches the market exposure of the applicable Index. Securities selected for inclusion in a Desjardins Canadian Fixed Income ETF's portfolio will generally have aggregate investment characteristics such as credit quality, yield and term to maturity, similar to those of the applicable Index.

The Manager expects to rebalance each Desjardins ETF Canadian Fixed Income ETF's holdings at regular intervals, in order to reflect changes in the composition and characteristics of the applicable Index.

### Desjardins Canadian Preferred Share ETF

The investment strategy of the Desjardins Canadian Preferred Share ETF is to invest, directly or indirectly, in a portfolio of preferred shares or Other Securities selected by the Manager that closely matches the market exposure of the applicable Index. Preferred shares selected for inclusion in the Desjardins Canadian Preferred Share ETF's portfolio will generally have an adjustable dividend rate, and will be subject to minimum market capitalization, quality and liquidity screens, similar to those of the Solactive Canadian Rate Reset Preferred Share Index (TR).

The Manager expects to rebalance the Desjardins Canadian Preferred Share ETF's holdings at regular intervals, in order to reflect changes in the composition and characteristics of the applicable Index.

### General Investment Strategies of the Desjardins ETFs

In order to achieve its investment objective and to obtain direct or indirect exposure to the Constituent Securities of the applicable Index, the investment strategy of each Desjardins ETF is to invest in and hold the Constituent Securities of the applicable Index in the same proportion as they are reflected in the applicable Index or otherwise invest in a manner intended to replicate the performance of the Index. The Desjardins ETFs may also hold cash and cash equivalents or other money market instruments in order to meet their current obligations.

### Sampling Strategy

A Desjardins ETF may, in certain circumstances and at the discretion of the Manager, employ a "sampling" strategy. Under a sampling strategy, such Desjardins ETF may not hold all of the Constituent Securities that are included in the applicable Index, but instead will hold a portfolio of constituent or Other Securities selected by the Manager that closely matches the aggregate investment characteristics (e.g., market capitalization, industry sector, weightings, credit quality, yield and term to maturity etc.) of the securities included in the applicable Index. The Constituent Securities selected using such sampling methodology will be based on a number of factors, including the asset base of the Desjardins ETF.

**Investment in other Investment Funds or Exchange Traded Funds**

In accordance with applicable securities legislation, as part of its investment strategy and as an alternative to or in conjunction with investing in and holding securities directly, a Desjardins ETF may invest in one or more other investment funds or exchange traded funds listed on a stock exchange in Canada or the United that provides exposure to the Constituent Securities. In such case, there shall be no management fees or incentive fees that are payable by the Desjardins ETF that, to a reasonable person, would duplicate a fee payable by the underlying investment fund for the same service. In the event that a Desjardins ETF invests in another investment fund and the management fee payable by the other fund is higher than that of the Desjardins ETF, the Desjardins ETF may pay the higher management fee on the portion of the Desjardins ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager.

A Desjardins ETF's allocation to investments in other investment funds or exchange traded funds, if any, will vary from time to time depending on the relative size and liquidity of the investment fund or exchange traded fund, and the ability of the Manager to identify appropriate investment funds or exchange traded funds that are consistent with the Desjardins ETF's investment objectives and strategies.

**Use of Derivatives**

A Desjardins ETF may use derivative instruments from time to time for hedging or investment purposes. For example, a Desjardins ETF may use derivatives to gain exposure to a particular issuer or class of issuers in circumstances where the Manager has determined that synthetic exposure would be preferable to a direct investment. Any use of derivative instruments by a Desjardins ETF must be in compliance with NI 81-102 and other applicable derivatives legislation and must be consistent with the investment objective and investment strategies of the Desjardins ETF.

Any exposure that the portion of the portfolio of a Desjardins ETF attributable to the Units may have to foreign currencies will not be hedged back to the Canadian dollar.

**Securities Lending**

A Desjardins ETF may enter into securities lending transactions in compliance with NI 81-102 in order to earn additional income for the Desjardins ETFs, provided that the use of such securities lending transactions are in compliance with applicable Canadian securities legislation and are consistent with the investment objective and investment strategies of the applicable Desjardins ETF. Under a securities lending arrangement, securities will only be loaned to securities borrowers that are acceptable to the Desjardins ETF pursuant to the terms of a Securities Lending Agreement under which: (i) the borrower will pay to the Desjardins ETF a negotiated securities lending fee and will make compensation payments to the Desjardins ETF equal to any distributions received by the borrower on the securities borrowed; (ii) the securities loans must qualify as "securities lending arrangements" for the purposes of the Tax Act; and (iii) the Desjardins ETF will receive collateral security. The Desjardins ETFs may benefit from a borrower default indemnity provided by the Lending Agent that provides for full replacement of portfolio securities loaned.

The Lending Agent is responsible for the ongoing administration of the securities loans, including the obligation to mark-to-market the collateral on a daily basis.

**Rebalancing Events**

Whenever an Index Provider rebalances or adjusts an Index, including by adding securities to or subtracting securities from that Index, or whenever the Manager determines that there should be a change to the representative sample of the Index, a Desjardins ETF may acquire and/or dispose of the appropriate number of securities, either through one or more Designated Brokers or through other brokers in the open market.

If the rebalancing is done through a Designated Broker and if the value of all securities purchased by a Desjardins ETF exceeds the value of all securities disposed of by that Desjardins ETF as part of the rebalancing process, the Desjardins ETF may issue to the Designated Broker Units with an aggregate NAV per Unit equal to the excess value or, in the alternative, may pay a cash amount equal to such excess amount. Conversely, if the value of all securities disposed of by the Desjardins ETF exceeds the value of all securities acquired by that Desjardins ETF, the Desjardins ETF may receive the excess value in cash.

### Actions Affecting Constituent Issuers

From time to time, certain corporate or other actions may be taken or proposed by a Constituent Issuer or by a third party that could affect a Constituent Issuer of an Index. An example of such an action would be if a takeover bid or an issuer bid is made for a Constituent Security. In each such case, the Manager will determine, in its discretion, what steps, if any, the Desjardins ETF will take to address the action. In exercising such discretion, the Manager will generally take those steps necessary to ensure that the Desjardins ETF continues to seek to replicate, to the extent reasonably possible and before fees and expenses, the applicable Index.

## OVERVIEW OF THE SECTORS IN WHICH THE DESJARDINS ETFS INVEST

### Desjardins Multifactor-Controlled Volatility ETFs

DFC invests, directly or indirectly, in Canadian equity securities based upon multiple factors designed to minimize volatility and improve diversification, while providing broad exposure to the Canadian equity market.

DFU invests, directly or indirectly, in U.S. equity securities based upon multiple factors designed to minimize volatility and improve diversification, while providing broad exposure to the U.S. equity market.

DFD invests, directly or indirectly, in international equity securities based upon multiple factors designed to minimize volatility and improve diversification, while providing broad exposure to the international (ex-USA ex-Canada) equity market.

DFE invests, directly or indirectly, in emerging markets equity securities based upon multiple factors designed to minimize volatility and improve diversification, while providing broad exposure to emerging market equities.

### Desjardins Canadian Fixed Income ETFs

DCU invests, directly or indirectly, in Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate bonds.

DCS invests, directly or indirectly, in short-term Canadian investment-grade fixed income securities issued in the Canadian market, including government, quasi-government and corporate bonds, with a short-term average maturity.

DCC invests, directly or indirectly, in corporate bonds issued in the Canadian market issued in the Canadian market with an effective term to maturity between one and six years. The laddered strategy is intended to allocate the fixed income capital over a range of maturities.

DCG invests, directly or indirectly, in investment-grade government bonds issued in the Canadian market with an effective term to maturity between one and six years. The laddered strategy is intended to allocate the fixed income capital over a range of maturities.

### Desjardins Preferred Share ETF

DCP invests, directly or indirectly, in preferred shares that generally have an adjustable dividend rate and are listed on the TSX.

Please see "Investment Objectives" and "Investment Strategies" for additional information on the types of investments applicable to each Desjardins ETF.

## INVESTMENT RESTRICTIONS

The Desjardins ETFs are subject to certain investment restrictions and practices contained in securities legislation, including NI 81-102, which are designed in part to ensure that the investments of the Desjardins ETFs are diversified and relatively liquid, and to ensure their proper administration. A change to the fundamental investment objectives of a Desjardins ETF would require the approval of the Unitholders of that Desjardins ETF. Please see "Unitholder Matters – Matters Requiring Unitholders Approval".

Subject to the following, and any exemptive relief that has been or will be obtained, the Desjardins ETFs are managed in accordance with the investment restrictions and practices set out in the applicable securities legislation, including NI 81-102.

See "Exemptions and Approvals".

**Tax Related Investment Restrictions**

A Desjardins ETF will not make an investment or conduct any activity that would result in the Desjardins ETF failing to qualify as a "unit trust" or "mutual fund trust" within the meaning of the Tax Act.

## FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in the Desjardins ETFs. An investor may have to pay some of these fees and expenses directly. The Desjardins ETFs may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Desjardins ETFs.

**Fees and Expenses Payable by the Desjardins ETFs**

*Management Fees*

Each Desjardins ETF will pay an annual management fee (the "**Management Fee**") to the Manager equal to an annual percentage of the NAV of that Desjardins ETF, calculated daily and payable monthly in arrears, plus applicable taxes. See "Organization and Management Details of the Desjardins ETFs – Duties and Services to be Provided by the Manager" for a description of the services provided by the Manager.

The Management Fee is based on a percentage of the NAV of each of the following Desjardins ETFs and is listed below:

| Desjardins ETFs | Management Fee (annual rate) |
|---|---|
| DFC | 0.50% of NAV |
| DFU | 0.50% of NAV |
| DFD | 0.60% of NAV |
| DFE | 0.65% of NAV |
| DCU | 0.10% of NAV |
| DCS | 0.15% of NAV |
| DCC | 0.25% of NAV |
| DCG | 0.20% of NAV |
| DCP | 0.45% of NAV |

In the event that a Desjardins ETF invests in another investment fund to obtain exposure to the Constituent Securities of the applicable Index or a substantially similar index and the management fee payable by the other fund is higher than that of the Desjardins ETF, the Desjardins ETF may pay the higher management fee on the portion of the Desjardins ETF's assets invested in the other fund, regardless of whether the fund is managed by the Manager or an affiliate of the Manager. As a result, the actual management fee may be higher than that shown in the table above.

To encourage very large investments in the Desjardins ETFs and to ensure Management Fees are competitive for these investments, the Manager may at its discretion agree to charge a reduced Management Fee as compared to the Management Fee it otherwise would be entitled to receive from a Desjardins ETF with respect to investments in the Desjardins ETF by Unitholders that hold, on average during any period specified by the Manager from time to time (currently a quarter), Units having a specified aggregate value. Such a reduction will be dependent upon a number of factors, including the amount invested, the total assets of the Desjardins ETF under administration and the expected amount of account activity. An amount equal to the difference between the fee otherwise chargeable and the reduced fee of the Desjardins ETF will be distributed quarterly in cash by the Desjardins ETF, at the discretion of the Manager, to those Unitholders as management fee distributions (the “**Management Fee Distributions**”).

The availability and amount of Management Fee Distributions with respect to Units of a Desjardins ETF will be determined by the Manager. Management Fee Distributions for a Desjardins ETF will generally be calculated and applied based on a Unitholder’s average holdings of Units of the Desjardins ETF over each applicable period as specified by the Manager from time to time. Management Fee Distributions will be available only to beneficial owners of Units and not to the holdings of Units by dealers, brokers or other CDS Participants that hold Units on behalf of beneficial owners. Management Fee Distributions will be paid first out of net income of the Desjardins ETF, then out of capital gains of the Desjardins ETF and thereafter out of capital. In order to receive a Management Fee Distribution for any applicable period, a beneficial owner of Units of a Desjardins ETF must submit a claim for a Management Fee Distribution that is verified by a CDS Participant on the beneficial owner’s behalf and provide the Manager with such further information as the Manager may require in accordance with the terms and procedures established by the Manager from time to time.

The Manager reserves the right to discontinue or change Management Fee Distributions at any time. The tax consequences of Management Fee Distributions made by a Desjardins ETF generally will be borne by the Unitholders of the Desjardins ETF receiving these distributions from the Manager.

*Operating Expenses*

Unless otherwise waived or reimbursed by the Manager, in addition to the payment of the Management Fee, each Desjardins ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST and QST, and the costs of complying with any new governmental or regulatory requirement introduced after the Desjardins ETF was established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Desjardins ETFs, including the fees payable to the Trustee, Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Providers, retained by the Manager.

**Fees and Expenses Payable Directly by the Unitholders**

*Administration Fees*

An amount of up to 1.00% of the issue, exchange or redemption price, or such other amount as may be agreed to by the Manager and Designated Broker or Dealer, as the case may be, of a Desjardins ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Desjardins ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

See “Exchange and Redemption of Units – Administration Fee”.

## ANNUAL RETURNS AND MANAGEMENT EXPENSE RATIO

As the Desjardins ETFs are new, information related to annual returns and management expense ratios are not yet available.

## RISK FACTORS

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing such Units:

**General Risks Relating to an investment in the Desjardins ETFs**

*No Guaranteed Return*

There is no guarantee that an investment in a Desjardins ETF will earn any positive return. The value of the Units may increase or decrease depending on market, economic, political, regulatory and other conditions affecting a Desjardins ETF’s investments. All prospective Unitholders should consider an investment in a Desjardins ETF within the overall context of their investment policies. Investment policy considerations include, but are not limited to, setting objectives, defining risk/return constraints and considering time horizons.

*General Risks of Investments*

The value of the underlying securities of a Desjardins ETF, whether held directly or indirectly, may fluctuate in accordance with changes in the financial condition of the issuers of those underlying securities (particularly those that are more heavily weighted in a particular Index), the condition of equity and currency markets generally and other factors. The identity and weighting of the Constituent Issuers and Constituent Securities in the applicable Index also change from time to time.

*Asset Class Risk*

The Constituent Securities may underperform the returns of other securities that track other countries, regions, industries, asset classes or sectors. Various asset classes tend to experience cycles of outperformance and underperformance in comparison to the general securities markets.

*Index Investment Strategy and Passive Investment Risks*

The value of the applicable Index of a Desjardins ETF may fluctuate in accordance with the financial condition of the Constituent Issuers that are represented in such Index (particularly those that may be more heavily weighted), the value of the securities generally and other factors.

In the case of a Desjardins ETF that is based on an Index concentrated on one stock exchange, if that stock exchange is not open, the Desjardins ETF will be unable to determine the NAV per Unit and may be unable to satisfy redemption requests.

Because the investment objective of each Desjardins ETF is to replicate the performance of the applicable Index, the Constituent Securities included in the portfolio of a Desjardins ETF are not actively managed by traditional methods and the Manager will not attempt to take defensive positions by adjusting the Constituent Issuers or Constituent Securities included in the portfolio of a Desjardins ETF in declining markets. Therefore, the adverse financial condition of a Constituent Issuer represented in an Index will not necessarily result in the elimination of exposure to its securities, whether direct or indirect, by a Desjardins ETF unless the Constituent Securities are removed from the applicable Index.

*Risk of Error in Replicating or Tracking the Applicable Index*

Each Desjardins ETF will not replicate exactly the performance of the applicable Index because the total return generated by the Units will be reduced by the Management Fee paid or payable by the Desjardins ETF, the brokerage and commission costs incurred in acquiring and rebalancing the portfolio of securities held by the Desjardins ETF and the other expenses paid or payable by the Desjardins ETF. These fees and expenses are not included in the calculation of the performance of the applicable Index.

Deviations in the tracking of the applicable Index by a Desjardins ETF could occur for a variety of other reasons. For example, where a Desjardins ETF tenders securities under a successful takeover bid for less than all securities of a Constituent Issuer and the Constituent Issuer is not removed from the applicable Index, the Desjardins ETF may be required to buy replacement securities at a purchase price that may be more than the takeover bid price due to timing variances.

It is also possible that a Desjardins ETF may not fully replicate the performance of the applicable Index due to the temporary unavailability of certain Constituent Securities in the secondary market, the investment strategies and investment restrictions applicable to the Desjardins ETF, including the use of a sampling methodology, or due to other extraordinary circumstances.

*Sampling Methodology Risk*

The Desjardins ETFs may employ a sampling methodology or may hold an exchange traded fund that employs a sampling methodology. A sampling methodology involves seeking to replicate the performance of the applicable Index by holding a subset of the Constituent Securities or a portfolio of some or all of the Constituent Securities and other securities selected by the Manager such that the aggregate investment characteristics of the portfolio are reflective of the aggregate investment characteristics of, or a representative sample of, the applicable Index. It is possible that the use of a sampling methodology may result in a greater deviation in performance relative to the applicable Index than a replication strategy in which only the Constituent Securities are held in the portfolio in approximately the same proportions as they are represented in the applicable Index.

*Rebalancing and Subscription Risk*

Adjustments to Baskets of Securities held by a Desjardins ETF to reflect rebalancing events, including adjustments to the applicable Index or as otherwise determined by the Manager, will depend on the ability of the Manager and the Designated Brokers to perform their respective obligations under the designated broker agreement(s). If a Designated Broker fails to perform, the Desjardins ETF may be required to sell or purchase, as the case may be, Constituent Securities of the applicable Index in the market. If this happens, the Desjardins ETF would incur additional transaction costs, which would cause the performance of the Desjardins ETF to deviate more significantly from the performance of the applicable Index than would otherwise be expected.

Adjustments to the Basket of Securities necessitated by a rebalancing event could affect the underlying market for the Constituent Securities of the applicable Index, which in turn would affect the value of that Index. Similarly, subscriptions for Units by Designated Brokers and Authorized Participants may impact the market for the Constituent Securities of the Index, as the Designated Broker or the Authorized Participants seeks to buy or to borrow the Constituent Securities to constitute the Baskets of Securities to be delivered to the Desjardins ETF as payment for the Units to be issued.

*Calculation and Termination of the Indices*

The Index Providers and Index calculation agent calculate, determine and maintain the respective Indices. The Index Providers and Index calculation agent may have the right to make adjustments to, or to cease to calculate, the applicable Index without regard to the particular interests of the Manager, the Desjardins ETFs or the Unitholders.

If the computer or other facilities of the Index Providers, Index calculation agent or the TSX malfunction for any reason, calculation of value of one or more Indices and the determination by the Manager of the Prescribed Number of Units and Baskets of Securities for the applicable Desjardins ETF may be delayed, and trading in Units may be suspended, for a period of time. The Manager is not responsible for the Indices and does not provide any warranty or guarantee in respect of the Indices or the activities of the Index Provider.

With respect to a Desjardins ETF, if the Index Providers or Index calculation agent cease to calculate the applicable Index or the License Agreement in respect of the applicable Index is terminated, the Manager may: (i) terminate the applicable Desjardins ETF on not less than 60 days’ notice to Unitholders; (ii) change the investment objective of the applicable Desjardins ETF or seek to replicate generally an alternative index (subject to any Unitholder approval in accordance with Canadian Securities Legislation); or (iii) make such other arrangements as the Manager considers appropriate and in the best interests of Unitholders of the Desjardins ETF in the circumstances.

