

MAY 2020

2019 Annual Report

DFS GUARANTEED INVESTMENT FUNDS

Financial Information as of **December 31, 2019**

DFS Guaranteed Investment Funds are established by **Desjardins Financial Security Life Assurance Company**.

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.



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WHAT'S A DFS GIF?

DFS stands for Desjardins Financial Security Life Assurance Company.

GIF stands for Guaranteed Investment Fund.

A Guaranteed Investment Fund (GIF), commonly known as "segregated fund" is an investment fund created and issued exclusively by life insurance companies. It is offered through Contracts which provide maturity and death benefit guarantees.

IS THIS DOCUMENT AVAILABLE ONLINE?

Yes, at
desjardinslifeinsurance.com/GIFreports.

IS IT POSSIBLE TO RECEIVE PAPER COPIES OF THIS FINANCIAL REPORT?

Yes. Please send a letter to:

Desjardins Financial Security
 GIF Administration
 1 Complexe Desjardins
 P.O. Box 9000
 Montréal, Québec H5B 1H5

Or send an email to:

gifclientservice@dfs.ca

Please include your name, mailing address, telephone number, email address and client number in your request, and indicate whether your request applies to the annual financial report and/or the semi-annual financial report.



Investment Solutions

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – CONSERVATIVE*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
DGIA Canadian Bond Fund	62.7%
Desjardins Enhanced Bond Fund, I-Class	15.8%
BlackRock CDN US Equity Index Fund, Class D	7.9%
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	3.0%
Desjardins Overseas Equity Growth Fund, I-Class	2.5%
Desjardins Overseas Equity Fund, I-Class	2.4%
Franklin Bissett Canadian Equity Fund, Series O	1.9%
Desjardins Canadian Equity Fund, I-Class	1.9%
Fidelity True North® Fund, Series O	1.9%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,703	7.0%	10,713	7.1%	10,788	7.9%	10,762	7.6%
3 Years	10,761	2.5%	10,797	2.6%	10,996	3.2%	—	—
5 Years	—	—	11,023	2.0%	11,340	2.5%	—	—
Since Inception	10,960	2.2%	11,420	2.3%	11,780	2.8%	10,740	4.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	178,025	75,396
Investments at fair value through profit or loss (FVTPL)	33,070,110	22,136,814
Premiums receivable	439	21,746
Receivable for securities sold	1,805	—
	<u>33,250,379</u>	<u>22,233,956</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	64,872	43,032
Withdrawals payable	17,573	10,753
Payable for securities purchased	87,684	19,060
	<u>170,129</u>	<u>72,845</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>33,080,250</u>	<u>22,161,111</u>
NET ASSETS PER UNIT		
Series 5	<u>5.48</u>	5.12
Series 6	<u>5.71</u>	5.33
Series 7	<u>5.89</u>	5.46
Series 8	<u>5.37</u>	4.99

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	644	407
Distributions from underlying funds	907,471	702,120
Changes in fair value:		
Net realized gain (loss) on investments	223,077	44,907
Net unrealized gain (loss) on investments	1,368,456	(597,043)
	<u>2,499,648</u>	<u>150,391</u>
EXPENSES		
Management fees and guarantee charge	616,075	468,694
Operating expenses	64,157	49,819
	<u>680,232</u>	<u>518,513</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,819,416</u>	<u>(368,122)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	380,501	(83,423)
- per unit	0.32	(0.09)
Average Number of Units	1,173,824	878,317
SERIES 6		
Increase (Decrease) in Net Assets from Operations	972,701	(239,198)
- per unit	0.36	(0.10)
Average Number of Units	2,723,462	2,370,487
SERIES 7		
Increase (Decrease) in Net Assets from Operations	141,333	(25,979)
- per unit	0.41	(0.05)
Average Number of Units	341,685	480,856
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	324,881	(19,522)
- per unit	0.34	(0.04)
Average Number of Units	955,634	551,619

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CONSERVATIVE (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	22,161,111	20,945,213
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,819,416	(368,122)
Premiums		
Series 5	3,385,475	1,176,279
Series 6	7,489,034	3,615,579
Series 7	470,776	1,483,641
Series 8*	3,744,992	3,582,520
	<u>15,090,277</u>	<u>9,858,019</u>
Withdrawals		
Series 5	(944,376)	(386,608)
Series 6	(3,160,426)	(5,695,490)
Series 7	(646,569)	(2,045,133)
Series 8*	(1,239,183)	(146,768)
	<u>(5,990,554)</u>	<u>(8,273,999)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	33,080,250	22,161,111

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,819,416	(368,122)
Adjustments for:		
Net realized (gain) loss	(223,077)	(44,907)
Net unrealized (gain) loss	(1,368,456)	597,043
Non-cash distribution from investments	(907,471)	(702,120)
Proceeds from sale/maturity of investments	10,440,236	4,157,212
Investments purchased	(18,874,528)	(5,228,642)
Receivable for securities sold	(1,805)	—
Accrued expenses	21,840	1,508
Payable for securities purchased	68,624	(134,496)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(9,025,221)	(1,722,524)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	15,111,584	9,904,964
Amounts paid on withdrawals	(5,983,734)	(8,272,889)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	9,127,850	1,632,075
Increase (decrease) in cash/ bank overdraft	102,629	(90,449)
Cash (bank overdraft), beginning of year	75,396	165,845
CASH (BANK OVERDRAFT), END OF YEAR	178,025	75,396
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	793	407
Interest paid	149	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	91,611	2,289,581	2,629,348
Desjardins Canadian Equity Fund, I-Class	62,838	656,826	631,210
Desjardins Enhanced Bond Fund, I-Class	466,592	5,166,821	5,241,700
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	75,954	931,528	987,246
Desjardins Overseas Equity Fund, I-Class	42,078	663,217	791,269
Desjardins Overseas Equity Growth Fund, I-Class	31,200	693,233	819,027
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
DGIA Canadian Bond Fund	2,001,588	20,606,225	20,713,133
Fidelity True North® Fund, Series O	11,894	584,128	623,901
Franklin Bissett Canadian Equity Fund, Series O	3,890	576,832	632,144
Total Investments		32,169,502	33,070,110
Other Net Assets (0.0%)			10,140
Net Assets (100%)			33,080,250

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
DGIA CANADIAN BOND FUND 62.7%	
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
DESJARDINS ENHANCED BOND FUND 15.8%	
Government of Canada, 2.750%, December 1, 2048	4.0%
Province of British Columbia, 5.700%, June 18, 2029	3.9%
Province of Ontario, 2.800%, June 2, 2048	3.0%
Canada Housing Trust, Series 85, 2.650%, December 15, 2028	3.0%
Government of Canada, Series CPI, 4.000%, December 1, 2031	2.9%
BLACKROCK CDN US EQUITY INDEX FUND 7.9%	
Apple Inc	4.5%
Microsoft Corporation	4.5%
Amazon.com Inc	2.9%
Facebook Inc	1.8%
Berkshire Hathaway Inc	1.6%

DFS GIF – CONSERVATIVE (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 3.0%	
Roche Holding	3.3%
Humana	2.0%
Lamb Weston Holdings	1.8%
Novo Nordisk	1.8%
Sysco	1.7%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 2.5%	
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%
DESJARDINS OVERSEAS EQUITY FUND 2.4%	
Keyence	6.1%
Nestlé	5.2%
Taiwan Semiconductor Manufacturing Company, ADR	4.6%
Roche Holding	4.4%
L'Oréal	4.3%
FRANKLIN BISSETT CANADIAN EQUITY FUND 1.9%	
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
DESJARDINS CANADIAN EQUITY FUND 1.9%	
Royal Bank of Canada	6.5%
Toronto-Dominion Bank	6.2%
Enbridge	4.3%
Scotiabank	3.8%
Brookfield Asset Management	3.4%
FIDELITY TRUE NORTH® FUND 1.9%	
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China, Class H	6.7%
BB Seguridade Participacoes	4.1%
NetEase	3.7%
Taiwan Semiconductor Manufacturing Company	3.6%
Sanlam	3.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To generate a consistent flow of income with an emphasis on the preservation of capital by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
9,727,629	23,342,481	—	33,070,110
9,727,629	23,342,481	—	33,070,110

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
10,388,417	11,748,397	—	22,136,814
10,388,417	11,748,397	—	22,136,814

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CONSERVATIVE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (80%)	1.00	258,109	181,881
S&P/TSX (6%)	3.00	58,075	40,923
MSCI World Net (14%)	3.00	135,507	95,487

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	5.48	5.12	5.22	5.09	5.04
Series 6	5.71	5.33	5.42	5.29	5.23
Series 7	5.89	5.46	5.53	5.36	5.26
Series 8*	5.37	4.99	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	7,616	4,795	4,088	933	68
Series 6	17,501	12,200	14,519	11,770	7,126
Series 7	1,716	1,750	2,338	1,580	1,255
Series 8*	6,247	3,416	—	—	—
Number of units outstanding (000)					
Series 5	1,389	937	783	183	13
Series 6	3,065	2,291	2,677	2,226	1,363
Series 7	292	321	423	295	238
Series 8*	1,164	685	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.61	2.61	2.59	2.59	2.59
Series 6	2.47	2.46	2.47	2.47	2.49
Series 7	1.87	1.90	1.91	1.88	2.01
Series 8*	2.11	2.14	—	—	—
Portfolio turnover rate ² (%)	36.74	19.08	42.11	26.04	60.19

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – MODERATE*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
DGIA Canadian Bond Fund	50.0%
BlackRock CDN US Equity Index Fund, Class D	13.5%
Desjardins Enhanced Bond Fund, I-Class	12.7%
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	5.1%
Desjardins Overseas Equity Growth Fund, I-Class	4.2%
Desjardins Overseas Equity Fund, I-Class	4.1%
Franklin Bissett Canadian Equity Fund, Series O	3.3%
Desjardins Canadian Equity Fund, I-Class	3.3%
Fidelity True North® Fund, Series O	3.2%
Cash and Cash Equivalents	0.6%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,940	9.4%	10,947	9.5%	11,011	10.1%	10,990	9.9%
3 Years	11,100	3.5%	11,137	3.7%	11,329	4.2%	—	—
5 Years	—	—	11,541	2.9%	11,883	3.5%	—	—
Since Inception	11,400	3.2%	12,020	3.2%	12,420	3.8%	10,880	5.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	401,754	395,955
Investments at fair value through profit or loss (FVTPL)	60,794,562	45,377,811
Premiums receivable	98,662	211,737
Receivable for securities sold	6,215	45,702
	61,301,193	46,031,205
LIABILITIES		
Current Liabilities		
Accrued expenses	117,523	86,862
Withdrawals payable	37,332	248,953
Payable for securities purchased	—	2,093
	154,855	337,908
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	61,146,338	45,693,297
NET ASSETS PER UNIT		
Series 5	5.70	5.21
Series 6	6.01	5.49
Series 7	6.21	5.64
Series 8	5.44	4.95

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	3,747	2,126
Distributions from underlying funds	1,861,209	1,513,881
Changes in fair value:		
Net realized gain (loss) on investments	503,747	233,521
Net unrealized gain (loss) on investments	3,519,081	(1,706,734)
	5,887,784	42,794
EXPENSES		
Management fees and guarantee charge	1,137,305	869,004
Operating expenses	119,622	93,936
	1,256,927	962,940
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	4,630,857	(920,146)
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	276,547	(51,749)
- per unit	0.42	(0.15)
Average Number of Units	665,135	351,552
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,549,809	(621,330)
- per unit	0.50	(0.13)
Average Number of Units	5,094,329	4,613,505
SERIES 7		
Increase (Decrease) in Net Assets from Operations	842,377	(109,067)
- per unit	0.59	(0.07)
Average Number of Units	1,421,728	1,465,519
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	962,124	(138,000)
- per unit	0.44	(0.09)
Average Number of Units	2,206,128	1,478,360

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MODERATE (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	45,693,297	34,892,762
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>4,630,857</u>	(920,146)
Premiums		
Series 5	3,320,175	2,477,882
Series 6	13,203,137	11,146,870
Series 7	286,720	4,967,965
Series 8*	9,467,282	10,044,975
	<u>26,277,314</u>	28,637,692
Withdrawals		
Series 5	(929,369)	(872,103)
Series 6	(8,684,575)	(12,545,148)
Series 7	(2,127,193)	(2,390,253)
Series 8*	(3,713,993)	(1,109,507)
	<u>(15,455,130)</u>	(16,917,011)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	61,146,338	45,693,297

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,630,857	(920,146)
Adjustments for:		
Net realized (gain) loss	(503,747)	(233,521)
Net unrealized (gain) loss	(3,519,081)	1,706,734
Non-cash distribution from investments	(1,861,209)	(1,513,881)
Proceeds from sale/maturity of investments	18,269,136	5,948,009
Investments purchased	(27,801,850)	(16,708,541)
Receivable for securities sold	39,487	(45,702)
Accrued expenses	30,661	19,327
Payable for securities purchased	(2,093)	(169,495)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(10,717,839)	(11,917,216)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	26,390,389	28,506,263
Amounts paid on withdrawals	(15,666,751)	(16,689,555)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	10,723,638	11,816,708
Increase (decrease) in cash/ bank overdraft	5,799	(100,508)
Cash (bank overdraft), beginning of year	395,955	496,463
CASH (BANK OVERDRAFT), END OF YEAR	401,754	395,955
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	3,811	2,126
Interest paid	64	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (99.4%)			
BlackRock CDN US Equity Index Fund, Class D	287,148	7,152,848	8,241,504
Desjardins Canadian Equity Fund, I-Class	199,892	2,088,417	2,007,911
Desjardins Enhanced Bond Fund, I-Class	688,808	7,618,775	7,738,065
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	241,260	2,953,644	3,135,902
Desjardins Overseas Equity Fund, I-Class	133,261	2,096,964	2,505,971
Desjardins Overseas Equity Growth Fund, I-Class	98,789	2,208,019	2,593,309
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
DGIA Canadian Bond Fund	2,954,331	30,358,275	30,572,455
Fidelity True North® Fund, Series O	37,862	1,857,886	1,986,098
Franklin Bissett Canadian Equity Fund, Series O	12,382	1,829,935	2,012,215
Total Investments		58,165,874	60,794,562
Other Net Assets (0.6%)			351,776
Net Assets (100%)			61,146,338

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
DGIA CANADIAN BOND FUND 50.0%	
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
BLACKROCK CDN US EQUITY INDEX FUND 13.5%	
Apple Inc	4.5%
Microsoft Corporation	4.5%
Amazon.com Inc	2.9%
Facebook Inc	1.8%
Berkshire Hathaway Inc	1.6%
DESJARDINS ENHANCED BOND FUND 12.7%	
Government of Canada, 2.750%, December 1, 2048	4.0%
Province of British Columbia, 5.700%, June 18, 2029	3.9%
Province of Ontario, 2.800%, June 2, 2048	3.0%
Canada Housing Trust, Series 85, 2.650%, December 15, 2028	3.0%
Government of Canada, Series CPI, 4.000%, December 1, 2031	2.9%

DFS GIF – MODERATE (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 5.1%	
Roche Holding	3.3%
Humana	2.0%
Lamb Weston Holdings	1.8%
Novo Nordisk	1.8%
Sysco	1.7%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 4.2%	
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%
DESJARDINS OVERSEAS EQUITY FUND 4.1%	
Keyence	6.1%
Nestlé	5.2%
Taiwan Semiconductor Manufacturing Company, ADR	4.6%
Roche Holding	4.4%
L'Oréal	4.3%
FRANKLIN BISSETT CANADIAN EQUITY FUND 3.3%	
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
DESJARDINS CANADIAN EQUITY FUND 3.3%	
Royal Bank of Canada	6.5%
Toronto-Dominion Bank	6.2%
Enbridge	4.3%
Scotiabank	3.8%
Brookfield Asset Management	3.4%
FIDELITY TRUE NORTH® FUND 3.2%	
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	4.1%
NetEase	3.7%
Taiwan Semiconductor Manufacturing Company	3.6%
Sanlam	3.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To generate income while leaving room for some capital appreciation by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
21,980,603	38,813,959	—	60,794,562
21,980,603	38,813,959	—	60,794,562

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
22,450,652	22,927,159	—	45,377,811
22,450,652	22,927,159	—	45,377,811

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – MODERATE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (65%)	1.00	399,453	305,560
S&P/TSX (10.5%)	3.00	193,581	148,079
MSCI World Net (24.5%)	3.00	451,689	345,518

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	5.70	5.21	5.34	5.14	5.04
Series 6	6.01	5.49	5.62	5.40	5.29
Series 7	6.21	5.64	5.75	5.48	5.34
Series 8*	5.44	4.95	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	5,224	2,556	1,002	659	98
Series 6	32,637	25,569	27,589	22,168	12,696
Series 7	7,772	8,770	6,302	4,146	1,146
Series 8*	15,513	8,797	—	—	—
Number of units outstanding (000)					
Series 5	917	491	188	128	19
Series 6	5,427	4,654	4,905	4,108	2,402
Series 7	1,251	1,554	1,097	756	215
Series 8*	2,854	1,778	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.61	2.68	2.67	2.70	2.64
Series 6	2.51	2.50	2.50	2.49	2.51
Series 7	1.96	1.95	1.95	1.90	1.90
Series 8*	2.16	2.19	—	—	—
Portfolio turnover rate ² (%)	34.27	14.56	35.43	15.07	46.64

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – BALANCED*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
DGIA Canadian Bond Fund	38.3%
BlackRock CDN US Equity Index Fund, Class D	19.1%
Desjardins Enhanced Bond Fund, I-Class	9.6%
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	7.3%
Desjardins Overseas Equity Growth Fund, I-Class	6.0%
Desjardins Overseas Equity Fund, I-Class	5.8%
Franklin Bissett Canadian Equity Fund, Series O	4.7%
Desjardins Canadian Equity Fund, I-Class	4.6%
Fidelity True North® Fund, Series O	4.6%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,161	11.6%	11,186	11.9%	11,241	12.4%	11,222	12.2%
3 Years	11,457	4.6%	11,504	4.8%	11,692	5.3%	—	—
5 Years	—	—	12,134	3.9%	12,452	4.5%	—	—
Since Inception	11,920	4.3%	12,640	4.1%	13,040	4.6%	11,020	5.9%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	663,907	379,679
Investments at fair value through profit or loss (FVTPL)	276,275,714	91,832,481
Premiums receivable	350,556	80,400
Receivable for securities sold	220,398	—
	<u>277,510,575</u>	<u>92,292,560</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	580,953	177,181
Withdrawals payable	576,305	94,114
Payable for securities purchased	—	80,768
	<u>1,157,258</u>	<u>352,063</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>276,353,317</u>	<u>91,940,497</u>
NET ASSETS PER UNIT		
Series 5	<u>5.96</u>	5.34
Series 6	<u>6.32</u>	5.65
Series 7	<u>6.52</u>	5.80
Series 8	<u>5.51</u>	4.91

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	3,269	1,834
Distributions from underlying funds	7,572,511	3,438,275
Changes in fair value:		
Net realized gain (loss) on investments	931,758	612,558
Net unrealized gain (loss) on investments	9,519,689	(4,629,996)
	<u>18,027,227</u>	<u>(577,329)</u>
EXPENSES		
Management fees and guarantee charge	3,206,832	1,909,995
Operating expenses	321,263	210,170
	<u>3,528,095</u>	<u>2,120,165</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,499,132</u>	<u>(2,697,494)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,794,633	(165,783)
- per unit	0.49	(0.22)
Average Number of Units	5,760,167	770,029
SERIES 6		
Increase (Decrease) in Net Assets from Operations	6,769,727	(1,647,686)
- per unit	0.64	(0.17)
Average Number of Units	10,512,618	9,725,793
SERIES 7		
Increase (Decrease) in Net Assets from Operations	1,479,922	(271,239)
- per unit	0.72	(0.14)
Average Number of Units	2,056,547	1,958,315
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	3,454,850	(612,786)
- per unit	0.57	(0.14)
Average Number of Units	6,113,051	4,297,775

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	91,940,497	80,045,729
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,499,132	(2,697,494)
Premiums		
Series 5	124,496,483	3,405,870
Series 6	45,213,232	17,118,655
Series 7	4,912,783	3,206,008
Series 8*	26,349,546	26,811,652
	200,972,044	50,542,185
Withdrawals		
Series 5	(10,298,018)	(1,003,051)
Series 6	(13,458,516)	(30,796,268)
Series 7	(2,207,046)	(1,919,476)
Series 8*	(5,094,776)	(2,231,128)
	(31,058,356)	(35,949,923)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	276,353,317	91,940,497

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,499,132	(2,697,494)
Adjustments for:		
Net realized (gain) loss	(931,758)	(612,558)
Net unrealized (gain) loss	(9,519,689)	4,629,996
Non-cash distribution from investments	(7,572,511)	(3,438,275)
Proceeds from sale/maturity of investments	27,318,324	8,693,727
Investments purchased	(193,737,599)	(21,324,416)
Receivable for securities sold	(220,398)	—
Accrued expenses	403,772	14,712
Payable for securities purchased	(80,768)	(109,837)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(169,841,495)	(14,844,145)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	200,701,888	50,631,124
Amounts paid on withdrawals	(30,576,165)	(35,909,098)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	170,125,723	14,722,026
Increase (decrease) in cash/ bank overdraft	284,228	(122,119)
Cash (bank overdraft), beginning of year	379,679	501,798
CASH (BANK OVERDRAFT), END OF YEAR	663,907	379,679
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	3,549	1,834
Interest paid	280	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	1,835,884	48,641,948	52,692,228
Desjardins Canadian Equity Fund, I-Class	1,278,939	13,535,040	12,846,945
Desjardins Enhanced Bond Fund, I-Class	2,373,193	26,714,895	26,660,449
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	1,542,746	19,524,461	20,052,611
Desjardins Overseas Equity Fund, I-Class	855,872	14,023,590	16,094,670
Desjardins Overseas Equity Growth Fund, I-Class	633,502	14,302,084	16,630,054
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
DGIA Canadian Bond Fund	10,211,578	106,840,684	105,672,981
Fidelity True North® Fund, Series O	242,253	12,413,887	12,707,586
Franklin Bissett Canadian Equity Fund, Series O	79,482	12,186,467	12,917,058
Total Investments		268,184,167	276,275,714
Other Net Assets (0.0%)			77,603
Net Assets (100%)			276,353,317

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
DGIA CANADIAN BOND FUND 38.3%	
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
BLACKROCK CDN US EQUITY INDEX FUND 19.1%	
Apple Inc	4.5%
Microsoft Corporation	4.5%
Amazon.com Inc	2.9%
Facebook Inc	1.8%
Berkshire Hathaway Inc	1.6%
DESJARDINS ENHANCED BOND FUND 9.6%	
Government of Canada, 2.750%, December 1, 2048	4.0%
Province of British Columbia, 5.700%, June 18, 2029	3.9%
Province of Ontario, 2.800%, June 2, 2048	3.0%
Canada Housing Trust, Series 85, 2.650%, December 15, 2028	3.0%
Government of Canada, Series CPI, 4.000%, December 1, 2031	2.9%

DFS GIF – BALANCED (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 7.3%	
Roche Holding	3.3%
Humana	2.0%
Lamb Weston Holdings	1.8%
Novo Nordisk	1.8%
Sysco	1.7%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 6.0%	
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%
DESJARDINS OVERSEAS EQUITY FUND 5.8%	
Keyence	6.1%
Nestlé	5.2%
Taiwan Semiconductor Manufacturing Company, ADR	4.6%
Roche Holding	4.4%
L'Oréal	4.3%
FRANKLIN BISSETT CANADIAN EQUITY FUND 4.7%	
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
DESJARDINS CANADIAN EQUITY FUND 4.6%	
Royal Bank of Canada	6.5%
Toronto-Dominion Bank	6.2%
Enbridge	4.3%
Scotiabank	3.8%
Brookfield Asset Management	3.4%
FIDELITY TRUE NORTH® FUND 4.6%	
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China, Class H	6.7%
BB Seguridade Participacoes	4.1%
NetEase	3.7%
Taiwan Semiconductor Manufacturing Company	3.6%
Sanlam	3.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with an attractive balance of current income and capital appreciation by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
117,910,505	158,365,209	—	276,275,714
117,910,505	158,365,209	—	276,275,714

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
46,140,014	45,692,467	—	91,832,481
46,140,014	45,692,467	—	91,832,481

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – BALANCED (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (50%)	1.00	1,390,096	476,482
S&P/TSX (15%)	3.00	1,251,086	428,833
MSCI World Net (35%)	3.00	2,919,201	1,000,611

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	5.96	5.34	5.51	5.20	5.05
Series 6	6.32	5.65	5.83	5.49	5.32
Series 7	6.52	5.80	5.94	5.58	5.38
Series 8*	5.51	4.91	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	122,325	5,332	3,095	689	64
Series 6	89,623	51,099	66,424	46,933	25,797
Series 7	15,728	11,542	10,527	6,904	5,419
Series 8*	48,677	23,968	—	—	—
Number of units outstanding (000)					
Series 5	20,530	999	562	132	13
Series 6	14,171	9,039	11,403	8,543	4,848
Series 7	2,413	1,991	1,771	1,238	1,008
Series 8*	8,838	4,883	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.73	2.73	2.73	2.76	2.70
Series 6	2.56	2.56	2.56	2.54	2.57
Series 7	2.04	2.05	2.07	2.08	2.13
Series 8*	2.23	2.25	—	—	—
Portfolio turnover rate ² (%)	19.16	9.97	27.95	9.21	39.42

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GROWTH*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
DGIA Canadian Bond Fund	26.5%
BlackRock CDN US Equity Index Fund, Class D	24.5%
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	9.3%
Desjardins Overseas Equity Growth Fund, I-Class	7.7%
Desjardins Overseas Equity Fund, I-Class	7.5%
Desjardins Enhanced Bond Fund, I-Class	6.7%
Franklin Bissett Canadian Equity Fund, Series O	6.0%
Desjardins Canadian Equity Fund, I-Class	6.0%
Fidelity True North® Fund, Series O	5.9%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,413	14.1%	11,431	14.3%	11,500	15.0%	11,478	14.8%
3 Years	11,818	5.7%	11,893	5.9%	12,087	6.5%	—	—
5 Years	—	—	12,748	5.0%	13,069	5.5%	—	—
Since Inception	12,440	5.3%	13,420	5.2%	13,800	5.7%	11,180	6.8%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	318,943	275,379
Investments at fair value through profit or loss (FVTPL)	104,817,700	77,876,007
Premiums receivable	151,322	4,291
Receivable for securities sold	—	4,257
	105,287,965	78,159,934
LIABILITIES		
Current Liabilities		
Accrued expenses	213,232	159,763
Withdrawals payable	104,580	73,753
Payable for securities purchased	236,900	129,667
	554,712	363,183
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	104,733,253	77,796,751
NET ASSETS PER UNIT		
Series 5	6.22	5.45
Series 6	6.71	5.87
Series 7	6.90	6.00
Series 8	5.59	4.87

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	1,324	798
Distributions from underlying funds	3,769,490	3,205,516
Changes in fair value:		
Net realized gain (loss) on investments	913,765	570,455
Net unrealized gain (loss) on investments	9,452,919	(4,847,528)
	14,137,498	(1,070,759)
EXPENSES		
Management fees and guarantee charge	2,084,935	1,701,043
Operating expenses	202,996	164,428
	2,287,931	1,865,471
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	11,849,567	(2,936,230)
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,293,005	(600,297)
- per unit	0.75	(0.24)
Average Number of Units	3,065,907	2,471,388
SERIES 6		
Increase (Decrease) in Net Assets from Operations	5,720,808	(1,460,769)
- per unit	0.83	(0.21)
Average Number of Units	6,925,428	6,832,358
SERIES 7		
Increase (Decrease) in Net Assets from Operations	1,035,693	(269,258)
- per unit	0.91	(0.20)
Average Number of Units	1,142,089	1,324,776
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	2,800,061	(605,906)
- per unit	0.69	(0.21)
Average Number of Units	4,058,877	2,906,092

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	77,796,751	64,298,939
Increase (Decrease) in Net Assets from operations attributable to contract owners	11,849,567	(2,936,230)
Premiums		
Series 5	8,191,320	7,788,979
Series 6	12,720,444	13,949,869
Series 7	160,281	2,027,183
Series 8*	7,125,705	18,719,975
	28,197,750	42,486,006
Withdrawals		
Series 5	(3,799,035)	(2,312,399)
Series 6	(7,122,535)	(20,679,611)
Series 7	(685,380)	(2,156,032)
Series 8*	(1,503,865)	(903,922)
	(13,110,815)	(26,051,964)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	104,733,253	77,796,751

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	11,849,567	(2,936,230)
Adjustments for:		
Net realized (gain) loss	(913,765)	(570,455)
Net unrealized (gain) loss	(9,452,919)	4,847,528
Non-cash distribution from investments	(3,769,490)	(3,205,516)
Proceeds from sale/maturity of investments	21,004,372	7,780,540
Investments purchased	(33,809,891)	(22,490,140)
Receivable for securities sold	4,257	(4,257)
Accrued expenses	53,469	26,324
Payable for securities purchased	107,233	(613,827)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(14,927,167)	(17,166,033)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	28,050,719	42,659,901
Amounts paid on withdrawals	(13,079,988)	(26,029,623)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	14,970,731	16,630,278
Increase (decrease) in cash/ bank overdraft	43,564	(535,755)
Cash (bank overdraft), beginning of year	275,379	811,134
CASH (BANK OVERDRAFT), END OF YEAR	318,943	275,379
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,494	798
Interest paid	170	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.1%)			
BlackRock CDN US Equity Index Fund, Class D	895,173	22,109,362	25,692,626
Desjardins Canadian Equity Fund, I-Class	623,425	6,538,737	6,262,309
Desjardins Enhanced Bond Fund, I-Class	622,271	6,887,443	6,990,594
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	752,799	9,187,796	9,784,880
Desjardins Overseas Equity Fund, I-Class	416,285	6,512,077	7,828,234
Desjardins Overseas Equity Growth Fund, I-Class	308,523	6,859,587	8,099,046
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
DGIA Canadian Bond Fund	2,675,543	27,486,294	27,687,454
Fidelity True North® Fund, Series O	118,109	5,764,228	6,195,476
Franklin Bissett Canadian Equity Fund, Series O	38,618	5,683,150	6,275,949
Total Investments		97,029,785	104,817,700
Other Net Assets (-0.1%)			(84,447)
Net Assets (100%)			104,733,253

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
DGIA CANADIAN BOND FUND 26.5%	
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
BLACKROCK CDN US EQUITY INDEX FUND 24.5%	
Apple Inc	4.5%
Microsoft Corporation	4.5%
Amazon.com Inc	2.9%
Facebook Inc	1.8%
Berkshire Hathaway Inc	1.6%
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 9.3%	
Roche Holding	3.3%
Humana	2.0%
Lamb Weston Holdings	1.8%
Novo Nordisk	1.8%
Sysco	1.7%

