

Notice to Unitholders



RE: NOTICE OF THE MERGER OF THE MELODIA AGGRESSIVE GROWTH PORTFOLIO

This notice is to inform you that on or about January 22, 2021, Desjardins Investments Inc. ("DSI"), the manager of the Desjardins Funds, intends to merge the Melodia Aggressive Growth Portfolio (the "Terminating Fund") with the Melodia Balanced Growth Portfolio (the "Continuing Fund").

The fee structure of the portfolios is substantially similar. The following table lists the total fees charged by the Manager per class of units before taxes for the two portfolios.

TERMINATING FUND			CONTINUING FUND		
MELODIA AGGRESSIVE GROWTH PORTFOLIO	CLASS OF UNITS	TOTAL FEES CHARGED BY THE MANAGER BEFORE TAXES ⁽¹⁾	MELODIA BALANCED GROWTH PORTFOLIO	CLASS OF UNITS	TOTAL FEES CHARGED BY THE MANAGER BEFORE TAXES ⁽¹⁾
	A- and C-	1.97%		A- and C-	1.97%
	F-	0.95%		F-	0.95%
	D-	1.27%		D-	1.27%

¹ As at October 1st, 2020

For additional information, you will find attached the Fund Facts of the Continuing Fund corresponding to the class of units of the Terminating Fund that you hold. You will hold units of the Continuing Fund after the merger.

PURPOSES OF THE MERGER

DSI wishes to simplify its product offering and reduce the number of Melodia Portfolios available for investment. The desired merger allows this transaction without any tax consequences for the unitholders of the Terminating Fund as opposed to the closing of the Terminating Fund.

Like the Terminating Fund, the Continuing Fund is a strategic asset allocation fund that invests primarily in underlying funds, which themselves invest in fixed income and equity throughout the world.

The target allocation of the Terminating Fund and the Continuing Fund is the following:

DESJARDINS FUNDS	TARGET ALLOCATION IN FIXED INCOME	TARGET ALLOCATION IN EQUITY	MAXIMUM VARIATION FOR THE TWO CLASSES
Continuing Fund (Melodia Balanced Growth Portfolio)	40%	60%	±10%
Terminating Fund (Melodia Aggressive Growth Portfolio)	30%	70%	±10%

NOTICE TO UNITHOLDERS

NATURE AND IMPACT OF THE PROPOSED MERGER

This merger will be carried out by transferring the assets of the Terminating Fund into the Continuing Fund, in exchange for units of the Continuing Fund, prorated according to the Terminating Fund's net asset value. Following this merger, the Terminating Fund's assets which have been transferred into the Continuing Fund will be invested in accordance with the Continuing Fund's investment objective and investment strategies. Immediately after this transfer, the units of the Continuing Fund received by the Terminating Fund will be distributed to the unitholders of that fund on a dollar-for-dollar basis in exchange for their units of the Terminating Fund.

New purchases of the Terminating Fund's units, with the exception of the preauthorized payment plans, have been suspended since November 16, 2020. The manager will suspend **all purchases** of the Terminating Fund's units, including those provided for under the preauthorized payment plans, at 4:00 p.m., Eastern standard time, the day before the merger. Unitholders of the Terminating Funds may also **sell** or **transfer** their shares until 4:00 p.m., the day before the merger.

Following the merger, all optional plans that are in force, including preauthorized payment plans, automatic transfer plans and automatic or periodic withdrawal plans, will continue under the same terms and conditions for the Continuing Fund.

Furthermore, DSI may elect to not proceed with the merger at any time before the implementation, if DSI considers that the merger will have a material adverse effect on the Continuing Fund, on the Terminating Fund or on their unitholders.

SUPPORT

These changes require no action on your part. However, we are aware that the asset allocation is an important decision when building an investment portfolio.

The proposed merger of the Terminating Fund with the Continuing Fund may result in a modification of the volatility and the return outlook of your investment portfolio over time. The target equity weight of the Continuing Fund will be 10% less than the target equity weight of the Terminating Fund. Thus, it is important as an investor to clearly determine your investment objectives, your risk tolerance level and your investment horizon.

Prior to the merger's effective date, do not hesitate to contact your representative to discuss the suitability of the Continuing Fund based on your needs and your investor profile. There are multiple Melodia Portfolios, each with a different asset allocation. Your representative will assist you in determining if the Continuing Fund is the best investment portfolio for you among all Melodia Portfolios offered.

INCOME TAX CONSIDERATION

The proposed merger of the Terminating Fund with the Continuing Fund will be a tax-deferred qualifying exchange. As a result, this merger will be **tax neutral** for the unitholders, regardless of whether the units are held in a registered or non-registered account.

INDEPENDENT REVIEW COMMITTEE

This proposed merger was submitted to the members of the Independent Review Committee (IRC) of the Desjardins Funds. The IRC's mandate is to review conflict of interest matters referred by the manager of the Funds and to recommend actions. The IRC works in the interest of the Funds and, consequently, in your interest. After examination, the IRC concluded that the merger would achieve a fair and reasonable result for the Terminating Fund and the Continuing Fund.

As permitted under the securities regulations, this proposed merger as described in this notice was approved by the IRC, instead of seeking approval of the unitholders and securities regulators.

QUESTIONS?

This notice is given to you in accordance with the securities regulations, which provide that the merger may only take effect upon the expiry of a period of sixty (60) days from the remittance of a prior notice to unitholders of the merged fund.

If you no longer hold units of the Melodia Aggressive Growth Portfolio, please disregard this notice.

Dated November 18, 2020

DESJARDINS INVESTMENTS INC. MANAGER OF THE DESJARDINS FUNDS

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