*Issuer Risk*

Performance of the Desjardins ETFs depends on the performance of the individual securities to which the Desjardins ETFs have exposure. Changes in the financial condition or credit rating of an issuer of those securities may cause the value of the securities to decline.

*Risk of Volatile Markets*

Market prices of investments held by a Desjardins ETF will go up or down, sometimes rapidly or unpredictably. Each Desjardins ETF’s investments are subject to changes in general economic conditions, general market fluctuations and the risks inherent in investment in securities markets. Investment markets can be volatile and prices of investments can change substantially due to various factors including, but not limited to, economic growth or recession, changes in interest rates, changes in actual or perceived creditworthiness of issuers and general market liquidity. Even if general economic conditions do not change, the value of an investment in a Desjardins ETF could decline if the particular industries, sectors or companies in which a Desjardins ETF invests do not perform well or are adversely affected by events. Further, legal, political, regulatory and tax changes also may cause fluctuations in markets and securities prices.

*Illiquid Securities*

If a Desjardins ETF is unable to dispose of some or all of the securities held by it, that Desjardins ETF may experience a delay in the receipt of the proceeds of disposition until such time as it is able to dispose of such securities. Likewise, if certain Constituent Securities of the applicable Index are particularly illiquid, the Desjardins ETFs may be unable to acquire the number of securities necessary to replicate the weighting of such Constituent Securities in the Index at a price acceptable to the Manager on a timely basis.

*Reliance on Key Personnel*

Unitholders will be dependent on the abilities of the Manager to effectively manage the Desjardins ETFs in a manner consistent with their investment objectives, investment strategies and investment restrictions. There is no certainty that the individuals who are principally responsible for providing administration and portfolio management services to the Desjardins ETFs will continue to be employed by the Manager.

*Trading Price of Units*

Units may trade in the market at a premium or a discount to the NAV per Unit. There can be no assurance that Units will trade at prices that reflect their NAV per Unit. The trading price of the Units will fluctuate in accordance with changes in the Desjardins ETF's NAV, as well as market supply and demand on the TSX.

*Fluctuations in NAV and NAV per Unit*

The NAV and NAV per Unit of a Desjardins ETF will vary according to, among other things, the value of the securities held by the Desjardins ETF. The Manager and the Desjardins ETF have no control over the factors that affect the value of the securities held by the Desjardins ETF, including factors that affect the equity markets generally, such as general economic and political conditions, fluctuations in interest rates and factors unique to each issuer included in the applicable Index, such as changes in management, changes in strategic direction, achievement of strategic goals, mergers, acquisitions and divestitures, changes in distribution and dividend policies and other events.

*Cease-Trading of Securities Risk*

If the securities of an issuer included in the portfolio of a Desjardins ETF are cease-traded by order of the relevant Securities Regulatory Authority or are halted from trading by the relevant stock exchange, the applicable Desjardins ETF may halt trading in its securities. Accordingly, securities of a Desjardins ETF bear the risk of cease-trading orders against all issuers whose securities are included in its portfolio, not just one. If portfolio securities of the Desjardins ETFs are cease-traded by order of a Securities Regulatory Authority, if normal trading of such securities is suspended on the relevant exchange, or if for any reason it is likely there will be no closing bid price for such securities, the Desjardins ETFs may suspend the right to redeem securities for cash as described under "Exchange and Redemption of Units – Suspension of Exchanges and Redemptions", subject to any required prior regulatory approval. If the right to redeem securities for cash is suspended, the Desjardins ETFs may return redemption requests to securityholders who have submitted them. If securities are cease-traded, they may not be delivered on an exchange of a PNU for a Basket of Securities until such time as the cease-trade order is lifted.

*Concentration Risk*

A Desjardins ETF may, in following its investment objective of seeking to replicate the performance of its specified Index, have more of its net assets invested in one or more Constituent Issuers than is permitted for many investment funds. In these circumstances, the Desjardins ETF may be affected more by the performance of individual issuers in its portfolio, with the result that the NAV of the Desjardins ETF may be more volatile and may fluctuate more over short periods of time than the NAV of a more broadly diversified investment fund. In addition, this may increase the liquidity risk of these Desjardins ETFs which may, in turn, have an effect on the Desjardins ETFs' ability to satisfy redemption requests. This concentration risk will be greater for Desjardins ETFs that seek to replicate the performance of an Index that is more concentrated and includes a smaller number of Constituent Issuers than a Desjardins ETF that seeks to replicate the performance of a broader Index that includes a larger number of Constituent Issuers.

*Use of Derivative Instruments*

Each Desjardins ETF may use derivative instruments from time to time in accordance with NI 81-102 as described under "Investment Strategies". The use of derivative instruments involves risks different from, and possibly greater than, the risks associated with investing directly in securities and other traditional investments. Risks associated with the use of derivatives include: (i) there is no guarantee that hedging to reduce risk will not result in a loss or that there will be a gain; (ii) there is no guarantee that a market will exist when the Desjardins ETF wants to complete the derivative contract, which could prevent the Desjardins ETF from reducing a loss or making a profit; (iii) securities exchanges may impose trading limits on options and futures contracts, and these limits may prevent the Desjardins ETF from completing the derivative contract; (iv) the Desjardins ETF could experience a loss if the other party to the derivative contract is unable to fulfill its obligations; (v) if the Desjardins ETF has an open position in an option, a futures contract or a forward contract or a swap with a Counterparty who goes bankrupt, the Desjardins ETF could experience a loss and, for an open futures or forward contract or a swap, a loss of margin deposits with that Counterparty; and (vi) if a derivative is based on a stock market index and trading is halted on a substantial number of stocks in the index or there is a change in the composition of the index, there could be an adverse effect on the derivative.

*Changes in Legislation*

There can be no assurance that income tax, securities and other laws will not be changed in a manner that adversely affects the Desjardins ETFs or the Unitholders. There can be no assurance that Canadian federal, provincial or territorial tax laws and the administrative policies and assessing practices of the CRA or other applicable tax authorities respecting the treatment of mutual fund trusts, SIFT trusts or an investment in a non-resident trust will not be changed in a manner that adversely affects the Desjardins ETFs or the Unitholders.

*Settlement Risk*

Markets in different countries have different clearance and settlement procedures and in certain markets there have been times when settlements have been unable to keep pace with the volume of transactions. Delays in settlement may increase credit risk to a Desjardins ETF's portfolio, limit the ability of a Desjardins ETF to reinvest the proceeds of a sale of securities, hinder the ability of a Desjardins ETF to lend its portfolio securities, and potentially subject a Desjardins ETF to penalties for its failure to deliver. Delays in the settlement of securities purchased by a Desjardins ETF may limit the ability of the Desjardins ETF to sell those securities and at prices it considers desirable, and may subject the Desjardins ETF to losses and costs due to its own inability to settle with subsequent purchasers of the securities from it.

*Taxation of the Desjardins ETFs*

It is anticipated that each Desjardins ETF will qualify, or will be deemed to qualify, at all times as a "mutual fund trust" within the meaning of the Tax Act. For a Desjardins ETF to qualify as a "mutual fund trust", it must comply on a continuous basis with certain requirements relating to the qualification of its Units for distribution to the public, the number of Unitholders of the Desjardins ETF and the dispersal of ownership of a particular class of its Units.

A trust will be deemed not to be a mutual fund trust if it is established or maintained primarily for the benefit of non-residents of Canada unless, at that time, all or substantially all of its property is property other than property that would be "taxable Canadian property" (if the definition of such term in the Tax Act were read without reference to paragraph (b) thereof). The law does not provide any means of rectifying a loss of mutual fund trust status if this requirement is not met.

The Desjardins ETFs contain a restriction on the number of permitted non-resident Unitholders. Each of the Desjardins ETFs is expected to meet all the requirements to qualify as a "mutual fund trust" for the purposes of the Tax Act before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events"). Assuming the Desjardins ETFs meet these requirements before such day, each Desjardins ETF will file an election to qualify as a mutual fund trust from its inception in 2017.

If a Desjardins ETF does not qualify as a mutual fund trust or were to cease to so qualify, the tax considerations, including the income tax considerations as described under "Income Tax Considerations" would in some respects be materially different.

The tax treatment of gains and losses realized by each Desjardins ETF will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. In determining its income for tax purposes, each Desjardins ETF will treat gains or losses realized on the disposition of portfolio securities held by it as capital gains and losses. In general, gains and losses realized by a Desjardins ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below. Further, subject to the DFA Rules discussed below, each Desjardins ETF intends to take the position that gains or losses in respect of foreign currency hedges entered into in respect of amounts invested in its portfolio will constitute capital gains and capital losses to the Desjardins ETF if the portfolio securities are capital property to the Desjardins ETF and there is sufficient linkage. Certain proposed amendments to the Tax Act, if enacted as proposed, should clarify that the DFA Rules generally should not apply to such foreign currency hedges. Designations with respect to each Desjardins ETF's income and capital gains will be made and reported to Unitholders on the foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If these foregoing dispositions or transactions of a Desjardins ETF are determined not to be on capital account (whether because of the DFA Rules discussed below or otherwise), the net income of the Desjardins ETF for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such redetermination by the CRA may result in a Desjardins ETF being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution. Such potential liability may reduce the NAV and NAV per Unit of that Desjardins ETF.

The Tax Act contains rules (the "**DFA Rules**") that target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts, subject to the proposed amendments to the Tax Act discussed in the preceding paragraph). If the DFA Rules were to apply in respect of any derivatives to be utilized by a Desjardins ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

Pursuant to rules in the Tax Act, a Desjardins ETF that experiences a "loss restriction event" (i) will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of the Desjardins ETF's net income and net realized capital gains, if any, at such time to Unitholders so that the Desjardins ETF is not liable for income tax on such amounts under Part I of the Tax Act), and (ii) will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, a Desjardins ETF will be subject to a loss restriction event if a Unitholder becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the Desjardins ETF, as those terms are defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a Desjardins ETF is a beneficiary in the income or capital, as the case may be, of the Desjardins ETF whose beneficial interests, together with the beneficial interests of persons and partnerships with whom the beneficiary is affiliated, have a fair market value that is greater than 50% of the fair market value of all the interests in the income or capital, as the case may be, of the Desjardins ETF. Please see "Income Tax Considerations – Taxation of Holders" for the tax consequences of an unscheduled or other distribution to Unitholders. Trusts that qualify as "investment funds" as defined in the rules in the Tax Act relating to loss restriction events are generally excepted from the application of such rules. An "investment fund" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a "mutual fund trust" for purposes of the Tax Act, not using any property in the course of carrying on a business and complying with certain asset diversification requirements. If a Desjardins ETF were not to qualify as an "investment fund", it could potentially have a loss restriction event and thereby become subject to the related tax consequences described above.

The Tax Act contains rules concerning the taxation of publicly traded Canadian trusts and partnerships that own certain types of property defined as "non-portfolio property". A trust that is subject to these rules is subject to trust level taxation, at rates comparable to those that apply to corporations, on the trust's income earned from "non-portfolio property" to the extent that such income is distributed to its unitholders. If a Desjardins ETF is subject to tax under the SIFT Rules, the after-tax return to its Unitholders could be reduced, particularly in the case of a Unitholder who is exempt from tax under the Tax Act or is a non-resident of Canada.

Certain of the Desjardins ETFs will invest in global equity securities. Many foreign countries preserve their right under domestic tax laws and applicable tax conventions with respect to taxes on income and on capital ("**Tax Treaties**") to impose tax on dividends or distributions paid or credited to persons who are not resident in such countries. While the Desjardins ETFs intend to make investments in such a manner as to minimize the amount of foreign taxes incurred under foreign tax laws and subject to any applicable Tax Treaties, investments in global equity securities may subject the Desjardins ETFs to foreign taxes on dividends or distributions paid or credited to them or any gains realized on the disposition of such securities. Any foreign taxes incurred by a Desjardins ETF will generally reduce the value of its portfolio. To the extent that such foreign tax paid by a Desjardins ETF exceeds 15% of the amount included in the Desjardins ETF's income from such investments, such excess may generally be deducted by the Desjardins ETF in computing its net income for the purposes of the Tax Act. To the extent that foreign tax paid does not exceed 15% of the amount included in the Desjardins ETF's income from such investments and has not been deducted in computing the Desjardins ETF's income and the Desjardins ETF designates its income from a foreign source in respect of a Unitholder of the Desjardins ETF, the Unitholder will, for the purposes of computing its foreign tax credits, be entitled to treat the Unitholder's proportionate share of foreign taxes paid by the Desjardins ETF in respect of such income as foreign taxes paid by the Unitholder. The availability of foreign tax credits to a Unitholder of a Desjardins ETF is subject to the detailed rules in the Tax Act.

*Valuation Risk*

Some portfolio holdings, potentially a large portion of a Desjardins ETF's investment portfolio, may be valued on the basis of factors other than market quotations. This may occur more often in times of market turmoil or reduced liquidity. There are multiple methods that can be used to value a portfolio holding when market quotations are not readily available. The value established for any portfolio holding at a point in time might differ from what would be produced using a different methodology or if it had been priced using market quotations. Portfolio holdings that are valued using techniques other than market quotations, including "fair valued" securities, may be subject to greater fluctuation in their valuations from one day to the next than if market quotations were used. In addition, there is no assurance that a Desjardins ETF could sell or close out a portfolio position for the value established for it at any time, and it is possible that a Desjardins ETF would incur a loss because a portfolio position is sold or closed out at a discount to the valuation established by a Desjardins ETF at that time.

*Lack of Operating History*

The Desjardins ETFs are newly organized investment trusts with no operating history. Although the Desjardins ETFs may be listed on the TSX, there can be no assurance that an active public market for the Units will develop or be sustained.

*Cease-Trading of Units*

If Constituent Securities of an Index are cease-traded at any time by a Securities Regulatory Authority or other relevant regulator or stock exchange, the Manager may suspend the exchange or redemption of Units of the applicable Desjardins ETF until such time as the transfer of the securities is permitted as described under "Exchange and Redemption of Units – Suspension of Exchanges and Redemptions". In addition, if Constituent Securities of an Index are cease-traded, the applicable Desjardins ETF may not be able to replicate the Index while such cease-trade orders are in effect. As a result, each Desjardins ETF that holds securities traded on an exchange or other organized market bears the risk of cease-trading orders against any Constituent Security held by that Desjardins ETF.

**Additional Risks Relating to an Investment in each Desjardins ETF**

In addition to the general risk factors, the following additional risk factors are inherent in an investment in one or more of the Desjardins ETFs as indicated in the table below. A description of each of these risks follows the table.

| **ETF Specific Risks** | DFC | DFU | DFD | DFE | DCU | DCS | DCC | DCG | DCP |
|---|---|---|---|---|---|---|---|---|---|
| Call Risk | | | | | | | | | ✓ |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| Country Risk | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| Credit Rating Related Risk | | | | | ✓ | ✓ | ✓ | ✓ | |
| Currency Fluctuations Risks | | ✓ | ✓ | ✓ | | | | | |
| Emerging Markets Risk | | | | ✓ | | | | | |
| Extension Risk | | | | | | | | | ✓ |
| Foreign Investments Risk | | ✓ | ✓ | ✓ | | | | | |
| General Risks of Fixed-Income Securities | | | | | ✓ | ✓ | ✓ | ✓ | |
| General Risks of Equity Investments | ✓ | ✓ | ✓ | ✓ | | | | | |
| General Risks of Preferred Shares | | | | | | | | | ✓ |
| Interest Rate Risk | | | | | ✓ | ✓ | ✓ | ✓ | |
| Large-Capitalization Issuer Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Low Volatility Risk | ✓ | ✓ | ✓ | ✓ | | | | | |
| Mid and Small-Capitalization Issuer Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Securities Lending Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Underlying Fund Risk | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

*Call Risk*

During periods of falling interest rates, an issuer of a callable security may repay a security prior to its stated maturity, which may result in a Desjardins ETF reinvesting the proceeds of that security at a lower dividend rate, reducing the Desjardins ETF’s income.

*Country Risk*

A Desjardins ETF that invests primarily in a specific country may be more volatile than a more geographically diversified fund, and will be strongly affected by the overall economic performance of that specific country. The Desjardins ETF must continue to follow its investment objectives regardless of the economic performance of a specific region or country.

*Credit Rating Related Risk*

The possibility that any Constituent Security held by a Desjardins ETF could have its credit rating downgraded or that it could default by failing to make scheduled dividend payments or payments of redemption proceeds could potentially reduce the Desjardins ETF's income and Unit price.

A Desjardins ETF may gain exposure to fixed-income securities directly or through the use of futures and other derivative contracts. The value of fixed-income securities depends, in part, on the perceived ability of the government or company which issued the securities to pay the interest and to repay the original investments. Securities issued by issuers that have a low credit rating are considered to have a higher credit risk than securities issued by issuers with a high credit rating. Although generally considered less volatile than equity securities, certain types of fixed-income securities and certain market conditions may result in significant volatility in the value of one or more fixed-income investments to which a Desjardins ETF may be exposed. In addition, from time to time investors may re-evaluate risk and, as a result, re-price risk in the credit market. Generally, the interest rate paid on corporate debt is higher than the interest rates paid on floating-rate debt and fixed-income debt. Any re-pricing of risk in the credit market could increase the spread between the interest rates paid on corporate debt securities, fixed-income securities and floating-rate securities. As a result, the market value of the fixed-income securities held by a Desjardins ETF may be negatively impacted by an increase in the spread between the interest payable on corporate debt and floating-rate debt.

*Currency Fluctuations Risks*

As the portfolio of a Desjardins ETF may be invested primarily in securities traded in foreign currencies, the NAV of that Desjardins ETF, when measured in Canadian dollars, will be affected by changes in the value of the foreign currency relative to the Canadian dollar.

Any exposure that the portion of the portfolio of a Desjardins ETF attributable to the Units may have to foreign currencies will not be hedged back to the Canadian dollar.

*Emerging Markets Risk*

There is a chance that the stocks of companies located in emerging markets will be substantially more volatile, and substantially less liquid, than the stocks of companies located in more developed foreign markets.

*Extension Risk*

During periods of rising interest rates, an issuer may, if it has such rights, exercise its right to pay the redemption amount on preferred shares later than expected. Under these circumstances, the value of the preferred shares will decrease and a Desjardins ETF's performance may suffer from its inability to invest in higher yielding securities.

*Foreign Investments Risks*

The Desjardins ETFs may invest, directly or indirectly, in foreign equity securities. In addition to the general risks associated with equity investments, investments in foreign securities may involve unique risks not typically associated with investing in Canada. Foreign exchanges may be open on days when a Desjardins ETF or an underlying investment fund do not price their securities and, therefore, the value of the securities traded on such exchanges may change on days when investors are not able to purchase or sell Units. Information about corporations not subject to Canadian reporting requirements may not be complete, may not reflect the extensive accounting or auditing standards required in Canada and may not be subject to the same level of government supervision or regulation as would be the case in Canada.