DFS GIF – GROWTH (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage
DESJARDINS OVERSEAS EQUITY GROWTH FUND 7.7%	
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%
DESJARDINS OVERSEAS EQUITY FUND 7.5%	
Keyence	6.1%
Nestlé	5.2%
Taiwan Semiconductor Manufacturing Company, ADR	4.6%
Roche Holding	4.4%
L'Oréal	4.3%
DESJARDINS ENHANCED BOND FUND 6.7%	
Government of Canada, 2.750%, December 1, 2048	4.0%
Province of British Columbia, 5.700%, June 18, 2029	3.9%
Province of Ontario, 2.800%, June 2, 2048	3.0%
Canada Housing Trust, Series 85, 2.650%, December 15, 2028	3.0%
Government of Canada, Series CPI, 4.000%, December 1, 2031	2.9%
FRANKLIN BISSETT CANADIAN EQUITY FUND 6.0%	
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
DESJARDINS CANADIAN EQUITY FUND 6.0%	
Royal Bank of Canada	6.5%
Toronto-Dominion Bank	6.2%
Enbridge	4.3%
Scotiabank	3.8%
Brookfield Asset Management	3.4%
FIDELITY TRUE NORTH® FUND 5.9%	
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China, Class H	6.7%
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NetEase	3.7%
Taiwan Semiconductor Manufacturing Company	3.6%
Sanlam	3.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To emphasize appreciation of capital while still generating some income by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
51,437,620	53,380,080	—	104,817,700
51,437,620	53,380,080	—	104,817,700

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
40,613,972	37,262,035	—	77,876,007
40,613,972	37,262,035	—	77,876,007

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (35%)	1.00	362,625	278,279
S&P/TSX (19.5%)	3.00	606,102	465,123
MSCI World Net (45.5%)	3.00	1,414,238	1,085,288

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	6.22	5.45	5.66	5.26	5.06
Series 6	6.71	5.87	6.08	5.64	5.41
Series 7	6.90	6.00	6.19	5.71	5.45
Series 8*	5.59	4.87	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	21,829	15,144	10,267	4,003	82
Series 6	49,622	38,303	46,494	32,851	17,931
Series 7	7,651	7,140	7,538	4,195	986
Series 8*	25,632	17,210	—	—	—
Number of units outstanding (000)					
Series 5	3,509	2,777	1,812	761	16
Series 6	7,397	6,526	7,642	5,823	3,315
Series 7	1,109	1,190	1,218	735	181
Series 8*	4,588	3,532	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.78	2.79	2.78	2.82	2.76
Series 6	2.58	2.58	2.58	2.59	2.68
Series 7	2.06	2.05	2.07	2.10	2.18
Series 8*	2.25	2.31	—	—	—
Portfolio turnover rate ² (%)	22.91	10.51	32.19	12.65	29.85

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – MAXIMUM GROWTH*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
BlackRock CDN US Equity Index Fund, Class D	30.0%
DGIA Canadian Bond Fund	14.8%
Desjardins Overseas Equity Growth Fund, I-Class	11.4%
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	11.3%
Franklin Bissett Canadian Equity Fund, Series O	7.3%
Desjardins Canadian Equity Fund, I-Class	7.2%
Fidelity True North® Fund, Series O	7.2%
Desjardins Overseas Equity Fund, I-Class	7.1%
Desjardins Enhanced Bond Fund, I-Class	3.7%
Cash and Cash Equivalents	0.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,679	16.8%	11,678	16.8%	11,734	17.3%	11,722	17.2%
3 Years	12,238	7.0%	12,256	7.0%	12,460	7.6%	—	—
5 Years	—	—	13,406	6.0%	13,740	6.6%	—	—
Since Inception	13,080	6.6%	14,060	6.0%	14,480	6.5%	11,300	7.5%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	28,677	35,298
Investments at fair value through profit or loss (FVTPL)	10,434,548	7,347,554
Premiums receivable	816	1,411
	<u>10,464,041</u>	<u>7,384,263</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	21,489	14,994
Withdrawals payable	2,102	1,405
Payable for securities purchased	1,487	9,843
	<u>25,078</u>	<u>26,242</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>10,438,963</u>	<u>7,358,021</u>
NET ASSETS PER UNIT		
Series 5	<u>6.54</u>	5.60
Series 6	<u>7.03</u>	6.02
Series 7	<u>7.24</u>	6.17
Series 8	<u>5.65</u>	4.82

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	133	151
Distributions from underlying funds	408,125	330,412
Changes in fair value:		
Net realized gain (loss) on investments	115,770	70,139
Net unrealized gain (loss) on investments	1,056,036	(558,748)
	<u>1,580,064</u>	<u>(158,046)</u>
EXPENSES		
Management fees and guarantee charge	211,174	163,211
Operating expenses	20,632	15,856
	<u>231,806</u>	<u>179,067</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,348,258</u>	<u>(337,113)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	91,168	(24,910)
- per unit	0.76	(0.39)
Average Number of Units	120,159	64,441
SERIES 6		
Increase (Decrease) in Net Assets from Operations	697,480	(160,887)
- per unit	0.96	(0.24)
Average Number of Units	728,282	671,164
SERIES 7		
Increase (Decrease) in Net Assets from Operations	316,085	(82,472)
- per unit	1.05	(0.32)
Average Number of Units	301,252	258,587
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	243,525	(68,844)
- per unit	0.80	(0.29)
Average Number of Units	305,796	238,111

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MAXIMUM GROWTH (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	7,358,021	5,767,332
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,348,258	(337,113)
Premiums		
Series 5	411,846	248,915
Series 6	1,646,579	1,778,110
Series 7	301,327	572,359
Series 8*	645,236	1,401,008
	3,004,988	4,000,392
Withdrawals		
Series 5	(126,256)	(19,962)
Series 6	(976,540)	(1,927,780)
Series 7	(85,609)	(62,721)
Series 8*	(83,899)	(62,127)
	(1,272,304)	(2,072,590)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	10,438,963	7,358,021

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,348,258	(337,113)
Adjustments for:		
Net realized (gain) loss	(115,770)	(70,139)
Net unrealized (gain) loss	(1,056,036)	558,748
Non-cash distribution from investments	(408,125)	(330,412)
Proceeds from sale/maturity of investments	2,728,213	974,706
Investments purchased	(4,235,276)	(2,726,186)
Accrued expenses	6,495	2,874
Payable for securities purchased	(8,356)	9,225
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(1,740,597)	(1,918,297)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,005,583	3,999,971
Amounts paid on withdrawals	(1,271,607)	(2,072,238)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	1,733,976	1,927,733
Increase (decrease) in cash/ bank overdraft	(6,621)	9,436
Cash (bank overdraft), beginning of year	35,298	25,862
CASH (BANK OVERDRAFT), END OF YEAR	28,677	35,298
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	249	151
Interest paid	116	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	108,681	2,719,728	3,119,270
Desjardins Canadian Equity Fund, I-Class	75,218	788,935	755,567
Desjardins Enhanced Bond Fund, I-Class	34,796	383,586	390,894
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	90,844	1,109,773	1,180,787
Desjardins Overseas Equity Fund, I-Class	39,249	629,236	738,074
Desjardins Overseas Equity Growth Fund, I-Class	45,513	1,050,413	1,194,763
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
DGIA Canadian Bond Fund	149,772	1,534,270	1,549,891
Fidelity True North® Fund, Series O	14,242	702,969	747,066
Franklin Bissett Canadian Equity Fund, Series O	4,659	697,487	757,104
Total Investments		9,617,508	10,434,548
Other Net Assets (0.0%)			4,415
Net Assets (100%)			10,438,963

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
BLACKROCK CDN US EQUITY INDEX FUND 30.0%	
Apple Inc	4.5%
Microsoft Corporation	4.5%
Amazon.com Inc	2.9%
Facebook Inc	1.8%
Berkshire Hathaway Inc	1.6%
DGIA CANADIAN BOND FUND 14.8%	
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 11.4%	
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%

DFS GIF – MAXIMUM GROWTH (continued)

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited (continued)

Security Name	Percentage
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 11.3%	
Roche Holding	3.3%
Humana	2.0%
Lamb Weston Holdings	1.8%
Novo Nordisk	1.8%
Sysco	1.7%
FRANKLIN BISSETT CANADIAN EQUITY FUND 7.3%	
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
DESJARDINS CANADIAN EQUITY FUND 7.2%	
Royal Bank of Canada	6.5%
Toronto-Dominion Bank	6.2%
Enbridge	4.3%
Scotiabank	3.8%
Brookfield Asset Management	3.4%
FIDELITY TRUE NORTH® FUND 7.2%	
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy.	3.8%
Enbridge	3.7%
DESJARDINS OVERSEAS EQUITY FUND 7.1%	
Keyence	6.1%
Nestlé	5.2%
Taiwan Semiconductor Manufacturing Company, ADR	4.6%
Roche Holding	4.4%
L'Oréal	4.3%
DESJARDINS ENHANCED BOND FUND 3.7%	
Government of Canada, 2.750%, December 1, 2048	4.0%
Province of British Columbia, 5.700%, June 18, 2029	3.9%
Province of Ontario, 2.800%, June 2, 2048	3.0%
Canada Housing Trust, Series 85, 2.650%, December 15, 2028	3.0%
Government of Canada, Series CPI, 4.000%, December 1, 2031	2.9%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China, Class H	6.7%
BB Seguridade Participacoes	4.1%
NetEase	3.7%
Taiwan Semiconductor Manufacturing Company	3.6%
Sanlam	3.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To maximize the appreciation of capital while still generating some income by investing in a number of different fixed-income and equity underlying funds.

Strategy of the Fund

To invest in a wide array of underlying funds managed by using a multi-manager approach provided by acclaimed fund managers and sub-advisors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
5,765,387	4,669,161	—	10,434,548
5,765,387	4,669,161	—	10,434,548

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
4,115,380	3,232,174	—	7,347,554
4,115,380	3,232,174	—	7,347,554

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – MAXIMUM GROWTH (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (20%)	1.00	20,912	15,068
S&P/TSX (24%)	3.00	75,282	54,244
MSCI World Net (56%)	3.00	175,659	126,569

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	6.54	5.60	5.85	5.34	5.06
Series 6	7.03	6.02	6.28	5.74	5.43
Series 7	7.24	6.17	6.40	5.81	5.48
Series 8*	5.65	4.82	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	807	430	226	131	2
Series 6	5,273	3,905	4,216	2,414	1,865
Series 7	2,284	1,752	1,325	463	21
Series 8*	2,075	1,270	—	—	—
Number of units outstanding (000)					
Series 5	123	77	39	24	1
Series 6	750	649	671	421	344
Series 7	315	284	207	80	4
Series 8*	367	263	—	—	—
Management expense ratio (MER)¹ (%)					
Series 5	2.75	2.76	2.76	2.87	2.81
Series 6	2.69	2.70	2.70	2.67	2.71
Series 7	2.11	2.06	2.24	2.24	2.24
Series 8*	2.35	2.36	—	—	—
Portfolio turnover rate² (%)	29.56	13.77	40.08	27.37	25.70

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.



Responsible Investment Portfolios

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	55.4%
Desjardins SocieTerra American Equity Fund, I-Class	8.3%
Desjardins SocieTerra Canadian Equity Fund, I-Class	7.8%
Desjardins SocieTerra Global Bond Fund, I-Class	7.0%
Desjardins SocieTerra Environmental Bond Fund, I-Class	7.0%
Desjardins SocieTerra International Equity Fund, I-Class	4.7%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	2.6%
Desjardins SocieTerra Positive Change Fund, I-Class	2.2%
Desjardins SocieTerra Cleantech Fund, I-Class	2.2%
Desjardins SocieTerra Environment Fund, I-Class	2.0%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,907	9.1%	10,927	9.3%	10,984	9.8%	10,944	9.4%
Since Inception	10,820	4.8%	10,840	4.9%	10,940	5.5%	10,900	5.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	102,714	50
Investments at fair value through profit or loss (FVTPL)	7,316,668	2,204,572
Premiums receivable	—	41,544
Receivable for securities sold	2,326	—
	<u>7,421,708</u>	<u>2,246,166</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	15,362	4,383
Withdrawals payable	5,975	1,152
Payable for securities purchased	101,703	18,433
	<u>123,040</u>	<u>23,968</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,298,668</u>	<u>2,222,198</u>
NET ASSETS PER UNIT		
Series 5	<u>5.41</u>	4.96
Series 6	<u>5.42</u>	4.96
Series 7	<u>5.47</u>	4.98
Series 8	<u>5.45</u>	4.98

STATEMENT OF COMPREHENSIVE INCOME

Periods Ended December 31

	2019	2018*
	(12 months)	(9 months)
	\$	\$
INCOME		
Distributions from underlying funds	142,662	80,275
Changes in fair value:		
Net realized gain (loss) on investments	17,938	1,977
Net unrealized gain (loss) on investments	229,848	(70,965)
	<u>390,448</u>	<u>11,287</u>
EXPENSES		
Management fees and guarantee charge	97,955	18,356
Operating expenses	9,567	1,841
	<u>107,522</u>	<u>20,197</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>282,926</u>	<u>(8,910)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	38,195	(1,827)
- per unit	0.24	(0.06)
Average Number of Units	157,691	33,011
SERIES 6		
Increase (Decrease) in Net Assets from Operations	123,546	(5,917)
- per unit	0.38	(0.07)
Average Number of Units	321,220	84,508
SERIES 7		
Increase (Decrease) in Net Assets from Operations	15,806	(437)
- per unit	0.48	(0.02)
Average Number of Units	33,109	28,000
SERIES 8		
Increase (Decrease) in Net Assets from Operations	105,379	(729)
- per unit	0.39	(0.01)
Average Number of Units	269,709	89,439

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>2,222,198</u>	<u>—</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>282,926</u>	<u>(8,910)</u>
Premiums		
Series 5	1,885,430	195,855
Series 6	1,879,362	1,100,297
Series 7	69,399	140,001
Series 8	<u>2,002,992</u>	<u>1,264,038</u>
	<u>5,837,183</u>	<u>2,700,191</u>
Withdrawals		
Series 5	(61,196)	(4,368)
Series 6	(283,012)	(262,391)
Series 7	(60,872)	—
Series 8	<u>(638,559)</u>	<u>(202,324)</u>
	<u>(1,043,639)</u>	<u>(469,083)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>7,298,668</u>	<u>2,222,198</u>

STATEMENT OF CASH FLOWS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	282,926	(8,910)
Adjustments for:		
Net realized (gain) loss	(17,938)	(1,977)
Net unrealized (gain) loss	(229,848)	70,965
Non-cash distribution from investments	(142,662)	(80,275)
Proceeds from sale/maturity of investments	518,147	276,338
Investments purchased	(5,239,795)	(2,469,623)
Receivable for securities sold	(2,326)	—
Accrued expenses	10,979	4,383
Payable for securities purchased	83,270	18,433
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(4,737,247)</u>	<u>(2,190,666)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	5,878,727	2,658,647
Amounts paid on withdrawals	(1,038,816)	(467,931)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>4,839,911</u>	<u>2,190,716</u>
Increase (decrease) in cash/ bank overdraft	102,664	50
Cash (bank overdraft), beginning of period	50	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>102,714</u>	<u>50</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
SocieTerra Conservative Portfolio, I-Class	684,911	7,156,672	7,315,536
Total Investments		7,157,783	7,316,668
Other Net Assets (-0.2%)			(18,000)
Net Assets (100%)			7,298,668

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	55.4%
Desjardins SocieTerra American Equity Fund, I-Class	8.3%
Desjardins SocieTerra Canadian Equity Fund, I-Class	7.8%
Desjardins SocieTerra Global Bond Fund, I-Class	7.0%
Desjardins SocieTerra Environmental Bond Fund, I-Class	7.0%
Desjardins SocieTerra International Equity Fund, I-Class	4.7%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	2.6%
Desjardins SocieTerra Positive Change Fund, I-Class	2.2%
Desjardins SocieTerra Cleantech Fund, I-Class	2.2%
Desjardins SocieTerra Environment Fund, I-Class	2.0%
Cash and Cash Equivalents	0.8%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide income and achieve a moderate level of long-term capital appreciation by investing primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (71%) and Growth (29%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
7,316,668	—	—	7,316,668
7,316,668	—	—	7,316,668

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
2,204,572	—	—	2,204,572
2,204,572	—	—	2,204,572

Transfers between Levels 1 and 2

During the periods ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Funds Risk Management**

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (56.8%)	1.00	41,456	15,778
Bloomberg Barclays Multiverse Hedged (14.2%)	1.00	10,364	N/A
S&P/TSX (0%)	3.00	N/A	6,000
MSCI World Net (0%)	3.00	N/A	13,333
MSCI Canada (8.7%)	3.00	19,050	N/A
MSCI All Country World ex Canada IMI (20.3%)	3.00	44,449	N/A

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past two periods. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018*
Net Assets and Net Asset Value Per Unit (\$)		
Series 5	5.41	4.96
Series 6	5.42	4.96
Series 7	5.47	4.98
Series 8	5.45	4.98
Ratios and Supplemental Data		
Net Asset Value (\$000's)		
Series 5	2,052	190
Series 6	2,552	832
Series 7	164	140
Series 8	2,531	1,061
Number of units outstanding (000)		
Series 5	380	38
Series 6	471	168
Series 7	30	28
Series 8	465	213
Management expense ratio (MER)¹ (%)		
Series 5	2.82	2.76
Series 6	2.70	2.64
Series 7	2.18	2.14
Series 8	2.36	2.31
Portfolio turnover rate² (%)	12.29	22.87

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – BALANCED – DESJARDINS SOCIETERRA*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	42.7%
Desjardins SocieTerra American Equity Fund, I-Class	12.8%
Desjardins SocieTerra Canadian Equity Fund, I-Class	12.1%
Desjardins SocieTerra International Equity Fund, I-Class	7.2%
Desjardins SocieTerra Global Bond Fund, I-Class	5.4%
Desjardins SocieTerra Environmental Bond Fund, I-Class	5.3%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	4.0%
Desjardins SocieTerra Positive Change Fund, I-Class	3.4%
Desjardins SocieTerra Cleantech Fund, I-Class	3.3%
Desjardins SocieTerra Environment Fund, I-Class	3.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,145	11.5%	11,141	11.4%	11,196	12.0%	11,192	11.9%
3 Years	11,244	4.0%	11,275	4.1%	11,463	4.7%	—	—
Since Inception	11,680	3.8%	11,720	3.8%	11,980	4.4%	11,080	6.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	9,172	655
Investments at fair value through profit or loss (FVTPL)	30,423,982	24,340,604
Premiums receivable	222,594	277,338
	<u>30,655,748</u>	<u>24,618,597</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	64,811	51,002
Withdrawals payable	68,823	31,459
Payable for securities purchased	66,668	261,395
	<u>200,302</u>	<u>343,856</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>30,455,446</u>	<u>24,274,741</u>
NET ASSETS PER UNIT		
Series 5	<u>5.84</u>	5.24
Series 6	<u>5.86</u>	5.26
Series 7	<u>5.99</u>	5.35
Series 8	<u>5.54</u>	4.95

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	778,612	1,552,556
Changes in fair value:		
Net realized gain (loss) on investments	62,809	41,401
Net unrealized gain (loss) on investments	2,800,150	(1,559,417)
	<u>3,641,571</u>	<u>34,540</u>
EXPENSES		
Management fees and guarantee charge	620,174	529,189
Operating expenses	93,093	81,556
	<u>713,267</u>	<u>610,745</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,928,304</u>	<u>(576,205)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	819,770	(189,726)
- per unit	0.59	(0.14)
Average Number of Units	1,399,181	1,363,786
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,010,546	(223,793)
- per unit	0.59	(0.13)
Average Number of Units	1,726,510	1,705,473
SERIES 7		
Increase (Decrease) in Net Assets from Operations	568,727	(97,193)
- per unit	0.66	(0.11)
Average Number of Units	863,942	919,844
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	529,261	(65,493)
- per unit	0.55	(0.10)
Average Number of Units	960,100	635,489

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	24,274,741	22,291,567
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,928,304	(576,205)
Premiums		
Series 5	2,481,806	1,559,196
Series 6	3,621,172	3,036,285
Series 7	607,441	454,788
Series 8*	2,710,842	4,269,522
	<u>9,421,261</u>	<u>9,319,791</u>
Withdrawals		
Series 5	(1,658,199)	(1,595,724)
Series 6	(2,402,457)	(4,492,135)
Series 7	(924,350)	(378,631)
Series 8*	(1,183,854)	(293,922)
	<u>(6,168,860)</u>	<u>(6,760,412)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	30,455,446	24,274,741

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,928,304	(576,205)
Adjustments for:		
Net realized (gain) loss	(62,809)	(41,401)
Net unrealized (gain) loss	(2,800,150)	1,559,417
Non-cash distribution from investments	(778,612)	(1,552,556)
Proceeds from sale/maturity of investments	2,879,830	1,871,437
Investments purchased	(5,321,637)	(3,833,096)
Receivable for securities sold	—	78
Accrued expenses	13,809	2,759
Payable for securities purchased	(194,727)	255,978
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(3,335,992)	(2,313,589)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,476,005	9,053,889
Amounts paid on withdrawals	(6,131,496)	(6,744,999)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	3,344,509	2,308,890
Increase (decrease) in cash/ bank overdraft	8,517	(4,699)
Cash (bank overdraft), beginning of year	655	5,354
CASH (BANK OVERDRAFT), END OF YEAR	9,172	655

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (99.9%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
SocieTerra Balanced Portfolio, I-Class	2,939,974	28,917,782	30,422,850
Total Investments		28,918,893	30,423,982
Other Net Assets (0.1%)			31,464
Net Assets (100%)			30,455,446

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	42.7%
Desjardins SocieTerra American Equity Fund, I-Class	12.8%
Desjardins SocieTerra Canadian Equity Fund, I-Class	12.1%
Desjardins SocieTerra International Equity Fund, I-Class	7.2%
Desjardins SocieTerra Global Bond Fund, I-Class	5.4%
Desjardins SocieTerra Environmental Bond Fund, I-Class	5.3%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	4.0%
Desjardins SocieTerra Positive Change Fund, I-Class	3.4%
Desjardins SocieTerra Cleantech Fund, I-Class	3.3%
Desjardins SocieTerra Environment Fund, I-Class	3.1%
Cash and Cash Equivalents	0.7%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve a balance between long-term capital appreciation and income by investing primarily in Canadian, and to a lesser extent, foreign equity and fixed-income securities and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income securities. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying funds as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (55%) and Growth (45%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
30,423,982	—	—	30,423,982
30,423,982	—	—	30,423,982

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
24,340,604	—	—	24,340,604
24,340,604	—	—	24,340,604

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (44%)	1.00	131,099	133,017
Bloomberg Barclays Multiverse Hedged (11%)	1.00	32,775	N/A
S&P/TSX (0%)	3.00	N/A	101,577
MSCI World Net (0%)	3.00	N/A	224,920
MSCI Canada (13.5%)	3.00	120,670	N/A
MSCI All Country World ex Canada IMI (31.5%)	3.00	281,564	N/A

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	5.84	5.24	5.38	5.19	5.08
Series 6	5.86	5.26	5.39	5.20	5.08
Series 7	5.99	5.35	5.45	5.23	5.09
Series 8*	5.54	4.95	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	8,643	6,999	7,226	7,124	7,056
Series 6	10,875	8,645	10,325	7,139	1,136
Series 7	4,972	4,720	4,741	1,380	21
Series 8*	5,966	3,910	—	—	—
Number of units outstanding (000)					
Series 5	1,481	1,335	1,342	1,371	1,389
Series 6	1,855	1,644	1,915	1,374	224
Series 7	829	883	869	264	4
Series 8*	1,077	789	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.82	2.81	2.81	2.81	2.81
Series 6	2.70	2.68	2.70	2.76	2.74
Series 7	2.12	2.13	2.11	2.30	2.30
Series 8*	2.38	2.42	—	—	—
Portfolio turnover rate ² (%)	10.38	7.89	6.94	7.74	9.64

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GROWTH – DESJARDINS SOCIETERRA*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	30.7%
Desjardins SocieTerra American Equity Fund, I-Class	16.9%
Desjardins SocieTerra Canadian Equity Fund, I-Class	15.9%
Desjardins SocieTerra International Equity Fund, I-Class	9.5%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	5.3%
Desjardins SocieTerra Positive Change Fund, I-Class	4.5%
Desjardins SocieTerra Cleantech Fund, I-Class	4.4%
Desjardins SocieTerra Environment Fund, I-Class	4.1%
Desjardins SocieTerra Global Bond Fund, I-Class	3.9%
Desjardins SocieTerra Environmental Bond Fund, I-Class	3.8%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,361	13.6%	11,361	13.6%	11,417	14.2%	11,396	14.0%
Since Inception	11,020	5.9%	11,020	5.9%	11,120	6.5%	11,100	6.4%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	12	—
Investments at fair value through profit or loss (FVTPL)	11,138,299	3,426,707
Premiums receivable	167,720	500
Receivable for securities sold	1,002	—
	<u>11,307,033</u>	<u>3,427,207</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	1
Accrued expenses	23,728	7,040
Withdrawals payable	10,627	2,700
Payable for securities purchased	141,251	250
	<u>175,606</u>	<u>9,991</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>11,131,427</u>	<u>3,417,216</u>
NET ASSETS PER UNIT		
Series 5	<u>5.51</u>	4.85
Series 6	<u>5.51</u>	4.85
Series 7	<u>5.56</u>	4.87
Series 8	<u>5.55</u>	4.87

STATEMENT OF COMPREHENSIVE INCOME

Periods Ended December 31

	2019	2018*
	(12 months)	(9 months)
	\$	\$
INCOME		
Distributions from underlying funds	14,749	220,290
Changes in fair value:		
Net realized gain (loss) on investments	2,742	217
Net unrealized gain (loss) on investments	856,163	(268,167)
	<u>873,654</u>	<u>(47,660)</u>
EXPENSES		
Management fees and guarantee charge	154,296	32,131
Operating expenses	14,018	2,913
	<u>168,314</u>	<u>35,044</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>705,340</u>	<u>(82,704)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	135,588	(18,433)
- per unit	0.56	(0.18)
Average Number of Units	243,247	101,022
SERIES 6		
Increase (Decrease) in Net Assets from Operations	286,480	(31,417)
- per unit	0.60	(0.22)
Average Number of Units	481,177	141,797
SERIES 7		
Increase (Decrease) in Net Assets from Operations	19,206	(3,556)
- per unit	0.69	(0.13)
Average Number of Units	28,000	28,000
SERIES 8		
Increase (Decrease) in Net Assets from Operations	264,066	(29,298)
- per unit	0.62	(0.27)
Average Number of Units	427,839	108,563

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>3,417,216</u>	<u>—</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>705,340</u>	<u>(82,704)</u>
Premiums		
Series 5	1,595,674	609,854
Series 6	5,041,480	1,654,957
Series 7	—	140,001
Series 8	<u>2,577,636</u>	<u>1,514,159</u>
	<u>9,214,790</u>	<u>3,918,971</u>
Withdrawals		
Series 5	(581,539)	(4,391)
Series 6	(1,509,095)	(365,180)
Series 7	—	—
Series 8	<u>(115,285)</u>	<u>(49,480)</u>
	<u>(2,205,919)</u>	<u>(419,051)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>11,131,427</u>	<u>3,417,216</u>

STATEMENT OF CASH FLOWS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	705,340	(82,704)
Adjustments for:		
Net realized (gain) loss	(2,742)	(217)
Net unrealized (gain) loss	(856,163)	268,167
Non-cash distribution from investments	(14,749)	(220,290)
Proceeds from sale/maturity of investments	160,067	27,630
Investments purchased	(6,998,005)	(3,501,997)
Receivable for securities sold	(1,002)	—
Accrued expenses	16,688	7,040
Payable for securities purchased	141,001	250
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(6,849,565)</u>	<u>(3,502,121)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,047,570	3,918,471
Amounts paid on withdrawals	(2,197,992)	(416,351)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>6,849,578</u>	<u>3,502,120</u>
Increase (decrease) in cash/ bank overdraft	13	(1)
Cash (bank overdraft), beginning of period	(1)	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>12</u>	<u>(1)</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.1%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
SocieTerra Growth Portfolio, I-Class	1,028,933	10,549,192	11,137,167
Total Investments		10,550,303	11,138,299
Other Net Assets (-0.1%)			(6,872)
Net Assets (100%)			11,131,427

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Desjardins SocieTerra Canadian Bond Fund, I-Class	30.7%
Desjardins SocieTerra American Equity Fund, I-Class	16.9%
Desjardins SocieTerra Canadian Equity Fund, I-Class	15.9%
Desjardins SocieTerra International Equity Fund, I-Class	9.5%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	5.3%
Desjardins SocieTerra Positive Change Fund, I-Class	4.5%
Desjardins SocieTerra Cleantech Fund, I-Class	4.4%
Desjardins SocieTerra Environment Fund, I-Class	4.1%
Desjardins SocieTerra Global Bond Fund, I-Class	3.9%
Desjardins SocieTerra Environmental Bond Fund, I-Class	3.8%
Cash and Cash Equivalents	1.0%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

DFS GIF – GROWTH – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide long-term capital appreciation and to a lesser extent, income. The Fund invests primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (40%) and Growth (60%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
11,138,299	—	—	11,138,299
11,138,299	—	—	11,138,299

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
3,426,707	—	—	3,426,707
3,426,707	—	—	3,426,707

Transfers between Levels 1 and 2

During the periods ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (32%)	1.00	35,621	13,669
Bloomberg Barclays Multiverse Hedged (8%)	1.00	8,905	N/A
S&P/TSX (0%)	3.00	N/A	18,453
MSCI World Net (0%)	3.00	N/A	43,057
MSCI Canada (18%)	3.00	60,110	N/A
MSCI All Country World ex Canada IMI (42%)	3.00	140,256	N/A

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH – DESJARDINS SOCIETERRA (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past two periods. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018*
Net Assets and Net Asset Value Per Unit (\$)		
Series 5	5.51	4.85
Series 6	5.51	4.85
Series 7	5.56	4.87
Series 8	5.55	4.87
Ratios and Supplemental Data		
Net Asset Value (\$000's)		
Series 5	1,737	587
Series 6	5,077	1,258
Series 7	156	136
Series 8	4,162	1,435
Number of units outstanding (000)		
Series 5	315	121
Series 6	921	259
Series 7	28	28
Series 8	750	295
Management expense ratio (MER) ¹ (%)		
Series 5	2.83	2.93
Series 6	2.85	2.81
Series 7	2.36	2.31
Series 8	2.42	2.48
Portfolio turnover rate ² (%)	2.54	1.46

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Desjardins SocieTerra American Equity Fund, I-Class	22.1%
Desjardins SocieTerra Canadian Equity Fund, I-Class	20.9%
Desjardins SocieTerra Canadian Bond Fund, I-Class	15.2%
Desjardins SocieTerra International Equity Fund, I-Class	12.5%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	7.0%
Desjardins SocieTerra Positive Change Fund, I-Class	5.9%
Desjardins SocieTerra Cleantech Fund, I-Class	5.8%
Desjardins SocieTerra Environment Fund, I-Class	5.4%
Desjardins SocieTerra Global Bond Fund, I-Class	1.9%
Desjardins SocieTerra Environmental Bond Fund, I-Class	1.9%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,615	16.1%	11,656	16.6%	11,691	16.9%	11,674	16.7%
Since Inception	11,220	7.1%	11,260	7.3%	11,340	7.8%	11,300	7.5%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	1,085	—
Investments at fair value through profit or loss (FVTPL)	2,061,418	1,090,547
Premiums receivable	380	116,391
Receivable for securities sold	—	16,154
	<u>2,062,883</u>	<u>1,223,092</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	5,035	2,562
Withdrawals payable	349	132,741
Payable for securities purchased	455	50
	<u>5,839</u>	<u>135,353</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,057,044</u>	<u>1,087,739</u>
NET ASSETS PER UNIT		
Series 5	<u>5.61</u>	4.83
Series 6	<u>5.63</u>	4.83
Series 7	<u>5.67</u>	4.85
Series 8	<u>5.65</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME

Periods Ended December 31

	2019	2018*
	(12 months)	(9 months)
	\$	\$
INCOME		
Distributions from underlying funds	22	86,776
Changes in fair value:		
Net realized gain (loss) on investments	4,728	(1,220)
Net unrealized gain (loss) on investments	<u>292,386</u>	<u>(112,880)</u>
	<u>297,136</u>	<u>(27,324)</u>
EXPENSES		
Management fees and guarantee charge	48,278	13,526
Operating expenses	4,059	1,166
	<u>52,337</u>	<u>14,692</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>244,799</u>	<u>(42,016)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	30,697	(6,361)
- per unit	<u>0.78</u>	<u>(0.19)</u>
Average Number of Units	<u>39,499</u>	<u>34,266</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	150,310	(24,693)
- per unit	<u>0.70</u>	<u>(0.45)</u>
Average Number of Units	<u>215,005</u>	<u>55,401</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	23,132	(4,293)
- per unit	<u>0.83</u>	<u>(0.15)</u>
Average Number of Units	<u>28,000</u>	<u>28,000</u>
SERIES 8		
Increase (Decrease) in Net Assets from Operations	40,660	(6,669)
- per unit	<u>0.82</u>	<u>(0.22)</u>
Average Number of Units	<u>49,818</u>	<u>30,783</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	1,087,739	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	244,799	(42,016)
Premiums		
Series 5	29,415	181,937
Series 6	833,102	564,561
Series 7	—	140,001
Series 8	26,586	495,548
	889,103	1,382,047
Withdrawals		
Series 5	(20,709)	—
Series 6	(114,268)	(3,612)
Series 7	—	—
Series 8	(29,620)	(248,680)
	(164,597)	(252,292)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	2,057,044	1,087,739

STATEMENT OF CASH FLOWS

Periods Ended December 31

	2019 (12 months) \$	2018* (9 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	244,799	(42,016)
Adjustments for:		
Net realized (gain) loss	(4,728)	1,220
Net unrealized (gain) loss	(292,386)	112,880
Non-cash distribution from investments	(22)	(86,776)
Proceeds from sale/maturity of investments	165,012	34,125
Investments purchased	(838,747)	(1,151,996)
Receivable for securities sold	16,154	(16,154)
Accrued expenses	2,473	2,562
Payable for securities purchased	405	50
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(707,040)	(1,146,105)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,005,114	1,265,656
Amounts paid on withdrawals	(296,989)	(119,551)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	708,125	1,146,105
Increase (decrease) in cash/ bank overdraft	1,085	—
Cash (bank overdraft), beginning of period	—	—
CASH (BANK OVERDRAFT), END OF PERIOD	1,085	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
SocieTerra Maximum Growth Portfolio, I-Class	189,417	1,880,803	2,060,286
Total Investments		1,881,914	2,061,418
Other Net Assets (-0.2%)			(4,374)
Net Assets (100%)			2,057,044

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Desjardins SocieTerra American Equity Fund, I-Class	22.1%
Desjardins SocieTerra Canadian Equity Fund, I-Class	20.9%
Desjardins SocieTerra Canadian Bond Fund, I-Class	15.2%
Desjardins SocieTerra International Equity Fund, I-Class	12.5%
Desjardins SocieTerra Emerging Markets Equity Fund, I-Class	7.0%
Desjardins SocieTerra Positive Change Fund, I-Class	5.9%
Desjardins SocieTerra Cleantech Fund, I-Class	5.8%
Desjardins SocieTerra Environment Fund, I-Class	5.4%
Desjardins SocieTerra Global Bond Fund, I-Class	1.9%
Desjardins SocieTerra Environmental Bond Fund, I-Class	1.9%
Cash and Cash Equivalents	1.4%
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	0.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve long-term capital appreciation. The Fund invests primarily in Canadian, and to a lesser extent, foreign equity and fixed-income bonds and/or in units of mutual funds which themselves invest primarily in Canadian or foreign equity and fixed-income bonds. The Fund follows a responsible approach to investing.