Some foreign securities markets may be volatile or lack liquidity and some foreign markets may have higher transaction and custody costs and delays in attendant settlement procedures. In some countries, there may be difficulties in enforcing contractual obligations and investments could be affected by political instability, social instability, expropriation or confiscatory taxation.

In the case of a Desjardins ETF holding foreign securities, whether directly or indirectly, dividends or distributions on those foreign securities may be subject to withholding taxes.

*General Risk of Fixed-Income Securities*

Investment in the Desjardins Canadian Fixed Income ETFs should be made with an understanding that the value of the underlying debt securities will be affected by changes in the general level of interest rates. Generally, debt securities will decrease in value when interest rates rise and will increase in value when interest rates decline. Securities with longer durations tend to be more interest rate sensitive, which may make them more volatile than securities with shorter durations. The NAV of a Desjardins Canadian Fixed Income ETF will fluctuate with interest rate changes and the corresponding changes in the value of the debt securities held by the Desjardins Canadian Fixed Income ETF. The value of the debt securities held by the Desjardins Canadian Fixed Income ETFs may be affected by price changes due to a change in general economic conditions.

*General Risks of Equity Investments*

The risks inherent in investments in equity securities, whether held directly or indirectly, include the risk that the financial condition of the issuers of the securities may become impaired or that the general condition of the stock market may deteriorate (either of which may cause a decrease in the value of the Indices and, as a result, a decrease in the value of the Units of the Desjardins ETFs). Equity securities are susceptible to general stock market fluctuations and the financial condition of the issuer. These investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction and global or regional political, economic and banking crises.

Holders of equity securities of an issuer incur more risk than holders of debt obligations of such issuer because shareholders, as owners of such issuer, have generally inferior rights to receive payments from such issuer in comparison with the rights of creditors of, or holders of debt obligations issued by, such issuer. Further, unlike debt securities, which typically have a stated principal amount payable at maturity (whose value, however, will be subject to market fluctuations prior thereto), equity securities have neither a fixed principal amount nor a maturity.

Distributions on the Units will generally depend upon the declaration of dividends or distributions on the Constituent Securities. The declaration of such dividends or distributions generally depends upon various factors, including the financial condition of the Constituent Issuers and general economic conditions. Therefore, there can be no assurance that the Constituent Issuers will pay dividends or distributions on Constituent Securities.

*General Risks of Preferred Shares*

There is a chance that the issuer of any of the preferred shares included in the portfolio of a Desjardins ETF will have its ability to pay dividends deteriorate or will default (fail to make scheduled dividend payments on the preferred shares or scheduled interest payments on other obligations of the issuer not included in the portfolio of that Desjardins ETF), which would negatively affect the value of any such security.

Unlike interest payments on debt securities, dividend payments on preferred shares typically must be declared by the issuer’s board of directors. An issuer’s board of directors is generally not under any obligation to pay dividends (even if such dividends have accrued), and may suspend payment of dividends on preferred shares at any time. In the event that an issuer of preferred shares experiences economic difficulties, the issuer’s preferred shares may lose substantial value due to the reduced likelihood that the issuer’s board of directors will declare a dividend and the fact that the preferred shares may be subordinated to other securities of the issuer. In addition, the ability of a board of directors of a preferred share issuer to declare dividends (even if such dividends have accrued) may be constrained by restrictions imposed by such issuer’s lenders.

Because many preferred shares allow holders to convert preferred shares into common shares of the issuer, their market price can be sensitive to changes in the value of the issuer’s common shares. To the extent that the portfolio of a Desjardins ETF includes convertible preferred shares, declining common share values may also cause the value of the portfolio of that Desjardin ETF’s investments to decline.

A preferred share may include a call or redemption provision that permits the issuer of such security to “call” or repurchase its securities. The existence of such provisions will, if exercised, require such a security to be removed from the Portfolio and replaced. These actions may have implicit costs to a Desjardins ETF.

At any time that the portfolio of a Desjardins ETF is reinvested as a result of a redemption or call provision in the terms of a preferred share, the distributions available to Unitholders may be affected as, among other things, the securities included in the portfolio upon any such reinvestment may not provide the same rate of return as the preferred shares replaced. In addition, if the call or redemption price of a preferred share is less than the volume weighted average trading price traded upon its inclusion in the portfolio of a Desjardins ETF, and that preferred share is redeemed, the net asset value of that Desjardins ETF will be negatively impacted.

*Interest Rate Risk*

The market value of fixed-income securities is inversely related to changes in the general level of interest rates (e.g. the interest rates charged by banks and other major commercial lenders). If the general level of interest rates increases, the market value of fixed-income securities will go down while the interest payments (also referred to as "coupon payments") remain fixed, all else equal. If the general level of interest rates decreases, the market value of fixed-income securities will go up while the coupon payments remain fixed, all else equal.

Floating-rate bonds act differently than traditional fixed-income securities when interest rates change. Generally, in periods when there are increases in short-term lending rates, the coupon payments of a floating-rate bond, which are linked to these rates, will increase while the market value will remain unchanged, all else equal. Conversely, in periods when short-term lending rates decrease, the coupon payments of a floating-rate bond will decrease while the market value will remain unchanged, all else equal.

Traditional fixed-income securities have risk associated with their market value, but not their coupon payments as interest rates change, while floating-rate bonds have risk associated with their coupon payments, but not their market value as interest rates change, all else equal.

Changes in interest rates may also affect the value of dividend paying equity securities and preferred shares, which will experience a drop in market value as interest rates go up, and an increase in market value as interest rates go down, all else equal.

*Large-Capitalization Issuer Risk*

Certain Desjardins ETFs may invest a relatively large percentage of their assets in the securities of large-capitalization companies. As a result, the performance of such Desjardins ETFs may be adversely affected if securities of large-capitalization companies underperform securities of smaller-capitalization companies or the market as a whole. The securities of large-capitalization companies may be relatively mature compared to smaller companies and therefore subject to slower growth during times of economic expansion.

*Low Volatility Risk*

Although subject to the risks of common stocks, low volatility stocks are seen as having a lower risk profile than the overall markets. However, a portfolio comprised of low volatility stocks may not produce investment exposure that has lower variability to changes in such stocks' price levels.

*Mid and Small-Capitalization Issuer Risk*

Investing in securities of small or mid-capitalization companies involves greater risk than is customarily associated with investing in more established companies. Such issuers may have limited operational history and securities issued by such companies' stocks may be more volatile and less liquid than those of more established companies. These securities may have returns that vary, sometimes significantly, from the overall market.

*Securities Lending Risk*

The Desjardins ETFs are authorized to enter into securities lending in accordance with NI 81-102. In a securities lending transaction, a Desjardins ETF lends its portfolio securities through an authorized agent to another party (often called a "Counterparty") in exchange for a fee and a form of acceptable collateral.

When engaging in securities lending, a Desjardins ETF will receive collateral in excess of the value of the securities loaned. Although such collateral is marked to market and additional collateral may be requested if the Desjardins ETF is not adequately collateralized, the Desjardins ETF may be exposed to the risk of loss should a borrower default on its obligations to return the borrowed securities and the previously received collateral together with any amounts which may be recoverable under any borrower default indemnity are insufficient to reconstitute the portfolio of loaned securities.

*Underlying Investment Funds Risk*

The securities in which certain Desjardins ETFs invest, whether directly or indirectly, may trade below, at or above their respective net asset values per security. The net asset value per security will fluctuate with changes in the market value of that investment fund's holdings. The trading prices of the securities of those investment funds will fluctuate in accordance with changes in the applicable fund's net asset value per security, as well as market supply and demand on the stock exchanges on which those funds are listed.

If a Desjardins ETF purchases a security of an underlying investment fund at a time when the market price of that security is at a premium to the net asset value per security or sells a security at a time when the market price of that security is at a discount to the net asset value per security, the Desjardins ETF may sustain a loss.

## DISTRIBUTION POLICY

Cash distributions of income, if any, on Units will be payable periodically as set out in the table below, by each of the Desjardins ETFs.

| **Desjardins ETF** | **Frequency of Distributions** |
|---|---|
| DFC | At least Quarterly |
| DFU | At least Quarterly |
| DFD | At least Quarterly |
| DFE | At least Semi-Annually |
| DCU | At least Monthly |
| DCS | At least Monthly |
| DCC | At least Monthly |
| DCG | At least Monthly |
| DCP | At least Monthly |

Distributions will be paid on or before the 15th day of the month following the month in which the distribution is payable. The Desjardins ETFs do not have a fixed distribution amount. The amount of ordinary cash distributions, if any, will be based on the Manager's assessment of the prevailing market conditions. The amount and date of any ordinary cash distributions, if any, of the Desjardins ETFs will be announced in advance by issuance of a press release, at least annually. The Manager may, in its sole discretion, change the frequency of such distributions, which change will be announced by the Manager in a press release.

Depending on the underlying investments of a Desjardins ETF, distributions on Units may consist of ordinary income, including foreign source income, sourced from dividends, interest or distributions received by the Desjardins ETF but may also include net realized capital gains, in any case, less the expenses of that Desjardins ETF and may include returns of capital. To the extent that the expenses of a Desjardins ETF exceed the income generated by such Desjardins ETF in any given month, quarter, six-month period or year, as the case may be, it is not expected that a monthly, quarterly, semi-annual or annual distribution will be paid.

If, for any taxation year, after the ordinary distributions, there would remain in a Desjardins ETF additional net income or net realized capital gains, the Desjardins ETF will, after December 15 but on or before December 31 of that calendar year (in the case of a taxation year that ends on December 15), or by the end of the taxation year (in any other case), be required to pay or make payable such net income and net realized capital gains as one or more special year-end distributions for such year to Unitholders as is necessary to ensure that the Desjardins ETF will not be liable for income tax on such amounts under Part I of the Tax Act (after taking into account all available deductions, credits and refunds). Such special distributions may be paid in the form of Units of the Desjardins ETF and/or cash. Any special distributions payable in Units of a Desjardins ETF will increase the aggregate adjusted cost base of a Unitholder's Units. Immediately following payment of such a special distribution in Units, the number of Units held by a Unitholder will be automatically consolidated such that the number of Units outstanding after such distribution will be equal to the number of Units held by such Unitholder immediately prior to such distribution, except in the case of a non-resident Unitholder to the extent tax is required to be withheld in respect of the distribution. See “Income Tax Considerations”.

**Distribution Reinvestment Plan**

The Manager may adopt a distribution reinvestment plan in respect of the Desjardins ETFs under which cash distributions are used to purchase additional Units acquired in the market by the plan agent, State Street Trust Company Canada, and are credited to the participating Unitholder in accordance with the terms of such plan (a copy of which would be available through your broker or dealer). The following are the key terms of such a distribution reinvestment plan:

- Participation in a distribution reinvestment plan will be restricted to Unitholders who are residents of Canada for the purposes of the Tax Act or “Canadian partnerships” as defined in the Tax Act. Immediately upon becoming a non-resident of Canada or ceasing to be a Canadian partnership, a participating Unitholder will be required to notify his, her or its CDS Participant and terminate participation in the distribution reinvestment plan.
- A Unitholder who wishes to enrol in the distribution reinvestment plan as of a particular distribution record date should notify his, her or its CDS Participant sufficiently in advance of that distribution record date to allow the CDS Participant to notify CDS by 4:00 p.m. (Toronto time) on that distribution record date.
- Distributions that participating Unitholders are due to receive will be used to purchase Units on behalf of such Unitholder in the market.
- No fractional Units will be delivered under a distribution reinvestment plan. Payment in cash for any remaining uninvested funds may be made in lieu of delivering fractional Units by the plan agent to CDS or a CDS Participant, on a monthly or quarterly basis, as the case may be. Where applicable, CDS will, in turn, credit the participating Unitholder, via the applicable CDS Participant.

The automatic reinvestment of distributions under the Reinvestment Plan does not relieve participating Unitholders of any income tax applicable to the distributions.

The tax treatment to Unitholders of reinvested distributions is discussed under the heading “Income Tax Considerations”.

Participating Unitholders will be able to terminate their participation in the distribution reinvestment plan as of a particular distribution record date by notifying their CDS Participant by the prescribed cut-off time prior to the applicable distribution record date. Beginning on the first distribution payment date after such notice is delivered, distributions to such Unitholders will be in cash. The form of termination notice will be available from CDS Participants and any expenses associated with the preparation and delivery of such termination notice will be for the account of the participating Unitholder exercising its rights to terminate participation in the distribution reinvestment plan. The Manager will be permitted to terminate the distribution reinvestment plan, in its sole discretion, upon not less than 30 days’ notice to participating Unitholders and the plan agent, subject to any required regulatory approval.

The Manager is permitted to amend, modify or suspend the distribution reinvestment plan, or add additional features including authorizing pre-authorized cash contributions or systematic withdrawals, at any time, in its sole discretion, provided that it complies with certain requirements, and gives notice of such amendment, modification or suspension to the Participating Unitholders and the plan agent, subject to any required regulatory approval, which notice may be given by issuing a press release containing a summary description of the amendment or in any other manner that the Manager determines to be appropriate.

The Manager may from time to time adopt rules and regulations to facilitate the administration of the distribution reinvestment plan. The Manager reserves the right to regulate and interpret the distribution reinvestment plan as it deems necessary or desirable to ensure the efficient and equitable operation of the distribution reinvestment plan.

## PURCHASES OF UNITS

### Initial Investment in the Desjardins ETFs

In compliance with NI 81-102, a Desjardins ETF will not issue Units to the public until subscriptions aggregating not less than $500,000 have been received and accepted by the Desjardins ETF from investors other than persons or companies related to the Manager or its affiliates.

### Continuous Distribution

Units of the Desjardins ETFs are being issued and sold on a continuous basis and there is no maximum number of Units that may be issued.

### Designated Brokers

All orders to purchase Units directly from a Desjardins ETF must be placed by Designated Brokers or Authorized Participants. The Desjardins ETFs reserve the absolute right to reject any subscription order placed by a Designated Broker and/or an Authorized Participant. No fees will be payable by a Desjardins ETF to a Designated Broker or an Authorized Participant in connection with the issuance of Units of the Desjardins ETF. On the issuance of Units, the Manager may, at its discretion, charge an administrative fee to an Authorized Participant or Designated Broker to offset any expenses (including any applicable TSX additional listing fees) incurred in issuing the Units.

On any Trading Day, a Designated Broker or an Authorized Participant may place a subscription order for the PNU or integral multiple PNU of a Desjardins ETF. If a subscription order is received by a Desjardins ETF at or before the applicable cut-off time, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit, and is accepted by the Manager, the Desjardins ETF will generally issue to the Authorized Participant or Designated Broker the PNU (or an integral multiple thereof) within three Trading Days from the effective date of the subscription order. The Desjardins ETF must receive payment for the Units subscribed for within three Trading Days from the effective date of the subscription order. The effective date of a subscription order is the Trading Day on which the Valuation Time that applies to such subscription order takes place.

Unless the Manager shall otherwise agree or the Declaration of Trust shall otherwise provide, as payment for a PNU of a Desjardins ETF, an Authorized Participant or Designated Broker must deliver subscription proceeds consisting of a Basket of Securities and cash in an amount sufficient so that the value of the Basket of Securities and cash delivered is equal to the NAV of the applicable PNU of the Desjardins ETF determined at the Valuation Time on the effective date of the subscription order. The Manager may, in its complete discretion, instead accept subscription proceeds consisting of (i) cash only in an amount equal to the NAV of the applicable PNU of the Desjardins ETF determined at the Valuation Time on the effective date of the subscription order, plus (ii) if applicable, the Cash Creation Fee. The Cash Creation Fee, if any, applicable in respect of any Desjardins ETF will be specified from time to time at the discretion of the Manager and will be made available to applicable investors and Designated Brokers and Authorized Participants. The Cash Creation Fee, if any, will accrue to the applicable Desjardins ETF.

The Manager may from time to time and, in any event not more than once quarterly, require the Designated Broker to subscribe for Units of a Desjardins ETF for cash in a dollar amount not to exceed 0.30% of the NAV of the Desjardins ETF, or such other amount as may be agreed to by the Manager and the Designated Broker. The number of Units issued will be the subscription amount divided by the NAV per Unit next determined following the delivery by the Manager of a subscription notice to the Designated Broker. Payment for the Units must be made by the Designated Broker by no later than the third Trading Day after the subscription notice has been delivered.

The Manager will, except when circumstances prevent it from doing so, disclose the number of Units comprising a PNU for a particular Desjardins ETF to applicable investors, Designated Brokers and Authorized Participants following the close of business on each Trading Day. The Manager may, at its discretion, increase or decrease the applicable PNU from time to time.

#### *To Unitholders of a Desjardins ETF as Distributions Paid in Units*

In addition to the issuance of Units as described above, distributions may be made by way of the issuance of Units. See “Distribution Policy”.

### Buying and Selling Units of a Desjardins ETF

The Units have been conditionally approved for listing on the TSX. Subject to receiving conditional approval and satisfying the TSX's original listing requirements, the Units will be listed on the TSX and investors will be able to buy or sell such Units on the TSX through registered brokers and dealers in the province or territory where the investor resides. Investors may incur customary brokerage commissions in buying or selling Units of a Desjardins ETF. No fees are paid by investors to the Manager or any Desjardins ETF in connection with buying or selling of Units of a Desjardins ETF on the TSX.

#### *Special Considerations for Unitholders*

The provisions of the so-called "early warning" requirements set out in Canadian Securities Legislation do not apply in connection with the acquisition of Units. In addition, the Desjardins ETFs have obtained exemptive relief from the Securities Regulatory Authorities to permit Unitholders to acquire more than 20% of the Units of any Desjardins ETF through purchases on the TSX without regard to the take-over bid requirements of Canadian securities legislation, provided that any such Unitholder, and any person acting jointly or in concert with the Unitholder, undertakes to the Manager not to vote more than 20% of the Units of the Desjardins ETF at any meeting of Unitholders.

Units of the Desjardins ETFs are, in the opinion of the Manager, index participation units within the meaning of NI 81-102. A mutual fund wishing to invest in Units of a Desjardins ETF should make its own assessment of its ability to do so after careful consideration of the relevant provisions of NI 81-102, including but not limited to whether the Units of the applicable Desjardins ETF should be considered index participation units, as well as the control, concentration and certain of the "fund-of-funds" restrictions. No purchase of Units of a Desjardins ETF should be made solely in reliance on the above statements.

## EXCHANGE AND REDEMPTION OF UNITS

### Exchange of Units of a Desjardins ETF at Net Asset Value per Unit for Baskets of Securities and/or Cash

Unitholders of a Desjardins ETF may exchange the applicable PNU (or an integral multiple thereof) of the Desjardins ETF on any Trading Day for Baskets of Securities and cash, subject to the requirement that a minimum PNU be exchanged. To effect an exchange of Units of a Desjardins ETF, a Unitholder must submit an exchange request in the form and at the location prescribed by the Desjardins ETF from time to time at or before the applicable cut-off time on a Trading Day, or such other time prior to the Valuation Time on such Trading Day as the Manager may permit. The exchange price will be equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, payable by delivery of a Basket of Securities (constituted as most recently published prior to the effective date of the exchange request) and cash. The Units will be redeemed in the exchange. The Manager will also make available to Authorized Participants and Designated Brokers the applicable PNU to redeem Units of a Desjardins ETF on each Trading Day. The effective date of an exchange request is the Trading Day on which the Valuation Time that applies to such redemption request takes place.