Strategy of the Fund

To reach the Fund's investment objective, selection of the securities and/or the underlying fund as well as the percentage of the assets that will be invested in each of these securities or underlying funds will be based on the following target weightings: Fixed-income (20%) and Growth (80%).

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2,061,418	—	—	2,061,418
2,061,418	—	—	2,061,418

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
1,090,547	—	—	1,090,547
1,090,547	—	—	1,090,547

Transfers between Levels 1 and 2

During the periods ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (16%)	1.00	3,291	2,175
Bloomberg Barclays Multiverse Hedged (4%)	1.00	823	N/A
S&P/TSX (0%)	3.00	N/A	7,832
MSCI World Net (0%)	3.00	N/A	18,274
MSCI Canada (24%)	3.00	14,811	N/A
MSCI All Country World ex Canada IMI (56%)	3.00	34,558	N/A

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past two periods. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018*
Net Assets and Net Asset Value Per Unit (\$)		
Series 5	5.61	4.83
Series 6	5.63	4.83
Series 7	5.67	4.85
Series 8	5.65	4.84
Ratios and Supplemental Data		
Net Asset Value (\$000's)		
Series 5	215	176
Series 6	1,405	536
Series 7	159	136
Series 8	278	240
Number of units outstanding (000)		
Series 5	38	36
Series 6	250	111
Series 7	28	28
Series 8	49	50
Management expense ratio (MER)¹ (%)		
Series 5	3.16	3.09
Series 6	3.02	2.98
Series 7	2.53	2.48
Series 8	2.70	2.64
Portfolio turnover rate² (%)	9.42	4.55

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher a Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the period. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

Individual Funds

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – MONEY MARKET*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Province of Alberta, 1.8415%, March 16, 2020	13.6%
Gaz Metropolitain, 1.5200%, May 25, 2020	7.7%
Royal Bank of Canada, 2.0300%, March 15, 2021	6.4%
STM, commercial paper, February 13, 2020	6.3%
John Deere, floating rate, September 21, 2020	5.5%
C.I.B.C., floating rate, December 8, 2020	4.9%
Scotiabank, 3.2700%, January 11, 2021	4.4%
National Bank of Canada, floating rate, June 12, 2020	3.5%
Daimler Canada Finance, 1.732%, February 24, 2020	3.4%
Royal Bank of Canada, 2.00375%, July 28, 2020	3.4%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,046	0.5%	10,030	0.3%	10,073	0.7%	10,099	1.0%	10,135	1.3%
3 Years	9,992	—	9,991	—	10,093	0.3%	10,167	0.6%	10,330	1.1%
5 Years	9,908	-0.2%	9,909	-0.2%	10,077	0.2%	10,209	0.4%	10,473	0.9%
10 Years	9,727	-0.3%	9,723	-0.3%	10,050	0.1%	—	—	—	—
Since Inception	13,160	1.1%	12,092	0.9%	10,302	0.2%	10,220	0.4%	10,540	0.9%

	Series 8**		Series IGP	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,139	1.4%	10,040	0.4%
3 Years	—	—	10,003	—
5 Years	—	—	9,933	-0.1%
10 Years	—	—	—	—
Since Inception	10,200	1.2%	9,930	-0.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	—	121,922
Investments at fair value through profit or loss (FVTPL)	41,283,543	32,017,137
Premiums receivable	377,879	363,411
	41,661,422	32,502,470
LIABILITIES		
Current Liabilities		
Bank overdraft	159,638	—
Accrued expenses	41,170	31,471
Withdrawals payable	139,143	204,967
	339,951	236,438
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	41,321,471	32,266,032
NET ASSETS PER UNIT		
Series 1	6.58	6.55
Series 3	6.59	6.57
Series 5	6.86	6.81
Series 6	5.11	5.06
Series 7	5.27	5.20
Series 8	5.10	5.03
Series IGP	9.93	9.89

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	322	125
Distributions from underlying funds	682,207	576,218
Changes in fair value:		
Net realized gain (loss) on investments	157,358	243,068
Net unrealized gain (loss) on investments	(164,088)	(269,568)
	675,799	549,843
EXPENSES		
Management fees and guarantee charge	273,097	267,333
Operating expenses	126,341	123,305
	399,438	390,638
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	276,361	159,205
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	1,145	189
- per unit	0.02	—
Average Number of Units	47,074	61,168
SERIES 3		
Increase (Decrease) in Net Assets from Operations	7,271	1,148
- per unit	0.02	—
Average Number of Units	315,161	309,188
SERIES 5		
Increase (Decrease) in Net Assets from Operations	94,648	54,825
- per unit	0.05	0.03
Average Number of Units	2,010,264	2,063,465
SERIES 6		
Increase (Decrease) in Net Assets from Operations	93,182	66,400
- per unit	0.05	0.03
Average Number of Units	1,926,072	2,081,658
SERIES 7		
Increase (Decrease) in Net Assets from Operations	16,175	18,438
- per unit	0.08	0.06
Average Number of Units	203,884	303,016
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	58,794	16,453
- per unit	0.06	0.04
Average Number of Units	918,048	426,822
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	5,146	1,752
- per unit	0.04	0.01
Average Number of Units	119,130	135,555

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – MONEY MARKET (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	32,266,032	33,515,393
Increase (Decrease) in Net Assets from operations attributable to contract owners	276,361	159,205
Premiums		
Series 1	164,675	54,733
Series 3	1,134,862	802,512
Series 5	17,364,550	5,811,427
Series 6	7,744,399	8,737,153
Series 7	1,255,505	1,869,301
Series 8*	9,087,428	5,072,272
Series IGP	6,780	58,676
	36,758,199	22,406,074
Withdrawals		
Series 1	(190,877)	(131,770)
Series 3	(1,210,386)	(927,502)
Series 5	(10,635,507)	(7,820,817)
Series 6	(8,081,704)	(10,918,198)
Series 7	(1,893,206)	(2,016,042)
Series 8*	(5,706,342)	(1,915,307)
Series IGP	(261,099)	(85,004)
	(27,979,121)	(23,814,640)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	41,321,471	32,266,032

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	276,361	159,205
Adjustments for:		
Net realized (gain) loss	(157,358)	(243,068)
Net unrealized (gain) loss	164,088	269,568
Non-cash distribution from investments	(682,207)	(576,218)
Proceeds from sale/maturity of investments	15,166,512	14,437,567
Investments purchased	(23,757,441)	(12,393,942)
Accrued expenses	9,699	(3,942)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(8,980,346)	1,649,170
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	36,743,731	22,376,693
Amounts paid on withdrawals	(28,044,945)	(23,935,184)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	8,698,786	(1,558,491)
Increase (decrease) in cash/ bank overdraft	(281,560)	90,679
Cash (bank overdraft), beginning of year	121,922	31,243
CASH (BANK OVERDRAFT), END OF YEAR	(159,638)	121,922
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	246	131
Interest paid	—	6

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (99.9%)			
DGIA Money Market Fund	4,316,881	41,056,722	41,283,543
Total Investments		41,056,722	41,283,543
Other Net Assets (0.1%)			37,928
Net Assets (100%)			41,321,471

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Province of Alberta, 1.8415%, March 16, 2020	13.6%
Gaz Metropolitain, 1.5200%, May 25, 2020	7.7%
Royal Bank of Canada, 2.0300%, March 15, 2021	6.4%
STM, commercial paper, February 13, 2020	6.3%
John Deere, floating rate, September 21, 2020	5.5%
C.I.B.C., floating rate, December 8, 2020	4.9%
Scotiabank, 3.2700%, January 11, 2021	4.4%
National Bank of Canada, floating rate, June 12, 2020	3.5%
Daimler Canada Finance, 1.732%, February 24, 2020	3.4%
Royal Bank of Canada, 2.00375%, July 28, 2020	3.4%
Daimler Canada Finance, 1.5700%, May 25, 2020	3.4%
BMW Canada Inc., 1.8800%, December 11, 2020	3.4%
Altalink L.P., commercial paper, March 2, 2020	3.4%
Toyota Credit, July 24, 2020	3.1%
Scotiabank, January 12, 2020	2.8%
Altalink L.P., commercial paper, January 29, 2020	2.4%
Toronto-Dominion Bank, 1.9128%, October 2, 2020	2.4%
TMX Group, commercial paper, January 13, 2020	2.0%
Banque Nova Scotia, April 1, 2020	1.8%
C.I.B.C., January 9, 2020	1.5%
TDBA, January 10, 2020	1.5%
TMX Ltd, commercial paper, February 19, 2020	1.5%
Toyota Credit, October 13, 2020	1.5%
Province of Ontario Provincial T-Bill, October 14, 2020	1.2%
Toronto-Dominion Bank, April 29, 2020	1.1%

DFS GIF – MONEY MARKET (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide a higher level of interest income than can normally be obtained from savings accounts, combined with a high level of liquidity and safety of capital.

Strategy of the Fund

To invest primarily in Canadian government treasury bills and in bankers' acceptances, which have a maximum maturity of 12 months. The Fund's modified duration may not exceed 180 days.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	41,283,543	—	41,283,543
—	41,283,543	—	41,283,543

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	32,017,137	—	32,017,137
—	32,017,137	—	32,017,137

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills	0.25	66,469	37,154

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – MONEY MARKET (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 1	6.58	6.55	6.55	6.59	6.61
Series 3	6.59	6.57	6.56	6.60	6.62
Series 5	6.86	6.81	6.78	6.80	6.80
Series 6	5.11	5.06	5.03	5.03	5.01
Series 7	5.27	5.20	5.13	5.10	5.06
Series 8*	5.10	5.03	—	—	—
Series IGP	9.93	9.89	9.88	9.93	9.96
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	342	367	444	388	453
Series 3	1,791	1,859	1,983	2,273	3,232
Series 5	20,377	13,554	15,508	18,941	20,390
Series 6	10,034	10,278	12,393	10,738	8,515
Series 7	1,089	1,711	1,839	2,503	821
Series 8*	6,613	3,173	—	—	—
Series IGP	1,075	1,324	1,349	1,478	1,706
Number of units outstanding (000)					
Series 1	52	56	68	59	69
Series 3	272	283	302	345	488
Series 5	2,972	1,990	2,287	2,787	2,999
Series 6	1,964	2,030	2,465	2,137	1,698
Series 7	207	329	358	491	162
Series 8*	1,297	630	—	—	—
Series IGP	108	134	137	149	171
Management expense ratio (MER)¹ (%)					
Series 1	1.72	1.73	1.72	1.72	1.72
Series 3	1.73	1.73	1.73	1.71	1.72
Series 5	1.39	1.39	1.38	1.38	1.39
Series 6	1.13	1.13	1.13	1.12	1.10
Series 7	0.59	0.59	0.58	0.61	0.63
Series 8*	0.80	0.79	—	—	—
Series IGP	1.66	1.66	1.65	1.66	1.66
Portfolio turnover rate ² (%)	45.99	41.40	39.94	43.22	27.15

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – INCOME – FIERA CAPITAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2019

Security Name	Percentage
Fiera Active Short Term Canadian Municipal Bond	36.1%
Province of Ontario, 2.700%, June 2, 2029	18.8%
Government of Canada, Series E679, 1.500%, June 1, 2026	6.8%
Province of Ontario, 2.650%, December 2, 2050	3.5%
TCHC Issuer Trust, Series B, 5.395%, February 22, 2040	1.7%
Royal Bank of Canada, 2.740%, (floating rate from 2024-07-25), July 25, 2025	1.6%
Health Montréal Collective, Private Placement, Series 144A, 6.721%, September 30, 2049	1.6%
Royal Office Finance, Series A, 5.209%, November 12, 2032	1.5%
Bank of Montreal, 2.700%, September 11, 2024	1.4%
Government of Canada, 2.000%, June 1, 2028	1.3%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,374	3.7%	10,418	4.2%	10,470	4.7%	10,486	4.9%	10,547	5.5%
3 Years	10,215	0.7%	10,330	1.1%	10,525	1.7%	10,583	1.9%	10,755	2.5%
5 Years	10,136	0.3%	10,315	0.6%	10,648	1.3%	10,748	1.5%	11,026	2.0%
10 Years	11,715	1.6%	12,105	1.9%	12,887	2.6%	—	—	—	—
Since Inception	20,500	3.0%	17,763	2.8%	14,431	3.1%	11,220	2.0%	11,560	2.5%

	Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,531	5.3%
3 Years	—	—
5 Years	—	—
10 Years	—	—
Since Inception	10,700	4.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – INCOME – FIERA CAPITAL (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	17,855	—
Investments at fair value through profit or loss (FVTPL)	52,004,285	51,475,734
Investments at fair value through profit or loss (FVTPL) pledged as collateral	19,051,754	17,570,073
Premiums receivable	66,620	125,568
Cash guarantee received for repurchase transactions	18,162,916	16,498,533
Interest, dividends and other receivables	207,095	233,932
	<u>89,510,525</u>	<u>85,903,840</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	24,852
Accrued expenses	115,619	114,256
Withdrawals payable	231,147	234,326
Commitments related to repurchase transactions	18,162,916	16,498,533
	<u>18,509,682</u>	<u>16,871,967</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>71,000,843</u>	<u>69,031,873</u>
NET ASSETS PER UNIT		
Series 1	<u>10.25</u>	9.88
Series 3	<u>10.96</u>	10.52
Series 5	<u>11.81</u>	11.28
Series 6	<u>5.61</u>	5.35
Series 7	<u>5.78</u>	5.48
Series 8	<u>5.35</u>	5.08

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	1,532,827	1,549,693
Distributions from underlying funds	542,475	519,179
Revenue from securities lending activities	20,204	23,329
Changes in fair value:		
Net realized gain (loss) on investments	2,254,741	934,355
Net unrealized gain (loss) on investments	369,866	(1,867,517)
	<u>4,720,113</u>	<u>1,159,039</u>
EXPENSES		
Management fees and guarantee charge	976,621	1,025,844
Operating expenses	435,794	472,136
	<u>1,412,415</u>	<u>1,497,980</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,307,698</u>	<u>(338,941)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	36,605	(17,941)
- per unit	0.38	(0.16)
Average Number of Units	96,563	115,679
SERIES 3		
Increase (Decrease) in Net Assets from Operations	259,027	(71,982)
- per unit	0.47	(0.11)
Average Number of Units	552,617	646,219
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,403,647	(262,519)
- per unit	0.55	(0.05)
Average Number of Units	4,336,639	5,002,664
SERIES 6		
Increase (Decrease) in Net Assets from Operations	379,280	(41,288)
- per unit	0.25	(0.03)
Average Number of Units	1,547,713	1,511,451
SERIES 7		
Increase (Decrease) in Net Assets from Operations	111,684	17,222
- per unit	0.24	0.04
Average Number of Units	467,395	463,409
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	117,455	37,567
- per unit	0.22	0.10
Average Number of Units	535,011	374,494

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	69,031,873	84,086,303
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,307,698	(338,941)
Premiums		
Series 1	41,102	6,884
Series 3	455,379	376,958
Series 5	7,827,413	4,827,250
Series 6	3,761,004	2,310,663
Series 7	3,076,976	1,389,664
Series 8*	2,042,546	3,209,598
	17,204,420	12,121,017
Withdrawals		
Series 1	(158,449)	(273,146)
Series 3	(1,643,182)	(1,591,724)
Series 5	(12,852,134)	(17,330,286)
Series 6	(1,898,372)	(4,844,782)
Series 7	(1,202,279)	(1,740,366)
Series 8*	(788,732)	(1,056,202)
	(18,543,148)	(26,836,506)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	71,000,843	69,031,873

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,307,698	(338,941)
Adjustments for:		
Net realized (gain) loss	(2,254,741)	(934,355)
Net unrealized (gain) loss	(369,866)	1,867,517
Non-cash distribution from investments	(542,475)	(519,179)
Proceeds from sale/maturity of investments	151,474,250	118,882,854
Investments purchased	(150,317,343)	(104,366,589)
Cash guarantee received for repurchase transactions	(1,664,383)	(6,254,413)
Interest, dividends and other receivables	26,837	137,958
Accrued expenses	1,363	(27,166)
Commitments related to repurchase transactions	1,664,383	6,254,413
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,325,723	14,702,099
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	17,263,368	12,078,027
Amounts paid on withdrawals	(18,546,327)	(26,795,303)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,282,959)	(14,717,276)
Effect of exchange rate changes on foreign cash	(57)	91
Increase (decrease) in cash/ bank overdraft	42,707	(15,086)
Cash (bank overdraft), beginning of year	(24,852)	(9,766)
CASH (BANK OVERDRAFT), END OF YEAR	17,855	(24,852)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,559,446	1,687,867
Interest paid	16	246

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INCOME – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Bonds (63.8%)				
Government of Canada (15.1%)				
Canada Housing Trust				
Series 64, 1.200%, 2020-06-15*	CAD	860,000	857,650	857,830
Series 71, 1.250%, 2021-06-15	CAD	691,000	687,283	685,813
Government of Canada				
2.750%, 2022-06-01	CAD	367,000	376,920	376,167
2.500%, 2024-06-01	CAD	619,000	640,003	640,436
Series E679, 1.500%, 2026-06-01*	CAD	4,860,000	4,817,566	4,804,587
1.000%, 2027-06-01*	CAD	734,000	708,744	697,455
2.000%, 2028-06-01*	CAD	919,000	957,636	939,232
Series WL43, 5.750%, 2029-06-01	CAD	478,000	649,153	643,728
2.750%, 2048-12-01*	CAD	11,000	13,499	13,454
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	869,812	788,859	1,067,326
			10,497,313	10,726,028
Provincial Governments and Crown Corporations (32.2%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	362,000	362,000	404,751
Hydro-Québec				
stripped, 2029-02-15	CAD	29,000	22,234	23,326
stripped, 2029-08-15	CAD	29,000	21,876	23,042
stripped, 2030-02-15	CAD	28,000	20,815	21,882
stripped, 2030-08-15	CAD	27,000	19,534	20,812
stripped, 2031-02-15	CAD	27,000	19,412	20,511
stripped, 2031-08-15	CAD	26,000	18,200	19,431
stripped, 2032-02-15	CAD	26,000	18,129	19,152
stripped, 2032-08-15	CAD	26,000	17,585	18,884
Ontario Infrastructure				
4.700%, 2037-06-01	CAD	80,000	71,858	102,006
Ontario School Boards Financing, Private Placement				
Series 06A1, 5.070%, 2031-04-18	CAD	429,163	385,012	485,882
Ornge Issuer Trust				
5.727%, 2034-06-11	CAD	193,344	177,028	224,767
Province of Alberta				
2.900%, 2028-12-01*	CAD	715,000	741,334	745,819
3.300%, 2046-12-01	CAD	29,000	30,458	32,665
3.050%, 2048-12-01	CAD	185,000	183,500	201,021
Province of Manitoba				
3.000%, 2028-06-02	CAD	190,000	191,858	199,297
3.400%, 2048-09-05	CAD	305,000	309,103	352,026
Province of New Brunswick				
3.100%, 2048-08-14	CAD	102,000	103,086	109,775
3.050%, 2050-08-14	CAD	100,000	99,477	107,185
Province of Newfoundland and Labrador				
3.700%, 2048-10-17	CAD	260,000	278,603	301,776
Province of Ontario				
2.900%, 2028-06-02	CAD	600,000	631,860	628,152
2.700%, 2029-06-02*	CAD	12,945,000	13,510,012	13,382,790
4.600%, 2039-06-02	CAD	77,000	102,054	101,166
2.800%, 2048-06-02	CAD	717,000	768,420	759,630
2.650%, 2050-12-02*	CAD	2,373,000	2,487,687	2,454,671

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Provincial Governments and Crown Corporations (continued)				
Province of Saskatchewan				
3.900%, 2045-06-02	CAD	271,000	320,631	335,054
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	287,000	238,639	364,172
Series B, 5.395%, 2040-02-22	CAD	884,000	879,524	1,215,083
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	178,000	178,000	199,085
			22,207,929	22,873,813
Corporations (16.5%)				
Bank of Montreal				
2.700%, 2024-09-11	CAD	987,000	1,000,748	1,005,742
Bell Canada				
Series M45, 4.450%, 2047-02-27	CAD	370,000	387,133	409,466
Canadian National Railway Company				
3.600%, 2049-02-08	CAD	111,000	120,889	121,871
3.050%, 2050-02-08	CAD	155,000	153,973	154,389
CU				
4.543%, 2041-10-24	CAD	187,000	208,646	231,110
4.085%, 2044-09-02	CAD	125,000	133,320	146,976
3.964%, 2045-07-27	CAD	131,000	135,818	152,015
3.763%, 2046-11-19	CAD	129,000	130,004	145,715
Enbridge				
3.200%, 2027-06-08*	CAD	140,000	131,744	142,502
3.520%, 2029-02-22*	CAD	263,000	262,890	276,739
2.990%, 2029-10-03	CAD	458,000	457,684	451,980
4.570%, 2044-03-11	CAD	8,000	7,419	8,766
Enbridge Pipelines				
4.550%, 2045-09-29	CAD	68,000	78,123	77,997
EPCOR Utilities				
3.949%, 2048-11-26	CAD	14,000	16,346	16,335
Great-West Lifeco				
3.337%, 2028-02-28	CAD	444,000	444,000	467,501
5.998%, 2039-11-16	CAD	103,000	136,278	145,538
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	816,000	941,532	1,123,347
Hydro One				
6.930%, 2032-06-01	CAD	60,000	85,864	85,297
5.000%, 2046-10-19	CAD	41,000	55,767	55,577
3.630%, 2049-06-25	CAD	160,000	159,501	177,695
iA Financial Group				
3.072%, (floating rate from 2026-09-24), 2031-09-24	CAD	266,000	266,000	267,221
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	188,338	174,079	240,368
Laurentian Bank of Canada				
2.750%, 2021-04-22	CAD	5,000	4,989	5,026
Melancthon Wolfe Wind				
3.834%, 2028-12-31	CAD	154,550	154,569	157,253
National Bank of Canada				
2.580%, 2025-02-03	CAD	333,000	332,990	333,195

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INCOME – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Corporations (continued)				
North Battleford Power				
Series A, 4.958%, 2032-12-31	CAD	208,865	199,096	232,804
North West Redwater Partnership				
Series E, 3.200%, 2026-04-24	CAD	64,000	63,864	65,900
Series F, 4.250%, 2029-06-01	CAD	203,000	202,436	224,078
Pembina Pipeline				
Series 12, 3.620%, 2029-04-03	CAD	298,000	297,902	305,811
Series 4, 4.810%, 2044-03-25	CAD	19,000	19,463	20,968
Series 9, 4.740%, 2047-01-21	CAD	180,000	196,479	197,775
Series 11, 4.750%, 2048-03-26	CAD	51,000	52,617	56,241
Royal Bank of Canada				
2.740%, (floating rate from 2024-07-25), 2025-07-25*	CAD	1,159,000	1,157,632	1,155,287
SGTP Highway Bypass				
Series A, 4.105%, 2045-01-31	CAD	435,000	435,000	467,753
Sinai Health System				
Series A, 3.527%, 2056-06-09	CAD	151,000	151,000	167,026
SmartCentres Real Estate Investment Trust				
Series U, 3.526%, 2029-12-20	CAD	388,000	388,000	390,836
TELUS				
Series CY, 3.300%, 2029-05-02	CAD	342,000	339,178	347,089
Series CAA, 3.150%, 2030-02-19	CAD	121,000	120,575	120,668
Series CAB, 3.950%, 2050-02-16	CAD	118,000	117,002	117,528
Teranet Income Fund				
5.754%, 2040-12-17	CAD	325,000	315,433	358,285
6.100%, 2041-06-17	CAD	596,000	577,526	686,018
Toronto Hydro				
Series 15, 2.990%, 2049-12-10	CAD	50,000	49,980	50,301
Toronto-Dominion Bank				
3.224%, (floating rate from 2024-07-25), 2029-07-25	CAD	23,000	23,470	23,434
TransCanada PipeLines				
Series 17-A, 4.650%, (floating rate from 2027-05-18), 2077-05-18	CAD	333,000	332,846	323,587
			11,019,805	11,711,010
			43,725,047	45,310,851
Total Bonds				
NUMBER OF UNITS				
Investment Funds (36.2%)				
Fiera Active Short Term Canadian Municipal Bond		2,538,646	25,449,405	25,660,380
PAR VALUE				
Money Market Securities (0.1%)				
Canada Treasury Bills				
2020-02-20	CAD	85,000	84,808	84,808
Total Investments (100.1%)			69,259,260	71,056,039
Other Net Assets (-0.1%)				(55,196)
Net Assets (100%)				71,000,843

* Securities pledged as collateral, in part or in whole, through the securities lending program.

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Fiera Active Short Term Canadian Municipal Bond	36.1%
Province of Ontario, 2.700%, June 2, 2029	18.8%
Government of Canada, Series E679, 1.500%, June 1, 2026	6.8%
Province of Ontario, 2.650%, December 2, 2050	3.5%
TCHC Issuer Trust, Series B, 5.395%, February 22, 2040	1.7%
Royal Bank of Canada, 2.740%, (floating rate from 2024-07-25), July 25, 2025	1.6%
Health Montréal Collective, Private Placement, Series 144A, 6.721%, September 30, 2049	1.6%
Royal Office Finance, Series A, 5.209%, November 12, 2032	1.5%
Bank of Montreal, 2.700%, September 11, 2024	1.4%
Government of Canada, 2.000%, June 1, 2028	1.3%
Canada Housing Trust, Series 64, 1.200%, June 15, 2020	1.2%
Province of Ontario, 2.800%, June 2, 2048	1.1%
Province of Alberta, 2.900%, December 1, 2028	1.1%
Government of Canada, 1.000%, June 1, 2027	1.0%
Teranet Income Fund, 6.100%, June 17, 2041	1.0%
Canada Housing Trust, Series 71, 1.250%, June 15, 2021	1.0%
Government of Canada, Series WL43, 5.750%, June 1, 2029	0.9%
Government of Canada, 2.500%, June 1, 2024	0.9%
Province of Ontario, 2.900%, 2028-06-02	0.9%
Ontario School Boards Financing, Private Placement, Series 06A1, 5.070%, April 18, 2031	0.7%
SGTP Highway Bypass, Series A, 4.105%, January 31, 2045	0.7%
Great-West Lifeco, 3.337%, February 28, 2028	0.7%
Enbridge, 2.990%, October 3, 2029	0.6%
Bell Canada, Series M45, 4.450%, February 27, 2047	0.6%
Hospital for Sick Children, Series B, 3.416%, December 7, 2057	0.6%

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide above-average interest income with some potential for capital growth by investing primarily in bonds and other interest-bearing instruments of Canadian federal and provincial governments and investment-grade corporations.

Strategy of the Fund

To place emphasis primarily on medium and long-term maturities. Such maturities normally provide higher returns and better potential for capital gains but also higher variability of performance during periods of rapidly changing interest rates.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Bonds	32,285,356	13,025,495	—	45,310,851
Investment Funds	—	25,660,380	—	25,660,380
Money Market Securities	84,808	—	—	84,808
TOTAL	32,370,164	38,685,875	—	71,056,039

December 31, 2018

Financial Assets at FVTPL

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Bonds	34,354,031	13,090,857	—	47,444,888
Investment Funds	—	21,541,093	—	21,541,093
Money Market Securities	59,826	—	—	59,826
TOTAL	34,413,857	34,631,950	—	69,045,807

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Currency Risk**

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk.