Upon the request of a Unitholder, the Manager may, in its complete discretion, satisfy an exchange request by delivering cash only in an amount equal to the NAV of each PNU tendered for exchange determined at the Valuation Time on the effective date of the exchange request, provided that the Unitholder agrees to pay the Cash Exchange Fee, if applicable.

The Cash Exchange Fee, if any, applicable in respect of any Desjardins ETF will be specified from time to time at the discretion of the Manager and will be made available to applicable Designated Brokers and Authorized Participants. The Cash Exchange Fee, if any, will accrue to the applicable Desjardins ETF.

If an exchange request is not received by the applicable cut-off time, the exchange order will be effective only on the next Trading Day. Settlement of exchanges for Baskets of Securities and/or cash will generally be made by the third Trading Day after the effective day of the exchange request.

If any securities in which a Desjardins ETF has invested are cease-traded at any time by order of a Securities Regulatory Authority or other relevant regulator or stock exchange, the delivery of Baskets of Securities to a

Unitholder, Authorized Participant or Designated Broker on an exchange in the PNU may be postponed until such time as the transfer of the Baskets of Securities is permitted by law.

As described under "Book-Entry Only System", registration of interests in, and transfers of, Units will be made only through the book-entry only system of CDS. The redemption rights described below must be exercised through the CDS Participant through which the owner holds Units. Beneficial owners of Units should ensure that they provide redemption instructions to the CDS Participant through which they hold such Units sufficiently in advance of the cut-off times described below to allow such CDS Participant to notify CDS and for CDS to notify the Manager prior to the relevant cut-off time.

**Redemption of Units of a Desjardins ETF for Cash**

On any Trading Day, Unitholders of a Desjardins ETF may redeem (i) Units of the Desjardins ETF for cash at a redemption price per Unit equal to 95% of the closing price for the Units on the TSX on the effective day of the redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time, or (ii) a PNU of a Desjardins ETF or a multiple PNU of a Desjardins ETF for cash equal to the NAV of that number of Units of the Desjardins ETF less any applicable administration fee determined by the Manager, in its sole discretion from time to time. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders of the Desjardins ETFs are advised to consult their brokers, dealers or investment advisors before redeeming such Units for cash. No fees or expenses are paid by Unitholders to the Manager or any Desjardins ETF in connection with selling Units on the TSX.

In order for a cash redemption to be effective on a Trading Day, a cash redemption request with respect to the applicable Desjardins ETF must be delivered to the Manager in the form and at the location prescribed by the Manager from time to time at or before the applicable cut-off time on such Trading Day. Any cash redemption request received after such time will be effective only on the next Trading Day. Where possible, payment of the redemption price will be made by no later than the third Trading Day after the effective day of the redemption. The cash redemption request forms may be obtained from any registered broker or dealer.

Unitholders that have delivered a redemption request prior to the Distribution Record Date for any distribution will not be entitled to receive that distribution.

In connection with the redemption of Units of a Desjardins ETF, the Desjardins ETF will generally dispose of securities or other financial instruments.

**Suspension of Exchanges and Redemptions**

The Manager may suspend the exchange or redemption of Units of a Desjardins ETF or payment of redemption proceeds of a Desjardins ETF: (i) during any period when normal trading is suspended on a stock exchange or other market on which securities owned by the Desjardins ETF are listed and traded, if these securities represent more than 50% by value or underlying market exposure of the total assets of the Desjardins ETF, without allowance for liabilities, and if these securities are not traded on any other exchange that represents a reasonably practical alternative for the Desjardins ETF; or (ii) with the prior permission of the Securities Regulatory Authorities where required, for any period not exceeding 30 days during which the Manager determines that conditions exist which render impractical the sale of assets of the Desjardins ETF or which impair the ability of the Custodian to determine the value of the assets of the Desjardins ETF. The suspension may apply to all requests for exchange or redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect. All Unitholders making such requests shall be advised by the Manager of the suspension and that the exchange or redemption will be effected at a price determined on the first Valuation Day following the termination of the suspension. All such Unitholders shall have and shall be advised that they have the right to withdraw their requests for exchange or redemption. The suspension shall terminate in any event on the first day on which the condition giving rise to the suspension has ceased to exist, provided that no other condition under which a suspension is authorized then exists. To the extent not inconsistent with official rules and regulations promulgated by any government body having jurisdiction over a Desjardins ETF, any declaration of suspension made by the Manager shall be conclusive.

### Administration Fee

An amount of up to 1.00% of the issue, exchange or redemption price, or such other amount as may be agreed to by the Manager and Designated Broker or Dealer, as the case may be, of a Desjardins ETF may be charged to offset certain transaction costs associated with an issue, exchange or redemption of Units of that Desjardins ETF. This charge does not apply to Unitholders who buy and sell their Units through the facilities of the TSX.

### Allocations of Capital Gains to Redeeming or Exchanging Unitholders

Pursuant to the Declaration of Trust, a Desjardins ETF may allocate and designate as payable any capital gains realized by the Desjardins ETF as a result of any disposition of property of the Desjardins ETF undertaken to permit or facilitate the redemption or exchange of Units to a Unitholder whose Units are being redeemed or exchanged. In addition, each Desjardins ETF has the authority to distribute, allocate and designate any capital gains of Desjardins ETF to a Unitholder who has redeemed or exchanged Units during a year in an amount equal to the Unitholder's share, at the time of redemption or exchange, of the Desjardins ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the redeeming Unitholder.

### Book-Entry Only System

Registration of interests in, and transfers of, Units of a Desjardins ETF will be made only through the book-entry only system of CDS. Units must be purchased, transferred and surrendered for redemption only through a CDS Participant. All rights of an owner of Units must be exercised through, and all payments or other property to which such owner is entitled will be made or delivered by, CDS or the CDS Participant through which the owner holds such Units. Upon buying Units of a Desjardins ETF, the owner will receive only the customary confirmation. References in this prospectus to a holder of Units means, unless the context otherwise requires, the owner of the beneficial interest of such Units.

Neither a Desjardins ETF nor the Manager will have any liability for: (i) records maintained by CDS relating to the beneficial interests in Units or the book-entry accounts maintained by CDS; (ii) maintaining, supervising or reviewing any records relating to such beneficial ownership interests; or (iii) any advice or representation made or given by CDS and made or given with respect to the rules and regulations of CDS or any action taken by CDS or at the direction of the CDS Participants.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such owner's interest in such Units (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

A Desjardins ETF has the option to terminate registration of Units through the book-entry only system in which case certificates for Units in fully registered form will be issued to beneficial owners of such Units or to their nominees.

### Short-Term Trading

Unlike conventional open-end mutual fund trusts in which short-term trading by investors may cause the mutual fund to incur additional unnecessary trading costs in connection with the purchase of additional portfolio securities and the sale of portfolio securities to fund unitholder redemptions, the Manager does not believe that it is necessary to impose any short-term trading restrictions on the Desjardins ETFs at this time as: (i) the Desjardins ETFs are exchange traded funds that are primarily traded in the secondary market; and (ii) the few transactions involving Units of the Desjardins ETFs that do not occur on the secondary market involve Designated Brokers and Authorized Participants, who can only purchase or redeem Units in a PNU and on whom the Manager may impose an administration fee. The administration fee is intended to compensate the Desjardins ETFs for any costs and expenses incurred by the Desjardins ETFs in order to fund the redemption.

## INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to the acquisition, holding and disposition of Units of a Desjardins ETF by a Unitholder of the Desjardins ETF who acquires Units of the Desjardins ETF pursuant to this prospectus. This summary only applies to a prospective Unitholder of a Desjardins ETF who is an individual (other than a trust) resident in Canada for purposes of the Tax Act who deals at arm's length with the Desjardins ETF and any Designated Broker or Authorized Participant and is not affiliated with the

Desjardins ETF or any Designated Broker or Authorized Participant and who holds Units of the Desjardins ETF as capital property (a "**Holder**").

Generally, Units of a Desjardins ETF will be considered to be capital property to a Holder provided that the Holder does not hold such Units in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Provided that a Desjardins ETF qualifies as a "mutual fund trust" for purposes of the Tax Act, certain Holders who might not otherwise be considered to hold Units of the Desjardins ETF as capital property may, in certain circumstances, be entitled to have such Units and all other "Canadian securities" owned or subsequently acquired by them treated as capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This summary does not apply to a Holder who has entered or will enter into a "derivative forward agreement" as that term is defined in the Tax Act with respect to the Units or any Basket of Securities disposed of in exchange for Units.

This summary is based on the assumptions that (i) none of the Desjardins ETFs will be subject to the tax for "SIFT trusts" for purposes of the Tax Act, (ii) none of the issuers of the securities in the portfolio of a Desjardins ETF will be foreign affiliates for purposes of the Tax Act of the Desjardins ETF or of any Holder, (iii) none of the securities in the portfolio of a Desjardins ETF will be a "tax shelter investment" within the meaning of section 143.2 of the Tax Act, (iv) none of the securities in the portfolio of a Desjardins ETF will be, or be an interest in, an "offshore investment fund" property within the meaning of section 94.1 of the Tax Act (or an interest in a partnership that holds such property) that would require the Desjardins ETF to include significant amounts in the Desjardins ETF's income pursuant to section 94.1 of the Tax Act, or an interest in a trust (or a partnership which holds such an interest) which would require the Desjardins ETF (or the partnership) to report significant amounts of income in connection with such interest pursuant to the rules in section 94.2 of the Tax Act, or an interest in a non-resident trust other than an "exempt foreign trust" for the purposes of section 94 of the Tax Act (or a partnership which holds such interest), and (v) none of the Desjardins ETFs will enter into any arrangement (including the acquisition of securities for the Desjardins ETF's portfolio) where the result is a "dividend rental arrangement" for purposes of the Tax Act.

This summary is based on the facts described herein, the current provisions of the Tax Act, counsel's understanding of the current publicly available administrative policies and assessing practices of the CRA published in writing prior to the date hereof and certificates of the Manager. This summary takes into account the Tax Amendments. This description is not exhaustive of all Canadian federal income tax consequences and does not take into account or anticipate changes in the law or in administrative policy or assessing practice, whether by legislative, governmental or judicial action other than the Tax Amendments in their present form, nor does it take into account provincial, territorial or foreign tax considerations which may differ significantly from those discussed herein. There can be no assurance that the Tax Amendments will be enacted in the form publicly announced, or at all.

**This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Units of a Desjardins ETF. This summary does not address the deductibility of interest on any funds borrowed by a Holder to purchase Units of a Desjardins ETF. The income and other tax consequences of investing in Units will vary depending on an investor's particular circumstances including the province or territory in which the investor resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any holder of Units of a Desjardins ETF. Prospective investors should consult their own tax advisors with respect to the income tax consequences to them of an acquisition of Units of a Desjardins ETF based on their particular circumstances.**

**Status of the Desjardins ETFs**

This summary is based on the assumptions that each Desjardins ETF will qualify or be deemed to qualify at all times as a "mutual fund trust" within the meaning of the Tax Act, that each Desjardins ETF will validly elect under the Tax Act to be a mutual fund trust from the date it was established, and that each Desjardins ETF has not been established and will not be maintained primarily for the benefit of non-residents unless, at that time, substantially all of its property consists of property other than property that would be "taxable Canadian property" within the meaning of the Tax Act (if the definition of such term were read without reference to paragraph (b) of that definition).

To qualify as a mutual fund trust (i) a Desjardins ETF must be a Canadian resident "unit trust" for purposes of the Tax Act, (ii) the only undertaking of the Desjardins ETF must be (a) the investing of its funds in property (other than real property or interests in real property or an immovable or a real right in an immovable), (b) the acquiring, holding, maintaining, improving, leasing or managing of any real property (or interest in real property) or of any immovable (or real right in immovables) that is capital property of the Desjardins ETF, or (c) any combination of the activities described in (a) and (b), and (iii) the Desjardins ETF must comply with certain minimum requirements respecting the ownership and dispersal of Units of a particular class (the "**Minimum Distribution Requirements**"). In this connection, (i) the Manager has advised counsel that it intends to cause each Desjardins ETF to qualify as a unit trust throughout the life of the Desjardins ETF, (ii) each Desjardins ETF's undertaking conforms with the restrictions for mutual fund trusts, and (iii) the Manager has advised counsel that it intends to file the necessary election so that each Desjardins ETF will qualify as a mutual fund trust from its inception in 2017 and that it has no reason to believe that any of the Desjardins ETFs will not comply with the Minimum Distribution Requirements before the 91st day after the end of its first taxation year (determined without regard to any taxation year-end that may be deemed to occur for other purposes under the rules in the Tax Act relating to "loss restriction events") and at all times thereafter, thereby permitting the filing by each Desjardins ETF of such election.

If a Desjardins ETF were not to qualify or be deemed to qualify as a mutual fund trust at all times, the income tax considerations described below would, in some respects, be materially and adversely different in respect of that Desjardins ETF.

Provided that a Desjardins ETF qualifies as a "mutual fund trust" within the meaning of the Tax Act, or the Units of that Desjardins ETF are listed on a "designated stock exchange" (within the meaning of the Tax Act), Units of that Desjardins ETF will be qualified investments under the Tax Act for a trust governed by an RRSP, a RRIF, a DPSP, an RDSP, an RESP or a TFSA (the "**Plans**"). See "Income Tax Considerations – Taxation of Registered Plans" for the consequences of holding Units in Plans.

**Taxation of the Desjardins ETFs**

The Manager has advised counsel that each of the Desjardins ETFs will elect to have a taxation year that ends on December 15 of each calendar year. A Desjardins ETF must pay tax on its net income (including net realized taxable capital gains) for a taxation year, less the portion thereof that it deducts in respect of the amount paid or payable to its Unitholders in the calendar year in which the taxation year ends. An amount will be considered to be payable to a Unitholder of a Desjardins ETF in a calendar year if it is paid to the Unitholder in that year by the Desjardins ETF or if the Unitholder is entitled in that year to enforce payment of the amount. The Declaration of Trust requires that sufficient amounts be paid or made payable each year so that no Desjardins ETF is liable for any non-refundable income tax under Part I of the Tax Act.

A Desjardins ETF will be required to include in its income for each taxation year any dividends received (or deemed to be received) by it in such year on a security held in its portfolio.

To the extent a Desjardins ETF holds trust units issued by a trust resident in Canada that is not at any time in the relevant taxation year a "SIFT trust" and held as capital property for purposes of the Tax Act, the Desjardins ETF will be required to include in the calculation of its income for a taxation year the net income, including net taxable capital gains, paid or payable to the Desjardins ETF by such trust in the calendar year in which that taxation year ends, notwithstanding that certain of such amounts may be reinvested in additional units of the trust. Provided that appropriate designations are made by such trust, net taxable capital gains realized by the trust, foreign source income of the trust and taxable dividends from taxable Canadian corporations received by the trust that are paid or payable by the trust to the Desjardins ETF will effectively retain their character in the hands of the Desjardins ETF. The Desjardins ETF will be required to reduce the adjusted cost base of units of such trust by any amount paid or payable by the trust to the Desjardins ETF except to the extent that the amount was included in calculating the income of the Desjardins ETF or was the Desjardins ETF's share of the non-taxable portion of capital gains of the trust, the taxable portion of which was designated in respect of the Desjardins ETF. If the adjusted cost base to the Desjardins ETF of such units becomes a negative amount at any time in a taxation year of the Desjardins ETF, that negative amount will be deemed to be a capital gain realized by the Desjardins ETF in that taxation year and the Desjardins ETF's adjusted cost base of such units will be increased by the amount of such deemed capital gain to zero.

Each issuer in a Desjardins ETF's portfolio that is a "SIFT trust" (which will generally include Canadian resident income trusts, other than certain REITs, the units of which are listed or traded on a stock exchange or other public market) will be subject to a special tax in respect of (i) income from business carried on in Canada, and (ii) certain income and capital gains in respect of "non-portfolio properties" (collectively, "**Non-Portfolio Income**"). Non-Portfolio Income that is distributed by a SIFT trust to its unitholders will be taxed at a rate that is equivalent to the federal general corporate tax rate plus a prescribed amount on account of provincial tax. Non-Portfolio Income that becomes payable by an issuer that is a SIFT trust will generally be taxed as though it were a taxable dividend from a taxable Canadian corporation and will be deemed to be an "eligible dividend" eligible for the enhanced gross-up and tax credit rules.

With respect to indebtedness, a Desjardins ETF will be required to include in its income for a taxation year all interest thereon that accrues (or is deemed to accrue) to it to the end of that year (or until the disposition of the indebtedness in the year) or that has become receivable or is received by the Desjardins ETF before the end of that year, including on a redemption or repayment on maturity, except to the extent that such interest was included in computing the Desjardins ETF's income for a preceding taxation year and excluding any interest that accrued prior to the time of the acquisition of the indebtedness by the Desjardins ETF.

On a redemption or repayment of an indebtedness, the Desjardins ETF will be considered to have disposed of the indebtedness for proceeds of disposition equal to the amount received by the Desjardins ETF (other than amount received on account of interest) on such redemption or repayment.

On any disposition by the Desjardins ETF of an indebtedness, interest accrued thereon to the date of disposition and not yet due will be included in computing the Desjardins ETF's income, except to the extent such amount was otherwise included in the Desjardins ETF's income, and will be excluded in computing the Desjardins ETF's proceeds of disposition of the indebtedness.

In general, a Desjardins ETF will realize a capital gain (or capital loss) upon the actual or deemed disposition of a security included in its portfolio to the extent the proceeds of disposition net of any reasonable costs of disposition exceed (or are less than) the adjusted cost base of such security unless the Desjardins ETF were considered to be trading or dealing in securities or otherwise carrying on a business of buying and selling securities or the Desjardins ETF has acquired the security in a transaction or transactions considered to be an adventure or concern in the nature of trade. The Manager has advised counsel that each Desjardins ETF purchases the securities in its portfolio with the objective of receiving dividends and other distributions thereon and will take the position that gains and losses realized on the disposition of its securities are capital gains and capital losses. The Manager has also advised counsel that each Desjardins ETF will make an election under subsection 39(4) of the Tax Act, if applicable, so that all securities held by the Desjardins ETF that are "Canadian securities" (as defined in the Tax Act) will be deemed to be capital property to the Desjardins ETF.

Each Desjardins ETF will be entitled for each taxation year throughout which it is a mutual fund trust for purposes of the Tax Act to reduce (or receive a refund in respect of) its liability, if any, for tax on its net realized capital gains by an amount determined under the Tax Act based on the redemptions of Units of the Desjardins ETF during the year (the "**Capital Gains Refund**"). The Capital Gains Refund in a particular taxation year may not completely offset the tax liability of a Desjardins ETF for such taxation year which may arise upon the sale or other disposition of securities included in the portfolio in connection with the redemption of Units of the Desjardins ETF.