As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2019 and 2018, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Interest Rate Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Contract Owners, had prevailing interest rates changed by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Total	Impact on Net Assets Attributable to Contract Owners
	\$	\$	\$	\$	\$	\$
December 31, 2019	960,493	3,891,905	25,841,120	14,719,996	45,413,514	1,259,748
December 31, 2018	3,939,008	10,261,268	11,138,430	22,141,156	47,479,862	867,952

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Concentration Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The following tables summarize the concentration risk, as a percentage of the Net Assets Attributable to Contract Owners:

December 31, 2019		December 31, 2018	
Market Segment	%	Market Segment	%
Bonds		Canadian Bonds	
Provincial Governments and Crown Corporations	32.2	Provincial Governments and Crown Corporations	30.3
Corporations	16.5	Government of Canada	21.7
Government of Canada	15.1	Corporations	16.6
Income Investment Funds	36.2	U.S. Bonds	0.1
Money Market Securities	0.1	Income Investment Funds	31.2
Other Net Assets	(0.1)	Money Market Securities	0.1
TOTAL	100	TOTAL	100

Price Risk

The Fund may trade in financial instruments and take positions in over-the-counter instruments.

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

Benchmarks	Change in Price	Impact on Net Assets Attributable to Contract Owners	
	%	December 31, 2019	December 31, 2018
FTSE Canada Universe Bond	1.00	685,052	684,382

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Credit Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Fund's credit risk is mainly concentrated in fixed-income securities. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Portfolio's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed Income Securities	
	December 31, 2019	December 31, 2018
	%	%
AAA	24	32
AA	48	44
A	14	12
BBB	14	12
TOTAL	100	100

Securities Lending and Repurchase Transactions

As part of its securities lending against cash and repurchase transactions, the Fund is exposed to counterparty credit risk.

The carrying amount of financial assets lent part of repurchase transaction is:

	\$
December 31, 2019	18,058,679
December 31, 2018	16,489,369

As part of its reverse repurchase transactions, the Fund is permitted to sell or repledge in the absence of default the financial assets held as collateral.

The fair value of those financial assets is:

	\$
December 31, 2019	1,620,954
December 31, 2018	3,005,361

The fair value of financial assets accepted as collateral which have been sold or repledged totalled:

	\$
December 31, 2019	—
December 31, 2018	128,470

These financial assets were received as collateral as part of transactions involving reverse repurchase agreements.

Liquidity Risk

Part of the Fund's Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

DERECOGNITION OF FINANCIAL ASSETS

Securities Lending and Repurchase Transactions

As part of transactions involving securities lending or repurchase transactions, the Fund transfers financial assets under terms and conditions providing for their future repurchase. These financial assets remain recognized in the "Investments at fair value through profit or loss pledged as collateral" of the Statement of Financial Position as the Fund retains substantially all the risks and rewards related to these assets.

	December 31, 2019	December 31, 2018
	\$	\$
Investments at FVTPL pledged as collateral	19,051,754	17,570,073
Value of Collateral received	19,434,931	17,922,344

The Funds require collateral in the form of cash or such other securities as may be acceptable to Desjardins Financial Security and that have an aggregate value of no less than 102% of the loaned securities fair value.

The following table presents the carrying amount and the fair value of financial assets transferred by the Fund but not derecognized as well as the related liabilities recognized in "Commitments related to repurchase transactions" and "Commitments related to securities lending" of the Statement of Financial Position.

	December 31, 2019	December 31, 2018
	Fair Value*	Fair Value*
	\$	\$
Financial assets	18,058,679	16,489,369
Related liabilities	18,162,916	16,498,533

* The fair value equals carrying amount.

RECONCILIATION OF INCOME FROM SECURITIES LENDING ACTIVITIES (Note 2)

The following table shows a reconciliation of the total income generated from securities lending transactions of the Fund and the revenue from securities lending activities disclosed in the Fund's Statement of Comprehensive Income.

	December 31, 2019		December 31, 2018	
	\$	%	\$	%
Total Income	33,673	100	38,882	100
Net Income received by the Fund	20,204	60	23,329	60
Net Income received by Desjardins Trust	13,469	40	15,553	40

DFS GIF – INCOME – FIERA CAPITAL (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 1	10.25	9.88	10.01	10.03	10.15
Series 3	10.96	10.52	10.62	10.61	10.69
Series 5	11.81	11.28	11.31	11.22	11.24
Series 6	5.61	5.35	5.35	5.30	5.30
Series 7	5.78	5.48	5.46	5.37	5.34
Series 8*	5.35	5.08	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	944	1,025	1,309	1,967	2,593
Series 3	5,395	6,323	7,610	9,265	11,430
Series 5	48,247	50,868	63,634	76,630	87,237
Series 6	9,366	7,124	9,699	9,559	5,805
Series 7	3,487	1,500	1,834	1,124	291
Series 8*	3,562	2,191	—	—	—
Number of units outstanding (000)					
Series 1	92	104	131	196	256
Series 3	492	601	716	873	1,069
Series 5	4,084	4,511	5,627	6,829	7,765
Series 6	1,669	1,332	1,813	1,803	1,096
Series 7	603	274	336	209	54
Series 8*	665	431	—	—	—
Management expense ratio (MER)¹ (%)					
Series 1	2.98	2.97	2.95	2.93	2.93
Series 3	2.60	2.61	2.61	2.61	2.61
Series 5	1.96	1.96	1.96	1.96	1.96
Series 6	1.79	1.77	1.78	1.77	1.79
Series 7	1.28	1.29	1.20	1.22	1.31
Series 8*	1.44	1.46	—	—	—
Portfolio turnover rate ² (%)	198.44	125.75	372.76	289.12	180.62

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN BOND*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
Government of Canada, 1.000%, September 1, 2022	2.4%
Canada Housing Trust, 2.9000%, June 15, 2024	2.3%
Province of Ontario, 2.6000%, June 2, 2025	2.1%
Government of Canada, 4.0000%, June 1, 2041	1.9%
Royal Bank of Canada, 1.6500%, July 15, 2021	1.8%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,475	4.8%	10,492	4.9%	10,581	5.8%	10,531	5.3%
3 Years	10,493	1.6%	10,545	1.8%	10,739	2.4%	—	—
Since Inception	10,580	1.3%	10,660	1.5%	10,920	2.1%	10,700	4.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – CANADIAN BOND (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	19,655	12,386
Investments at fair value through profit or loss (FVTPL)	28,049,396	30,579,320
Premiums receivable	883	34,451
Receivable for securities sold	4,485	5,597
	<u>28,074,419</u>	<u>30,631,754</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	43,238	47,131
Withdrawals payable	70,962	102,964
Receivable for securities sold	6,545	—
	<u>120,745</u>	<u>150,095</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>27,953,674</u>	<u>30,481,659</u>
NET ASSETS PER UNIT		
Series 5	<u>5.29</u>	5.05
Series 6	<u>5.33</u>	5.08
Series 7	<u>5.46</u>	5.16
Series 8	<u>5.35</u>	5.08

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	144	—
Distributions from underlying funds	707,247	917,840
Changes in fair value:		
Net realized gain (loss) on investments	68,915	(189,757)
Net unrealized gain (loss) on investments	1,153,134	(337,175)
	<u>1,929,440</u>	<u>390,908</u>
EXPENSES		
Management fees and guarantee charge	370,253	424,078
Operating expenses	166,283	195,221
	<u>536,536</u>	<u>619,299</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,392,904</u>	<u>(228,391)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,083,657	(199,326)
- per unit	0.26	(0.04)
Average Number of Units	4,185,581	5,256,287
SERIES 6		
Increase (Decrease) in Net Assets from Operations	242,623	(47,852)
- per unit	0.25	(0.04)
Average Number of Units	962,903	1,131,063
SERIES 7		
Increase (Decrease) in Net Assets from Operations	7,369	639
- per unit	0.07	0.01
Average Number of Units	104,148	67,011
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	59,255	18,148
- per unit	0.26	0.08
Average Number of Units	231,331	219,679

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	30,481,659	37,160,277
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,392,904	(228,391)
Premiums		
Series 5	1,654,925	1,944,970
Series 6	945,403	1,315,479
Series 7	776,402	7,521
Series 8*	392,121	1,316,368
	3,768,851	4,584,338
Withdrawals		
Series 5	(6,315,819)	(7,934,592)
Series 6	(951,135)	(2,879,035)
Series 7	(229,731)	(18,397)
Series 8*	(193,055)	(202,541)
	(7,689,740)	(11,034,565)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	27,953,674	30,481,659

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,392,904	(228,391)
Adjustments for:		
Net realized (gain) loss	(68,915)	189,757
Net unrealized (gain) loss	(1,153,134)	337,175
Non-cash distribution from investments	(707,247)	(917,840)
Proceeds from sale/maturity of investments	6,535,339	7,835,201
Investments purchased	(2,076,119)	(742,544)
Receivable for securities sold	1,112	8,385
Accrued expenses	(3,893)	(12,042)
Payable for securities purchased	6,545	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	3,926,592	6,469,701
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,802,419	4,572,643
Amounts paid on withdrawals	(7,721,742)	(11,038,620)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(3,919,323)	(6,465,977)
Increase (decrease) in cash/ bank overdraft	7,269	3,724
Cash (bank overdraft), beginning of year	12,386	8,662
CASH (BANK OVERDRAFT), END OF YEAR	19,655	12,386
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	144	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BOND (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
DGIA Canadian Bond Fund	2,710,519	27,626,888	28,049,396
Total Investments		27,626,888	28,049,396
Other Net Assets (-0.3%)			(95,722)
Net Assets (100%)			27,953,674

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Canada Housing Trust, 1.1500%, December 15, 2021	5.4%
Canada Housing Trust, 2.4000%, December 15, 2022	4.7%
Government of Canada, 2.0000%, September 1, 2023	3.6%
Government of Canada, 1.0000%, June 1, 2027	2.9%
Government of Canada, 1.5000%, September 1, 2024	2.7%
Government of Canada, 1.000%, September 1, 2022	2.4%
Canada Housing Trust, 2.9000%, June 15, 2024	2.3%
Province of Ontario, 2.6000%, June 2, 2025	2.1%
Government of Canada, 4.0000%, June 1, 2041	1.9%
Royal Bank of Canada, 1.6500%, July 15, 2021	1.8%
Government of Canada, 5.0000%, June 1, 2037	1.7%
Province of Ontario, 3.4500%, June 2, 2045	1.6%
Government of Canada, 5.7500%, June 1, 2033	1.6%
Government of Canada Fixed, 2.25%, June 1, 2025	1.5%
Toronto-Dominion Bank, 1.9940%, March 23, 2022	1.3%
Province of Ontario, 4.6500%, June 2, 2041	1.3%
Province of Ontario, 4.6000%, June 2, 2039	1.2%
Province of Ontario, 2.8000%, June 2, 2048	1.1%
Province of Québec, 2.5000%, September 1, 2026	1.1%
Province of Québec, 3.5000%, December 1, 2048	1.0%
Royal Bank of Canada, 1.5830%, September 13, 2021	1.0%
CPPIB Capital Inc., 3.0000%, June 15, 2028	1.0%
Quebec Finance Corp, 5.2500%, June 1, 2034	0.9%
Toronto-Dominion Bank, 1.9090%, July 18, 2023	0.9%
Province of Québec, 5.0000%, December 1, 2041	0.9%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide regular income and capital security by investing in a portfolio of fixed-income securities from the Canadian bond market.

Strategy of the Fund

This Fund, actively managed, aims to provide regular income and capital security by investing in a portfolio of fixed-income securities from the Canadian bond market. The Fund employs a fundamental investment approach targeting a consistent allocation of value added sources. The strategy seeks to add value through management of duration, yield curve and credit risk.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	28,049,396	—	28,049,396
—	28,049,396	—	28,049,396

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	30,579,320	—	30,579,320
—	30,579,320	—	30,579,320

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN BOND (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond	1.00	274,548	302,439

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	5.29	5.05	5.07	5.04	5.04
Series 6	5.33	5.08	5.09	5.05	5.05
Series 7	5.46	5.16	5.15	5.08	5.05
Series 8*	5.35	5.08	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	20,419	23,996	30,185	34,427	38,465
Series 6	5,250	5,013	6,624	5,441	2,552
Series 7	894	340	351	170	156
Series 8*	1,390	1,132	—	—	—
Number of units outstanding (000)					
Series 5	3,859	4,755	5,951	6,829	7,626
Series 6	985	987	1,300	1,076	506
Series 7	164	66	68	34	31
Series 8*	260	223	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	1.97	1.96	1.96	1.96	1.96
Series 6	1.80	1.80	1.78	1.77	1.75
Series 7	1.23	1.22	1.22	1.22	1.32
Series 8*	1.48	1.46	—	—	—
Portfolio turnover rate ² (%)	9.60	5.00	9.30	10.91	2.80

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL TACTICAL BOND – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Cash and Cash Equivalents	10.8%
Republic of Turkey, 3.250%, June 14, 2025	2.0%
CDBL Funding 1, floating rate, November 15, 2021	1.9%
JPMorgan Chase Commercial Mortgage Securities, Private Placement, Series 2007-CB20, Class D, Subprime floating rate, February 1, 2051	1.9%
Arab Republic of Egypt, Private Placement, Series 144A, 6.375%, April 11, 2031	1.8%
Sequa Mezzanine Holdings, floating rate, November 28, 2021	1.8%
Petróleos Mexicanos, 4.875%, February 21, 2028	1.7%
Royal Bank of Scotland, 5.076%, (floating rate from January 27, 2029), January 27, 2030	1.6%
Government of Ukraine, Private Placement, Series 144A, 6.750%, June 20, 2026	1.6%
KIRS Midco 3, 8.375%, July 15, 2023	1.6%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
Since Inception	10,160	1.6%	10,160	1.6%	10,180	1.8%	10,180	1.8%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in October 2019.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019
	\$
ASSETS	
Current Assets	
Cash	4,477
Investments at fair value through profit or loss (FVTPL)	659,493
	<u>663,970</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	1,179
Withdrawals payable	301
Payable for securities purchased	4,193
	<u>5,673</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>658,297</u>
NET ASSETS PER UNIT	
Series 5	<u>5.08</u>
Series 6	<u>5.08</u>
Series 7	<u>5.09</u>
Series 8	<u>5.09</u>

STATEMENT OF COMPREHENSIVE INCOME

Period Ended December 31

	2019*
	(3 months)
	\$
INCOME	
Distributions from underlying funds	37,843
Changes in fair value:	
Net realized gain (loss) on investments	(3,086)
Net unrealized gain (loss) on investments	(18,782)
	<u>15,975</u>
EXPENSES	
Management fees and guarantee charge	3,020
Operating expenses	373
	<u>3,393</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>12,582</u>
DATA PER SERIES	
SERIES 5	
Increase (Decrease) in Net Assets from Operations	1,591
- per unit	0.09
Average Number of Units	18,412
SERIES 6	
Increase (Decrease) in Net Assets from Operations	2,312
- per unit	0.10
Average Number of Units	22,803
SERIES 7	
Increase (Decrease) in Net Assets from Operations	2,306
- per unit	0.10
Average Number of Units	22,589
SERIES 8	
Increase (Decrease) in Net Assets from Operations	6,373
- per unit	0.12
Average Number of Units	54,689

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL TACTICAL BOND – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Period Ended December 31

	2019*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	12,582
Premiums	
Series 5	122,506
Series 6	242,511
Series 7	137,746
Series 8	487,538
	990,301
Withdrawals	
Series 5	(206)
Series 6	(50,172)
Series 7	—
Series 8	(294,208)
	(344,586)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	658,297

STATEMENT OF CASH FLOWS

Period Ended December 31

	2019*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	12,582
Adjustments for:	
Net realized (gain) loss	3,086
Net unrealized (gain) loss	18,782
Non-cash distribution from investments	(37,843)
Proceeds from sale/maturity of investments	295,883
Investments purchased	(939,401)
Accrued expenses	1,179
Payable for securities purchased	4,193
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(641,539)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	990,301
Amounts paid on withdrawals	(344,285)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	646,016
Increase (decrease) in cash/ bank overdraft	4,477
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	4,477

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
Desjardins Global Tactical Bond Fund, I-Class	65,013	678,275	659,493
Total Investments		678,275	659,493
Other Net Assets (-0.2%)			(1,196)
Net Assets (100%)			658,297

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Cash and Cash Equivalents	10.8%
Republic of Turkey, 3.250%, June 14, 2025	2.0%
CDBL Funding 1, floating rate, November 15, 2021	1.9%
JPMorgan Chase Commercial Mortgage Securities, Private Placement, Series 2007-CB20, Class D, Subprime floating rate, February 1, 2051	1.9%
Arab Republic of Egypt, Private Placement, Series 144A, 6.375%, April 11, 2031	1.8%
Sequa Mezzanine Holdings, floating rate, November 28, 2021	1.8%
Petróleos Mexicanos, 4.875%, February 21, 2028	1.7%
Royal Bank of Scotland, 5.076%, (floating rate from January 27, 2029), January 27, 2030	1.6%
Government of Ukraine, Private Placement, Series 144A, 6.750%, June 20, 2026	1.6%
KIRS Midco 3, 8.375%, July 15, 2023	1.6%
AA Bond Co., 2.875%, January 31, 2022	1.5%
College Ave Student Loans, Private Placement, Series 18-A, Class A1, floating rate, January 25, 2030	1.3%
Park Aerospace Holdings, Private Placement, Series 144A, 5.250%, August 15, 2022	1.3%
Royal Bank of Scotland, 8.625%, (floating rate from August 15, 2021), Perpetual	1.2%
Nationwide Building Society, Series CCDS, floating, December 31, 2049	1.1%
Gazprom, 8.625%, April 28, 2034	1.1%
NE Property, 1.875%, October 9, 2026	1.0%
SLM, 7.250%, January 25, 2022	1.0%
Unique Pub Finance Company, Series M, 7.395%, March 28, 2024	1.0%
Barclays, 3.932%, (floating rate from May 7, 2024), May 7, 2025	0.9%
Lloyds Banking Group, 7.875%, (floating rate from June 27, 2029), Perpetual	0.9%
Government of Ukraine, 7.750%, September 1, 2021	0.9%
Barclays Bank, 7.625%, November 21, 2022	0.9%
Diamond 1 Finance / Diamond 2 Finance, Private Placement, Series 144A, 6.020%, June 15, 2026	0.8%
Sberbank of Russia, Series 7, 5.717%, June 16, 2021	0.8%

DFS GIF – GLOBAL TACTICAL BOND – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to provide a high income return and some long-term capital appreciation by investing primarily in fixed income securities of issuers throughout the world.

Strategy of the Fund

The underlying fund invests primarily in global credit markets including, without limitation, investment-grade corporate bonds, high-yield corporate bonds and emerging market bonds. The Fund may also invest in other classes of securities, such as floating rate loans, asset-backed securities, mortgage-backed securities and government bonds.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following table categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	659,493	—	—	659,493
TOTAL	659,493	—	—	659,493

Transfers between Levels 1 and 2

During the period ended December 31, 2019, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

Currency Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners
		December 31, 2019
Benchmarks	%	\$
Bloomberg Barclays Global Aggregate Corporate Bond Ex Emerging Markets Hedged (33.3%)	1.50	3,291
BofA Merrill Lynch Global High Yield, BB-B Rated Constrained Developed Markets Hedged (33.3%)	2.00	4,389
J.P. Morgan EMBI Global Diversified Hedged (33.3%)	2.00	4,389

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL TACTICAL BOND – DESJARDINS (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past period. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019*
Net Assets and Net Asset Value Per Unit (\$)	
Series 5	5.08
Series 6	5.08
Series 7	5.09
Series 8	5.09
Ratios and Supplemental Data	
Net Asset Value (\$000's)	
Series 5	124
Series 6	195
Series 7	140
Series 8	200
Number of units outstanding (000)	
Series 5	24
Series 6	38
Series 7	28
Series 8	39
Management expense ratio (MER)¹ (%)	
Series 5	2.47
Series 6	2.30
Series 7	1.78
Series 8	1.95
Portfolio turnover rate² (%)	48.62

* Beginning of operations in October 2019.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund Series O	29.7%
Franklin Bissett Core Plus Bond Fund Series O	25.0%
Franklin Liberty Global Aggregate Bond ETF	10.2%
Franklin Bissett Short Duration Bond Fund Series O	7.2%
Templeton Global Bond Fund Series O	5.5%
Franklin Strategic Income Fund Series O	4.0%
Franklin International Core Equity Fund Series O	3.9%
Franklin U.S. Core Equity Fund Series O	3.7%
Franklin FTSE U.S. Index ETF	2.2%
Franklin FTSE Canada All Cap Index ETF	2.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,614	6.1%	10,639	6.4%	10,649	6.5%	10,708	7.1%	10,672	6.7%
3 Years	10,434	1.4%	10,510	1.7%	10,566	1.9%	10,730	2.4%	—	—
5 Years	10,709	1.4%	10,835	1.6%	10,939	1.8%	11,210	2.3%	—	—
10 Years	13,563	3.1%	13,874	3.3%	—	—	—	—	—	—
Since Inception	15,220	2.2%	14,228	2.9%	11,160	1.9%	11,500	2.4%	10,480	2.8%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	29,610	—
Investments at fair value through profit or loss (FVTPL)	147,042,333	157,402,700
Premiums receivable	87,585	150,424
Receivable for securities sold	—	221,079
	<u>147,159,528</u>	<u>157,774,203</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	184,987
Accrued expenses	346,538	370,585
Withdrawals payable	245,833	360,983
Payable for securities purchased	59,991	—
	<u>652,362</u>	<u>916,555</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>146,507,166</u>	<u>156,857,648</u>
NET ASSETS PER UNIT		
Series 3	<u>7.61</u>	<u>7.17</u>
Series 5	<u>7.82</u>	<u>7.35</u>
Series 6	<u>5.58</u>	<u>5.24</u>
Series 7	<u>5.75</u>	<u>5.37</u>
Series 8	<u>5.24</u>	<u>4.91</u>

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	146	(217)
Distributions from underlying funds	6,012,140	4,681,268
Changes in fair value:		
Net realized gain (loss) on investments	4,407,498	4,528,391
Net unrealized gain (loss) on investments	3,682,001	(10,452,166)
	<u>14,101,785</u>	<u>(1,242,724)</u>
EXPENSES		
Management fees and guarantee charge	3,579,553	3,973,610
Operating expenses	786,729	883,645
	<u>4,366,282</u>	<u>4,857,255</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,735,503</u>	<u>(6,099,979)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	256,813	(184,911)
- per unit	0.47	(0.29)
Average Number of Units	550,375	641,692
SERIES 5		
Increase (Decrease) in Net Assets from Operations	7,091,017	(4,662,103)
- per unit	0.49	(0.27)
Average Number of Units	14,616,305	17,091,367
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,327,699	(899,390)
- per unit	0.35	(0.19)
Average Number of Units	3,777,003	4,681,551
SERIES 7		
Increase (Decrease) in Net Assets from Operations	363,265	(167,391)
- per unit	0.40	(0.16)
Average Number of Units	907,858	1,044,638
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	696,709	(186,184)
- per unit	0.33	(0.10)
Average Number of Units	2,093,339	1,895,415

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	156,857,648	185,494,569
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,735,503	(6,099,979)
Premiums		
Series 3	333,844	378,759
Series 5	11,106,664	11,680,583
Series 6	2,704,849	4,815,658
Series 7	96,957	357,189
Series 8*	2,159,156	11,139,259
	16,401,470	28,371,448
Withdrawals		
Series 3	(1,188,429)	(865,758)
Series 5	(27,979,820)	(32,308,706)
Series 6	(4,194,189)	(15,628,696)
Series 7	(916,799)	(1,056,286)
Series 8*	(2,208,218)	(1,048,944)
	(36,487,455)	(50,908,390)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	146,507,166	156,857,648

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,735,503	(6,099,979)
Adjustments for:		
Net realized (gain) loss	(4,407,498)	(4,528,391)
Net unrealized (gain) loss	(3,682,001)	10,452,166
Non-cash distribution from investments	(6,012,140)	(4,681,268)
Proceeds from sale/maturity of investments	26,636,422	29,547,315
Investments purchased	(2,174,416)	(2,039,294)
Receivable for securities sold	221,079	(201,521)
Accrued expenses	(24,047)	(76,325)
Payable for securities purchased	59,991	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	20,352,893	22,372,703
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	16,464,309	28,221,024
Amounts paid on withdrawals	(36,602,605)	(50,770,878)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(20,138,296)	(22,549,854)
Increase (decrease) in cash/ bank overdraft	214,597	(177,151)
Cash (bank overdraft), beginning of year	(184,987)	(7,836)
CASH (BANK OVERDRAFT), END OF YEAR	29,610	(184,987)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	146	—
Interest paid	—	217

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.4%)			
Franklin Quotential Diversified Income Portfolio	19,324,283	125,174,160	147,042,333
Total Investments		125,174,160	147,042,333
Other Net Assets (-0.4%)			(535,167)
Net Assets (100%)			146,507,166

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund, Series O	29.7%
Franklin Bissett Core Plus Bond Fund, Series O	25.0%
Franklin Liberty Global Aggregate Bond ETF	10.2%
Franklin Bissett Short Duration Bond Fund, Series O	7.2%
Templeton Global Bond Fund, Series O	5.5%
Franklin Strategic Income Fund, Series O	4.0%
Franklin International Core Equity Fund, Series O	3.9%
Franklin U.S. Core Equity Fund, Series O	3.7%
Franklin FTSE U.S. Index ETF	2.2%
Franklin FTSE Canada All Cap Index ETF	2.1%
Franklin Emerging Market Core Equity Fund, Series O	2.0%
Franklin Bissett Canadian Equity Fund, Series O	1.8%
Franklin U.S. Rising Dividends Fund, Series O	1.6%
Franklin Canadian Core Equity Fund, Series O	1.5%
Franklin U.S. Opportunities Fund, Series O	1.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in fixed-income underlying funds in order to provide income and capital preservation. The Fund also invests, to a lesser extent, in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
147,042,333	—	—	147,042,333
147,042,333	—	—	147,042,333

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
157,402,700	—	—	157,402,700
157,402,700	—	—	157,402,700

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (55%)	1.00	733,811	832,953
Bloomberg Barclays Multiverse Bond (25%)	1.00	333,551	378,615
S&P/TSX (7%)	3.00	280,183	681,507
MSCI All Country World Net (13%)	3.00	520,339	227,169

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	7.61	7.17	7.46	7.29	7.24
Series 5	7.82	7.35	7.63	7.44	7.36
Series 6	5.58	5.24	5.43	5.28	5.22
Series 7	5.75	5.37	5.54	5.36	5.27
Series 8*	5.24	4.91	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	3,815	4,413	5,085	5,643	6,349
Series 5	106,775	116,557	141,848	159,398	170,791
Series 6	20,574	20,736	32,448	30,636	20,592
Series 7	4,791	5,247	6,114	3,737	2,616
Series 8*	10,552	9,904	—	—	—
Number of units outstanding (000)					
Series 3	501	615	682	774	878
Series 5	13,662	15,856	18,594	21,424	23,191
Series 6	3,689	3,961	5,980	5,801	3,947
Series 7	833	977	1,105	697	497
Series 8*	2,012	2,019	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.14	3.15	3.14	3.14	3.13
Series 5	2.92	2.92	2.91	2.91	2.92
Series 6	2.72	2.71	2.70	2.71	2.68
Series 7	2.22	2.22	2.18	2.20	2.27
Series 8*	2.38	2.42	—	—	—
Portfolio turnover rate ² (%)	5.31	3.92	5.80	6.52	10.74

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund Series O	20.3%
Franklin Bissett Core Plus Bond Fund Series O	20.0%
Franklin Liberty Global Aggregate Bond ETF	10.1%
Franklin Bissett Short Duration Bond Fund Series O	5.3%
Franklin U.S. Core Equity Fund Series O	5.0%
Templeton Global Bond Fund Series O	4.9%
Franklin FTSE U.S. Index ETF	3.8%
Franklin FTSE Canada All Cap Index ETF	3.8%
Franklin Bissett Canadian Equity Fund Series O	3.6%
Franklin U.S. Rising Dividends Fund Series O	3.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,785	7.9%	10,821	8.2%	10,832	8.3%	10,886	8.9%	10,868	8.7%
3 Years	10,622	2.0%	10,702	2.3%	10,758	2.5%	10,917	3.0%	—	—
5 Years	11,101	2.1%	11,240	2.4%	11,339	2.5%	11,610	3.0%	—	—
10 Years	14,081	3.5%	14,452	3.8%	—	—	—	—	—	—
Since Inception	14,280	1.9%	13,903	2.7%	11,720	2.8%	12,040	3.2%	10,520	3.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	63,069	28,638
Investments at fair value through profit or loss (FVTPL)	210,090,009	215,105,892
Premiums receivable	21,033	2,884
Receivable for securities sold	109,958	149,866
	<u>210,284,069</u>	<u>215,287,280</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	508,726	519,594
Withdrawals payable	348,494	339,424
	<u>857,220</u>	<u>859,018</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>209,426,849</u>	<u>214,428,262</u>
NET ASSETS PER UNIT		
Series 3	<u>7.14</u>	6.62
Series 5	<u>7.38</u>	6.82
Series 6	<u>5.86</u>	5.41
Series 7	<u>6.02</u>	5.53
Series 8	<u>5.26</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	914	159
Distributions from underlying funds	4,553,616	7,384,902
Changes in fair value:		
Net realized gain (loss) on investments	6,792,959	6,535,668
Net unrealized gain (loss) on investments	11,967,988	(18,013,339)
	<u>23,315,477</u>	<u>(4,092,610)</u>
EXPENSES		
Management fees and guarantee charge	5,082,307	5,481,735
Operating expenses	1,201,496	1,295,472
	<u>6,283,803</u>	<u>6,777,207</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>17,031,674</u>	<u>(10,869,817)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	474,811	(349,816)
- per unit	0.56	(0.33)
Average Number of Units	850,638	1,061,163
SERIES 5		
Increase (Decrease) in Net Assets from Operations	14,206,805	(9,150,337)
- per unit	0.57	(0.33)
Average Number of Units	24,995,933	27,430,225
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,508,353	(925,025)
- per unit	0.46	(0.24)
Average Number of Units	3,295,824	3,850,250
SERIES 7		
Increase (Decrease) in Net Assets from Operations	300,933	(209,005)
- per unit	0.49	(0.25)
Average Number of Units	615,038	833,122
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	540,772	(235,634)
- per unit	0.44	(0.18)
Average Number of Units	1,234,860	1,329,672

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	<u>214,428,262</u>	<u>244,421,774</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>17,031,674</u>	<u>(10,869,817)</u>
Premiums		
Series 3	140,267	232,320
Series 5	17,648,849	17,713,278
Series 6	2,194,606	3,610,750
Series 7	153,035	303,061
Series 8*	<u>1,523,122</u>	<u>7,918,050</u>
	<u>21,659,879</u>	<u>29,777,459</u>
Withdrawals		
Series 3	(1,475,742)	(1,568,138)
Series 5	(36,437,845)	(33,091,293)
Series 6	(3,084,418)	(11,156,237)
Series 7	(160,983)	(1,807,279)
Series 8*	<u>(2,533,978)</u>	<u>(1,278,207)</u>
	<u>(43,692,966)</u>	<u>(48,901,154)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	<u>209,426,849</u>	<u>214,428,262</u>

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,031,674	(10,869,817)
Adjustments for:		
Net realized (gain) loss	(6,792,959)	(6,535,668)
Net unrealized (gain) loss	(11,967,988)	18,013,339
Non-cash distribution from investments	(4,553,616)	(7,384,902)
Proceeds from sale/maturity of investments	29,695,114	28,899,647
Investments purchased	(1,364,668)	(2,906,557)
Receivable for securities sold	39,908	(40,176)
Accrued expenses	(10,868)	(80,482)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>22,076,597</u>	<u>19,095,384</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	21,641,730	29,807,759
Amounts paid on withdrawals	(43,683,896)	(48,896,734)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(22,042,166)</u>	<u>(19,088,975)</u>
Increase (decrease) in cash/ bank overdraft	34,431	6,409
Cash (bank overdraft), beginning of year	28,638	22,229
CASH (BANK OVERDRAFT), END OF YEAR	<u>63,069</u>	<u>28,638</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	914	398
Interest paid	—	239

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Franklin Quotential Balanced Income Portfolio	20,608,374	160,825,608	210,090,009
Total Investments		160,825,608	210,090,009
Other Net Assets (-0.3%)			(663,160)
Net Assets (100%)			209,426,849

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund, Series O	20.3%
Franklin Bissett Core Plus Bond Fund, Series O	20.0%
Franklin Liberty Global Aggregate Bond ETF	10.1%
Franklin Bissett Short Duration Bond Fund, Series O	5.3%
Franklin U.S. Core Equity Fund, Series O	5.0%
Templeton Global Bond Fund, Series O	4.9%
Franklin FTSE U.S. Index ETF	3.8%
Franklin FTSE Canada All Cap Index ETF	3.8%
Franklin Bissett Canadian Equity Fund, Series O	3.6%
Franklin U.S. Rising Dividends Fund, Series O	3.1%
Franklin Canadian Core Equity Fund, Series O	3.0%
Franklin International Core Equity Fund, Series O	2.9%
Franklin U.S. Opportunities Fund, Series O	2.6%
iShares Core MSCI EAFE ETF	2.6%
Franklin LibertyQT U.S. Equity Index ETF	2.3%
Franklin Templeton Canadian Large Cap Fund, Series O	2.3%
Franklin FTSE Europe Ex U.K. Index ETF	1.5%
Franklin Emerging Market Core Equity Fund, Series O	1.3%
iShares Core MSCI Emerging Markets ETF	1.2%
Templeton Emerging Markets Fund, Series O	1.1%

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To invest in fixed-income underlying funds in order to provide income and capital preservation. The Fund also invests in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
210,090,009	—	—	210,090,009
210,090,009	—	—	210,090,009

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
215,105,892	—	—	215,105,892
215,105,892	—	—	215,105,892

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	824,354	1,048,779
Bloomberg Barclays Multiverse Bond (20%)	1.00	412,177	349,593
S&P/TSX (15%)	3.00	927,399	1,398,372
MSCI All Country World Net (25%)	3.00	1,545,664	1,398,372

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	7.14	6.62	6.97	6.72	6.66
Series 5	7.38	6.82	7.16	6.90	6.82
Series 6	5.86	5.41	5.67	5.45	5.38
Series 7	6.02	5.53	5.77	5.51	5.42
Series 8*	5.26	4.84	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	5,559	6,420	8,106	8,650	9,846
Series 5	175,265	179,847	204,375	215,069	227,546
Series 6	18,952	18,333	26,803	23,360	16,024
Series 7	3,717	3,424	5,137	4,770	5,504
Series 8*	5,934	6,404	—	—	—
Number of units outstanding (000)					
Series 3	779	970	1,164	1,287	1,478
Series 5	23,754	26,354	28,525	31,189	33,382
Series 6	3,232	3,388	4,727	4,289	2,981
Series 7	617	619	891	865	1,016
Series 8*	1,129	1,324	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.20	3.20	3.20	3.20	3.20
Series 5	2.95	2.95	2.95	2.95	2.95
Series 6	2.75	2.75	2.75	2.76	2.75
Series 7	2.27	2.27	2.28	2.30	2.30
Series 8*	2.40	2.42	—	—	—
Portfolio turnover rate ² (%)	2.74	4.41	5.40	5.26	10.44

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN BALANCED – FIDELITY*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Canadian Pacific Railway	3.9%
Toronto-Dominion Bank	3.8%
Royal Bank of Canada	3.4%
Brookfield Asset Inc	2.9%
Suncor Energy	2.4%
Constellation Software	2.1%
Restaurant Brands International	1.9%
Sun Life Financial	1.8%
Thomson Reuters Corporation	1.8%
TC Energy	1.5%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,261	12.6%	11,317	13.2%	11,329	13.3%	11,399	14.0%	11,358	13.6%
3 Years	11,108	3.6%	11,256	4.0%	11,306	4.2%	11,497	4.8%	—	—
5 Years	11,818	3.4%	12,078	3.8%	12,167	4.0%	12,500	4.6%	—	—
10 Years	16,563	5.2%	17,243	5.6%	—	—	—	—	—	—
Since Inception	20,720	6.8%	21,660	7.2%	12,960	4.5%	13,360	5.1%	11,040	6.0%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – CANADIAN BALANCED – FIDELITY (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	190,254	—
Investments at fair value through profit or loss (FVTPL)	731,871,077	705,981,199
Premiums receivable	935,568	603,594
Receivable for securities sold	293,133	531,368
	<u>733,290,032</u>	<u>707,116,161</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	79,130
Accrued expenses	1,796,201	1,732,611
Withdrawals payable	2,157,918	1,630,983
	<u>3,954,119</u>	<u>3,442,724</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>729,335,913</u>	<u>703,673,437</u>
NET ASSETS PER UNIT		
Series 3	<u>10.36</u>	9.20
Series 5	<u>10.83</u>	9.57
Series 6	<u>6.48</u>	5.72
Series 7	<u>6.68</u>	5.86
Series 8	<u>5.52</u>	4.86

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	3,268	617
Distributions from underlying funds	37,742,728	33,157,023
Changes in fair value:		
Net realized gain (loss) on investments	15,286,081	17,808,903
Net unrealized gain (loss) on investments	58,815,674	(60,016,150)
	<u>111,847,751</u>	<u>(9,049,607)</u>
EXPENSES		
Management fees and guarantee charge	17,540,623	18,436,166
Operating expenses	4,187,171	4,414,173
	<u>21,727,794</u>	<u>22,850,339</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>90,119,957</u>	<u>(31,899,946)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	1,007,191	(410,166)
- per unit	1.21	(0.42)
Average Number of Units	831,041	975,548
SERIES 5		
Increase (Decrease) in Net Assets from Operations	83,151,259	(29,613,617)
- per unit	1.28	(0.41)
Average Number of Units	64,801,191	71,769,525
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,822,171	(1,328,684)
- per unit	0.76	(0.23)
Average Number of Units	5,010,168	5,830,898
SERIES 7		
Increase (Decrease) in Net Assets from Operations	637,821	(177,059)
- per unit	0.82	(0.21)
Average Number of Units	780,494	842,254
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,501,515	(370,420)
- per unit	0.64	(0.18)
Average Number of Units	2,353,016	2,054,783

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	703,673,437	824,948,900
Increase (Decrease) in Net Assets from operations attributable to contract owners	90,119,957	(31,899,946)
Premiums		
Series 3	1,326,665	703,762
Series 5	76,902,045	70,552,523
Series 6	6,083,281	6,643,471
Series 7	72,402	1,587,142
Series 8*	4,718,951	12,343,492
	89,103,344	91,830,390
Withdrawals		
Series 3	(2,486,825)	(1,970,335)
Series 5	(141,458,261)	(156,916,843)
Series 6	(6,551,115)	(19,789,262)
Series 7	(156,531)	(1,296,005)
Series 8*	(2,908,093)	(1,233,462)
	(153,560,825)	(181,205,907)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	729,335,913	703,673,437

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	90,119,957	(31,899,946)
Adjustments for:		
Net realized (gain) loss	(15,286,081)	(17,808,903)
Net unrealized (gain) loss	(58,815,674)	60,016,150
Non-cash distribution from investments	(37,742,728)	(33,157,023)
Proceeds from sale/maturity of investments	88,482,108	114,867,183
Investments purchased	(2,527,503)	(2,289,656)
Receivable for securities sold	238,235	(417,786)
Accrued expenses	63,590	(314,994)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	64,531,904	88,995,025
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	88,771,370	91,918,898
Amounts paid on withdrawals	(153,033,890)	(181,178,268)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(64,262,520)	(89,259,370)
Increase (decrease) in cash/ bank overdraft	269,384	(264,345)
Cash (bank overdraft), beginning of year	(79,130)	185,215
CASH (BANK OVERDRAFT), END OF YEAR	190,254	(79,130)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	3,268	1,425
Interest paid	—	808

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIDELITY (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Fidelity Canadian Balanced Fund, Series O	30,528,082	605,159,280	731,871,077
Total Investments		605,159,280	731,871,077
Other Net Assets (-0.3%)			(2,535,164)
Net Assets (100%)			729,335,913

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Canadian Pacific Railway	3.9%
Toronto-Dominion Bank	3.8%
Royal Bank of Canada	3.4%
Brookfield Asset Inc	2.9%
Suncor Energy	2.4%
Constellation Software	2.1%
Restaurant Brands International	1.9%
Sun Life Financial	1.8%
Thomson Reuters Corporation	1.8%
TC Energy	1.5%
Shopify	1.4%
Bausch Health Cos Inc	1.3%
Air Canada	1.3%
Canadian Natural Resources	1.3%
Barrick Gold Corporation	1.2%
Alimentation Couche-Tard	1.1%
Parkland Fuel Corporation	1.1%
Waste Connections	1.0%
Canadian Apartment Properties Real Estate Investment Trust	0.9%
Microsoft Corporation	0.9%
CGI Group	0.9%
CCL Industries	0.8%
Canada Housing Trust 2.4%, 12/22, 144A	0.8%
Visa	0.7%
Fidelity Canadian Money Market Investment Trust	0.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve high total investment return using a diversified portfolio targeting long-term capital appreciation and a regular income stream through investment in any kind of equity or fixed-income security or money market instrument. The fundamental investment objective of the Fund is to provide investors with a balanced asset mix with the potential for capital growth.

Strategy of the Fund

Target fixed asset allocation to deliver superior long-term growth potential and reduced levels of risk. The Fund invests primarily in a mix of Canadian equity securities, investment grade bonds, high yield securities and money market instruments. The equity investment decisions are based on a thorough examination of the company, financial conditions and long-term earnings potential.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
731,871,077	—	—	731,871,077
731,871,077	—	—	731,871,077

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
705,981,199	—	—	705,981,199
705,981,199	—	—	705,981,199

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN BALANCED – FIDELITY (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	2,929,489	2,844,530
Merrill Lynch High Yield Master II (10%)	2.00	1,464,744	1,422,265
S&P/TSX Capped (50%)	3.00	10,985,582	10,666,986

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	10.36	9.20	9.66	9.33	8.96
Series 5	10.83	9.57	10.01	9.62	9.20
Series 6	6.48	5.72	5.97	5.73	5.48
Series 7	6.68	5.86	6.08	5.81	5.52
Series 8*	5.52	4.86	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	8,193	8,346	10,023	10,941	10,805
Series 5	669,597	651,002	766,980	827,435	841,379
Series 6	32,321	28,967	43,441	35,640	25,930
Series 7	5,173	4,619	4,505	1,753	1,290
Series 8*	14,052	10,740	—	—	—
Number of units outstanding (000)					
Series 3	791	907	1,038	1,173	1,206
Series 5	61,844	68,010	76,652	85,995	91,416
Series 6	4,991	5,067	7,277	6,218	4,736
Series 7	775	788	741	302	234
Series 8*	2,546	2,212	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.38	3.38	3.38	3.39	3.41
Series 5	2.96	2.96	2.96	2.96	2.96
Series 6	2.81	2.81	2.81	2.81	2.82
Series 7	2.27	2.27	2.28	2.28	2.34
Series 8*	2.48	2.48	—	—	—
Portfolio turnover rate ² (%)	5.45	4.56	4.20	9.00	10.64

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – U.S. MONTHLY INCOME – FIDELITY*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Fidelity U.S. Money Market Investment Trust	4.5%
iShares TIPS Bond ETF	2.0%
JPMorgan Chase & Co	1.6%
Berkshire Hathaway	1.3%
USTB, 3%, February 15, 2049	1.2%
Johnson & Johnson	1.1%
Bank of America Corporation	1.1%
Wells Fargo & Co	1.0%
Comcast Corporation	0.9%
Citigroup	0.9%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	10,996	10.0%	11,032	10.3%	11,065	10.6%	11,064	10.6%
3 Years	11,147	3.7%	11,184	3.8%	11,353	4.3%	—	—
Since Inception	12,360	5.2%	12,400	5.2%	12,680	5.8%	11,440	8.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	1,924	194
Investments at fair value through profit or loss (FVTPL)	21,109,285	15,879,167
Premiums receivable	87,314	6,012
Receivable for securities sold	—	14,981
	21,198,523	15,900,354
LIABILITIES		
Current Liabilities		
Accrued expenses	47,003	35,003
Withdrawals payable	68,358	20,593
Payable for securities purchased	25,144	252
	140,505	55,848
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	21,058,018	15,844,506
NET ASSETS PER UNIT		
Series 5	6.18	5.62
Series 6	6.20	5.62
Series 7	6.34	5.73
Series 8	5.72	5.17

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	696,004	867,469
Changes in fair value:		
Net realized gain (loss) on investments	125,071	98,632
Net unrealized gain (loss) on investments	1,478,628	(304,711)
	2,299,703	661,390
EXPENSES		
Management fees and guarantee charge	467,581	367,365
Operating expenses	41,829	32,330
	509,410	399,695
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	1,790,293	261,695
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	219,332	43,237
- per unit	0.56	0.10
Average Number of Units	389,810	431,957
SERIES 6		
Increase (Decrease) in Net Assets from Operations	646,609	71,715
- per unit	0.57	0.06
Average Number of Units	1,143,023	1,192,566
SERIES 7		
Increase (Decrease) in Net Assets from Operations	288,485	90,421
- per unit	0.60	0.17
Average Number of Units	483,688	523,780
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	635,867	56,322
- per unit	0.53	0.08
Average Number of Units	1,193,974	697,114

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – U.S. MONTHLY INCOME – FIDELITY (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	15,844,506	14,036,627
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,790,293	261,695
Premiums		
Series 5	947,764	662,854
Series 6	2,712,756	2,714,645
Series 7	744,911	1,333,364
Series 8*	3,153,161	5,580,563
	7,558,592	10,291,426
Withdrawals		
Series 5	(639,417)	(1,472,677)
Series 6	(1,601,252)	(5,421,977)
Series 7	(695,121)	(1,209,067)
Series 8*	(1,199,583)	(641,521)
	(4,135,373)	(8,745,242)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	21,058,018	15,844,506

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,790,293	261,695
Adjustments for:		
Net realized (gain) loss	(125,071)	(98,632)
Net unrealized (gain) loss	(1,478,628)	304,711
Non-cash distribution from investments	(696,004)	(867,469)
Proceeds from sale/maturity of investments	2,215,130	3,439,367
Investments purchased	(5,145,545)	(4,585,787)
Receivable for securities sold	14,981	(14,981)
Accrued expenses	12,000	2,541
Payable for securities purchased	24,892	(435,165)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(3,387,952)	(1,993,720)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,477,290	10,670,270
Amounts paid on withdrawals	(4,087,608)	(8,727,668)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	3,389,682	1,942,602
Increase (decrease) in cash/ bank overdraft	1,730	(51,118)
Cash (bank overdraft), beginning of year	194	51,312
CASH (BANK OVERDRAFT), END OF YEAR	1,924	194

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
Fidelity U.S. Monthly Income Fund, Series O	843,285	19,743,245	21,109,285
Total Investments		19,743,245	21,109,285
Other Net Assets (-0.2%)			(51,267)
Net Assets (100%)			21,058,018

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Fidelity U.S. Money Market Investment Trust	4.5%
iShares TIPS Bond ETF	2.0%
JPMorgan Chase & Co	1.6%
Berkshire Hathaway	1.3%
USTB, 3%, February 15, 2049	1.2%
Johnson & Johnson	1.1%
Bank of America Corporation	1.1%
Wells Fargo & Co	1.0%
Comcast Corporation	0.9%
Citigroup	0.9%
Freddie Mac, 3.5%, 30 year	0.9%
USTN, 1.625%, August 15, 2029	0.9%
Walmart	0.9%
Chevron Corporation	0.8%
Walt Disney	0.8%
Verizon Communications	0.8%
Microsoft Corporation	0.8%
USTN, 2.625%, February 15, 2029	0.8%
McDonalds Corporation	0.8%
United Technologies Corporation	0.7%
USTN, 3.125%, November 15, 2028	0.6%
NextEra Energy	0.6%
Exelon Corporation	0.6%
ConocoPhillips Company	0.6%
USTN, 2.125%, July 31, 2024	0.6%

DFS GIF – U.S. MONTHLY INCOME – FIDELITY (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve a combination of a steady flow of income and the potential for capital gains by investing in a mix of U.S. income-producing securities.

Strategy of the Fund

The Fund invests primarily in a mix of U.S. income-producing securities, either directly or indirectly through investments in underlying funds. The Fund's neutral mix is 50% exposure to equity securities and 50% exposure to fixed-income securities. These securities may be U.S. securities or non-U.S. securities but at least 70% of the Fund's net assets will be invested in U.S. dollar-denominated investments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
21,109,285	—	—	21,109,285
21,109,285	—	—	21,109,285

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
15,879,167	—	—	15,879,167
15,879,167	—	—	15,879,167

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
Bloomberg Barclays U.S. Aggregate Bond (31%)	1.50	94,840	74,318
Bank of America ML all US Convertibles (5%)	1.50	15,297	11,987
JPMorgan EMBI Global Diversified (5%)	2.00	20,396	15,982
Bank of America ML High Yield Master II Constrained (12%)	2.00	48,950	38,358
FTSE NAREIT Equity REITs (7%)	3.00	42,831	33,563
S&P 1500 (40%)	3.00	244,749	191,788

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – U.S. MONTHLY INCOME – FIDELITY (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	6.18	5.62	5.53	5.54	5.28
Series 6	6.20	5.62	5.53	5.54	5.28
Series 7	6.34	5.73	5.60	5.58	5.29
Series 8*	5.72	5.17	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	2,774	2,246	3,013	2,966	664
Series 6	7,785	6,027	8,663	5,614	1,732
Series 7	2,914	2,575	2,361	662	240
Series 8*	7,585	4,995	—	—	—
Number of units outstanding (000)					
Series 5	449	400	545	535	126
Series 6	1,256	1,072	1,566	1,013	328
Series 7	459	450	421	119	45
Series 8*	1,327	967	—	—	—
Management expense ratio (MER)¹ (%)					
Series 5	3.01	3.00	2.97	3.10	3.04
Series 6	2.89	2.88	2.89	2.99	2.93
Series 7	2.38	2.37	2.39	2.47	2.42
Series 8*	2.57	2.59	—	—	—
Portfolio turnover rate² (%)					
	11.80	23.58	12.76	9.39	6.80

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Jarislowsky International Pooled Fund	18.3%
Jarislowsky Fraser Emerging Market Equity Fund	2.5%
Microsoft Corporation	1.8%
Toronto-Dominion Bank	1.7%
Jarislowsky Special Equity Fund	1.6%
Brookfield Asset Management	1.4%
Enbridge	1.4%
Canadian National Railway Company	1.4%
Canadian Imperial Bank of Commerce	1.3%
Scotiabank	1.3%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,118	11.2%	11,161	11.6%	11,186	11.9%	11,243	12.4%	11,230	12.3%
3 Years	11,008	3.3%	11,175	3.8%	11,236	4.0%	11,402	4.5%	—	—
5 Years	11,909	3.6%	12,217	4.1%	—	—	—	—	—	—
10 Years	16,371	5.1%	17,186	5.6%	—	—	—	—	—	—
Since Inception	18,100	3.7%	16,295	4.1%	11,880	4.2%	12,120	4.7%	10,960	5.6%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	144,339	128,038
Investments at fair value through profit or loss (FVTPL)	255,523,272	241,890,336
Premiums receivable	1,029,295	240,798
Interest, dividends and other receivables	554,423	—
	<u>257,251,329</u>	<u>242,259,172</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	585,254	557,063
Withdrawals payable	1,143,470	645,765
	<u>1,728,724</u>	<u>1,202,828</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>255,522,605</u>	<u>241,056,344</u>
NET ASSETS PER UNIT		
Series 3	<u>9.05</u>	8.14
Series 5	<u>9.61</u>	8.61
Series 6	<u>5.94</u>	5.31
Series 7	<u>6.06</u>	5.39
Series 8	<u>5.48</u>	4.88

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	557,276	—
Distributions from underlying funds	9,952,197	11,742,823
Changes in fair value:		
Net realized gain (loss) on investments	4,168,380	3,741,240
Net unrealized gain (loss) on investments	20,246,317	(19,120,683)
	<u>34,924,170</u>	<u>(3,636,620)</u>
EXPENSES		
Management fees and guarantee charge	5,332,134	5,359,136
Operating expenses	1,662,820	1,732,028
	<u>6,994,954</u>	<u>7,091,164</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>27,929,216</u>	<u>(10,727,784)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	816,110	(396,509)
- per unit	0.93	(0.40)
Average Number of Units	881,138	982,999
SERIES 5		
Increase (Decrease) in Net Assets from Operations	18,905,701	(7,632,319)
- per unit	1.02	(0.38)
Average Number of Units	18,465,488	20,335,405
SERIES 6		
Increase (Decrease) in Net Assets from Operations	4,423,185	(1,774,978)
- per unit	0.63	(0.23)
Average Number of Units	7,071,915	7,674,925
SERIES 7		
Increase (Decrease) in Net Assets from Operations	1,083,008	(361,977)
- per unit	0.68	(0.21)
Average Number of Units	1,581,866	1,741,928
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	2,701,212	(562,001)
- per unit	0.58	(0.15)
Average Number of Units	4,634,883	3,666,630

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	241,056,344	259,872,224
Increase (Decrease) in Net Assets from operations attributable to contract owners	27,929,216	(10,727,784)
Premiums		
Series 3	734,864	965,802
Series 5	23,413,330	23,538,021
Series 6	9,359,845	12,977,583
Series 7	235,559	2,142,689
Series 8*	8,051,044	22,568,229
	41,794,642	62,192,324
Withdrawals		
Series 3	(1,627,519)	(1,808,605)
Series 5	(40,910,460)	(37,600,244)
Series 6	(7,241,713)	(26,968,644)
Series 7	(1,065,875)	(2,390,375)
Series 8*	(4,412,030)	(1,512,552)
	(55,257,597)	(70,280,420)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	255,522,605	241,056,344

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	27,929,216	(10,727,784)
Adjustments for:		
Net realized (gain) loss	(4,168,380)	(3,741,240)
Net unrealized (gain) loss	(20,246,317)	19,120,683
Non-cash distribution from investments	(9,952,197)	(11,742,823)
Proceeds from sale/maturity of investments	27,726,001	25,234,003
Investments purchased	(6,992,043)	(11,012,965)
Interest, dividends and other receivables	(554,423)	403,188
Accrued expenses	28,191	(53,171)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	13,770,048	7,479,891
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	41,006,145	62,641,744
Amounts paid on withdrawals	(54,759,892)	(70,299,228)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(13,753,747)	(7,657,484)
Increase (decrease) in cash/ bank overdraft	16,301	(177,593)
Cash (bank overdraft), beginning of year	128,038	305,631
CASH (BANK OVERDRAFT), END OF YEAR	144,339	128,038
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,581	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
Jarislowsky Fraser Global Balanced Fund	18,231,242	214,527,453	255,523,272
Total Investments		214,527,453	255,523,272
Other Net Assets (0.0%)			(667)
Net Assets (100%)			255,522,605

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Jarislowsky International Pooled Fund	18.3%
Jarislowsky Fraser Emerging Market Equity Fund	2.5%
Microsoft Corporation	1.8%
Toronto-Dominion Bank	1.7%
Jarislowsky Special Equity Fund	1.6%
Brookfield Asset Management	1.4%
Enbridge	1.4%
Canadian National Railway Company	1.4%
Canadian Imperial Bank of Commerce	1.3%
Scotiabank	1.3%
Province of Ontario	1.2%
Manulife Financial Corporation	1.2%
Province of Ontario	1.1%
Berkshire Hathaway	1.1%
Royal Bank of Canada	1.1%
Government of Canada	1.1%
Province of Ontario	1.1%
Alimentation Couche-Tard	1.1%
UnitedHealth Group Incorporated	1.0%
CGI Group	1.0%
Open Text Corporation	1.0%
Province of Ontario	1.0%
Bank of Montreal	0.9%
Canadian Natural Resources	0.9%
Nutrien	0.9%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with an opportunity to achieve a high rate of return by investing in a diversified portfolio consisting of a balance of equity and fixed-income securities of issuers located throughout the world.

Strategy of the Fund

To provide such an opportunity through a diversified portfolio consisting of a balance of mainly large cap equity and mainly investment grade fixed-income securities of issuers located throughout the world.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	255,523,272	—	255,523,272
—	255,523,272	—	255,523,272

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	241,890,336	—	241,890,336
—	241,890,336	—	241,890,336

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL BALANCED – JARISLOWSKY FRASER (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills (6%)	0.25	42,276	41,926
FTSE Canada Universe Bond (40%)	1.00	1,127,362	1,118,019
S&P/TSX (22%)	3.00	1,860,147	1,844,732
S&P 500 (16%)	3.00	1,352,834	1,341,623
MSCI EAFE Net (16%)	3.00	1,352,834	1,341,623

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	9.05	8.14	8.55	8.22	8.02
Series 5	9.61	8.61	9.00	8.60	8.35
Series 6	5.94	5.31	5.54	5.29	5.12
Series 7	6.06	5.39	5.60	5.31	5.13
Series 8*	5.48	4.88	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	7,561	7,638	8,877	9,346	9,915
Series 5	168,991	167,582	189,277	192,371	185,784
Series 6	42,968	36,427	52,193	32,488	7,957
Series 7	9,168	8,916	9,525	4,377	600
Series 8*	26,834	20,494	—	—	—
Number of units outstanding (000)					
Series 3	836	938	1,038	1,137	1,236
Series 5	17,577	19,467	21,042	22,370	22,251
Series 6	7,233	6,860	9,422	6,145	1,553
Series 7	1,512	1,653	1,702	824	117
Series 8*	4,894	4,196	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.37	3.37	3.37	3.39	3.40
Series 5	2.85	2.85	2.85	2.85	2.85
Series 6	2.67	2.68	2.68	2.63	2.59
Series 7	2.16	2.15	2.18	2.24	2.24
Series 8*	2.33	2.36	—	—	—
Portfolio turnover rate ² (%)	6.69	8.92	8.86	9.73	8.87

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS AS OF DECEMBER 31, 2019

Security Name	Percentage
Fiera Capital Global Equity Fund, Series A	20.7%
Fiera Active Short Term Canadian Municipal Bond	7.1%
Canada Treasury Bills, February 6, 2020	5.1%
Province of Ontario, 2.900%, June 2, 2028	3.4%
Province of Alberta, notes, March 9, 2020	3.3%
Canada Treasury Bills, February 20, 2020	2.5%
Ontario Treasury Bills, January 2, 2020	2.1%
Brookfield Asset Management	2.0%
Canadian Pacific Railway	2.0%
Royal Bank of Canada	2.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,296	13.0%	11,378	13.8%	11,445	14.5%	11,443	14.4%	11,525	15.2%
3 Years	11,320	4.2%	11,544	4.9%	11,766	5.6%	11,756	5.5%	11,950	6.1%
5 Years	11,987	3.7%	12,378	4.4%	12,777	5.0%	12,756	5.0%	13,089	5.5%
10 Years	14,667	3.9%	15,564	4.5%	16,489	5.1%	—	—	—	—
Since Inception	22,840	3.5%	20,444	3.5%	15,385	3.6%	13,640	5.5%	14,060	6.0%

	Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,477	14.8%
3 Years	—	—
5 Years	—	—
10 Years	—	—
Since Inception	11,500	8.6%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019 \$	2018 \$
ASSETS		
Current Assets		
Cash	409,174	144,336
Investments at fair value through profit or loss (FVTPL)	164,293,788	131,418,132
Investments at fair value through profit or loss (FVTPL) pledged as collateral	31,063,405	33,136,525
Premiums receivable	548,271	238,796
Cash guarantee received for repurchase transactions	29,106,186	16,747,058
Interest, dividends and other receivables	225,806	291,763
	<u>225,646,630</u>	<u>181,976,610</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	417,148	456,883
Withdrawals payable	316,092	92,039
Payable for securities purchased	362,883	10,012
Commitments related to repurchase transactions	29,106,186	16,747,058
	<u>30,202,309</u>	<u>17,305,992</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>195,444,321</u>	<u>164,670,618</u>
NET ASSETS PER UNIT		
Series 1	11.42	10.11
Series 3	12.88	11.32
Series 5	13.86	12.11
Series 6	6.82	5.96
Series 7	7.03	6.10
Series 8	5.75	5.01

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,357,086	1,146,432
Dividends	1,777,950	1,915,571
Distributions from underlying funds	767,844	657,649
Revenue from securities lending activities	20,336	24,579
Foreign exchange gain (loss) on cash	(1,975)	10,003
Changes in fair value:		
Net realized gain (loss) on investments	3,750,907	2,148,639
Net unrealized gain (loss) on investments	20,530,003	(5,012,864)
	<u>28,202,151</u>	<u>890,009</u>
EXPENSES		
Management fees and guarantee charge	3,677,105	3,554,835
Operating expenses	989,102	979,852
	<u>4,666,207</u>	<u>4,534,687</u>
Commissions and other portfolio transaction costs	14,700	22,832
	<u>4,680,907</u>	<u>4,557,519</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>23,521,244</u>	<u>(3,667,510)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	685,697	(199,299)
- per unit	1.36	(0.35)
Average Number of Units	506,047	572,290
SERIES 3		
Increase (Decrease) in Net Assets from Operations	1,476,623	(317,819)
- per unit	1.61	(0.31)
Average Number of Units	918,524	1,038,598
SERIES 5		
Increase (Decrease) in Net Assets from Operations	18,156,185	(2,784,133)
- per unit	1.77	(0.25)
Average Number of Units	10,239,188	11,045,113
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,842,390	(336,981)
- per unit	0.80	(0.15)
Average Number of Units	2,303,103	2,186,788
SERIES 7		
Increase (Decrease) in Net Assets from Operations	222,619	7,068
- per unit	0.92	0.02
Average Number of Units	242,803	369,057
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,137,730	(36,346)
- per unit	0.67	(0.03)
Average Number of Units	1,710,033	1,207,908

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	164,670,618	181,663,982
Increase (Decrease) in Net Assets from operations attributable to contract owners	23,521,244	(3,667,510)
Premiums		
Series 1	180,295	161,639
Series 3	4,140,191	399,630
Series 5	21,282,061	10,655,673
Series 6	10,098,031	3,887,632
Series 7	341,367	1,521,689
Series 8*	8,272,019	7,963,900
	44,313,964	24,590,163
Withdrawals		
Series 1	(812,540)	(1,064,337)
Series 3	(3,938,419)	(1,847,810)
Series 5	(25,555,663)	(23,599,143)
Series 6	(3,939,097)	(9,169,952)
Series 7	(306,866)	(1,400,014)
Series 8*	(2,508,920)	(834,761)
	(37,061,505)	(37,916,017)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	195,444,321	164,670,618