In general, gains and losses realized by a Desjardins ETF from derivative transactions will be on income account except where such derivatives are used to hedge portfolio securities held on capital account provided there is sufficient linkage, subject to the DFA Rules discussed below, and such gains and losses will be recognized for tax purposes at the time they are realized by the Desjardins ETF in accordance with the CRA's published administrative practice.

A loss realized by a Desjardins ETF on a disposition of capital property will be a suspended loss for purposes of the Tax Act if the Desjardins ETF, or a person affiliated with the Desjardins ETF, acquires a property (a "**Substituted Property**") that is the same as or identical to the property disposed of, within 30 days before and 30 days after the disposition and the Desjardins ETF, or a person affiliated with the Desjardins ETF, owns the Substituted Property 30 days after the original disposition. If a loss is suspended, a Desjardins ETF cannot deduct the loss from the Desjardins ETF's capital gains until the Substituted Property is disposed of and is not reacquired by the Desjardins ETF, or a person affiliated with the Desjardins ETF, within 30 days before and after the disposition.

A Desjardins ETF may enter into transactions denominated in currencies other than the Canadian dollar including the acquisition of securities in its portfolio. The cost and proceeds of disposition of securities, dividends, distributions and all other amounts will be determined for the purposes of the Tax Act in Canadian dollars using the appropriate exchange rates determined in accordance with the detailed rules in the Tax Act in that regard. The amount of income, gains and losses realized by a Desjardins ETF may be affected by fluctuations in the value of other currencies relative to the Canadian dollar. Subject to the DFA Rules discussed below, gains or losses in respect of currency hedges entered into in respect of amounts invested in the portfolio of a Desjardins ETF will constitute capital gains and capital losses to the Desjardins ETF if the securities in the Desjardins ETF's portfolio are capital property to the Desjardins ETF and provided there is sufficient linkage. Certain proposed amendments to the Tax Act, if enacted as proposed, should clarify that the DFA Rules generally should not apply to such foreign currency hedges.

The DFA Rules target certain financial arrangements (described in the DFA Rules as "derivative forward agreements") that seek to deliver a return based on an "underlying interest" (other than certain excluded underlying interests) for purposes of the DFA Rules. The DFA Rules are broad in scope and could apply to other agreements or transactions (including certain forward currency contracts, subject to the proposed amendments to the Tax Act discussed in the preceding paragraph). If the DFA Rules were to apply in respect of any derivatives to be utilized by a Desjardins ETF, gains realized in respect of the property underlying such derivatives could be treated as ordinary income rather than capital gains.

A Desjardins ETF may derive income or gains from investments in countries other than Canada, and as a result, may be liable to pay income or profits tax to such countries. To the extent that such foreign tax paid by a Desjardins ETF exceeds 15% of the amount included in the Desjardins ETF's income from such investments, such excess may generally be deducted by the Desjardins ETF in computing its net income for the purposes of the Tax Act. To the extent that such foreign tax paid does not exceed 15% of the amount included in the Desjardins ETF's income from such investments and has not been deducted in computing the Desjardins ETF's income, the Desjardins ETF may designate in respect of a Holder a portion of its foreign source income that can reasonably be considered to be part of the Desjardins ETF's income distributed to such Holder so that such income and a portion of the foreign tax paid by the Desjardins ETF may be regarded as foreign source income of, and foreign tax paid by, the Holder for the purposes of the foreign tax credit provisions of the Tax Act.

A Desjardins ETF will be entitled to deduct an amount equal to the reasonable expenses that it incurs in the course of issuing Units. Such issue expenses paid by a Desjardins ETF and not reimbursed will be deductible by the Desjardins ETF rateably over a five-year period subject to reduction in any taxation year which is less than 365 days. In computing its income under the Tax Act, a Desjardins ETF may deduct reasonable administrative and other expenses incurred to earn income.

Losses incurred by a Desjardins ETF in a taxation year cannot be allocated to Holders, but may be deducted by the Desjardins ETF in future years in accordance with the Tax Act.

**Taxation of Holders**

A Holder will generally be required to include in computing income for a particular taxation year of the Holder such portion of the net income of a Desjardins ETF, including the taxable portion of any net realized capital gains, as is paid or becomes payable to the Holder in that particular taxation year (whether in cash or in Units, whether such amount is reinvested in additional Units, or whether as a Management Fee Distribution). Amounts paid or payable by a Desjardins ETF to a Holder after December 15 and before the end of the calendar year are deemed to have been paid or become payable to the Holder on December 15.

Under the Tax Act, a Desjardins ETF is permitted to deduct in computing its income for a taxation year an amount that is less than the amount of its distributions of income for the calendar year to the extent necessary to enable the Desjardins ETF to use, in that taxation year, losses from prior years without affecting the ability of the Desjardins ETF to distribute its income annually. In such circumstances, the amount distributed to a Holder of a Desjardins ETF but not deducted by the Desjardins ETF will not be included in the Holder's income. However, the adjusted cost base of the Holder's Units of the Desjardins ETF will be reduced by such amount. The non-taxable portion of a Desjardins ETF's net realized capital gains for a taxation year, the taxable portion of which was designated in respect of a Holder for the taxation year, that is paid or becomes payable to the Holder for the year will not be included in computing the Holder's income for the year. Any other amount in excess of a Holder's share of the net income of a Desjardins ETF for a taxation year that is paid or becomes payable to the Holder for the year (i.e. returns of capital) will not generally be included in the Holder's income for the year, but will reduce the adjusted cost base of the Holder's Units of the Desjardins ETF. To the extent that the adjusted cost base of a Unit of a Desjardins ETF to a Holder would otherwise be a negative amount, the negative amount will be deemed to be a capital gain and the adjusted cost base of the Unit to the Holder will be increased by the amount of such deemed capital gain to zero.

Provided that appropriate designations are made by a Desjardins ETF, such portion of the net realized taxable capital gains of the Desjardins ETF, the taxable dividends received or deemed to be received by the Desjardins ETF on shares of taxable Canadian corporations and foreign source income of the Desjardins ETF as is paid or becomes payable to a Holder will effectively retain its character and be treated as such in the hands of the Holder for purposes of the Tax Act. To the extent that amounts are designated as taxable dividends from taxable Canadian corporations, the gross-up and dividend tax credit rules will apply.

Any loss of a Desjardins ETF for purposes of the Tax Act cannot be allocated to, and cannot be treated as a loss of, a Holder.

On the disposition or deemed disposition of a Unit of a Desjardins ETF, including on a redemption, a Holder will realize a capital gain (or capital loss) to the extent that the Holder's proceeds of disposition (other than any amount payable by the Desjardins ETF which represents capital gains allocated and designated to the redeeming Holder), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of the Unit. For the purpose of determining the adjusted cost base of a Holder's Units of a class of a Desjardins ETF, when additional Units of that class of the Desjardins ETF are acquired by the Holder (as a result of a distribution by a Desjardins ETF in the form of Units, a reinvestment in Units of a Desjardins ETF pursuant to the Reinvestment Plan or otherwise), the cost of the newly acquired Units of the Desjardins ETF will be averaged with the adjusted cost base of all Units of the same class of the Desjardins ETF owned by the Holder as capital property immediately before that time. For this purpose, the cost of Units that have been issued on a distribution will generally be equal to the amount of the distribution. A consolidation of Units of a Desjardins ETF following a distribution paid in the form of additional Units of the Desjardins ETF will not be regarded as a disposition of Units of the Desjardins ETF and will not affect the aggregate adjusted cost base to a Holder. Any additional Units acquired by a Holder on the reinvestment of distributions will generally have a cost equal to the amount reinvested.

In the case of an exchange of Units of a Desjardins ETF for a Basket of Securities, a Holder's proceeds of disposition of Units of the Desjardins ETF would generally be equal to the aggregate of the fair market value of the distributed property and the amount of any cash received, less any capital gain realized by the Desjardins ETF on the disposition of such distributed property. The cost to a Holder of any property received from the Desjardins ETF upon the exchange will generally be equal to the fair market value of such property at the time of the distribution. In the case of an exchange of Units for a Basket of Securities, the investor may receive securities that may or may not be qualified investments under the Tax Act for Plans. If such securities are not qualified investments for Plans, such Plans (and, in the case of certain Plans, the annuitants, beneficiaries or subscribers thereunder or holders thereof) may be subject to adverse tax consequences including, in the case of RESPs, revocation of such Plans. Investors should consult their own tax counsel for advice on whether or not such securities would be qualified investments for Plans.

Pursuant to the Declaration of Trust, a Desjardins ETF may allocate and designate as payable any capital gains realized by the Desjardins ETF as a result of any disposition of property of the Desjardins ETF undertaken to permit or facilitate the redemption or exchange of Units of the Desjardins ETF to a Holder whose Units are being redeemed or exchanged. In addition, each Desjardins ETF has the authority to distribute, allocate and designate any capital gains of the Desjardins ETF to a Holder who has redeemed or exchanged Units during a year in an amount equal to the Holder's share, at the time of redemption or exchange, of the Desjardins ETF's capital gains for the year. Any such allocations and designations will reduce the redemption price otherwise payable to the Holder and therefore the Holder's proceeds of disposition.

In general, one-half of any capital gain (a "**taxable capital gain**") realized by a Holder on the disposition of Units of a Desjardins ETF or a taxable capital gain designated by the Desjardins ETF in respect of the Holder for a taxation year of the Holder will be included in computing the Holder's income for that year and one-half of any capital loss (an "**allowable capital loss**") realized by the Holder in a taxation year of the Holder generally must be deducted from taxable capital gains realized by the Holder in the taxation year or designated by the Desjardins ETF in respect of the Holder for the taxation year in accordance with the detailed provisions of the Tax Act. Allowable capital losses for a taxation year in excess of taxable capital gains for that taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against taxable capital gains in accordance with the provisions of the Tax Act.

Each Holder who delivers subscription proceeds consisting of a Basket of Securities will be disposing of securities in exchange for Units of a Desjardins ETF. Assuming that such securities are held by the Holder as capital property for purposes of the Tax Act, the Holder will generally realize a capital gain (or a capital loss) in the taxation year of the Holder in which the disposition of such securities takes place to the extent that the proceeds of disposition for such securities, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base of such securities to the Holder. For this purpose, the proceeds of disposition to the Holder of securities disposed of will equal the aggregate of the fair market value of the Units of the Desjardins ETF received for the securities. The cost to a Holder of Units of a Desjardins ETF acquired in exchange for a Basket of Securities and cash (if any) will be equal to the aggregate of the cash paid (if any) to the Desjardins ETF plus the fair market value of the securities disposed of in exchange for Units at the time of disposition, which sum would generally be equal to or would approximate the fair market value of the Units received as consideration in exchange for a Basket of Securities and cash (if any).

Amounts designated by a Desjardins ETF to a Holder of the Desjardins ETF as taxable capital gains or dividends from taxable Canadian corporations, and taxable capital gains realized on the disposition of Units of the Desjardins ETF may increase the Holder's liability for alternative minimum tax.

**Taxation of Registered Plans**

Amounts of income and capital gains included in a Plan's income are generally not taxable under Part I of the Tax Act provided the Units are "qualified investments" for the Plan for purposes of the Tax Act.

Holders should consult with their own advisors regarding the tax implications of establishing, amending, terminating or withdrawing amounts from a Plan.

Notwithstanding the foregoing, the holder of a TFSA or the annuitant of an RRSP or RRIF will be subject to a penalty tax in respect of Units held by such TFSA, RRSP or RRIF, as the case may be, if such Units are a "prohibited investment" for such Plans for the purposes of the Tax Act. The Units of a Desjardins ETF will not be a "prohibited investment" for a trust governed by a TFSA, RRSP or RRIF unless the holder of the TFSA or the annuitant of the RRSP or RRIF, as applicable, (i) does not deal at arm's length with the Desjardins ETF for purposes of the Tax Act, or (ii) has a "significant interest" as defined in the Tax Act in the Desjardins ETF. Generally, a holder or annuitant, as the case may be, will not have a significant interest in a Desjardins ETF unless the holder or annuitant, as the case may be, owns interests as a beneficiary under the Desjardins ETF that have a fair market value of 10% or more of the fair market value of the interests of all beneficiaries under the Desjardins ETF, either alone or together with persons and partnerships with which the holder or annuitant, as the case may be, does not deal at arm's length. In addition, the Units of a Desjardins ETF will not be a prohibited investment if such Units are "excluded property" as defined in the Tax Act for a trust governed by a TFSA, RRSP or RRIF.

Holders or annuitants should consult their own tax advisors with respect to whether Units of a Desjardins ETF would be prohibited investments, including with respect to whether such Units would be excluded property.

**Tax Implications of the Desjardins ETF's Distribution Policy**

The NAV per Unit of a Desjardins ETF will, in part, reflect any income and gains of the Desjardins ETF that have accrued or have been realized, but have not been made payable at the time Units of the Desjardins ETF were acquired. Accordingly, a Holder of a Desjardins ETF who acquires Units of the Desjardins ETF, including on a reinvestment of distributions or a distribution of Units of the Desjardins ETF, may become taxable on the Holder's share of such income and gains of the Desjardins ETF. In particular, an investor who acquires Units of a Desjardins ETF at any time in the year but prior to a distribution being paid or made payable will have to pay tax on the entire distribution (to the extent it is a taxable distribution) notwithstanding that such amounts may have been reflected in the price paid by the Holder for the Units. Further, where a Holder acquires Units in a calendar year after December 15 of such year, such Holder may become taxable on income earned or capital gains realized in the taxation year ending on December 15 of such calendar year but that had not been made payable before the Units were acquired.

## ORGANIZATION AND MANAGEMENT DETAILS OF THE DESJARDINS ETFs

### Manager

The Manager has taken the initiative of founding and organizing the Desjardins ETFs and is a promoter of the Desjardins ETFs within the meaning of applicable securities legislation. As at December 31, 2016, assets under management for DGAM were approximately C$54 billion. DGAM is the manager, portfolio advisor and promoter of the Desjardins ETFs and is responsible for the administration of the Desjardins ETFs. DGAM is registered as a portfolio manager in each of the provinces and territories of Canada, as a commodity trading manager in Ontario, derivatives portfolio manager in Québec, exempt-market dealer in Québec, Ontario, Nova Scotia, Alberta, British Columbia, Saskatchewan and Manitoba and as an investment fund manager in Ontario, Alberta, Manitoba, Nova Scotia, Newfoundland and Labrador and Québec.

DGAM is a Canadian investment manager. Its clients include pension funds, endowments, trusts, insurance company reserves, corporations and mutual funds. DGAM is an indirect, wholly-owned subsidiary of Desjardins Group.

***Duties and Services to be provided by the Manager***

Pursuant to the Management Agreement, the Manager provides and arranges for the provision of required administrative services to the Desjardins ETFs including, without limitation: negotiating contracts with certain third-party service providers, including, but not limited to, sub-advisors, custodians, registrars, transfer agents, auditors and printers; authorizing the payment of operating expenses incurred on behalf of the Desjardins ETFs; maintaining accounting records; preparing the reports to Unitholders and to the applicable securities regulatory authorities; calculating the amount and determining the frequency of distributions by the Desjardins ETFs; preparing financial statements, income tax returns and financial and accounting information as required; ensuring that Unitholders are provided with financial statements and other reports as are required from time to time by applicable law; ensuring that the Desjardins ETFs comply with all other regulatory requirements including continuous disclosure obligations under applicable securities laws; administering purchases, redemptions and other transactions in Units; arranging for any payments required upon termination of the Desjardins ETFs; and dealing and communicating with Unitholders. The Manager will provide office facilities and personnel to carry out these services, if not otherwise furnished by any other service provider to the Desjardins ETFs. The Manager will also monitor the investment strategies of the Desjardins ETFs to ensure that they comply with their investment objectives, investment strategies and investment restrictions and practices.

No manager of a Desjardins ETF shall be a person who (i) is not a resident of Canada for purposes of the Tax Act, or (ii) does not agree to carry out its functions of managing the Desjardins ETF in Canada.

Pursuant to the Management Agreement, the Manager has the exclusive authority and responsibility to manage and direct the business, operations and affairs of the Desjardins ETFs, to make all decisions regarding the business of the Desjardins ETFs and to bind the Desjardins ETFs. The Manager may delegate certain of its powers to third parties where, in the discretion of the Manager, it would be in the best interests of the Desjardins ETFs to do so.

The Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Desjardins ETFs and Unitholders, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Management Agreement provides that the Manager will not be liable in any way for any default, failure or defect in, or diminution in value of, any assets of the Desjardins ETFs if it has satisfied its standard of care set forth above.

The Manager and each of its directors, officers, employees and agents may be indemnified and reimbursed out of the assets of the applicable Desjardins ETF to the fullest extent permitted by law against all liabilities and expenses reasonably incurred in connection being or having been the Manager, or a director, officer, employee, consultant or agent thereof, except for liabilities and expenses resulting from wilful misconduct, bad faith, negligence, breach of the duties or standard of care, diligence and skill described above, or breach or default of the Manager’s obligations under the Management Agreement.

The Manager may resign upon 90 days’ prior written notice to the Trustee or upon such lesser notice period as the Trustee may accept. The Manager may also be removed by the Trustee on at least 90 days’ written notice to the Manager. The Trustee shall make every effort to select and appoint a successor manager prior to the effective date of the Manager’s resignation.

The Manager is entitled to fees for its services as manager under the Management Agreement as described under “Fees and Expenses” and will be reimbursed for all reasonable costs and expenses incurred by the Manager on behalf of the Desjardins ETFs. The Manager may, in its discretion, terminate a Desjardins ETF without the approval of Unitholders if, in its opinion, it is no longer economically feasible to continue the Desjardins ETF and/or it would otherwise be in the best interests of Unitholders to terminate the Desjardins ETF.

The administration and management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar administrative and management services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Desjardins ETF) or from engaging in other activities.

**Officers and Directors of the Manager**

The name and municipality of residence of each of the directors and executive officers of the Manager and their principal occupations are as follows:

| Directors and Officers of the Manager | | |
|---|---|---|
| **Name and place of residence** | **Role** | **Principal Role** |
| ALAIN, Marie-Andrée<br>Lévis (Québec) | Chief Compliance Officer | Director, Caisse Network and Business Services Compliance Administrative Department, Desjardins Group; prior thereto from 2012 to 2016, Manager, Caisse Network Compliance Department, Desjardins Group |
| DUCEPPE, Christian<br>Boucherville (Québec) | Vice-President, Fixed Income and Director | Director, Fixed Income |
| FISET, Stéphane<br>Saint-Nicolas (Québec) | Secretary | Advisor, Legal Affairs, Wealth Management and Life and Health insurance, Fédération des caisses Desjardins du Québec; prior thereto, from 2010 to 2013, Director Support to Democratic Bodies, Fédération des caisses Desjardins du Québec. |
| PELLERIN, Mario<br>St-Jérôme (Québec) | Assistant Chief Financial Officer | Manager, Asset Management and Investment Product Analysis and Financial Disclosure Department, Desjardins Group. |
| PINARD, Sylvie<br>Saint-Basile-le-Grand (Québec) | Chief Financial Officer and Director | Director, Securities, Asset Management and Mutual Fund Financial Disclosure and Governance Administrative Department, Desjardins Group. |

| Directors and Officers of the Manager | | |
|---|---|---|
| RICHARD, Nicolas<br>Montréal (Québec) | President and Chief Operating Officer, Ultimate Designated Person and Director and Chairman of the Board | Vice President Investments; Previously, from March 2013 to October 2016, Director Investment Strategies; Previously, from October 2011 to March 2013, Portfolio Manager Investment Strategies |

Except as otherwise indicated above, during the past five years, all of the directors and executive officers of the Manager have held their present principal roles (or similar positions with their current employer or its affiliates).