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	23,521,244	(3,667,510)
Adjustments for:		
Foreign exchange (gain) loss on cash	1,975	(10,003)
Net realized (gain) loss	(3,750,907)	(2,148,639)
Net unrealized (gain) loss	(20,530,003)	5,012,864
Non-cash distribution from investments	(767,844)	(657,649)
Proceeds from sale/maturity of investments	286,418,917	229,712,418
Investments purchased	(292,172,113)	(214,850,984)
Cash guarantee received for repurchase transactions	(12,359,128)	5,403,262
Interest, dividends and other receivables	65,957	51,123
Accrued expenses	(39,735)	58,107
Commitments related to repurchase transactions	12,359,128	(5,403,262)
Payable for securities purchased	352,871	10,012
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(6,899,638)	13,509,739
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	44,004,489	24,436,467
Amounts paid on withdrawals	(36,837,452)	(38,002,091)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	7,167,037	(13,565,624)
Effect of exchange rate changes on foreign cash	(2,561)	10,341
Increase (decrease) in cash/ bank overdraft	264,838	(45,544)
Cash (bank overdraft), beginning of year	144,336	189,880
CASH (BANK OVERDRAFT), END OF YEAR	409,174	144,336
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,276,236	1,274,366
Dividends received, net of withholding taxes	1,818,549	1,936,111
Interest paid	232	142

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF SHARES	COST \$	FAIR VALUE \$
Equities (43.3%)			
Energy (1.0%)			
Imperial Oil	55,950	2,162,919	1,921,888
Materials (2.4%)			
CCL Industries, Class B	43,200	2,562,544	2,389,824
Winpak	46,537	2,148,601	2,186,308
		4,711,145	4,576,132
Industrials (8.5%)			
CAE	26,900	816,620	924,284
Canadian National Railway Company	28,090	1,918,582	3,296,642
Canadian Pacific Railway	11,830	2,252,872	3,919,634
Thomson Reuters	31,078	2,013,983	2,886,835
Toromont Industries	51,850	3,022,787	3,663,202
Waste Connections	17,006	1,108,316	2,004,837
		11,133,160	16,695,434
Consumer Discretionary (2.2%)			
Dollarama	48,915	1,502,913	2,182,587
Restaurant Brands International	25,240	1,980,178	2,089,367
		3,483,091	4,271,954
Consumer Staples (5.8%)			
Alimentation Couche-Tard, Class B	84,452	2,317,914	3,479,422
Loblaw Companies	44,057	2,489,567	2,951,819
Metro	63,875	2,839,417	3,423,061
Saputo Group	38,800	1,673,896	1,557,820
		9,320,794	11,412,122
Financials (13.8%)			
Bank of Montreal	25,850	2,476,516	2,601,027
Brookfield Asset Management, Class A	52,567	2,518,872	3,944,102
Great-West Lifeco*	36,950	1,306,727	1,228,957
Intact Financial Corporation	18,005	1,768,736	2,528,262
National Bank of Canada	41,150	2,521,101	2,966,092
Royal Bank of Canada	37,994	2,881,942	3,910,722
Scotiabank	37,188	2,418,143	2,730,343
TMX Group	30,500	2,554,821	3,430,335
Toronto-Dominion Bank	48,812	2,658,898	3,554,978
		21,105,756	26,894,818
Information Technology (5.1%)			
CGI, Class A	29,478	1,639,063	3,203,374
Constellation Software	2,842	2,026,332	3,587,542
Open Text	56,400	2,338,772	3,226,644
		6,004,167	10,017,560

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF SHARES		COST	FAIR VALUE
			\$	\$
Communication Services (3.2%)				
Quebecor, Class B	68,305		1,423,885	2,266,360
Rogers Communications, Class B	17,000		1,095,531	1,096,160
Shaw Communications, Class B	63,650		1,662,285	1,677,178
TELUS	24,650		1,110,954	1,239,402
			5,292,655	6,279,100
Utilities (1.3%)				
ATCO, Class I	52,325		2,402,929	2,603,692
Total Equities			65,616,616	84,672,700
	NUMBER OF UNITS			
Investment Funds (27.8%)				
Fiera Active Short Term Canadian Municipal Bond	1,367,886		13,734,013	13,826,453
Fiera Capital Global Equity Fund, Series A	1,501,579		21,510,818	40,457,653
Total Investment Funds			35,244,831	54,284,106
	PAR VALUE			
Money Market Securities (15.5%)				
Canada Treasury Bills				
2020-01-06*	CAD	1,230,000	1,229,707	1,229,707
2020-02-06*	CAD	10,000,000	9,983,651	9,983,651
2020-02-20*	CAD	4,910,000	4,898,970	4,898,970
Ontario Treasury Bills				
2020-01-02	CAD	4,025,000	4,024,806	4,024,806
Province of Alberta, notes				
2020-01-21	CAD	300,000	299,698	299,698
2020-03-09	CAD	6,500,000	6,477,953	6,477,953
Province of Manitoba, notes				
2020-01-02	CAD	2,690,000	2,689,873	2,689,873
Province of Québec, notes				
2020-03-25	CAD	630,000	627,329	627,329
Total Money Market Securities			30,231,987	30,231,987
Bonds (13.4%)				
Government of Canada (3.4%)				
Canada Housing Trust				
Series 71, 1.250%, 2021-06-15*	CAD	1,972,000	1,959,236	1,957,196
Government of Canada				
2.500%, 2024-06-01	CAD	631,000	652,447	652,851
2.250%, 2025-06-01*	CAD	835,000	861,433	859,541
1.000%, 2027-06-01*	CAD	194,000	187,238	184,341
2.250%, 2029-06-01*	CAD	2,345,000	2,482,457	2,457,244
3.500%, 2045-12-01*	CAD	21,000	28,967	28,498
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	435,785	432,084	534,741
			6,603,862	6,674,412

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Provincial Governments and Crown Corporations (7.0%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	178,000	178,000	199,021
Hydro-Québec				
stripped, 2029-02-15	CAD	45,000	34,501	36,196
stripped, 2029-08-15	CAD	44,000	33,191	34,960
stripped, 2030-02-15	CAD	43,000	31,966	33,605
stripped, 2030-08-15	CAD	42,000	30,386	32,374
stripped, 2031-02-15	CAD	41,000	29,477	31,147
stripped, 2031-08-15	CAD	40,000	28,001	29,894
stripped, 2032-02-15	CAD	39,000	27,193	28,728
stripped, 2032-08-15	CAD	39,000	26,377	28,326
Ontario Infrastructure				
4.700%, 2037-06-01	CAD	70,000	70,093	89,255
Ontario School Boards Financing, Private Placement				
Series 04A1, 5.483%, 2029-11-26	CAD	309,950	330,783	353,935
Series 06A1, 5.070%, 2031-04-18	CAD	306,545	306,545	347,059
Ornge Issuer Trust				
5.727%, 2034-06-11	CAD	107,675	120,930	125,175
Province of Alberta				
2.900%, 2028-12-01*	CAD	352,000	364,955	367,172
3.300%, 2046-12-01	CAD	10,000	10,503	11,264
3.050%, 2048-12-01*	CAD	102,000	101,166	110,833
Province of Manitoba				
3.000%, 2028-06-02*	CAD	98,000	98,958	102,795
3.400%, 2048-09-05	CAD	149,000	151,009	171,973
Province of New Brunswick				
3.100%, 2048-08-14*	CAD	51,000	51,543	54,888
3.050%, 2050-08-14	CAD	51,000	50,733	54,664
Province of Newfoundland and Labrador				
3.700%, 2048-10-17*	CAD	125,000	133,944	145,084
Province of Ontario				
2.900%, 2028-06-02*	CAD	6,272,000	6,608,057	6,566,282
6.500%, 2029-03-08*	CAD	506,000	690,930	679,223
2.700%, 2029-06-02*	CAD	790,000	826,111	816,717
4.600%, 2039-06-02*	CAD	430,000	582,476	564,950
2.800%, 2048-06-02*	CAD	1,872,000	1,999,677	1,983,302
Province of Québec				
3.500%, 2048-12-01*	CAD	169,000	180,003	204,588
Province of Saskatchewan				
3.900%, 2045-06-02*	CAD	135,000	159,724	166,909
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	59,000	59,000	74,865
Series B, 5.395%, 2040-02-22	CAD	110,000	112,200	151,198
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	88,000	88,000	98,424
			13,516,432	13,694,806

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Corporations (3.0%)				
407 International				
4.190%, 2042-04-25	CAD	80,000	87,400	94,458
Bank of Montreal				
3.190%, 2028-03-01*	CAD	463,000	490,474	488,595
Bell Canada				
Series M45, 4.450%, 2047-02-27*	CAD	165,000	174,252	182,600
Canadian National Railway Company				
3.600%, 2049-02-08	CAD	59,000	64,260	64,778
3.050%, 2050-02-08	CAD	82,000	81,458	81,677
CU				
4.543%, 2041-10-24	CAD	78,000	88,448	96,399
4.085%, 2044-09-02	CAD	29,000	34,368	34,098
3.964%, 2045-07-27	CAD	330,000	345,794	382,939
3.763%, 2046-11-19	CAD	38,000	39,838	42,924
Enbridge				
3.520%, 2029-02-22*	CAD	155,000	156,341	163,097
2.990%, 2029-10-03	CAD	232,000	231,795	228,950
4.570%, 2044-03-11	CAD	12,000	13,012	13,149
Enbridge Pipelines				
4.550%, 2045-09-29	CAD	48,000	55,327	55,057
EPCOR Utilities				
3.949%, 2048-11-26	CAD	8,000	9,341	9,335
Greater Toronto Airports Authority				
Series 99-1, 6.450%, 2029-07-30	CAD	17	19	20
Great-West Lifeco				
3.337%, 2028-02-28	CAD	316,000	318,200	332,726
5.998%, 2039-11-16	CAD	62,000	84,893	87,606
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	405,000	498,248	557,544
Hydro One				
6.930%, 2032-06-01	CAD	30,000	42,932	42,649
5.000%, 2046-10-19	CAD	33,000	45,040	44,733
3.720%, 2047-11-18	CAD	1,000	1,010	1,124
3.630%, 2049-06-25	CAD	110,000	111,374	122,165
iA Groupe financier				
3.072%, (floating rate from 2026-09-24), 2031-09-24	CAD	137,000	137,000	137,629
IGM Financial				
4.115%, 2047-12-09	CAD	20,000	20,115	21,089
Intact Financial Corporation				
2.850%, 2027-06-07	CAD	51,000	51,200	50,992
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	50,530	50,886	64,489
Melancthon Wolfe Wind				
3.834%, 2028-12-31	CAD	73,172	73,181	74,452
National Bank of Canada				
2.580%, 2025-02-03	CAD	30,000	29,999	30,018

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

		PAR VALUE	COST	FAIR VALUE
			\$	\$
Corporations (continued)				
North Battleford Power				
Series A, 4.958%, 2032-12-31	CAD	97,470	97,477	108,642
North West Redwater Partnership				
Series E, 3.200%, 2026-04-24	CAD	44,000	43,906	45,306
Series F, 4.250%, 2029-06-01	CAD	54,000	59,385	59,607
Series B, 4.050%, 2044-07-22	CAD	26,000	28,045	28,748
Pembina Pipeline				
Series 12, 3.620%, 2029-04-03	CAD	200,000	200,891	205,242
Series 4, 4.810%, 2044-03-25	CAD	83,000	83,068	91,599
Plenary Health Care Partnerships Humber				
4.895%, 2039-05-31	CAD	116,809	116,809	133,971
SGTP Highway Bypass				
Series A, 4.105%, 2045-01-31	CAD	164,000	164,000	176,348
Sinai Health System				
Series A, 3.527%, 2056-06-09	CAD	55,000	55,000	60,837
SmartCentres Real Estate Investment Trust				
Series U, 3.526%, 2029-12-20	CAD	212,000	212,000	213,549
TELUS				
Series CY, 3.300%, 2029-05-02	CAD	294,000	293,637	298,375
Series CAA, 3.150%, 2030-02-19	CAD	97,000	96,660	96,734
Series CAB, 3.950%, 2050-02-16	CAD	94,000	93,205	93,624
Teranet Income Fund				
5.754%, 2040-12-17	CAD	95,000	100,408	104,730
6.100%, 2041-06-17	CAD	365,000	407,072	420,129
TransCanada PipeLines				
Series 17-A, 4.650%, (floating rate from 2027-05-18), 2077-05-18	CAD	161,000	160,922	156,449
			5,548,690	5,799,182
Total Bonds			25,668,984	26,168,400
Total Investments (100.0%)			156,762,418	195,357,193
Other Net Assets (0.0%)				87,128
Net Assets (100%)				195,444,321

* Securities pledged as collateral, in part or in whole, through the securities lending program.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

TOP 25 HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Fiera Capital Global Equity Fund, Series A	20.7%
Fiera Active Short Term Canadian Municipal Bond	7.1%
Canada Treasury Bills, February 6, 2020	5.1%
Province of Ontario, 2.900%, June 2, 2028	3.4%
Province of Alberta, notes, March 9, 2020	3.3%
Canada Treasury Bills, February 20, 2020	2.5%
Ontario Treasury Bills, January 2, 2020	2.1%
Brookfield Asset Management	2.0%
Canadian Pacific Railway	2.0%
Royal Bank of Canada	2.0%
Toromont Industries	1.9%
Constellation Software	1.8%
Toronto-Dominion Bank	1.8%
Alimentation Couche-Tard	1.8%
TMX Group	1.8%
Metro	1.8%
Canadian National Railway Company	1.7%
Open Text	1.7%
CGI, Class A	1.6%
National Bank of Canada	1.5%
Loblaw Companies	1.5%
Thomson Reuters	1.5%
Scotiabank	1.4%
Province of Manitoba, notes, January 2, 2020	1.4%
ATCO, Class I	1.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide investors with a balance of capital growth and interest income by investing primarily in Canadian equity and fixed-income securities.

Strategy of the Fund

To provide such a balance by investing a portion of its assets in the common shares of medium and large cap Canadian corporations and the remainder in Canadian government and Canadian investment-grade corporate bonds and other interest-bearing instruments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Equities	84,672,700	—	—	84,672,700
Bonds	19,245,604	6,922,796	—	26,168,400
Investment Funds	—	54,284,106	—	54,284,106
Money Market Securities	30,231,987	—	—	30,231,987
TOTAL	134,150,291	61,206,902	—	195,357,193
 December 31, 2018	 Level 1 \$	 Level 2 \$	 Level 3 \$	 Total \$
Financial Assets at FVTPL				
Equities	70,290,991	—	—	70,290,991
Bonds	18,790,854	7,466,516	—	26,257,370
Investment Funds	—	39,310,027	—	39,310,027
Money Market Securities	28,696,269	—	—	28,696,269
TOTAL	117,778,114	46,776,543	—	164,554,657

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

FINANCIAL INSTRUMENTS RISKS (Note 7)**Currency Risk**

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

As at December 31, 2019 and 2018, the majority of the Fund's financial assets and liabilities are denominated in Canadian dollars. As a result, the Fund is not significantly exposed to currency risk.

Interest Rate Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following table summarizes the Fund's exposure to interest rate risk. It includes the Fund's financial assets and liabilities at fair value, categorized by the earlier of contractual re-pricing or maturity dates. The table also illustrates the impact on the Net Assets Attributable to Contract Owners, had prevailing interest rates changed by 0.25%, assuming a parallel shift in the yield curve, with all other variables held constant.

	Less than 1 Year	1 to 5 Years	5 to 10 Years	Greater than 10 Years	Total	Impact on Net Assets Attributable to Contract Owners
	\$	\$	\$	\$	\$	\$
December 31, 2019	30,641,161	2,610,047	14,943,413	8,614,940	56,809,561	1,250,648
December 31, 2018	31,234,377	4,677,292	6,675,158	12,511,148	55,097,975	1,015,824

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Concentration Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The following tables summarize the concentration risk, as a percentage of the Net Assets Attributable to Contract Owners:

December 31, 2019		December 31, 2018	
Market Segment	%	Market Segment	%
Equities		Equities	
Financials	13.8	Financials	11.7
Industrials	8.5	Industrials	7.6
Consumer Staples	5.8	Consumer Staples	5.7
Information Technology	5.1	Information Technology	5.4
Communication Services	3.2	Communication Services	5.1
Materials	2.4	Materials	2.3
Consumer Discretionary	2.2	Consumer Discretionary	2.1
Utilities	1.3	Energy	1.9
Energy	1.0	Utilities	0.9
Investment Funds		Investment Funds	
Growth	20.7	Growth	16.5
Income	7.1	Income	7.4
Money Market Securities	15.5	Money Market Securities	17.4
Bonds	13.4	Bonds	15.9
TOTAL	100	Other Net Assets	0.1
		TOTAL	100

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Price Risk

The Fund may trade in financial instruments and take positions in traded and over-the-counter instruments.

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills (10%)	0.25	45,034	42,868
FTSE Canada Universe Bond (30%)	1.00	540,410	514,415
S&P/TSX Capped (40%)	3.00	2,161,641	2,057,658
MSCI World Net (20%)	3.00	1,080,820	1,028,829

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Fund's credit risk concentration is separated between fixed-income and money market securities. Their fair values include consideration of the issuers' creditworthiness and accordingly, represent the Fund's maximum exposure to credit risk.

Portfolio's Fixed-Income Securities by Credit Rating Category

Credit Rating	Percentage of Fixed Income Securities	
	December 31, 2019	December 31, 2018
	%	%
AAA	26	34
AA	48	42
A	13	14
BBB	13	10
TOTAL	100	100

Portfolio's Money Market Securities by Credit Rating Category

Credit Rating	Percentage of Money Market Securities	
	December 31, 2019	December 31, 2018
	%	%
R-1 (High)	76	77
R-1 (Middle)	24	23
TOTAL	100	100

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Securities Lending and Repurchase Transactions

As part of its securities lending against cash and repurchase transactions, the Fund is exposed to counterparty credit risk.

The carrying amount of financial assets lent as part of repurchase transactions is:

	\$
December 31, 2019	28,862,655
December 31, 2018	16,746,589

As part of its reverse repurchase transactions, the Fund is permitted to sell or repledge in the absence of default the financial assets held as collateral.

The fair value of those financial assets is:

	\$
December 31, 2019	2,597,030
December 31, 2018	3,050,446

The fair value of financial assets accepted as collateral which have been sold or repledged totalled:

	\$
December 31, 2019	—
December 31, 2018	130,397

These financial assets were received as collateral as part of transactions involving reverse repurchase agreements.

Liquidity Risk

Part of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DERECOGNITION OF FINANCIAL ASSETS**Securities Lending and Repurchase Transactions**

As part of transactions involving securities lending or repurchase transactions, the Fund transfers financial assets under terms and conditions providing for their future repurchase. These financial assets remain recognized in the "Investments at fair value through profit or loss pledged as collateral" of the Statement of Financial Position as the Fund retains substantially all the risks and rewards related to these assets.

	December 31, 2019	December 31, 2018
	\$	\$
Investments at FVTPL pledged as collateral	31,063,405	33,136,525
Value of Collateral received	31,685,225	33,799,256

The Funds require collateral in the form of cash or such other securities as may be acceptable to Desjardins Financial Security and that have an aggregate value of no less than 102% of the loaned securities fair value.

The following table presents the carrying amount and the fair value of financial assets transferred by the Fund but not derecognized as well as the related liabilities recognized in "Commitments related to repurchase transactions" and "Commitments related to securities lending" of the Statement of Financial Position.

	December 31, 2019	December 31, 2018
	Fair Value*	Fair Value*
	\$	\$
Financial assets	28,862,655	16,746,589
Related liabilities	29,106,186	16,747,058

* The fair value equals carrying amount.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

RECONCILIATION OF INCOME FROM SECURITIES LENDING ACTIVITIES (Note 2)

The following table shows a reconciliation of the total income generated from securities lending transactions of the Fund and the revenue from securities lending activities disclosed in the Fund's Statement of Comprehensive Income.

	December 31, 2019		December 31, 2018	
	\$	%	\$	%
Total Income	33,893	100	40,965	100
Net Income received by the Fund	20,336	60	24,579	60
Net Income received by Desjardins Trust	13,557	40	16,386	40

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 1	11.42	10.11	10.46	10.09	9.58
Series 3	12.88	11.32	11.64	11.16	10.53
Series 5	13.86	12.11	12.37	11.78	11.05
Series 6	6.82	5.96	6.09	5.80	5.44
Series 7	7.03	6.10	6.20	5.88	5.50
Series 8*	5.75	5.01	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	5,455	5,402	6,504	7,258	7,752
Series 3	12,726	11,047	12,813	14,379	16,332
Series 5	141,723	127,840	143,568	148,882	152,946
Series 6	19,804	11,803	17,422	13,242	7,625
Series 7	1,743	1,486	1,357	918	544
Series 8*	13,994	7,093	—	—	—
Number of units outstanding (000)					
Series 1	478	535	622	719	809
Series 3	988	976	1,101	1,289	1,551
Series 5	10,224	10,560	11,608	12,639	13,843
Series 6	2,903	1,981	2,861	2,283	1,401
Series 7	248	243	219	156	99
Series 8*	2,434	1,417	—	—	—
Management expense ratio (MER)¹ (%)					
Series 1	3.83	3.83	3.83	3.83	3.83
Series 3	3.19	3.19	3.18	3.19	3.20
Series 5	2.55	2.55	2.55	2.55	2.55
Series 6	2.57	2.57	2.57	2.57	2.59
Series 7	2.04	2.03	2.08	2.08	2.12
Series 8*	2.25	2.25	—	—	—
Portfolio turnover rate ² (%)	60.93	49.23	145.33	117.30	83.51

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund Series O	13.5%
Franklin Bissett Core Plus Bond Fund Series O	13.3%
Franklin U.S. Core Equity Fund Series O	7.7%
Franklin Liberty Global Aggregate Bond ETF	6.7%
Franklin FTSE U.S. Index ETF	5.9%
Franklin Bissett Canadian Equity Fund Series O	5.3%
Franklin FTSE Canada All Cap Index ETF	5.1%
Franklin U.S. Rising Dividends Fund Series O	4.8%
Franklin International Core Equity Fund Series O	4.5%
Franklin Canadian Core Equity Fund Series O	4.4%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,029	10.3%	11,054	10.5%	11,093	10.9%	11,157	11.6%	11,113	11.1%
3 Years	10,863	2.8%	10,954	3.1%	11,022	3.3%	11,202	3.9%	—	—
5 Years	11,462	2.8%	11,625	3.1%	11,736	3.3%	12,030	3.8%	—	—
10 Years	15,066	4.2%	15,512	4.5%	—	—	—	—	—	—
Since Inception	13,720	2.5%	14,071	2.8%	12,180	3.4%	12,540	3.9%	10,580	3.4%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	26,585	11,253
Investments at fair value through profit or loss (FVTPL)	453,484,207	446,880,268
Premiums receivable	265,311	38,840
Receivable for securities sold	257,746	280,998
	<u>454,033,849</u>	<u>447,211,359</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	1,110,281	1,096,057
Withdrawals payable	857,665	639,365
Payable for securities purchased	25,150	13,531
	<u>1,993,096</u>	<u>1,748,953</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>452,040,753</u>	<u>445,462,406</u>
NET ASSETS PER UNIT		
Series 3	<u>6.86</u>	6.22
Series 5	<u>7.13</u>	6.45
Series 6	<u>6.09</u>	5.49
Series 7	<u>6.27</u>	5.62
Series 8	<u>5.29</u>	4.76

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	419	(652)
Distributions from underlying funds	8,409,780	14,849,976
Changes in fair value:		
Net realized gain (loss) on investments	16,150,354	16,140,729
Net unrealized gain (loss) on investments	35,197,898	(45,479,861)
	<u>59,758,451</u>	<u>(14,489,808)</u>
EXPENSES		
Management fees and guarantee charge	10,940,913	11,643,291
Operating expenses	2,593,410	2,767,089
	<u>13,534,323</u>	<u>14,410,380</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>46,224,128</u>	<u>(28,900,188)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	864,345	(610,618)
- per unit	0.68	(0.40)
Average Number of Units	1,279,726	1,531,339
SERIES 5		
Increase (Decrease) in Net Assets from Operations	40,886,294	(25,671,684)
- per unit	0.70	(0.40)
Average Number of Units	58,701,402	63,727,592
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,057,105	(1,817,489)
- per unit	0.60	(0.32)
Average Number of Units	5,091,400	5,683,729
SERIES 7		
Increase (Decrease) in Net Assets from Operations	353,438	(290,641)
- per unit	0.66	(0.36)
Average Number of Units	533,394	811,795
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,062,946	(509,756)
- per unit	0.53	(0.28)
Average Number of Units	2,019,607	1,844,425

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	445,462,406	511,324,868
Increase (Decrease) in Net Assets from operations attributable to contract owners	46,224,128	(28,900,188)
Premiums		
Series 3	261,744	1,298,471
Series 5	38,577,277	35,497,001
Series 6	3,287,443	4,889,140
Series 7	18,623	1,104,371
Series 8*	2,041,540	10,500,953
	44,186,627	53,289,936
Withdrawals		
Series 3	(2,056,726)	(2,127,228)
Series 5	(74,680,281)	(71,768,106)
Series 6	(4,591,423)	(13,439,135)
Series 7	(870,984)	(2,119,352)
Series 8*	(1,632,994)	(798,389)
	(83,832,408)	(90,252,210)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	452,040,753	445,462,406

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	46,224,128	(28,900,188)
Adjustments for:		
Net realized (gain) loss	(16,150,354)	(16,140,729)
Net unrealized (gain) loss	(35,197,898)	45,479,861
Non-cash distribution from investments	(8,409,780)	(14,849,976)
Proceeds from sale/maturity of investments	54,091,162	53,798,609
Investments purchased	(937,069)	(2,218,898)
Receivable for securities sold	23,252	(218,619)
Accrued expenses	14,224	(171,639)
Payable for securities purchased	11,619	13,531
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	39,669,284	36,791,952
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	43,960,156	53,365,404
Amounts paid on withdrawals	(83,614,108)	(90,100,849)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(39,653,952)	(36,735,445)
Increase (decrease) in cash/ bank overdraft	15,332	56,507
Cash (bank overdraft), beginning of year	11,253	(45,254)
CASH (BANK OVERDRAFT), END OF YEAR	26,585	11,253
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	443	—
Interest paid	24	652

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Franklin Quotential Balanced Growth Portfolio	37,365,012	312,038,826	453,484,207
Total Investments		312,038,826	453,484,207
Other Net Assets (-0.3%)			(1,443,454)
Net Assets (100%)			452,040,753

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Franklin Bissett Canadian Government Bond Fund, Series O	13.5%
Franklin Bissett Core Plus Bond Fund, Series O	13.3%
Franklin U.S. Core Equity Fund, Series O	7.7%
Franklin Liberty Global Aggregate Bond ETF	6.7%
Franklin FTSE U.S. Index ETF	5.9%
Franklin Bissett Canadian Equity Fund, Series O	5.3%
Franklin FTSE Canada All Cap Index ETF	5.1%
Franklin U.S. Rising Dividends Fund, Series O	4.8%
Franklin International Core Equity Fund, Series O	4.5%
Franklin Canadian Core Equity Fund, Series O	4.4%
Franklin U.S. Opportunities Fund, Series O	4.1%
iShares Core MSCI EAFE ETF	4.0%
Franklin LibertyQT U.S. Equity Index ETF	3.6%
Franklin Bissett Short Duration Bond Fund, Series O	3.5%
Templeton Global Bond Fund, Series O	3.2%
Franklin Templeton Canadian Large Cap Fund, Series O	3.0%
Franklin FTSE Europe Ex U.K. Index ETF	2.4%
Franklin Emerging Market Core Equity Fund, Series O	1.9%
iShares Core MSCI Emerging Markets ETF	1.9%
Templeton Emerging Markets Fund, Series O	1.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests, to a lesser extent, in fixed-income underlying funds in order to provide stability.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
453,484,207	—	—	453,484,207
453,484,207	—	—	453,484,207

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
446,880,268	—	—	446,880,268
446,880,268	—	—	446,880,268

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – BALANCED GROWTH – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (30%)	1.00	1,369,815	1,482,187
Bloomberg Barclays Multiverse Bond (10%)	1.00	456,605	494,062
S&P/TSX (20%)	3.00	2,739,630	4,446,561
MSCI All Country World Net (40%)	3.00	5,479,260	4,446,561

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	6.86	6.22	6.64	6.32	6.24
Series 5	7.13	6.45	6.86	6.51	6.41
Series 6	6.09	5.49	5.84	5.53	5.43
Series 7	6.27	5.62	5.94	5.60	5.48
Series 8*	5.29	4.76	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	8,078	9,009	10,448	11,499	12,701
Series 5	400,050	395,267	457,210	470,236	497,238
Series 6	30,354	28,601	38,969	32,581	23,162
Series 7	2,894	3,393	4,699	4,108	2,871
Series 8*	10,664	9,193	—	—	—
Number of units outstanding (000)					
Series 3	1,177	1,448	1,573	1,821	2,036
Series 5	56,074	61,291	66,604	72,244	77,569
Series 6	4,984	5,206	6,675	5,896	4,263
Series 7	462	603	791	734	524
Series 8*	2,015	1,932	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.28	3.27	3.26	3.26	3.27
Series 5	2.98	2.97	2.97	2.97	2.97
Series 6	2.78	2.78	2.79	2.80	2.79
Series 7	2.27	2.27	2.29	2.34	2.36
Series 8*	2.44	2.48	—	—	—
Portfolio turnover rate ² (%)	2.04	3.49	5.12	3.18	10.50

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN BALANCED – CI SIGNATURE*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Manulife Financial Corporation	4.3%
SPDR Gold Trust	4.0%
Scotiabank	3.3%
Province of Ontario, 2.65%, December 2, 2050	1.8%
Government of Canada, 2.25%, June 1, 2029	1.8%
Suncor Energy	1.8%
Province of Ontario, 2.6%, June 2, 2025	1.8%
Province of Québec, 2.5%, September 1, 2026	1.7%
Province of Québec, 3.1%, December 1, 2051	1.5%
Government of Canada, 1.5%, August 1, 2021	1.5%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,241	12.4%	11,282	12.8%	11,320	13.2%	11,309	13.1%
3 Years	11,114	3.6%	11,190	3.8%	11,360	4.3%	—	—
5 Years	11,517	2.9%	11,642	3.1%	11,927	3.6%	—	—
Since Inception	15,400	4.6%	12,500	3.9%	12,860	4.4%	10,540	3.2%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	135,847	528
Investments at fair value through profit or loss (FVTPL)	119,849,496	118,674,581
Premiums receivable	—	132,458
Receivable for securities sold	224,607	25,994
	<u>120,209,950</u>	<u>118,833,561</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	285,573	286,154
Withdrawals payable	288,459	230,188
Payable for securities purchased	134,728	1,133
	<u>708,760</u>	<u>517,475</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>119,501,190</u>	<u>118,316,086</u>
NET ASSETS PER UNIT		
Series 5	<u>7.70</u>	6.85
Series 6	<u>6.25</u>	5.54
Series 7	<u>6.43</u>	5.68
Series 8	<u>5.27</u>	4.66

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	116	(244)
Distributions from underlying funds	3,905,828	8,418,037
Changes in fair value:		
Net realized gain (loss) on investments	(285,152)	290,655
Net unrealized gain (loss) on investments	14,294,596	(16,684,738)
	<u>17,915,388</u>	<u>(7,976,290)</u>
EXPENSES		
Management fees and guarantee charge	2,839,126	3,101,459
Operating expenses	670,590	751,647
	<u>3,509,716</u>	<u>3,853,106</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,405,672</u>	<u>(11,829,396)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	9,487,581	(8,123,533)
- per unit	0.87	(0.65)
Average Number of Units	10,903,787	12,459,810
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,913,616	(2,446,220)
- per unit	0.71	(0.51)
Average Number of Units	4,117,029	4,778,045
SERIES 7		
Increase (Decrease) in Net Assets from Operations	686,997	(470,272)
- per unit	0.76	(0.54)
Average Number of Units	900,860	863,738
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,317,478	(789,371)
- per unit	0.60	(0.40)
Average Number of Units	2,200,559	1,996,175

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	118,316,086	136,540,032
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,405,672	(11,829,396)
Premiums		
Series 5	7,414,389	12,625,580
Series 6	2,956,840	7,586,465
Series 7	6,691	3,092,299
Series 8*	2,099,093	11,819,423
	12,477,013	35,123,767
Withdrawals		
Series 5	(19,242,818)	(22,716,764)
Series 6	(4,316,029)	(16,772,459)
Series 7	(365,965)	(1,050,962)
Series 8*	(1,772,769)	(978,132)
	(25,697,581)	(41,518,317)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	119,501,190	118,316,086

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,405,672	(11,829,396)
Adjustments for:		
Net realized (gain) loss	285,152	(290,655)
Net unrealized (gain) loss	(14,294,596)	16,684,738
Non-cash distribution from investments	(3,905,828)	(8,418,037)
Proceeds from sale/maturity of investments	18,271,002	18,478,551
Investments purchased	(1,530,645)	(8,223,944)
Receivable for securities sold	(198,613)	109,055
Interest, dividends and other receivables	—	77
Accrued expenses	(581)	(45,142)
Payable for securities purchased	133,595	(19,230)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	13,165,158	6,446,017
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	12,609,471	35,130,562
Amounts paid on withdrawals	(25,639,310)	(41,595,984)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(13,029,839)	(6,465,422)
Increase (decrease) in cash/ bank overdraft	135,319	(19,405)
Cash (bank overdraft), beginning of year	528	19,933
CASH (BANK OVERDRAFT), END OF YEAR	135,847	528
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	116	—
Interest paid	—	175

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Signature Canadian Balanced Fund, Class I	12,700,899	119,008,580	119,849,496
Total Investments		119,008,580	119,849,496
Other Net Assets (-0.3%)			(348,306)
Net Assets (100%)			119,501,190

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Manulife Financial Corporation	4.3%
SPDR Gold Trust	4.0%
Scotiabank	3.3%
Province of Ontario, 2.65%, December 2, 2050	1.8%
Government of Canada, 2.25%, June 1, 2029	1.8%
Suncor Energy	1.8%
Province of Ontario, 2.6%, June 2, 2025	1.8%
Province of Québec, 2.5%, September 1, 2026	1.7%
Province of Québec, 3.1%, December 1, 2051	1.5%
Government of Canada, 1.5%, August 1, 2021	1.5%
Total SA	1.4%
Nestle SA	1.4%
Government of Canada, 1.5%, September 1, 2024	1.4%
Canadian Pacific Railway	1.3%
Sony Corporation	1.2%
Advanced Micro Devcom	1.1%
Agnico-Eagle Mines Ltd	1.1%
Province of Ontario, 3.5%, June 2, 2024	1.1%
Wheaton Precious Metals Corporation	1.0%
Canadian Imperial Bank of Commerce	1.0%
Province of Ontario, 2.9%, June 2, 2028	1.0%
Samsung Electronics	1.0%
Power Financial Corporation	1.0%
Enbridge	0.9%
Province of Québec, 2.75%, September 1, 2025	0.9%

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with an attractive balance of current income and capital appreciation by investing primarily in a combination of Canadian equity and equity-related securities and fixed-income securities.

Strategy of the Fund

For the equity portion, the Fund invests primarily in companies providing a stable income or consistent dividends. For the fixed-income portion, the portfolio advisor selects high-quality fixed-income securities, including bank loans and floating rate debt instruments but may choose to shift the weighting of the portion of the Fund held in bonds with longer terms to maturity depending on the expected fluctuations in interest rates. The Fund may also invest in foreign securities as well as warrants, and derivatives, the latter to aid in hedging against potential losses resulting from changes in the prices of the securities that the Fund has invested in as well as any exposure from foreign currencies.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
119,849,496	—	—	119,849,496
119,849,496	—	—	119,849,496

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
118,674,581	—	—	118,674,581
118,674,581	—	—	118,674,581

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	505,930	452,914
S&P/TSX (30%)	3.00	1,138,342	1,019,056
MSCI All Country World Net (30%)	3.00	1,138,342	1,019,056

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	7.70	6.85	7.53	6.93	6.60
Series 6	6.25	5.54	6.08	5.59	5.31
Series 7	6.43	5.68	6.20	5.66	5.36
Series 8*	5.27	4.66	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	77,084	79,425	97,640	83,488	86,020
Series 6	25,119	23,564	35,197	27,445	22,332
Series 7	5,602	5,274	3,703	2,407	1,817
Series 8*	11,696	10,052	—	—	—
Number of units outstanding (000)					
Series 5	10,010	11,597	12,966	12,051	13,032
Series 6	4,021	4,250	5,786	4,914	4,204
Series 7	871	929	598	425	339
Series 8*	2,221	2,159	—	—	—
Management expense ratio (MER)¹ (%)					
Series 5	3.00	3.00	2.99	2.99	2.99
Series 6	2.79	2.78	2.78	2.79	2.78
Series 7	2.24	2.25	2.28	2.29	2.34
Series 8*	2.44	2.48	—	—	—
Portfolio turnover rate² (%)					
	4.45	12.48	6.42	7.84	15.01

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Manulife Financial Corporation	4.3%
SPDR Gold Trust	3.9%
Scotiabank	3.3%
Suncor Energy	1.9%
Nestle SA	1.5%
Total SA	1.4%
Canadian Pacific Railway	1.3%
Sony Corporation	1.2%
Advanced Micro Devcom	1.2%
Province of Ontario, 2.65%, December 2, 2050	1.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,373	13.7%	11,392	13.9%	11,446	14.5%	11,422	14.2%
3 Years	11,293	4.1%	11,331	4.3%	11,521	4.8%	—	—
5 Years	11,808	3.4%	11,890	3.5%	12,216	4.1%	—	—
Since Inception	14,740	5.5%	12,600	4.0%	12,980	4.6%	10,600	3.5%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	3,790	—
Investments at fair value through profit or loss (FVTPL)	113,719,250	102,581,921
Premiums receivable	151,757	192,328
Receivable for securities sold	23,502	195,827
	<u>113,898,299</u>	<u>102,970,076</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	188,222
Accrued expenses	267,963	242,515
Withdrawals payable	253,106	195,996
Payable for securities purchased	—	23,368
	<u>521,069</u>	<u>650,101</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>113,377,230</u>	<u>102,319,975</u>
NET ASSETS PER UNIT		
Series 5	<u>7.37</u>	6.48
Series 6	<u>6.30</u>	5.53
Series 7	<u>6.49</u>	5.67
Series 8	<u>5.30</u>	4.64

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	176	2,320
Distributions from underlying funds	3,992,041	7,630,347
Changes in fair value:		
Net realized gain (loss) on investments	(149,441)	196,116
Net unrealized gain (loss) on investments	13,537,924	(14,756,464)
	<u>17,380,700</u>	<u>(6,927,681)</u>
EXPENSES		
Management fees and guarantee charge	2,827,788	2,595,789
Operating expenses	353,362	328,297
	<u>3,181,150</u>	<u>2,924,086</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,199,550</u>	<u>(9,851,767)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	6,057,600	(4,459,815)
- per unit	0.89	(0.67)
Average Number of Units	6,809,453	6,638,624
SERIES 6		
Increase (Decrease) in Net Assets from Operations	4,279,946	(3,209,151)
- per unit	0.77	(0.55)
Average Number of Units	5,575,212	5,859,087
SERIES 7		
Increase (Decrease) in Net Assets from Operations	984,534	(653,267)
- per unit	0.83	(0.53)
Average Number of Units	1,187,712	1,242,855
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	2,877,470	(1,529,534)
- per unit	0.65	(0.44)
Average Number of Units	4,417,266	3,440,817

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	102,319,975	92,991,328
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,199,550	(9,851,767)
Premiums		
Series 5	10,489,829	15,616,637
Series 6	6,532,027	16,032,158
Series 7	345,878	2,239,209
Series 8*	5,951,692	23,028,166
	23,319,426	56,916,170
Withdrawals		
Series 5	(12,397,607)	(10,991,499)
Series 6	(8,152,653)	(23,749,712)
Series 7	(1,194,017)	(1,251,866)
Series 8*	(4,717,444)	(1,742,679)
	(26,461,721)	(37,735,756)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	113,377,230	102,319,975

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,199,550	(9,851,767)
Adjustments for:		
Net realized (gain) loss	149,441	(196,116)
Net unrealized (gain) loss	(13,537,924)	14,756,464
Non-cash distribution from investments	(3,992,041)	(7,630,347)
Proceeds from sale/maturity of investments	12,815,305	5,446,487
Investments purchased	(6,572,110)	(21,749,125)
Receivable for securities sold	172,325	(195,827)
Accrued expenses	25,448	19,587
Payable for securities purchased	(23,368)	(703,185)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	3,236,626	(20,103,829)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	23,359,997	56,937,174
Amounts paid on withdrawals	(26,404,611)	(37,620,871)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(3,044,614)	19,316,303
Increase (decrease) in cash/ bank overdraft	192,012	(787,526)
Cash (bank overdraft), beginning of year	(188,222)	599,304
CASH (BANK OVERDRAFT), END OF YEAR	3,790	(188,222)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	176	37
Interest paid	—	110

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Signature Income & Growth Fund, Class I	12,077,749	107,957,944	113,719,250
Total Investments		107,957,944	113,719,250
Other Net Assets (-0.3%)			(342,020)
Net Assets (100%)			113,377,230

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Manulife Financial Corporation	4.3%
SPDR Gold Trust	3.9%
Scotiabank	3.3%
Suncor Energy	1.9%
Nestle SA	1.5%
Total SA	1.4%
Canadian Pacific Railway	1.3%
Sony Corporation	1.2%
Advanced Micro Devcom	1.2%
Province of Ontario, 2.65%, December 2, 2050	1.1%
Province of Ontario, 2.6%, June 2, 2025	1.1%
Agnico-Eagle Mines Ltd	1.1%
Province of Québec, 2.5%, September 1, 2026	1.1%
Wheaton Precious Metals Corporation	1.0%
Canadian Imperial Bank of Commerce	1.0%
Samsung Electronics	1.0%
Power Financial Corporation	1.0%
Enbridge	1.0%
Mondelez International-W/I	0.9%
Fairfax Financial Holdings	0.9%
Alimentation Couche-Tard	0.9%
Canadian Natural Resources	0.8%
Nutrien	0.8%
Province of Québec, 3.1%, December 1, 2051	0.8%
Saputo Group	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to provide a steady flow of current income while preserving capital by obtaining exposure primarily to equity, equity related and fixed-income securities of Canadian issuers.

Strategy of the Fund

The Fund invests in a combination of equity, fixed-income and derivatives. Broadly diversified by sector and style, preferred and common shares make up portions of the Fund's investments in equity securities. The fixed-income portion of the Fund's investments is comprised of high-yielding government and corporate bonds, debentures and notes, including some securities that are unrated or have credit ratings below investment grade. The Fund may also invest in real estate investment trusts (REITs), royalty trusts, income trusts and other similar high yielding instruments.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
113,719,250	—	—	113,719,250
113,719,250	—	—	113,719,250

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1 \$	Level 2 \$	Level 3 \$	Total \$
102,581,921	—	—	102,581,921
102,581,921	—	—	102,581,921

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – INCOME AND GROWTH – CI SIGNATURE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (15%)	1.00	165,832	141,923
Merrill Lynch High Yield Master II (15%)	2.00	331,663	283,846
S&P/TSX Composite High Dividend (10%)	3.00	331,663	283,846
S&P/TSX (30%)	3.00	994,989	851,538
MSCI All Country World Net (30%)	3.00	994,989	851,538

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	7.37	6.48	7.13	6.53	6.10
Series 6	6.30	5.53	6.08	5.56	5.19
Series 7	6.49	5.67	6.19	5.63	5.23
Series 8*	5.30	4.64	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	48,660	44,510	44,345	40,197	46,082
Series 6	33,739	31,080	42,007	30,855	22,047
Series 7	7,110	6,974	6,640	1,972	1,010
Series 8*	23,868	19,756	—	—	—
Number of units outstanding (000)					
Series 5	6,603	6,871	6,220	6,159	7,558
Series 6	5,354	5,618	6,906	5,549	4,250
Series 7	1,095	1,231	1,072	350	193
Series 8*	4,505	4,261	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	3.04	3.04	3.04	3.05	3.05
Series 6	2.90	2.90	2.89	2.90	2.85
Series 7	2.35	2.34	2.36	2.36	2.32
Series 8*	2.57	2.59	—	—	—
Portfolio turnover rate ² (%)	11.53	5.37	7.42	19.52	14.11

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
NEI Global Equity Fund, Series I	34.7%
NEI Canadian Bond Fund, Series I	22.4%
Toronto-Dominion Bank	4.1%
Scotiabank	3.9%
Air Canada	3.3%
FirstService	3.3%
Colliers International Group	2.9%
Manulife Financial	2.7%
Quebecor, Class B	2.6%
Sun Life Financial	2.4%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,206	12.1%	11,274	12.7%	11,297	13.0%	11,331	13.3%	11,330	13.3%
3 Years	11,225	3.9%	11,448	4.6%	11,491	4.7%	11,658	5.2%	—	—
5 Years	12,272	4.2%	12,681	4.9%	12,747	5.0%	13,064	5.5%	—	—
10 Years	17,123	5.5%	18,204	6.2%	—	—	—	—	—	—
Since Inception	13,940	2.6%	15,366	3.6%	13,240	4.9%	13,620	5.4%	10,560	3.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	806,520	429,028
Investments at fair value through profit or loss (FVTPL)	231,867,135	205,177,507
Premiums receivable	136,587	1,049,731
	<u>232,810,242</u>	<u>206,656,266</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	547,189	488,102
Withdrawals payable	252,994	345,235
Payable for securities purchased	454,653	50,786
	<u>1,254,836</u>	<u>884,123</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>231,555,406</u>	<u>205,772,143</u>
NET ASSETS PER UNIT		
Series 3	<u>6.97</u>	6.22
Series 5	<u>7.52</u>	6.67
Series 6	<u>6.62</u>	5.86
Series 7	<u>6.81</u>	6.01
Series 8	<u>5.28</u>	4.66

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	3,833	1,966
Distributions from underlying funds	5,438,302	6,450,175
Changes in fair value:		
Net realized gain (loss) on investments	5,170,345	2,955,549
Net unrealized gain (loss) on investments	22,129,490	(18,940,829)
	<u>32,741,970</u>	<u>(9,533,139)</u>
EXPENSES		
Management fees and guarantee charge	5,428,330	4,970,093
Operating expenses	1,023,076	991,443
	<u>6,451,406</u>	<u>5,961,536</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>26,290,564</u>	<u>(15,494,675)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	213,205	(152,947)
- per unit	0.73	(0.51)
Average Number of Units	290,815	298,259
SERIES 5		
Increase (Decrease) in Net Assets from Operations	17,266,625	(10,569,118)
- per unit	0.86	(0.51)
Average Number of Units	20,062,595	20,757,238
SERIES 6		
Increase (Decrease) in Net Assets from Operations	4,970,870	(2,784,345)
- per unit	0.73	(0.48)
Average Number of Units	6,827,349	5,853,818
SERIES 7		
Increase (Decrease) in Net Assets from Operations	1,173,235	(521,356)
- per unit	0.86	(0.44)
Average Number of Units	1,363,700	1,195,966
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	2,666,629	(1,466,909)
- per unit	0.56	(0.50)
Average Number of Units	4,795,186	2,961,505

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	<u>205,772,143</u>	<u>190,921,321</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>26,290,564</u>	<u>(15,494,675)</u>
Premiums		
Series 3	502,610	655,610
Series 5	20,040,441	30,151,589
Series 6	15,932,854	25,815,508
Series 7	318,753	7,249,798
Series 8*	<u>13,917,993</u>	<u>22,516,280</u>
	<u>50,712,651</u>	<u>86,388,785</u>
Withdrawals		
Series 3	(673,978)	(708,109)
Series 5	(29,605,513)	(30,070,245)
Series 6	(11,251,615)	(21,497,776)
Series 7	(2,661,597)	(1,366,970)
Series 8*	<u>(7,027,249)</u>	<u>(2,400,188)</u>
	<u>(51,219,952)</u>	<u>(56,043,288)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	<u>231,555,406</u>	<u>205,772,143</u>

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	26,290,564	(15,494,675)
Adjustments for:		
Net realized (gain) loss	(5,170,345)	(2,955,549)
Net unrealized (gain) loss	(22,129,490)	18,940,829
Non-cash distribution from investments	(5,438,302)	(6,450,175)
Proceeds from sale/maturity of investments	19,786,202	9,979,911
Investments purchased	(13,737,693)	(33,652,678)
Receivable for securities sold	—	21,496
Accrued expenses	59,087	23,439
Payable for securities purchased	403,867	(26,485)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>63,890</u>	<u>(29,613,887)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	51,625,795	85,514,805
Amounts paid on withdrawals	(51,312,193)	(55,927,659)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>313,602</u>	<u>29,587,146</u>
Increase (decrease) in cash/ bank overdraft	377,492	(26,741)
Cash (bank overdraft), beginning of year	429,028	455,769
CASH (BANK OVERDRAFT), END OF YEAR	<u>806,520</u>	<u>429,028</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	3,833	2,021
Interest paid	—	55

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.1%)			
NEI Growth & Income Fund, Series I	28,443,324	168,863,734	231,867,135
Total Investments		168,863,734	231,867,135
Other Net Assets (-0.1%)			(311,729)
Net Assets (100%)			231,555,406

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
NEI Global Equity Fund, Series I	34.7%
NEI Canadian Bond Fund, Series I	22.4%
Toronto-Dominion Bank	4.1%
Scotiabank	3.9%
Air Canada	3.3%
FirstService	3.3%
Colliers International Group	2.9%
Manulife Financial	2.7%
Quebecor, Class B	2.6%
Sun Life Financial	2.4%
Onex	2.2%
TELUS	2.1%
NorthWest Healthcare Properties Real Estate Investment Trust	1.6%
Brookfield Property Partners	1.6%
Magna International, Class A	1.4%
TMX Group	1.3%
Bombardier, Class B	1.2%
BCE	1.1%
Cash and Cash Equivalents	1.1%
First Quantum Minerals	1.1%
Equitable Group	1.0%
Pason Systems	0.7%
Husky Energy	0.6%
Canadian Imperial Bank of Commerce	0.4%
Precision Drilling	0.3%

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide a consistent stream of income and capital appreciation by investing primarily in a mix of Canadian equities and fixed-income securities.

Strategy of the Fund

To invest in a diversified portfolio consisting primarily of a balance of large cap equity and investment grade fixed-income securities issued principally by Canadian issuers.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
231,867,135	—	—	231,867,135
231,867,135	—	—	231,867,135

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
205,177,507	—	—	205,177,507
205,177,507	—	—	205,177,507

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (25%)	1.00	628,746	590,000
S&P/TSX (55%)	3.00	4,149,727	3,894,001
MSCI World Net (20%)	3.00	1,508,991	1,416,000

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	6.97	6.22	6.74	6.21	5.81
Series 5	7.52	6.67	7.18	6.57	6.10
Series 6	6.62	5.86	6.30	5.76	5.35
Series 7	6.81	6.01	6.42	5.84	5.40
Series 8*	5.28	4.66	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	1,842	1,800	2,005	1,998	2,311
Series 5	146,003	138,301	148,789	144,329	138,629
Series 6	47,477	37,825	36,292	20,094	12,782
Series 7	8,027	9,196	3,835	1,475	734
Series 8*	28,207	18,649	—	—	—
Number of units outstanding (000)					
Series 3	264	289	298	322	398
Series 5	19,415	20,727	20,722	21,971	22,715
Series 6	7,176	6,450	5,758	3,488	2,390
Series 7	1,178	1,530	597	253	136
Series 8*	5,342	3,998	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.59	3.62	3.63	3.64	3.64
Series 5	2.94	2.94	2.94	2.94	2.94
Series 6	2.84	2.83	2.84	2.85	2.87
Series 7	2.34	2.28	2.29	2.30	2.41
Series 8*	2.50	2.53	—	—	—
Portfolio turnover rate ² (%)	8.52	4.83	7.78	8.67	6.07

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL GROWTH – NEI SELECT*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
NEI Global Equity RS Fund, Series I	13.1%
NEI Global Equity Fund, Series I	12.0%
NEI Global Value Fund, Series I	10.2%
NEI International Equity Fund, Series I	8.9%
NEI Global Total Return Bond Fund, Series I	8.5%
NEI Emerging Markets Fund, Series I	8.5%
NEI Canadian Equity Fund, Series I	7.1%
NEI Canadian Dividend Fund, Series I	7.1%
NEI Canadian Small Cap Equity Fund, Series I	6.0%
NEI U.S. Equity Fund, Series I	5.9%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,322	13.2%	11,394	13.9%	11,407	14.1%	11,477	14.8%	11,435	14.3%
3 Years	11,245	4.0%	11,478	4.7%	11,528	4.9%	11,732	5.5%	—	—
5 Years	12,447	4.5%	12,882	5.2%	12,970	5.3%	13,320	5.9%	—	—
10 Years	16,113	4.9%	17,238	5.6%	—	—	—	—	—	—
Since Inception	17,300	3.1%	14,676	3.2%	13,300	5.0%	13,680	5.5%	10,680	4.0%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – GLOBAL GROWTH – NEI SELECT (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	10,244	83,346
Investments at fair value through profit or loss (FVTPL)	140,989,638	128,683,611
Premiums receivable	115,156	287,353
Receivable for securities sold	35,101	—
	<u>141,150,139</u>	<u>129,054,310</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	354,727	323,519
Withdrawals payable	159,152	246,926
Payable for securities purchased	44,639	111,646
	<u>558,518</u>	<u>682,091</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>140,591,621</u>	<u>128,372,219</u>
NET ASSETS PER UNIT		
Series 3	<u>8.65</u>	7.64
Series 5	<u>9.40</u>	8.25
Series 6	<u>6.65</u>	5.83
Series 7	<u>6.84</u>	5.96
Series 8	<u>5.34</u>	4.67

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	560	110
Distributions from underlying funds	3,088,626	8,411,978
Changes in fair value:		
Net realized gain (loss) on investments	959,030	740,021
Net unrealized gain (loss) on investments	18,056,330	(15,270,111)
	<u>22,104,546</u>	<u>(6,118,002)</u>
EXPENSES		
Management fees and guarantee charge	3,521,466	3,254,325
Operating expenses	654,219	617,669
	<u>4,175,685</u>	<u>3,871,994</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>17,928,861</u>	<u>(9,989,996)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	318,985	(230,494)
- per unit	1.02	(0.59)
Average Number of Units	311,777	392,811
SERIES 5		
Increase (Decrease) in Net Assets from Operations	11,296,284	(6,503,627)
- per unit	1.16	(0.69)
Average Number of Units	9,718,649	9,386,570
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,570,209	(1,913,201)
- per unit	0.82	(0.45)
Average Number of Units	4,350,689	4,243,518
SERIES 7		
Increase (Decrease) in Net Assets from Operations	872,591	(461,255)
- per unit	0.90	(0.44)
Average Number of Units	970,430	1,047,118
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,870,792	(881,419)
- per unit	0.68	(0.42)
Average Number of Units	2,769,971	2,098,787

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	128,372,219	114,797,037
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,928,861	(9,989,996)
Premiums		
Series 3	183,137	407,943
Series 5	12,034,997	27,937,932
Series 6	6,453,463	13,404,038
Series 7	12,701	2,033,255
Series 8*	4,038,039	14,400,931
	22,722,337	58,184,099
Withdrawals		
Series 3	(628,997)	(1,215,864)
Series 5	(19,392,048)	(16,962,004)
Series 6	(4,909,304)	(14,317,471)
Series 7	(691,569)	(999,493)
Series 8*	(2,809,878)	(1,124,089)
	(28,431,796)	(34,618,921)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	140,591,621	128,372,219

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,928,861	(9,989,996)
Adjustments for:		
Net realized (gain) loss	(959,030)	(740,021)
Net unrealized (gain) loss	(18,056,330)	15,270,111
Non-cash distribution from investments	(3,088,626)	(8,411,978)
Proceeds from sale/maturity of investments	14,680,645	7,981,607
Investments purchased	(4,882,686)	(27,643,670)
Receivable for securities sold	(35,101)	88,442
Accrued expenses	31,208	29,337
Payable for securities purchased	(67,007)	67,810
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	5,551,934	(23,348,358)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	22,894,534	57,959,998
Amounts paid on withdrawals	(28,519,570)	(34,616,803)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(5,625,036)	23,343,195
Increase (decrease) in cash/ bank overdraft	(73,102)	(5,163)
Cash (bank overdraft), beginning of year	83,346	88,509
CASH (BANK OVERDRAFT), END OF YEAR	10,244	83,346
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	560	237
Interest paid	—	127

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL GROWTH – NEI SELECT (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
NEI Select Growth Portfolio, Series I	11,369,032	127,159,905	140,989,638
Total Investments		127,159,905	140,989,638
Other Net Assets (-0.3%)			(398,017)
Net Assets (100%)			140,591,621

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
NEI Global Equity RS Fund, Series I	13.1%
NEI Global Equity Fund, Series I	12.0%
NEI Global Value Fund, Series I	10.2%
NEI International Equity Fund, Series I	8.9%
NEI Global Total Return Bond Fund, Series I	8.5%
NEI Emerging Markets Fund, Series I	8.5%
NEI Canadian Equity Fund, Series I	7.1%
NEI Canadian Dividend Fund, Series I	7.1%
NEI Canadian Small Cap Equity Fund, Series I	6.0%
NEI U.S. Equity Fund, Series I	5.9%
NEI Canadian Bond Fund, Series I	5.5%
NEI U.S. Dividend Fund, Series I	5.0%
NEI Global High Yield Bond Fund, Series I	1.9%
Cash and Cash Equivalents	0.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of individual underlying funds in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests to a lesser extent, in fixed-income underlying funds in order to provide income and capital preservation.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
140,989,638	—	—	140,989,638
140,989,638	—	—	140,989,638

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
128,683,611	—	—	128,683,611
128,683,611	—	—	128,683,611

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL GROWTH – NEI SELECT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (20%)	1.00	283,148	266,501
S&P/TSX (16%)	3.00	679,556	639,602
MSCI World Net (64%)	3.00	2,718,222	2,558,407

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	8.65	7.64	8.30	7.69	7.28
Series 5	9.40	8.25	8.90	8.19	7.70
Series 6	6.65	5.83	6.28	5.77	5.42
Series 7	6.84	5.96	6.38	5.83	5.45
Series 8*	5.34	4.67	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	2,460	2,587	3,625	3,699	4,042
Series 5	86,347	82,408	77,936	71,103	68,260
Series 6	29,936	24,822	27,648	17,041	10,479
Series 7	6,354	6,160	5,588	1,977	979
Series 8*	15,494	12,395	—	—	—
Number of units outstanding (000)					
Series 3	284	339	437	481	555
Series 5	9,184	9,991	8,755	8,683	8,862
Series 6	4,499	4,259	4,403	2,954	1,934
Series 7	929	1,034	876	339	180
Series 8*	2,899	2,656	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.82	3.82	3.83	3.85	3.85
Series 5	3.13	3.13	3.13	3.13	3.12
Series 6	2.99	3.00	2.99	2.98	2.98
Series 7	2.42	2.37	2.46	2.40	2.59
Series 8*	2.67	2.70	—	—	—
Portfolio turnover rate ² (%)	5.80	6.30	5.72	11.51	108.58

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Cambridge Bond Fund	36.3%
Cambridge Canadian Short Term Bond Pool (Class I)	9.1%
Cambridge Canadian Long Term Bond Pool (Class I)	4.1%
Tourmaline Oil Corporation	2.2%
Keyera Corporation	2.1%
Canadian Natural Resources	2.1%
Imperial Brands	2.0%
Cambridge Balanced Yield Pool (Class I)	2.0%
Enbridge	2.0%
Anthem	1.9%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,149	11.5%	11,182	11.8%	11,222	12.2%	11,216	12.2%
3 Years	10,739	2.4%	10,800	2.6%	10,967	3.1%	—	—
5 Years	11,805	3.4%	11,918	3.6%	12,203	4.1%	—	—
Since Inception	15,520	6.2%	12,680	4.1%	13,040	4.6%	10,880	5.1%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	30,897	7,484
Investments at fair value through profit or loss (FVTPL)	14,551,067	15,143,652
Premiums receivable	501	901
Receivable for securities sold	—	13,813
	14,582,465	15,165,850
LIABILITIES		
Current Liabilities		
Accrued expenses	31,373	32,654
Withdrawals payable	3,466	18,021
Payable for securities purchased	30,950	7,056
	65,789	57,731
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	14,516,676	15,108,119
NET ASSETS PER UNIT		
Series 5	7.76	6.96
Series 6	6.34	5.67
Series 7	6.52	5.81
Series 8	5.44	4.85

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	424,535	781,299
Changes in fair value:		
Net realized gain (loss) on investments	315,612	124,791
Net unrealized gain (loss) on investments	1,365,541	(1,256,347)
	2,105,688	(350,257)
EXPENSES		
Management fees and guarantee charge	354,438	383,989
Operating expenses	38,307	41,273
	392,745	425,262
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	1,712,943	(775,519)
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	512,188	(268,165)
- per unit	0.82	(0.38)
Average Number of Units	626,441	708,156
SERIES 6		
Increase (Decrease) in Net Assets from Operations	496,471	(284,705)
- per unit	0.69	(0.29)
Average Number of Units	716,017	977,906
SERIES 7		
Increase (Decrease) in Net Assets from Operations	320,164	(113,137)
- per unit	0.80	(0.21)
Average Number of Units	400,310	531,689
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	384,120	(109,512)
- per unit	0.57	(0.18)
Average Number of Units	670,045	596,031

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	15,108,119	16,423,804
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,712,943	(775,519)
Premiums		
Series 5	589,817	560,935
Series 6	1,099,412	901,351
Series 7	388,742	1,675,217
Series 8*	918,240	3,643,424
	2,996,211	6,780,927
Withdrawals		
Series 5	(1,155,135)	(1,748,715)
Series 6	(1,581,473)	(4,671,641)
Series 7	(1,537,155)	(478,853)
Series 8*	(1,026,834)	(421,884)
	(5,300,597)	(7,321,093)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	14,516,676	15,108,119

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,712,943	(775,519)
Adjustments for:		
Net realized (gain) loss	(315,612)	(124,791)
Net unrealized (gain) loss	(1,365,541)	1,256,347
Non-cash distribution from investments	(424,535)	(781,299)
Proceeds from sale/maturity of investments	4,442,829	2,803,734
Investments purchased	(1,744,556)	(1,887,711)
Receivable for securities sold	13,813	(13,813)
Accrued expenses	(1,281)	(4,326)
Payable for securities purchased	23,894	2,592
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2,341,954	475,214
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,996,611	6,842,146
Amounts paid on withdrawals	(5,315,152)	(7,310,470)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(2,318,541)	(468,324)
Increase (decrease) in cash/ bank overdraft	23,413	6,890
Cash (bank overdraft), beginning of year	7,484	594
CASH (BANK OVERDRAFT), END OF YEAR	30,897	7,484

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
Cambridge Canadian Asset Allocation Corporate Class, I-Class	742,129	13,219,272	14,551,067
Total Investments		13,219,272	14,551,067
Other Net Assets (-0.2%)			(34,391)
Net Assets (100%)			14,516,676

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Cambridge Bond Fund	36.3%
Cambridge Canadian Short Term Bond Pool (Class I)	9.1%
Cambridge Canadian Long Term Bond Pool (Class I)	4.1%
Tourmaline Oil Corporation	2.2%
Keyera Corporation	2.1%
Canadian Natural Resources	2.1%
Imperial Brands	2.0%
Cambridge Balanced Yield Pool (Class I)	2.0%
Enbridge	2.0%
Anthem	1.9%
McKesson Corporation	1.9%
Franco-Nevada Corporation	1.8%
CSX Corporation	1.8%
Canadian Pacific Railway	1.7%
Athene Holding	1.6%
Alphabet	1.6%
Fairfax Financial Holdings	1.5%
Ashtead Group PLC	1.5%
Nutrien	1.5%
Great Canadian Gaming Corporation	1.3%
Activision Blizzard	1.0%
CI Financial Corporation	1.0%
Linde PLC	1.0%
Power Corporation of Canada	1.0%
Dollarama	1.0%

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to achieve a superior total investment return directly or indirectly, in a combination of primarily equity and fixed-income securities of Canadian companies. Indirect investments may include convertible securities, derivatives, equity-related securities and securities of other mutual funds.