**Portfolio Management**

In its capacity as portfolio advisor pursuant to the terms of the Management Agreement (as described above), DGAM is responsible for the oversight and provision of investment advisory services to the Desjardins ETFs, and all decisions are reviewed in a team-oriented manner. Investment decisions made by the portfolio management team are not subject to the oversight, approval or ratification of a committee. The portfolios of the Desjardins ETFs will be primarily managed by the following individuals.

| Portfolio Management Team | | |
|---|---|---|
| **Name and place of residence** | **Role** | **Principal Role** |
| FELX, Christian<br>Longueuil (Québec) | Portfolio Manager | Same |
| BOUTHOT, Mathieu<br>Longueuil (Québec) | Portfolio Manager | Same |
| VIENS, Frédéric<br>Longueuil (Québec) | Portfolio Manager | Prior to becoming a Portfolio Manager in 2014, Frédéric was an investment analyst at DGAM. |

Except as otherwise provided, during the past five years, all of the above named individuals have held their present roles (or similar positions with DGAM or its affiliates).

**Brokerage Arrangements**

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of portfolio transactions, including the selection of broker-dealers and the negotiation, where applicable, of commissions or spreads, will be made by DGAM, in its capacity as the portfolio manager for each of the Desjardins ETFs.

In effecting portfolio transactions, DGAM places brokerage business with various broker-dealers on the basis of "best execution", which includes a number of considerations such as price, speed and certainty of execution and total transaction cost. DGAM uses the same criteria in selecting all of its broker dealers, regardless of whether or not the broker-dealer is an affiliate of DGAM.

These brokers may directly provide DGAM with research and related services, as outlined below, in addition to executing transactions. Although each Desjardins ETF may not benefit equally from each research and related service received from a broker, DGAM endeavours to ensure that all of the Desjardins ETFs receive an equitable benefit over time. DGAM maintains a list of brokers that have been approved to effect securities transactions on behalf of the Desjardins ETFs. When determining whether a broker should be added or removed to that list there are numerous factors that are considered including: (a) with respect to trading: level of service, response time, availability of securities (liquidity), account management and idea generation; (b) with respect to research: proprietary research reports, industry knowledge and access to analysts and staff; (c) with respect to personnel: (i) back office support and sales contacts; (d) with respect to infrastructure: trade settlement, confirmations, and reporting; and (e) with respect to firm size (for brokers not directly linked to a Schedule 1 bank): minimum capitalization requirements, specific experience of directors, and members of a known SRO or exchange.

Approved brokers are monitored on a regular basis to ensure that the value of the goods and services, as outlined above, provide a reasonable benefit as compared to the amount of brokerage commissions paid for the goods and services. In conducting this analysis, DGAM considers the use of the goods and services, execution quality in terms of trade impact and the ability to achieve the target benchmark price, as well as the amount of brokerage commissions paid relative to other brokers and the market in general. The selection and monitoring processes are the same regardless of whether or not the broker is an affiliate of DGAM.

DGAM expects to receive proprietary research reports, industry knowledge and access to both analysts and staff from Valeurs Mobilieres Desjardins, an affiliated broker. In addition, DGAM has or will receive proprietary research reports, industry knowledge and access to analysts, staff and alternative trading systems from various unrelated third party brokers and has implemented policies and procedures to make a good faith determination that over a reasonable period of time, all clients, including the Desjardins ETFs, will receive fair and reasonable benefits in return for any commissions generated.

Additional information including the services supplied by each broker can be obtained from the Manager upon request, at no cost, by calling 1-877-353-8686.

**Conflicts Of Interest**

The Manager and its affiliates are engaged in a wide range of investment management, investment advisory and other business activities. The services provided by the Manager under the Management Agreement are not exclusive and nothing in such agreements prevents the Manager or any of its respective affiliates from providing similar services to other investment funds and other persons (whether or not their investment objectives, strategies and policies are similar to those of the Desjardins ETFs) or from engaging in other activities. The Manager's investment decisions for the Desjardins ETFs will be made independently of those made for other persons and independently of its own investments.

Whenever the Manager proposes to make an investment, the investment opportunity will be allocated, on an equitable basis, generally pro rata based on available capital, between the applicable Desjardins ETF and any other fund for which the proposed investment would be within such fund's investment objectives.

The Manager may trade and make investments for its own accounts, and the Manager currently trades and manages and will continue to trade and manage accounts, other than a Desjardins ETF's accounts, utilizing trading and investment strategies which are the same as or different from the ones to be utilized in making investment decisions for the Desjardins ETF. In addition, in proprietary trading and investment, the Manager may take positions the same as, different than or opposite to those of a Desjardins ETF. Furthermore, all of the positions held by accounts owned, managed or controlled by the Manager may be aggregated for purposes of applying certain exchange position limits. As a result, a Desjardins ETF may not be able to enter into or maintain certain positions if such positions, when added to the positions already held by the Desjardins ETF and such other accounts, would exceed applicable limits. All of such trading and investment activities may also increase the level of competition experienced with respect to priorities of order entry and allocations of executed trades.

One or more registered Authorized Participants acts or may act as a Designated Broker, an Authorized Participant and/or a market maker. Any such registered dealer and its affiliates may, at present or in the future, engage in business with the Desjardins ETFs, the issuers of securities making up the investment portfolio of the Desjardins ETFs or the Manager or any funds sponsored by the Manager or its affiliates, including by making loans, entering into derivative transactions or providing advisory or agency services. In addition, the relationship between any such registered dealer and its affiliates and the Manager and its affiliates may extend to other activities, such as being part of a distribution syndicate for other funds sponsored by the Manager or its affiliates.

No Designated Broker or Authorized Participant has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus. The Designated Brokers and Authorized Participants do not act as underwriters of the Desjardins ETFs in connection with the distribution by the Desjardins ETFs of Units under this prospectus. Units of the Desjardins ETFs do not represent an interest or an obligation of any Designated Broker, any Authorized Participant or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by the Desjardins ETFs to such Designated Brokers or Authorized Participants. The Securities Regulatory Authorities have provided the Desjardins ETFs with a decision exempting the Desjardins ETFs from the requirement to include a certificate of any underwriter in this prospectus.

The Manager may at times have interests that differ from the interests of the Unitholders of a Desjardins ETF. Where the Manager or its affiliates otherwise perceive in the course of business, that they are or may be in a material conflict of interest position, the matter will be referred to the IRC. The IRC will consider all matters referred to it and provide its recommendations to the Manager as soon as possible.

See "Organization and Management Details of the Desjardins ETFs – Independent Review Committee".

**Independent Review Committee**

NI 81-107 requires all publicly offered investments funds, including the Desjardins ETFs, to establish an independent review committee to whom the Manager must refer each conflict of interest matter for review or approval. NI 81-107 also requires the Desjardins ETFs to establish written policies and procedures for dealing with conflict of interest matters, maintaining records in respect of these matters and providing assistance to the independent review committee in carrying out its functions. The independent review committee is required to be comprised of three independent members and will be subject to requirements to conduct regular assessments and provide reports to the Manager and to Unitholders in respect of its functions.

The Manager has established an independent review committee for its mutual funds and other investment funds, including the Desjardins ETFs (the "**Independent Review Committee**" or "**IRC**") in accordance with NI 81-107. The fees and expenses of the IRC are borne and shared by all of the Manager's investment funds for which the IRC acts as the independent review committee on a pro rata basis (based on relative NAVs).

Each member of the IRC is independent of the Manager, the Desjardins ETFs and any other party related to the Manager as the term is defined under NI 81-107. The current members of the IRC, and their principal occupations, are as follows:

| **Name and Municipality of Residence** | **Principal Occupation** |
|---|---|
| Marie Giguère, Montréal, Québec | Independent Director |
| Gladys Caron, Ville Mont Royal, Québec | President, Gladys Caron Communication Inc. |
| Caroline Bineau, St-Constant, Québec | Independent Consultant |

The IRC will prepare a report, at least annually, of its activities for Unitholders. Such reports will be available upon the Unitholder's request at no cost by calling the Manager toll-free at 1-877-353-8686, or by request to the Unitholder's dealer. Unitholders can also get a copy of such reports at www.DesjardinsETF.com or by sending an email request to ETFinfo@desjardins.com. Each member of the IRC receives an annual retainer of **$**10,000 plus expenses (**$**12,000 plus expenses in the case of the Chair) of the IRC. IRC members are also reimbursed for travel expenses in connection with meeting attendance. Other fees and expenses payable in connection with the IRC include insurance costs, legal fees, and attendance fees for educational seminars.

## Trustee

Pursuant to the Declaration of Trust, Desjardins Trust Inc. will be the trustee of the Desjardins ETFs. The Trustee may resign upon 90 days' notice to Unitholders and the Manager. The address of the Trustee where it principally provides services to the Desjardins ETFs is 1, Complexe Desjardins, suite 1422, Montréal (Québec) H5B 1E4.

The Declaration of Trust provides that the Trustee shall act honestly, in good faith and in the best interests of each Desjardins ETF and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out the Trustee's duties.

The Trustee must be removed if the Trustee ceases to (i) be resident in Canada for purposes of the Tax Act; (ii) carry out its function of managing the Desjardins ETFs in Canada; or (iii) exercise the main powers and discretions of the Trustee in respect of the Desjardins ETFs in Canada. If the Trustee resigns or if it becomes incapable of acting as trustee, the Trustee may appoint a successor trustee prior to its resignation, and its resignation shall become effective upon the acceptance of such appointment by its successor. If no successor has been appointed within 90 days after the Trustee has provided the Manager with 90 days' notice of its intention to resign, the Desjardins ETFs will be terminated, and the property of the Desjardins ETFs shall be distributed in accordance with the terms of the Declaration of Trust.

## Custodian

State Street Trust Company Canada, at its principal offices in Toronto, Ontario, is the custodian of the assets of the Desjardins ETFs pursuant to the Custodian Agreement. The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Desjardins ETFs have securities. The Manager or the Custodian may terminate the Custodian Agreement at any time upon 90 days' notice.

The Custodian is entitled to receive fees from the Manager and to be reimbursed for all expenses and liabilities that are properly incurred by the Custodian in connection with the activities of the Desjardins ETFs.

## Fund Administrator

State Street Fund Services Toronto Inc., at its principal offices in Toronto, Ontario, is the Fund Administrator. The Fund Administrator is responsible for certain aspects of the day-to-day administration of the Desjardins ETFs, including NAV calculations, accounting for net income and net realized capital gains of the Desjardins ETFs and maintaining the books and records of the Desjardins ETFs.

## Auditors

The auditors of the Desjardins ETFs are PricewaterhouseCoopers LLP located in Toronto, Ontario. The auditors of the Desjardins ETFs may not be changed unless the IRC has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change.

## Transfer Agent and Registrar

State Street Trust Company Canada, at its principal office in Toronto, Ontario, is the Registrar and Transfer Agent for the Units of the Desjardins ETFs. The register of the Desjardins ETFs is kept in Toronto. In addition to maintaining the register, the Registrar and Transfer Agent is also responsible for certain aspects of the day-to-day administration of the Desjardins ETFs, including the processing of purchases, redemptions and exchanges of Units.

## Securities Lending Agent

State Street Bank and Trust Company may act as the securities lending agent for the Desjardins ETFs pursuant to a securities lending authorization agreement (a "**Securities Lending Agreement**") to be entered into between the securities lending agent and Desjardins, in its capacity as manager of each of the Desjardins ETFs. The Lending Agent is not an affiliate or associate of the Manager.

Under the Securities Lending Agreement, the collateral posted by a securities borrower to the Desjardins ETFs will be required to have an aggregate value of not less than 102% of the market value of the loaned securities. The Lending Agent's indemnity will provide for the replacement of a number of securities equal to the number of unreturned loaned securities.

**Promoter**

The Manager is the promoter of the Desjardins ETFs within the meaning of the securities legislation of certain provinces and territories of Canada by reason of its initiative of organizing the Desjardins ETFs. The promoter will not receive any benefits, directly or indirectly, from the issuance of securities offered hereunder other than as described under "Fees and Expenses".

## CALCULATION OF NET ASSET VALUE

The NAV on a particular date will be equal to the aggregate fair value of the assets of the Desjardins ETF less the aggregate fair value of the liabilities of the Desjardins ETF, expressed in Canadian dollars at the applicable exchange rate on such date. The NAV per Unit for each class is calculated by adding up the assets of the Desjardins ETF attributable to that class, subtracting the liabilities attributable to that class, and dividing the difference by the total number of Units of that class outstanding.

The NAV per Unit of a class is calculated in Canadian dollars in accordance with the rules and policies of the Securities Regulatory Authorities or in accordance with any exemption therefrom that the Desjardins ETF may obtain.

**Valuation Policies and Procedures of the Desjardins ETFs**

The determination of NAV at any time will take into account the following:

a) cash on hand or on deposit, bills, demand notes, accounts receivable, prepaid expenses, cash dividends received or receivable and interest accrued and not yet received, shall be deemed to be the face value thereof unless the Manager has determined that any such deposit, bill, demand note, account receivable, prepaid expense, cash dividend received or receivable or interest is not worth the full face value, in which event the value thereof shall be deemed to be such value as the Manager determines to be reasonable;

b) bonds, debentures, notes, money market instruments and other obligations shall be valued by taking the average of the most recently available bid and asked quotations at the Valuation Time on the Valuation Date;

c) any security which is listed or dealt in upon a stock exchange shall be valued at its current market value;

d) any security which is not listed or dealt in upon a stock exchange shall be valued at the most recently available sale price on the Valuation Date, or if such sale price is unavailable, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used;

e) restricted securities shall be valued at the lesser of:

    i. the value thereof based on reported quotations in common use; and

    ii. that percentage of the market value of securities of the same class, the trading of which is not restricted or limited by reason of any representation, undertaking or agreement or by law, equal to the percentage that the Desjardins ETF's acquisition cost was of the market value of such securities at the time of acquisition, as applicable, provided that a gradual taking into account of the actual value of the securities may be made where the date on which the restrictions will be lifted is known;

f) purchased or written clearing corporation options, options on futures, over-the-counter options, debt-like securities and listed warrants shall be valued at the current market value thereof;

g) where a covered clearing corporation option, option on futures or over-the-counter option is written, the premium received by the Desjardins ETF shall be reflected as a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position. Any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment. The deferred credit shall be deducted in arriving at the NAV. The securities, if any, which are the subject of a written clearing corporation option or over-the-counter option shall be valued at their current market value;

h) the value of a futures contract, forward contract or other derivatives, such as swap contracts or options on financial futures, shall be the gain or loss with respect thereto that would be realized if, at the Valuation Time, the position in the futures contract, or the forward contract, as the case may be, were to be closed out in accordance with its terms, unless “daily limits” are in effect, in which case fair value shall be based on the current market value of the underlying interest;

i) margin paid or deposited in respect of futures contracts and forward contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;

j) translating amounts in foreign currency to Canadian currency shall be based on the exchange in effect on the Valuation Date as published by WM/Reuters at 4 p.m. (London time), or such other rate from another recognized source at the Manager’s discretion;

k) if any Valuation Date is not a business day in any jurisdiction which is relevant for the purposes of valuing investments of the Desjardins ETFs, the prices or quotations as of the preceding business day in such jurisdiction shall be used for the purposes of such valuation;

l) any security purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the purchase price, including brokers’ commissions and other expenses, shall be treated as a liability of the Desjardins ETF;

m) any security sold, but not delivered, pending receipt of the proceeds, shall be excluded for valuation purposes as a security held, and the selling price, net of brokers’ commissions and other expenses, shall be treated as an asset of the Desjardins ETF; and

n) if any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable.

Unless otherwise indicated, for purposes hereof, “current market value” means the most recently available sale price applicable to the relevant security on the principal exchange on which it is traded immediately preceding the Valuation Time on the Valuation Date, provided that, if no sale has taken place on a Valuation Date, the average of the bid and asked quotations immediately prior to the Valuation Time on the Valuation Date shall be used.

For the purposes of the foregoing valuation policies, quotations may be obtained from any report in common use, or from a reputable broker or other financial institutions, provided always that the Manager shall retain sole discretion to use such information and methods as it deems to be necessary or desirable for valuing the assets of the Desjardins ETFs, including the use of a formula computation.

If any investment cannot be valued under the foregoing rules or if the foregoing rules are at any time considered by the Manager to be inappropriate under the circumstances, then notwithstanding the foregoing rules, the Manager shall make such valuation as it considers fair and reasonable under the circumstances and, if there is an industry practice, in a manner consistent with such industry practice for valuing such investment.

Pursuant to NI 81-106, investment funds calculate their net asset value using fair value for purposes of securityholder transactions. The Manager considers the policies above to result in fair valuation of the securities held by the Desjardins ETFs in accordance with NI 81-106 and such policies have been approved by the Board of Directors of the Manager. Net assets of the Desjardins ETFs will continue to be calculated in accordance with the rules and policies of the Securities Regulatory Authorities or any exemption therefrom that the Desjardins ETFs may obtain.

**Reporting of Net Asset Value**

The NAV and NAV per Unit will be calculated as of the Valuation Time on every Valuation Date. Such information will be provided by the Manager to Unitholders on request by calling toll-free at 1-877-353-8686 or via the Internet at www.DesjardinsETF.com.

## ATTRIBUTES OF THE SECURITIES

**Description of the Securities Distributed**

Each Desjardins ETF is authorized to issue an unlimited number of classes or series of redeemable, transferable Units, each of which represents an undivided interest in the net assets of that Desjardins ETF, and Units may be issued in an unlimited number of classes.

***Certain Provisions of the Units***

Each Unit entitles the holder thereof to one vote at meetings of Unitholders and to participate equally with all other Units of the same class of the Desjardins ETF with respect to all payments made to Unitholders, other than Management Fee Distributions and capital gains allocated and designated to a redeeming Unitholder, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Desjardins ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of that class of the Desjardins ETF. All Units will be fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law. Unitholders are entitled to require a Desjardins ETF to redeem their Units of such Desjardins ETF as outlined under the heading “Exchange and Redemption of Units – Redemption of Units of a Desjardins ETF for Cash” and “Exchange and Redemption of Units – Exchange of Units of a Desjardins ETF at NAV per Unit for Baskets of Securities and/or Cash”.

***Exchange of Units for Baskets of Securities***

As set out under “Exchange and Redemption of Units – Exchange of Units of a Desjardins ETF at NAV per Unit for Baskets of Securities and/or Cash”, Unitholders may exchange the applicable PNU (or an integral multiple thereof) of a Desjardins ETF on any Trading Day for Baskets of Securities and/or cash, subject to the requirement that a minimum PNU be exchanged.

***Redemptions of Units for Cash***

On any Trading Day, Unitholders may redeem Units of any Desjardins ETF for cash at a redemption price per Unit equal to 95% of the closing price for the applicable Units on the TSX on the effective day of redemption, subject to a maximum redemption price per Unit equal to the NAV per Unit on the effective day of redemption, less any applicable administration fee determined by the Manager, in its sole discretion, from time to time. Because Unitholders will generally be able to sell Units at the market price on the TSX through a registered broker or dealer subject only to customary brokerage commissions, Unitholders are advised to consult their brokers, dealers or investment advisers before redeeming their Units for cash.

***Modification of Terms***

Any amendment to the Declaration of Trust that creates a new class of Units of a Desjardins ETF will not require notice to existing Unitholders of the Desjardins ETF unless such amendment in some way affects the existing Unitholders’ rights or the value of their investment. An amendment such as the re-designation of Units of a Desjardins ETF, or the termination of a class of Units of a Desjardins ETF, which has an effect on a Unitholder’s holdings will only become effective after 30 days’ notice to Unitholders of the applicable classes of Units of the Desjardins ETF.

All other rights attached to the Units of a Desjardins ETF may only be modified, amended or varied in accordance with the terms of the Declaration of Trust.

***Voting Rights in the Portfolio Securities***

Holders of Units will not have any voting rights in respect of the securities in a Desjardins ETF's portfolio.

## UNITHOLDER MATTERS

### Meetings of Unitholders

Meetings of Unitholders of a Desjardins ETF will be held if called by the Manager or upon the written request to the Manager of Unitholders of the Desjardins ETF holding not less than 25% of the then outstanding Units of the Desjardins ETF.

### Matters Requiring Unitholder Approval

NI 81-102 requires a meeting of Unitholders of a Desjardins ETF to be called to approve certain changes as follows:

(i) the basis of the calculation of a fee or expense that is charged to the Desjardins ETF or its Unitholders is changed in a way that could result in an increase in charges to the Desjardins ETF or to its Unitholders, except where (a) the Desjardins ETF is at arm's length with the person or company charging the fee; and (b) the Unitholders have received at least 60 days' notice before the effective date of the change;

(ii) a fee or expense, to be charged to a Desjardins ETF or directly to its Unitholders by the Desjardins ETF or the Manager in connection with the holding of Units of the Desjardins ETF that could result in an increase in charges to the Desjardins ETF or its Unitholders, is introduced;

(iii) the Manager is changed, unless the new manager of the Desjardins ETF is an affiliate of the Manager;

(iv) the fundamental investment objective of the Desjardins ETF is changed;

(v) the Desjardins ETF decreases the frequency of the calculation of its NAV per Unit;

(vi) other than a Permitted Merger (as defined below) for which Unitholder approval is not required, the Desjardins ETF undertakes a reorganization with, or transfers its assets to, another mutual fund, if the Desjardins ETF ceases to continue after the reorganization or transfer of assets and the transaction results in the Unitholders of the Desjardins ETF becoming securityholders in the other mutual fund;

(vii) the Desjardins ETF undertakes a reorganization with, or acquires assets from, another mutual fund, if the Desjardins ETF continues after the reorganization or acquisition of assets, the transaction results in the securityholders of the other mutual fund becoming Unitholders, and the transaction would be a material change to the Desjardins ETF; or

(viii) any matter which is required by the constitutive documents of the Desjardins ETF, by the laws applicable to the Desjardins ETF or by any agreement to be submitted to a vote of the Unitholders.

In addition, the auditors of a Desjardins ETF may not be changed unless the IRC of the Desjardins ETF has approved the change and Unitholders have received at least 60 days' notice before the effective date of the change.

Approval of Unitholders of a Desjardins ETF of any such matter will be given if a majority of the votes cast at a meeting of Unitholders of the Desjardins ETF duly called and held for the purpose of considering the same approve the related resolution.

### Amendments to the Declaration of Trust

If a Unitholder meeting is required to amend a provision of the Declaration of Trust, no change proposed at a meeting of Unitholders of a Desjardins ETF shall take effect until the Manager has obtained the prior approval of not less than a majority of the votes cast at such meeting of Unitholders of the Desjardins ETF.

Subject to any longer notice requirements imposed under securities legislation, the Trustee is entitled to amend the Declaration of Trust by giving not less than 30 days' notice to Unitholders of each Desjardins ETF affected by the proposed amendment in circumstances where:

(a) securities legislation requires that written notice be given to Unitholders of that Desjardins ETF before the change takes effect;

(b) the change would not be prohibited by securities legislation; or

(c) the Trustee reasonably believes that the proposed amendment has the potential to adversely impact the financial interests or rights of the Unitholders of that Desjardins ETF, so that it is equitable to give Unitholders of that Desjardins ETF advance notice of the proposed change.

All Unitholders of a Desjardins ETF shall be bound by an amendment affecting the Desjardins ETF from the effective date of the amendment.

The Trustee may amend the Declaration of Trust, without the approval of or prior notice to any Unitholders, if the Trustee reasonably believes that the proposed amendment does not have the potential to adversely impact the financial interests or rights of Unitholders of a Desjardins ETF or that the proposed amendment is necessary to:

(a) ensure compliance with applicable laws, regulations or policies of any governmental authority having jurisdiction over a Desjardins ETF or the distribution of its Units;

(b) remove any conflicts or other inconsistencies which may exist between any terms of the Declaration of Trust and any provisions of any applicable laws, regulations or policies affecting a Desjardins ETF, the Trustee or its agents;

(c) make any change or correction in the Declaration of Trust which is a typographical correction or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission or error contained therein;

(d) facilitate the administration of a Desjardins ETF as a mutual fund trust or make amendments or adjustments in response to any existing or proposed amendments to the Tax Act or its administration which might otherwise adversely affect the tax status of a Desjardins ETF or its Unitholders;

(e) protect the Unitholders of a Desjardins ETF; or

(f) make any change or correction which is necessary or desirable for the purpose of bringing the Declaration of Trust into conformity with current market practice within the securities or investment fund industries or curing or correcting any administrative difficulty.

**Permitted Mergers**

A Desjardins ETF may, without Unitholder approval, enter into a merger or other similar transaction (a "**Permitted Merger**") that has the effect of combining that Desjardins ETF with any other investment fund or funds that have investment objectives, valuation procedures and fee structures that are similar to the Desjardins ETF, subject to:

(i) approval of the merger by the IRC;

(ii) compliance with certain merger pre-approval conditions set out in NI 81-102; and

(iii) written notice being sent to Unitholders at least 60 days before the effective date of the merger.

In connection with a Permitted Merger, the merging funds will be valued at their respective net asset values and Unitholders of the Desjardins ETF will be offered the right to redeem their Units for cash at the applicable NAV per Unit.

**Reporting to Unitholders**

The fiscal year of each Desjardins ETF will be the calendar year. The annual financial statements of the Desjardins ETFs will be audited by its auditors in accordance with Canadian generally accepted auditing standards. The auditors will be asked to report on the fair presentation of the annual financial statements in accordance with IFRS.

The Manager will ensure that the Desjardins ETFs comply with all applicable reporting and administrative requirements, including (i) preparing and issuing audited annual financial statements, (ii) unaudited interim financial statements, and (iii) annual and interim management reports of fund performance. Each Unitholder of a Desjardins ETF, other than a Plan, will be mailed annually, within the first 90 days after the Desjardins ETF's taxation year or such other time as required by applicable law, prescribed tax information with respect to amounts paid or payable by the Desjardins ETF in respect of that taxation year of that Desjardins ETF.

The Manager will keep adequate books and records reflecting the activities of the Desjardins ETFs. A Unitholder or his or her duly authorized representative will have the right to examine the books and records of the Desjardins ETFs during normal business hours at the offices of the Manager. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Desjardins ETFs.

### International Information Reporting

Part XVIII of the Tax Act imposes due diligence and reporting obligations on "reporting Canadian financial institutions" in respect of their "U.S. reportable accounts". Each Desjardins ETF is a "reporting Canadian financial institution" but as long as Units continue to be registered in the name of CDS, the Desjardins ETFs should not have any "U.S. reportable accounts" and, as a result, a Desjardins ETF should not be required to provide information to the CRA in respect of its Unitholders. However, dealers through which Unitholders hold their Units of a Desjardins ETF are subject to due diligence and reporting obligations with respect to financial accounts they maintain for their clients. Accordingly, Unitholders may be requested to provide information to their dealer to identify U.S. persons holding Units. If a Unitholder is a U.S. person (including a U.S. citizen) or if a Unitholder does not provide the requested information, Part XVIII of the Tax Act will generally require information about the Unitholder's investments held in the financial account maintained by the dealer to be reported to the CRA, unless the investments are held within a Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

Recent amendments to the Tax Act implement the Organization for Economic Co-operation and Development Common Reporting Standard (the "**CRS Legislation**"). Pursuant to the CRS Legislation, "Canadian financial institutions" (as defined in the CRS Proposals) would be required to have procedures in place to identify accounts held by residents of foreign countries (other than the U.S.) or by certain entities the "controlling persons" of which are resident in a foreign country (other than the U.S.) and to report required information to the CRA. Such information would be exchanged on a reciprocal, bilateral basis with countries that have agreed to a bilateral information exchange with Canada under the Common Reporting Standard in which the account holders or such controlling persons are resident. Under the CRS Legislation, after June 30, 2017, Unitholders will be required to provide certain information regarding their investment in a Desjardins ETF for the purpose of such information exchange (which information exchange is expected to occur beginning in May, 2018), unless the investment is held within Plans, other than TFSAs.

## TERMINATION OF THE DESJARDINS ETFs

Subject to complying with applicable securities law, the Manager may terminate a Desjardins ETF at its discretion. In accordance with the terms of the Declaration of Trust and applicable securities law, Unitholders of a Desjardins ETF will be provided 60 days' advance written notice of the termination.

If a Desjardins ETF is terminated, the Trustee is empowered to take all steps necessary to effect the termination of the Desjardins ETF. Prior to terminating a Desjardins ETF, the Trustee may discharge all of the liabilities of the Desjardins ETF and distribute the net assets of the Desjardins ETF to the Unitholders of the Desjardins ETF.

Upon termination of a Desjardins ETF, each Unitholder of the Desjardins ETF shall be entitled to receive at the Valuation Time on the termination date out of the assets of the Desjardins ETF: (i) payment for that Unitholder's Units at the NAV per Unit for that class of Units of the Desjardins ETF determined at the Valuation Time on the termination date; plus (ii) where applicable, any net income and net realized capital gains that have been made payable to such Unitholder's but that have not otherwise been paid to such Unitholder; less (iii) any applicable redemption charges and any taxes that are required to be deducted. Payment shall be made by cheque or other means of payment payable to such Unitholder and drawn on the Desjardins ETF's bankers and may be mailed by ordinary post to such Unitholder's last address appearing in the registers of Unitholders of that Desjardins ETF or may be delivered by such other means of delivery acceptable to both the Manager and such Unitholder.

The Trustee shall be entitled to retain out of any assets of a Desjardins ETF, at the date of termination of the Desjardins ETF, full provision for all costs, charges, expenses, claims and demands incurred or believed by the Trustee to be due or to become due in connection with or arising out of the termination of the Desjardins ETF and the distribution of its assets to the Unitholders of the Desjardins ETF. Out of the moneys so retained, the Trustee is entitled to be indemnified and saved harmless against all costs, charges, expenses, claims and demands.

## PLAN OF DISTRIBUTION

Units are being offered for sale on a continuous basis by this prospectus and there is no maximum number of Units that may be issued. The Units shall be offered for sale at a price equal to the NAV of such class of Units determined at the Valuation Time on the effective date of the subscription order.

### Non-Resident Unitholders

At no time may (i) non-residents of Canada, (ii) partnerships that are not Canadian partnerships or (iii) a combination of non-residents of Canada and such partnerships (all as defined in the Tax Act) be the beneficial owners of a majority of the Units of a Desjardins ETF (on either a number of Units or fair market value basis) and the Manager shall inform the Registrar and Transfer Agent of the Desjardins ETF of this restriction. The Manager may require declarations as to the jurisdictions in which a beneficial owner of Units is resident and, if a partnership, its status as a Canadian partnership. If the Manager becomes aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 40% of the Units of a Desjardins ETF then outstanding (on either a number of Units or fair market value basis) are, or may be, non-residents and/or partnerships that are not Canadian partnerships, or that such a situation is imminent, the Manager may make a public announcement thereof. If the Manager determines that more than 40% of the Units of a Desjardins ETF (on either a number of Units or fair market value basis) are beneficially held by non-residents and/or partnerships that are not Canadian partnerships, the Manager may send a notice to such non-residents and/or partnerships, chosen in inverse order to the order of acquisition or in such manner as the Manager may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 30 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Manager with satisfactory evidence that they are not non-residents or partnerships other than Canadian partnerships within such period, the Manager may on behalf of such Unitholders sell such Units and, in the interim, shall suspend the voting and distribution rights attached to such Units. Upon such sale, the affected holders shall cease to be beneficial holders of Units and their rights shall be limited to receiving the net proceeds of sale of such Units.

Notwithstanding the foregoing, the Manager may determine not to take any of the actions described above if the Manager has been advised by legal counsel that the failure to take any of such actions would not adversely impact the status of a Desjardins ETF as a mutual fund trust for purposes of the Tax Act or, alternatively, may take such other action or actions as may be necessary to maintain the status of the Desjardins ETF as a mutual fund trust for purposes of the Tax Act.

## RELATIONSHIP BETWEEN THE DESJARDINS ETFs AND THE AUTHORIZED PARTICIPANTS

The Manager, on behalf of a Desjardins ETF, may enter into various agreements with registered dealers (that may or may not be Designated Brokers) pursuant to which the Authorized Participants may subscribe for Units of the Desjardins ETF as described under "Purchases of Units".

No Designated Broker or Authorized Participant has been involved in the preparation of this prospectus or has performed any review of the contents of this prospectus and, as such, the Designated Brokers and the Authorized Participants do not perform many of the usual underwriting activities in connection with the distribution by the Desjardins ETFs of their Units under this prospectus. Units of a Desjardins ETF do not represent an interest or an obligation of any Designated Broker, any Authorized Participant or any affiliate thereof and a Unitholder does not have any recourse against any such parties in respect of amounts payable by a Desjardins ETF to such Designated Brokers or Authorized Participants. See "Organization and Management Details of the Desjardins ETFs - Conflicts of Interest".

An affiliate of the Manager acts, or may in the future act, as a Designated Broker, Authorized Participant and/or a registered trader (market maker). In such cases, these relationships may create actual or perceived conflicts of interest which investors should consider in relation to an investment in a Desjardins ETF. In particular, by virtue of these relationships, an affiliate of the Manager may profit from the sale and trading of Units as market maker, and may therefore have economic interests which differ from and may be adverse to those of Unitholders.

## PRINCIPAL HOLDERS OF UNITS

An officer of the Manager is currently the registered and beneficial owner of 1 Unit of each Desjardins ETF. From time to time, a Designated Broker, Authorized Participant, Desjardins ETF or another investment fund managed by the Manager or an affiliate thereof, may beneficially own, directly or indirectly, more than 10% of the Units of a Desjardins ETF.

## PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

The Manager has established a policy on the exercise of voting rights that outlines the manner in which the voting rights related to securities held in the Desjardins ETF's portfolios are to be exercised (the "**Proxy Voting Policy**"). Subject to the Proxy Voting Policy, the Manager will generally determine to vote (or refrain from voting) proxies for each Desjardins ETF for which it has voting power on a case-by-case basis, and in the best interests of the Desjardins ETF, taking into consideration a variety of factors, including the protection of the medium and long-term intrests of the Desjardins ETFs. The Proxy Voting Policy is not exhaustive and due to the variety of proxy voting issues that the Manager may be required to consider, are intended only to provide guidance and are not intended to dictate how proxies are to be voted in each instance. The Manager may depart from the Proxy Voting Policy in order to avoid voting decisions that may be contrary to the best interests of the Desjardins ETFs.

The Proxy Voting Policy is available on request by calling toll-free at 1-877-353-8686 by writing to Desjardins ETF Customer Service at 1 Complexe Desjardins, 25th Floor, South Tower, Montreal, Québec H5B 1B3. The Desjardins ETFs' proxy voting record for the most recent period ended June 30 will be available free of charge to any Unitholder of the Desjardins ETFs upon request at any time after August 31 of that year. The proxy voting record will also available on the Desjardins ETFs' website at www.DesjardinsETF.com.

## MATERIAL CONTRACTS

The only contracts material to the Desjardins ETFs are the Declaration of Trust, Custodian Agreement, Management Agreement and License Agreements.

Copies of the agreements referred to above after the execution thereof may be inspected during business hours at the principal office of the Manager during the course of distribution of the Units offered hereby.

## LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Desjardins ETFs are not involved in any legal proceedings, nor is the Manager aware of existing or pending legal or arbitration proceedings involving the Desjardins ETFs.

## EXPERTS

The matters referred to under "Income Tax Considerations" and certain other legal matters relating to the securities offered hereby will be passed upon on behalf of the Desjardins ETFs by Blake, Cassels & Graydon LLP.

The auditors of the Desjardins ETFs, PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants have audited the statements of financial position contained herein. PricewaterhouseCoopers LLP has advised that it is independent with respect to the Desjardins ETFs within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Québec.

## EXEMPTIONS AND APPROVALS

The Manager, on behalf of the Desjardins ETFs, has applied for, or obtained exemptive relief from the Canadian Securities Regulatory Authorities:

(a) to permit a Unitholder to acquire more than 20% of the Units of a Desjardins ETF through purchases on the TSX without regard to the takeover bid requirements of applicable Canadian Securities Legislation provided the Unitholder, and any person acting jointly or in concert with such Unitholder, undertakes to the Manager not to vote more than 20% of the Units at any meeting of Unitholders. See “Purchases of Units – Buying and Selling Units of a Desjardins ETF”;

(b) to relieve the Desjardins ETFs from the requirement that a prospectus contain a certificate of the underwriters; and

(c) to relieve the Desjardins ETFs from the requirement to include in an ETF’s prospectus the statement respecting purchasers’ statutory rights of withdrawal and remedies of rescission or damages in substantially the form prescribed in Item 36.2 of Form 41- 101F2 – *Information Required in an Investment Fund Prospectus.*

Additionally, certain dealers of the Desjardins ETFs, including the Designated Brokers and Authorized Participants, have received exemptive relief from the Canadian Securities Regulatory Authorities from the requirement that a dealer, not acting as agent of the purchaser, who receives an order or subscription for a security offered in a distribution to which the prospectus requirement of the securities legislation of the provinces and territories apply, send or deliver to the purchaser or its agent, unless the dealer has previously done so, the latest prospectus and any amendment either before entering into an agreement of purchase and sale resulting from the order or subscription, or not later than midnight on the second business day after entering into that agreement. As a condition of this exemptive relief, the dealer is required to deliver a copy of the ETF Summary Document of the applicable Desjardins ETF to a purchaser if the dealer does not deliver a copy of this prospectus.

## OTHER MATERIAL FACTS

### Index Provider Disclaimer

### EDHEC Risk Institute Asia Ltd.

The Scientific Beta Multifactor-Controlled Volatility Indices referenced herein are the property of EDHEC Risk Institute Asia Ltd. (“**ERIA**”) and have been licensed for use in connection with the Desjardins Multifactor-Controlled Volatility ETFs within the framework of ERI Scientific Beta activity. Each party acknowledges and agrees that each Desjardins Multifactor-Controlled Volatility ETF is not sponsored, endorsed or promoted by ERIA. ERIA makes no representation whatsoever, whether express or implied, and hereby expressly disclaims all warranties (including without limitation, those of merchantability or fitness for a particular purpose or use), with respect to the Scientific Beta Multifactor-Controlled Volatility Indices or any data included therein or relating thereto, and in particular disclaims any warranty either as to the quality, accuracy and/or completeness of the Scientific Beta Multifactor-Controlled Volatility Indices or any data included therein, the results obtained from the use of the Scientific Beta Multifactor-Controlled Volatility Indices and/or the composition of the Scientific Beta Multifactor-Controlled Volatility Indices at any particular time on any particular date or otherwise and/or the creditworthiness of any entity, or the likelihood of the occurrence of a credit event or similar event (however defined) with respect to an obligation, in the Index at any particular time on any particular data or otherwise. ERIA shall not be liable (whether in negligence or otherwise) to the parties or any other person for any error in the Scientific Beta Multifactor-Controlled Volatility Indices, and ERIA is under no obligation to advise the parties or any person of any error therein.

ERIA makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or selling the Desjardins Multifactor-Controlled Volatility ETFs, the ability of the Scientific Beta Multifactor-Controlled Volatility Indices to track relevant markets’ performances, or otherwise relating to the applicable Scientific Beta Multifactor-Controlled Volatility Index or any transaction or product with respect thereto, or of assuming any risks in connection therewith. ERIA has no obligation to take the needs of any party into consideration in determining, composing or calculating the Scientific Beta Multifactor-Controlled Volatility Indices. No party purchasing or selling the Desjardins Multifactor-Controlled Volatility ETFs, nor ERIA, shall have any liability to any party for any act or failure to act by ERIA in connection with the determination, adjustment, calculation or maintenance of the Scientific Beta Multifactor-Controlled Volatility Indices.

### Solactive AG

The Desjardins Canadian Fixed Income ETFs and Desjardins Canadian Preferred Share ETF are not sponsored, promoted, sold or supported in any other manner by Solactive AG nor does Solactive AG offer any express or implicit guarantee or assurance either with regard to the results of using the applicable Index and/or Index trade mark or the Index Price at any time or in any other respect. The Solactive AG Canadian Fixed Income Indices and the Solactive Canadian Rate Reset Preferred Share Index (TR) are calculated and published by Solactive AG. Solactive AG uses its best efforts to ensure that the Solactive AG Canadian Fixed Income Indices and the Solactive Canadian Rate Reset Preferred Share Index (TR) is calculated correctly. Irrespective of its obligations towards the DGAM or the applicable Desjardins ETFs, Solactive AG has no obligation to point out errors in the Solactive AG Canadian Fixed Income Indices or the Solactive Canadian Rate Reset Preferred Share Index (TR) to third parties including but not limited to investors and/or financial intermediaries of the Desjardins ETFs. Neither publication of the Solactive AG Canadian Fixed Income Indices or the Solactive Canadian Rate Reset Preferred Share Index (TR) by Solactive AG nor the licensing of such Indices or applicable Index trade mark for the purpose of use in connection with the Desjardins Canadian Fixed Income ETFs and Desjardins Canadian Preferred Share ETF constitutes a recommendation by Solactive AG to invest capital in said financial instruments nor does it in any way represent an assurance or opinion of Solactive AG with regard to any investment in these Desjardins ETFs.

## PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two (2) business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides purchasers of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages.

Notwithstanding the foregoing, purchasers of Units of a Desjardins ETF will not have the right to withdraw from an agreement to purchase the Units after the receipt of a prospectus and any amendment, and will not have remedies for rescission, damages or revision of the price for non-delivery of the prospectus or any amendment, if the dealer receiving the purchase order has obtained an exemption from the prospectus delivery requirement under a decision pursuant to NP 11-203. However, purchasers of Units of a Desjardins ETF will, in the applicable provinces of Canada, retain their right under securities legislation to rescind their purchase within 48 hours (or, if purchasing under a contractual plan, such longer time period as applicable) after the receipt of a confirmation of purchase.

In several of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages if the prospectus, together with any amendment to the prospectus, contains a misrepresentation, provided that such remedies are exercised by the purchaser within the time limits prescribed by the securities legislation of the purchaser's province or territory. Any remedies under securities legislation that a purchaser of Units may have for rescission or damages, if the prospectus and any amendment to the prospectus contains a misrepresentation, remain unaffected by the non-delivery of the prospectus pursuant to reliance by a dealer upon the decision referred to above.

However, the Manager has obtained exemptive relief from the requirement in securities legislation to include an underwriter's certificate in the prospectus under a decision pursuant to NP 11-203. As such, purchasers of Units of a Desjardins ETF will not be able to rely on the inclusion of an underwriter's certificate in the prospectus or any amendment for the statutory rights and remedies that would otherwise have been available against an underwriter that would have been required to sign an underwriter's certificate.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

## DOCUMENTS INCORPORATED BY REFERENCE

Additional information about each of the Desjardins ETFs is, or will be, available in the following documents:

(i) the most recently filed ETF Summary Documents of the Desjardins ETFs;

(ii) the most recently filed comparative annual financial statements of the Desjardins ETFs, together with the accompanying report of the auditors;

(iii) any unaudited interim financial statements of the Desjardins ETFs filed after the most recently filed comparative annual financial statements of the Desjardins ETFs;

(iv) the most recently filed annual MRFP of the Desjardins ETFs; and

(v) any interim MRFP of the Desjardins ETFs filed after that most recently filed annual MRFP of the Desjardins ETFs.

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

These documents are available on the Desjardins ETFs' website at www.DesjardinsETF.com or by contacting the Manager toll-free at 1 877 353 8686 or by email at ETFinfo@desjardins.com. These documents and other information about the Desjardins ETFs are also available on the Internet at www.sedar.com.

In addition to the documents listed above, any documents of the type described above that are filed on behalf of the Desjardins ETFs after the date of this prospectus and before the termination of the distribution of the Desjardins ETFs are deemed to be incorporated by reference into this prospectus.

# INDEPENDENT AUDITORS' REPORT

**To the Unitholder and Trustee of**

Desjardins Canada Multifactor - Controlled Volatility ETF
Desjardins USA Multifactor - Controlled Volatility ETF
Desjardins Developed ex USA ex Canada Multifactor – Controlled Volatility ETF
Desjardins Emerging Markets Multifactor – Controlled Volatility ETF
Desjardins Canadian Universe Bond Index ETF
Desjardins Canadian Short Term Bond Index ETF
Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF
Desjardins 1-5 year Laddered Canadian Government Bond Index ETF
Desjardins Canadian Preferred Share Index ETF

***(collectively the Desjardins ETFs)***

We have audited the accompanying statement of financial position of each of the Desjardins ETFs as at March 22, 2017 and the related notes, which comprise a summary of significant accounting policies and other explanatory information (together the financial statement).

**Management's responsibility for the financial statement**
Management is responsible for the preparation and fair presentation of the financial statement of each of the Desjardins ETFs in accordance with those requirements of International Financial Reporting Standards relevant to preparing such a financial statement, and for such internal control as management determines is necessary to enable the preparation of the financial statement of each of the Desjardins ETFs that is free from material misstatement, whether due to fraud or error.

**Auditor's responsibility**
Our responsibility is to express an opinion on the financial statement of each of the Desjardins ETFs based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statement of each of the Desjardins ETFs is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement for each of the Desjardins ETFs. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement of each of the Desjardins ETFs, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, made by management, as well as evaluating the overall presentation of the financial statement of each of the Desjardins ETFs.

We believe that the audit evidence we have obtained in each of our audits is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statement of each of the Desjardins ETFs presents fairly, in all material respects, the financial position of each of the Desjardins ETFs as at March 22, 2017, in accordance with International Financial Reporting Standards relevant to preparing such a financial statement.

(Signed) "*PricewaterhouseCoopers LLP*" [1]

**March 22, 2017**
**Montréal, Quebec**

[1] CPA auditor, CA, public accountancy permit No. A123633

**DESJARDINS CANADA MULTIFACTOR-CONTROLLED VOLATILITY ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* "*Nicolas Richard*"
Director

*(Signed)* "*Christian Duceppe*"
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS USA MULTIFACTOR-CONTROLLED VOLATILITY ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* "*Nicolas Richard*"
Director

*(Signed)* "*Christian Duceppe*"
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS DEVELOPED EX-USA EX-CANADA MULTIFACTOR-CONTROLLED VOLATILITY ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed) "Nicolas Richard"*
Director

*(Signed) "Christian Duceppe"*
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS EMERGING MARKETS MULTIFACTOR-CONTROLLED VOLATILITY ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* “*Nicolas Richard*”
Director

*(Signed)* “*Christian Duceppe*”
Director

*The accompanying notes are an integral part of this statement of financial position.*

## DESJARIDINS CANADIAN UNIVERSE BOND INDEX ETF

## STATEMENT OF FINANCIAL POSITION

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* "*Nicolas Richard*"
Director

*(Signed)* "*Christian Duceppe*"
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS CANADIAN SHORT TERM BOND INDEX ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* "*Nicolas Richard*"
Director

*(Signed)* "*Christian Duceppe*"
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS 1-5 YEAR LADDERED CANADIAN CORPORATE BOND INDEX ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed) "Nicolas Richard"*
Director

*(Signed) "Christian Duceppe"*
Director

*The accompanying notes are an integral part of this statement of financial position.*

**DESJARDINS 1-5 YEAR LADDERED CANADIAN GOVERNMENT BOND INDEX ETF**

**STATEMENT OF FINANCIAL POSITION**

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* "*Nicolas Richard*"
Director

*(Signed)* "*Christian Duceppe*"
Director

*The accompanying notes are an integral part of this statement of financial position.*

## DESJARDINS CANADIAN PREFERRED SHARE INDEX ETF

### STATEMENT OF FINANCIAL POSITION

**As at March 22, 2017**

| | |
|---|---|
| **ASSETS** | |
| **Current Assets** | |
| Cash | $20 |
| **Total Assets** | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS (Units issued and redeemable)** | |
| Net assets attributable to holders of redeemable units (1 Unit) | $20 |
| **NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS PER UNIT** | $20 |

Approved by the Manager:
**Desjardins Global Asset Management Inc.**

*(Signed)* “*Nicolas Richard*”
Director

*(Signed)* “*Christian Duceppe*”
Director

*The accompanying notes are an integral part of this statement of financial position.*

Desjardins Canada Multifactor-Controlled Volatility ETF(“**DFC**”)
Desjardins USA Multifactor-Controlled Volatility ETF (“**DFU**”)
Desjardins Developed ex-USA ex-Canada Multifactor-Controlled Volatility ETF (“**DFD**”)
Desjardins Emerging Markets Multifactor-Controlled Volatility ETF (“**DFE**”)
(collectively, the “**Desjardins Multifactor-Controlled Volatility ETFs**”)

Desjardins Canadian Universe Bond Index ETF (“**DCU**”)
Desjardins Canadian Short Term Bond Index ETF (“**DCS**”)
Desjardins 1-5 year Laddered Canadian Corporate Bond Index ETF (“**DCC**”)
Desjardins 1-5 year Laddered Canadian Government Bond Index ETF (“**DCG**”)
(collectively, the “**Desjardins Canadian Fixed Income ETFs**”)

Desjardins Canadian Preferred Share Index ETF (“**DCP**”)
(the “**Desjardins Canadian Preferred Share ETF**”)

(collectively, the “**Desjardins ETFs**”)

Notes to the Financial Statements

March 22, 2017

## 1. General Information

The Desjardins ETFs are exchange traded mutual funds established under the laws of the province of Québec, pursuant to the terms of the Declaration of Trust. Each Desjardins ETF is a mutual fund under the securities legislation of the provinces and territories of Canada. DGAM is the manager and portfolio advisor of the Desjardins ETFs and is responsible for the administration of the Desjardins ETFs. Desjardins Trust Inc. will act as the trustee of the Desjardins ETFs.

The principal office of the Desjardins ETFs and DGAM is located at 1 Complexe Desjardins, Suite 2500, P.O. Box 153, Montreal, Québec H5B 1B3.

The Desjardins Multifactor-Controlled Volatility ETFs seek to replicate, to the extent reasonably possible and before fees and expenses, the performance of a multifactor-controlled volatility equity index.

The Desjardins Canadian Fixed Income ETFs seek to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Canadian fixed income index.

The Desjardins Preferred Share Index ETF seeks to replicate, to the extent reasonably possible and before fees and expenses, the performance of a Canadian preferred share index.

These financial statements as at March 22, 2017 were authorized for issue by the Manager on March 22, 2017.

## 2. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

### *2.1 Basis of Preparation*

The financial statement of each Desjardins ETF has been prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), relevant to preparing a statement of financial position. The financial statement of each Desjardins ETF has been prepared under the historical cost convention.

### *2.2 Functional and Presentation Currency*

The financial statement of each Desjardins ETF is presented in Canadian dollars, which is the functional and presentation currency of the Desjardins ETFs.

*2.3 Financial Instruments*

The Desjardins ETFs recognize financial instruments at fair value upon initial recognition, plus transaction costs in the case of financial instruments measured at amortized cost. Regular way purchases and sales of financial assets are recognized at their trade date.

Cash comprises amounts held in trust with the legal counsel of the Desjardins ETFs and is stated at fair value.

*2.4 Redeemable Units*

The Desjardins ETFs are authorized to issue an unlimited number of redeemable, transferable units, each of which represents an undivided interest in the net assets of that Desjardins ETF (the "**Units**"). The Units are classified as financial liabilities in accordance with the requirements of International Accounting Standard 32, Financial Instruments: Presentation.

## 3. Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying values of cash and the obligation of each Desjardins ETF for net assets attributable to holders of redeemable units approximate their fair values due to their short-term nature.

## 4. Risks associated with financial instruments

The Desjardins ETFs overall risk management program seeks to maximize the returns derived for the level of risk to which a Desjardins ETF is exposed and seeks to minimize potential adverse effects on the Fund's financial performance.

*4.1 Credit risk*

The Desjardins ETFs are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. As at March 22, 2017, the credit risk is considered limited as the cash balance was held in trust by the counsel to the Desjardins ETFs.

*4.2 Liquidity risk*

Liquidity risk is the risk that a Desjardins ETF will encounter difficulty in meeting obligations associated with financial liabilities. The Desjardins ETFs maintain sufficient cash on hand to fund anticipated redemptions.

## 5. Capital Risk Management

The capital of the Desjardins ETFs is represented by the net assets attributable to holders of Units. The amount of net assets attributable to holders of redeemable units can change.

## 6. Authorized units

The Desjardins ETFs are authorized to issue an unlimited number of redeemable, transferable Units, each of which represents an undivided interest in the net assets of that Desjardins ETF.

Each Unit entitles the owner to one vote at meetings of Unitholders and is entitled to participate equally with all other Units of the Desjardins ETF with respect to all payments made to Unitholders, other than management fee distributions, including distributions of net income and net realized capital gains and, on liquidation, to participate equally in the net assets of the Desjardins ETF remaining after satisfaction of any outstanding liabilities that are attributable to Units of the Desjardins ETF. All Units are fully paid, with no liability for future assessments, when issued and will not be transferable except by operation of law.

In accordance with the objectives outlined in Note 1 and the risk management policies in Note 4, the Desjardins ETFs endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

The Manager has initially purchased one Unit of each class of each Desjardins ETF.

## 7. Management Fees and other expenses

Each Desjardins ETF will pay an annual management fee (the "**Management Fee**") to the Manager equal to an annual percentage of the net asset value ("**NAV**") of that Desjardins ETF, calculated daily and payable monthly in arrears, plus applicable taxes. The Management Fee is based on a percentage of the NAV of each of the following Desjardins ETFs and is listed below:

| Desjardins ETFs | Management Fee (annual rate) |
|---|---|
| DFC | 0.50% of NAV |
| DFU | 0.50% of NAV |
| DFD | 0.60% of NAV |
| DFE | 0.65% of NAV |
| DCU | 0.10% of NAV |
| DCS | 0.15% of NAV |
| DCC | 0.25% of NAV |
| DCG | 0.20% of NAV |
| DCP | 0.45% of NAV |

Unless otherwise waived or reimbursed by the Manager, in addition to the payment of the Management Fee, each Desjardins ETF is responsible for the costs and expenses incurred in complying with NI 81-107 (including any expenses related to the implementation and on-going operation of the IRC), brokerage expenses and commissions, income and withholding taxes as well as all other applicable taxes, including HST and QST, and the costs of complying with any new governmental or regulatory requirement introduced after the Desjardins ETF was established and extraordinary expenses. The Manager is responsible for all other costs and expenses of the Desjardins ETFs, including the fees payable to the Trustee, Custodian, Registrar and Transfer Agent and Plan Agent and fees payable to other service providers, including the Index Providers, retained by the Manager.

## CERTIFICATE OF THE DESJARDINS ETFS, THE MANAGER AND PROMOTER

Dated: March 22, 2017

This prospectus constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces and territories of Canada.

**DESJARDINS GLOBAL ASSET MANAGEMENT INC.**
(as promoter and manager of the Desjardins ETFs, as well as for and on behalf of the trustee of the Desjardins ETFs)

| | |
|---|---|
| (*Signed*) “*Nicolas Richard*”<br>Nicolas Richard<br>Chief Executive Officer | (*Signed*) “*Sylvie Pinard*”<br>Sylvie Pinard<br>Chief Financial Officer |

On behalf of the Board of Directors of Desjardins Global Asset Management Inc., in its capacity as manager and promoter of the Desjardins ETFs, as well as for and on behalf of the trustee of the Desjardins ETFs

| | | |
|---|---|---|
| *(Signed) “Nicolas Richard”*<br>*Nicolas Richard*<br>*Director* | *(Signed) “Christian Duceppe”*<br>*Christian Duceppe*<br>*Director* | *(Signed) “Sylvie Pinard”*<br>*Sylvie Pinard*<br>*Director* |