Strategy of the Fund

The Fund is actively managed with a disciplined bottom-up selection process. The strategy uses exposure in equity, fixed-income instruments and cash and cash equivalents to achieve the Fund objective. The investments in each asset class will vary dependent on market conditions. The Canadian fixed-income securities portion of the portfolio will consist mainly of high quality government and corporate bonds while foreign securities can make up part of the equity portion of the portfolio.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
14,551,067	—	—	14,551,067
14,551,067	—	—	14,551,067

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
15,143,652	—	—	15,143,652
15,143,652	—	—	15,143,652

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	43,611	43,415
S&P/TSX (60%)	3.00	196,250	195,366

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	7.76	6.96	7.34	7.23	6.81
Series 6	6.34	5.67	5.98	5.87	5.52
Series 7	6.52	5.81	6.09	5.95	5.57
Series 8*	5.44	4.85	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	4,522	4,575	6,031	6,188	5,899
Series 6	4,442	4,428	8,483	6,986	4,514
Series 7	2,165	2,993	1,910	447	204
Series 8*	3,388	3,112	—	—	—
Number of units outstanding (000)					
Series 5	582	657	821	856	866
Series 6	701	780	1,419	1,190	817
Series 7	332	515	314	75	37
Series 8*	623	642	—	—	—
Management expense ratio (MER)¹ (%)					
Series 5	2.89	2.90	2.89	2.90	2.89
Series 6	2.71	2.71	2.70	2.70	2.68
Series 7	2.21	2.20	2.21	2.19	2.30
Series 8*	2.37	2.42	—	—	—
Portfolio turnover rate² (%)	14.36	16.46	13.93	13.34	11.31

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Franklin U.S. Core Equity Fund Series O	10.5%
Franklin FTSE U.S. Index ETF	8.0%
Franklin Bissett Canadian Equity Fund Series O	7.1%
Franklin Bissett Canadian Government Bond Fund Series O	6.8%
Franklin Bissett Core Plus Bond Fund Series O	6.7%
Franklin U.S. Rising Dividends Fund Series O	6.5%
Franklin FTSE Canada All Cap Index ETF	6.4%
Franklin International Core Equity Fund Series O	6.1%
Franklin Canadian Core Equity Fund Series O	6.0%
Franklin U.S. Opportunities Fund Series O	5.6%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,250	12.5%	11,293	12.9%	11,331	13.3%	11,391	13.9%	11,370	13.7%
3 Years	10,996	3.2%	11,135	3.6%	11,238	4.0%	11,406	4.5%	—	—
5 Years	11,686	3.2%	11,924	3.6%	12,105	3.9%	12,393	4.4%	—	—
10 Years	15,588	4.5%	16,210	4.9%	—	—	—	—	—	—
Since Inception	13,140	1.4%	13,707	2.6%	12,600	4.0%	12,940	4.5%	10,620	3.6%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	49,517,022	48,996,956
Premiums receivable	40,057	517
Receivable for securities sold	160,964	12,672
	49,718,043	49,010,145
LIABILITIES		
Current Liabilities		
Bank overdraft	50,528	9,581
Accrued expenses	130,373	129,432
Withdrawals payable	186,107	66,601
	367,008	205,614
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	49,351,035	48,804,531
NET ASSETS PER UNIT		
Series 3	6.57	5.84
Series 5	6.90	6.11
Series 6	6.30	5.56
Series 7	6.47	5.68
Series 8	5.31	4.67

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	1,410,027	1,548,459
Changes in fair value:		
Net realized gain (loss) on investments	2,796,412	2,589,837
Net unrealized gain (loss) on investments	3,517,670	(6,474,539)
	7,724,109	(2,336,243)
EXPENSES		
Management fees and guarantee charge	1,344,691	1,459,590
Operating expenses	261,400	285,679
	1,606,091	1,745,269
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	6,118,018	(4,081,512)
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	224,708	(162,539)
- per unit	0.74	(0.47)
Average Number of Units	303,073	347,910
SERIES 5		
Increase (Decrease) in Net Assets from Operations	5,343,614	(3,591,659)
- per unit	0.81	(0.49)
Average Number of Units	6,602,859	7,326,862
SERIES 6		
Increase (Decrease) in Net Assets from Operations	360,422	(226,780)
- per unit	0.73	(0.41)
Average Number of Units	492,590	546,957
SERIES 7		
Increase (Decrease) in Net Assets from Operations	27,712	(20,923)
- per unit	0.79	(0.58)
Average Number of Units	35,261	35,970
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	161,562	(79,611)
- per unit	0.61	(0.37)
Average Number of Units	263,224	215,216

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	48,804,531	57,204,568
Increase (Decrease) in Net Assets from operations attributable to contract owners	6,118,018	(4,081,512)
Premiums		
Series 3	55,874	177,809
Series 5	3,678,445	3,422,542
Series 6	520,451	1,078,087
Series 7	31,093	189,592
Series 8*	489,438	1,399,431
	<u>4,775,301</u>	<u>6,267,461</u>
Withdrawals		
Series 3	(226,392)	(543,211)
Series 5	(8,841,349)	(7,972,300)
Series 6	(919,633)	(1,849,946)
Series 7	(187,569)	(317)
Series 8*	(171,872)	(220,212)
	<u>(10,346,815)</u>	<u>(10,585,986)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	49,351,035	48,804,531

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	6,118,018	(4,081,512)
Adjustments for:		
Net realized (gain) loss	(2,796,412)	(2,589,837)
Net unrealized (gain) loss	(3,517,670)	6,474,539
Non-cash distribution from investments	(1,410,027)	(1,548,459)
Proceeds from sale/maturity of investments	7,835,751	7,057,990
Investments purchased	(631,708)	(997,403)
Receivable for securities sold	(148,292)	(919)
Accrued expenses	941	(24,739)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	5,450,601	4,289,660
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	4,735,761	6,267,765
Amounts paid on withdrawals	(10,227,309)	(10,556,921)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(5,491,548)	(4,289,156)
Increase (decrease) in cash/ bank overdraft	(40,947)	504
Cash (bank overdraft), beginning of year	(9,581)	(10,085)
CASH (BANK OVERDRAFT), END OF YEAR	(50,528)	(9,581)

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Franklin Quotential Growth Portfolio	4,121,713	31,510,829	49,517,022
Total Investments		31,510,829	49,517,022
Other Net Assets (-0.3%)			(165,987)
Net Assets (100%)			49,351,035

The accompanying Notes are an integral part of these financial statements.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Franklin U.S. Core Equity Fund, Series O	10.5%
Franklin FTSE U.S. Index ETF	8.0%
Franklin Bissett Canadian Equity Fund, Series O	7.1%
Franklin Bissett Canadian Government Bond Fund, Series O	6.8%
Franklin Bissett Core Plus Bond Fund, Series O	6.7%
Franklin U.S. Rising Dividends Fund, Series O	6.5%
Franklin FTSE Canada All Cap Index ETF	6.4%
Franklin International Core Equity Fund, Series O	6.1%
Franklin Canadian Core Equity Fund, Series O	6.0%
Franklin U.S. Opportunities Fund, Series O	5.6%
iShares Core MSCI EAFE ETF	5.5%
Franklin LibertyQT U.S. Equity Index ETF	4.9%
Franklin Templeton Canadian Large Cap Fund, Series O	3.9%
Franklin Liberty Global Aggregate Bond ETF	3.4%
Franklin FTSE Europe Ex U.K. Index ETF	3.3%
Franklin Emerging Market Core Equity Fund, Series O	2.7%
iShares Core MSCI Emerging Markets ETF	2.6%
Templeton Emerging Markets Fund, Series O	2.3%
Franklin Bissett Short Duration Bond Fund, Series O	1.8%
Templeton Global Bond Fund, Series O	1.6%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To provide a balance of capital growth and interest income by investing primarily in units of an individual underlying fund in order to gain the desired exposure to the equity and fixed-income markets.

Strategy of the Fund

To emphasize investments in a diversified mix of equity underlying funds in order to increase the potential for capital appreciation over a longer investment horizon. The Fund also invests, to a lesser extent, in fixed-income underlying funds in order to provide income and capital preservation.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	49,517,022	—	—	49,517,022
TOTAL	49,517,022	—	—	49,517,022

December 31, 2018

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	48,996,956	—	—	48,996,956
TOTAL	48,996,956	—	—	48,996,956

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GROWTH – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (15%)	1.00	73,911	79,751
Bloomberg Barclays Multiverse Bond (5%)	1.00	24,637	26,584
S&P/TSX (25%)	3.00	369,553	558,260
MSCI All Country World Net (55%)	3.00	813,016	717,763

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	6.57	5.84	6.35	5.98	5.92
Series 5	6.90	6.11	6.61	6.20	6.12
Series 6	6.30	5.56	6.00	5.61	5.52
Series 7	6.47	5.68	6.10	5.67	5.56
Series 8*	5.31	4.67	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	1,893	1,839	2,367	2,366	2,473
Series 5	42,962	42,781	50,922	50,997	55,193
Series 6	2,803	2,842	3,841	3,135	2,744
Series 7	114	243	74	41	41
Series 8*	1,579	1,100	—	—	—
Number of units outstanding (000)					
Series 3	288	315	373	396	418
Series 5	6,229	7,007	7,701	8,230	9,018
Series 6	445	511	640	559	497
Series 7	18	43	12	7	7
Series 8*	297	235	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.60	3.60	3.60	3.61	3.61
Series 5	3.22	3.22	3.22	3.22	3.22
Series 6	2.89	2.89	2.89	2.89	2.92
Series 7	2.40	2.46	2.45	2.45	2.47
Series 8*	2.55	2.59	—	—	—
Portfolio turnover rate ² (%)	4.06	4.66	5.81	3.47	11.78

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – DIVIDEND INCOME – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund’s investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Royal Bank of Canada	6.6%
Toronto-Dominion Bank	6.1%
Enbridge	4.8%
Scotiabank	3.8%
Cash and Cash Equivalents	3.2%
TC Energy	3.1%
Canadian National Railway Company	3.0%
Suncor Energy	2.9%
Brookfield Asset Management	2.7%
Manulife Financial	2.2%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 3		Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
	Since Inception									
	10,040	0.4%	10,060	0.6%	10,060	0.6%	10,080	0.8%	10,080	0.8%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in October 2019.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019
	\$
ASSETS	
Current Assets	
Cash	453,621
Investments at fair value through profit or loss (FVTPL)	148,695,799
Premiums receivable	203,359
Receivable for securities sold	69,824
	<u>149,422,603</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	350,803
Withdrawals payable	352,377
	<u>703,180</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>148,719,423</u>
NET ASSETS PER UNIT	
Series 3	<u>5.02</u>
Series 5	<u>5.03</u>
Series 6	<u>5.03</u>
Series 7	<u>5.04</u>
Series 8	<u>5.04</u>

STATEMENT OF COMPREHENSIVE INCOME

Period Ended December 31

	2019*
	(3 months)
	\$
INCOME	
Distributions from underlying funds	694,857
Changes in fair value:	
Net realized gain (loss) on investments	128,998
Net unrealized gain (loss) on investments	2,678,485
	<u>3,502,340</u>
EXPENSES	
Management fees and guarantee charge	918,783
Operating expenses	80,999
	<u>999,782</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,502,558</u>
DATA PER SERIES	
SERIES 3	
Increase (Decrease) in Net Assets from Operations	378,078
- per unit	0.09
Average Number of Units	4,188,460
SERIES 5	
Increase (Decrease) in Net Assets from Operations	1,870,196
- per unit	0.10
Average Number of Units	19,131,101
SERIES 6	
Increase (Decrease) in Net Assets from Operations	145,617
- per unit	0.10
Average Number of Units	1,477,374
SERIES 7	
Increase (Decrease) in Net Assets from Operations	13,964
- per unit	0.10
Average Number of Units	134,277
SERIES 8	
Increase (Decrease) in Net Assets from Operations	94,703
- per unit	0.10
Average Number of Units	940,615

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – DIVIDEND INCOME – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Period Ended December 31

	2019*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>2,502,558</u>
Premiums	
Series 3	25,336,566
Series 5	117,553,550
Series 6	9,136,997
Series 7	851,787
Series 8	<u>6,075,028</u>
	<u>158,953,928</u>
Withdrawals	
Series 3	(1,619,353)
Series 5	(9,874,735)
Series 6	(635,610)
Series 7	(96,209)
Series 8	<u>(511,156)</u>
	<u>(12,737,063)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>148,719,423</u>

STATEMENT OF CASH FLOWS

Period Ended December 31

	2019*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,502,558
Adjustments for:	
Net realized (gain) loss	(128,998)
Net unrealized (gain) loss	(2,678,485)
Non-cash distribution from investments	(694,857)
Proceeds from sale/maturity of investments	8,792,630
Investments purchased	(153,986,089)
Receivable for securities sold	(69,824)
Accrued expenses	<u>350,803</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(145,912,262)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	158,750,569
Amounts paid on withdrawals	<u>(12,384,686)</u>
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>146,365,883</u>
Increase (decrease) in cash/ bank overdraft	453,621
Cash (bank overdraft), beginning of period	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>453,621</u>

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these
financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
Desjardins Dividend Income Fund, I-Class	14,440,691	146,017,314	148,695,799
Total Investments		146,017,314	148,695,799
Other Net Assets (0.0%)			23,624
Net Assets (100%)			148,719,423

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Royal Bank of Canada	6.6%
Toronto-Dominion Bank	6.1%
Enbridge	4.8%
Scotiabank	3.8%
Cash and Cash Equivalents	3.2%
TC Energy	3.1%
Canadian National Railway Company	3.0%
Suncor Energy	2.9%
Brookfield Asset Management	2.7%
Manulife Financial	2.2%
Waste Connections	2.2%
Canadian Natural Resources	2.2%
Canadian Pacific Railway	2.1%
BCE	1.9%
iShares S&P/TSX Global Gold Index ETF	1.8%
Alimentation Couche-Tard	1.6%
Nutrien	1.5%
Constellation Software	1.4%
Restaurant Brands International	1.4%
Dollarama	1.3%
George Weston	1.3%
Brookfield Property Partners	1.2%
Canada Housing Trust, Series 48, 2.400%, December 15, 2022	1.2%
Allied Properties Real Estate Investment Trust	1.2%
Brookfield Infrastructure Partners Limited Partnership	1.0%

DFS GIF – DIVIDEND INCOME – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to provide a high level of income, mostly in the form of dividends, and, to a lesser degree, long-term capital appreciation by investing primarily in Canadian, and to a lesser extent, foreign income-producing securities.

Strategy of the Fund

The Fund invests in income-producing securities which may include, but are not limited to, dividend paying equity securities, government and corporate bonds, income trusts and other securities primarily of Canadian issuers.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following table categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
148,695,799	—	—	148,695,799
148,695,799	—	—	148,695,799

Transfers between Levels 1 and 2

During the period ended December 31, 2019, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

Currency Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners
		December 31, 2019
Benchmarks	%	\$
FTSE Canada Universe Bond (17.5%)	1.00	260,259
S&P/TSX Preferred Share (10%)	3.00	446,158
S&P/TSX Dividend (72.5%)	3.00	3,234,647

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – DIVIDEND INCOME – DESJARDINS (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past period. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019*
Net Assets and Net Asset Value Per Unit (\$)	
Series 3	5.02
Series 5	5.03
Series 6	5.03
Series 7	5.04
Series 8	5.04
Ratios and Supplemental Data	
Net Asset Value (\$000's)	
Series 3	24,095
Series 5	109,549
Series 6	8,647
Series 7	770
Series 8	5,659
Number of units outstanding (000)	
Series 3	4,803
Series 5	21,770
Series 6	1,718
Series 7	153
Series 8	1,123
Management expense ratio (MER)¹ (%)	
Series 3	3.11
Series 5	2.66
Series 6	2.55
Series 7	2.04
Series 8	2.24
Portfolio turnover rate² (%)	7.76

* Beginning of operations in October 2019.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated period and is expressed as an annualized percentage of daily average net asset value during the period. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Cash and Cash Equivalents	5.6%
Toronto-Dominion Bank	4.3%
Royal Bank of Canada	4.2%
Scotiabank	3.7%
Enbridge	3.4%
Inter Pipeline	3.3%
Power Financial Corporation	3.2%
Canadian Natural Resources	3.1%
Metro	2.8%
BCE	2.8%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,563	15.6%	11,589	15.9%	11,644	16.4%	11,631	16.3%
3 Years	10,690	2.3%	10,749	2.4%	10,912	3.0%	—	—
5 Years	12,219	4.1%	12,333	4.3%	12,616	4.8%	—	—
Since Inception	17,460	8.0%	13,420	5.2%	13,740	5.6%	10,980	5.7%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	55,066	58,655
Investments at fair value through profit or loss (FVTPL)	23,224,478	21,583,566
Premiums receivable	1,471	10,816
Receivable for securities sold	3,684	—
	<u>23,284,699</u>	<u>21,653,037</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	55,893	53,141
Withdrawals payable	6,391	4,360
Payable for securities purchased	1,470	1,829
	<u>63,754</u>	<u>59,330</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>23,220,945</u>	<u>21,593,707</u>
NET ASSETS PER UNIT		
Series 5	<u>8.73</u>	<u>7.55</u>
Series 6	<u>6.71</u>	<u>5.79</u>
Series 7	<u>6.87</u>	<u>5.90</u>
Series 8	<u>5.49</u>	<u>4.72</u>

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	582	310
Distributions from underlying funds	1,252,623	1,109,188
Changes in fair value:		
Net realized gain (loss) on investments	103,509	80,898
Net unrealized gain (loss) on investments	2,671,327	(2,750,963)
	<u>4,028,041</u>	<u>(1,560,567)</u>
EXPENSES		
Management fees and guarantee charge	597,334	619,557
Operating expenses	75,732	82,174
	<u>673,066</u>	<u>701,731</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,354,975</u>	<u>(2,262,298)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,073,703	(1,540,092)
- per unit	1.25	(0.74)
Average Number of Units	1,652,356	2,073,111
SERIES 6		
Increase (Decrease) in Net Assets from Operations	664,407	(464,479)
- per unit	0.91	(0.64)
Average Number of Units	726,895	725,757
SERIES 7		
Increase (Decrease) in Net Assets from Operations	83,477	(38,978)
- per unit	1.23	(0.41)
Average Number of Units	67,943	93,996
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	533,388	(218,749)
- per unit	0.68	(0.47)
Average Number of Units	790,171	462,813

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	21,593,707	24,372,451
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,354,975	(2,262,298)
Premiums		
Series 5	674,377	2,033,707
Series 6	1,580,161	2,268,870
Series 7	2,402	421,362
Series 8*	2,594,333	3,295,317
	4,851,273	8,019,256
Withdrawals		
Series 5	(3,783,803)	(5,107,351)
Series 6	(1,614,267)	(3,042,950)
Series 7	(319,185)	(101,310)
Series 8*	(861,755)	(284,091)
	(6,579,010)	(8,535,702)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	23,220,945	21,593,707

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,354,975	(2,262,298)
Adjustments for:		
Net realized (gain) loss	(103,509)	(80,898)
Net unrealized (gain) loss	(2,671,327)	2,750,963
Non-cash distribution from investments	(1,252,623)	(1,109,188)
Proceeds from sale/maturity of investments	4,470,990	4,096,211
Investments purchased	(2,084,443)	(2,862,478)
Receivable for securities sold	(3,684)	—
Accrued expenses	2,752	(8,059)
Payable for securities purchased	(359)	742
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,712,772	524,995
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	4,860,618	8,011,428
Amounts paid on withdrawals	(6,576,979)	(8,535,981)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,716,361)	(524,553)
Increase (decrease) in cash/ bank overdraft	(3,589)	442
Cash (bank overdraft), beginning of year	58,655	58,213
CASH (BANK OVERDRAFT), END OF YEAR	55,066	58,655
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	582	311
Interest paid	—	1

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
NEI Canadian Dividend Fund, Series I	1,387,928	22,331,808	23,224,478
Total Investments		22,331,808	23,224,478
Other Net Assets (-0.0%)			(3,533)
Net Assets (100%)			23,220,945

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Cash and Cash Equivalents	5.6%
Toronto-Dominion Bank	4.3%
Royal Bank of Canada	4.2%
Scotiabank	3.7%
Enbridge	3.4%
Inter Pipeline	3.3%
Power Financial Corporation	3.2%
Canadian Natural Resources	3.1%
Metro	2.8%
BCE	2.8%
Rogers Communications	2.7%
Brookfield Property Partners	2.7%
Cenovus Energy	2.6%
Hydro One	2.6%
Nutrien	2.3%
Crescent Point Energy	2.3%
Intact Financial Corporation	2.1%
Husky Energy	2.1%
Cominar Real Estate Investment Trust	2.0%
Canadian Imperial Bank of Commerce	1.9%
North West Company	1.9%
Superior Plus	1.8%
Bank of Montreal	1.7%
ARC Resources	1.7%
RioCan Real Estate Investment Trust	1.6%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to achieve a balance between high dividend income and capital growth by investing mainly in a diversified portfolio of blue chip Canadian common stocks and, to a lesser extent, in high-yield preferred stocks and interest bearing securities.

Strategy of the Fund

The Fund invests in primarily blue chip common stocks but may also invest in preferred stocks, bonds, purchase warrants and rights, royalty trusts and income trusts with preference given to capital growth while still providing a high regular level of income. Quality liquid corporations whose management has built shareholder value over time not to mention a proven ability to generate free cash flow, supporting growth and profitability as well as providing management with the ability to make strategic acquisitions, buy back stock and pay increasing dividends are preferred investments for this Fund. While equity securities including preferred stocks providing stable income are favoured, any small, mid and large capitalization Canadian corporations in a variety of industries meeting these criteria will be considered.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	23,224,478	—	—	23,224,478
TOTAL	23,224,478	—	—	23,224,478

December 31, 2018

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	21,583,566	—	—	21,583,566
TOTAL	21,583,566	—	—	21,583,566

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN DIVIDEND – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	590,094	566,964

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	8.73	7.55	8.35	8.17	7.03
Series 6	6.71	5.79	6.40	6.24	5.37
Series 7	6.87	5.90	6.48	6.30	5.39
Series 8*	5.49	4.72	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	13,052	14,087	18,701	19,304	17,050
Series 6	4,767	4,137	5,375	3,830	2,185
Series 7	344	577	296	128	21
Series 8*	5,058	2,792	—	—	—
Number of units outstanding (000)					
Series 5	1,495	1,867	2,240	2,364	2,425
Series 6	710	714	840	613	407
Series 7	50	98	46	20	4
Series 8*	922	592	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	3.07	3.07	3.07	3.08	3.08
Series 6	2.87	2.87	2.88	2.87	2.85
Series 7	2.36	2.39	2.39	2.41	2.41
Series 8*	2.56	2.53	—	—	—
Portfolio turnover rate ² (%)	14.62	16.91	10.24	9.35	15.02

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Toronto-Dominion Bank	7.6%
Jarislowsky Special Equity Fund	6.2%
Canadian National Railway Company	5.8%
Scotiabank	5.4%
Enbridge	5.2%
Brookfield Asset Management	5.1%
Royal Bank of Canada	4.9%
Manulife Financial Corporation	4.5%
Alimentation Couche-Tard	4.5%
Nutrien	4.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,635	16.4%	11,709	17.1%	11,707	17.1%	11,774	17.7%	11,778	17.8%
3 Years	10,801	2.6%	11,018	3.3%	11,042	3.4%	11,203	3.9%	—	—
5 Years	11,665	3.1%	12,050	3.8%	—	—	—	—	—	—
10 Years	15,594	4.5%	16,604	5.2%	—	—	—	—	—	—
Since Inception	16,080	3.4%	14,623	3.2%	12,480	5.4%	12,740	5.9%	11,260	7.3%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	116,905,841	113,981,501
Premiums receivable	277	134,862
Interest, dividends and other receivables	43,049	—
	116,949,167	114,116,363
LIABILITIES		
Current Liabilities		
Bank overdraft	50,043	38,274
Accrued expenses	284,426	276,020
Withdrawals payable	182,295	199,644
	516,764	513,938
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	116,432,403	113,602,425
NET ASSETS PER UNIT		
Series 3	8.04	6.91
Series 5	8.70	7.43
Series 6	6.24	5.33
Series 7	6.37	5.41
Series 8	5.63	4.78

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	38,356	50,891
Distributions from underlying funds	6,654,689	10,609,976
Changes in fair value:		
Net realized gain (loss) on investments	1,094,744	1,882,316
Net unrealized gain (loss) on investments	14,428,633	(20,465,787)
	22,216,422	(7,922,604)
EXPENSES		
Management fees and guarantee charge	2,565,332	2,808,861
Operating expenses	933,739	1,022,329
	3,499,071	3,831,190
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	18,717,351	(11,753,794)
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	408,000	(296,288)
- per unit	1.24	(0.72)
Average Number of Units	329,387	411,561
SERIES 5		
Increase (Decrease) in Net Assets from Operations	17,851,082	(11,223,173)
- per unit	1.31	(0.72)
Average Number of Units	13,643,307	15,639,241
SERIES 6		
Increase (Decrease) in Net Assets from Operations	224,741	(140,581)
- per unit	0.97	(0.52)
Average Number of Units	232,390	271,884
SERIES 7		
Increase (Decrease) in Net Assets from Operations	137,239	(62,169)
- per unit	1.08	(0.40)
Average Number of Units	127,428	156,622
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	96,289	(31,583)
- per unit	0.82	(0.30)
Average Number of Units	117,527	104,757

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	113,602,425	146,687,828
Increase (Decrease) in Net Assets from operations attributable to contract owners	18,717,351	(11,753,794)
Premiums		
Series 3	85,193	252,663
Series 5	8,246,491	5,122,523
Series 6	405,627	506,673
Series 7	46,706	531,124
Series 8*	157,159	601,641
	<u>8,941,176</u>	<u>7,014,624</u>
Withdrawals		
Series 3	(807,682)	(742,681)
Series 5	(22,906,292)	(26,617,570)
Series 6	(561,074)	(827,651)
Series 7	(419,738)	(123,960)
Series 8*	(133,763)	(34,371)
	<u>(24,828,549)</u>	<u>(28,346,233)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	116,432,403	113,602,425

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	18,717,351	(11,753,794)
Adjustments for:		
Net realized (gain) loss	(1,094,744)	(1,882,316)
Net unrealized (gain) loss	(14,428,633)	20,465,787
Non-cash distribution from investments	(6,654,689)	(10,609,976)
Proceeds from sale/maturity of investments	19,485,685	25,656,216
Investments purchased	(231,959)	(622,419)
Interest, dividends and other receivables	(43,049)	—
Accrued expenses	8,406	(128,470)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	15,758,368	21,125,028
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,075,761	7,092,826
Amounts paid on withdrawals	(24,845,898)	(28,229,509)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(15,770,137)	(21,136,683)
Increase (decrease) in cash/ bank overdraft	(11,769)	(11,655)
Cash (bank overdraft), beginning of year	(38,274)	(26,619)
CASH (BANK OVERDRAFT), END OF YEAR	(50,043)	(38,274)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	169	35
Interest paid	—	156

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.4%)			
Jarislowsky Fraser Canadian Equity Fund	3,561,245	109,371,511	116,905,841
Total Investments		109,371,511	116,905,841
Other Net Assets (-0.4%)			(473,438)
Net Assets (100%)			116,432,403

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Toronto-Dominion Bank	7.6%
Jarislowsky Special Equity Fund	6.2%
Canadian National Railway Company	5.8%
Scotiabank	5.4%
Enbridge	5.2%
Brookfield Asset Management	5.1%
Royal Bank of Canada	4.9%
Manulife Financial Corporation	4.5%
Alimentation Couche-Tard	4.5%
Nutrien	4.0%
CGI Group	3.9%
Open Text Corporation	3.8%
Thomson Reuters Corporation	3.6%
Restaurant Brands International	3.4%
Canadian Natural Resources	3.2%
Gildan Activewear	3.0%
Metro	2.7%
Intact Financial Corporation	2.7%
CCL Industries	2.7%
Pembina Pipeline Corporation	2.7%
Saputo	2.3%
CAE	1.9%
iA Financial Corp Inc	1.8%
SNC-Lavalin Group	1.8%
Stantec	1.7%

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To achieve long-term capital appreciation while continuing to emphasize the preservation of capital by investing primarily in large cap Canadian equity securities.

Strategy of the Fund

To invest primarily in Canadian equity securities in areas of the Canadian economy where superior rates of growth are expected.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	116,905,841	—	116,905,841
—	116,905,841	—	116,905,841

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	113,981,501	—	113,981,501
—	113,981,501	—	113,981,501

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	3,294,369	3,321,508

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	8.04	6.91	7.65	7.44	6.51
Series 5	8.70	7.43	8.16	7.90	6.86
Series 6	6.24	5.33	5.85	5.65	4.92
Series 7	6.37	5.41	5.91	5.69	4.92
Series 8*	5.63	4.78	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	2,316	2,630	3,416	3,912	4,378
Series 5	111,432	108,241	140,959	150,111	146,180
Series 6	1,420	1,351	1,812	892	94
Series 7	610	846	501	36	20
Series 8*	655	536	—	—	—
Number of units outstanding (000)					
Series 3	288	380	447	526	673
Series 5	12,805	14,565	17,265	19,011	21,301
Series 6	227	254	310	158	19
Series 7	96	156	85	6	4
Series 8*	116	112	—	—	—
Management expense ratio (MER)¹ (%)					
Series 3	3.60	3.60	3.60	3.59	3.58
Series 5	2.92	2.92	2.92	2.92	2.91
Series 6	2.84	2.82	2.82	2.93	2.87
Series 7	2.37	2.33	2.41	2.41	2.36
Series 8*	2.50	2.53	—	—	—
Portfolio turnover rate² (%)					
	5.78	8.55	6.96	10.34	12.48

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH®*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
BCE	3.6%
Canadian National Railway Company	3.5%
Metro	3.5%
CGI Group	3.3%
Fidelity Canadian Money Market Investment Trust	3.3%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,571	15.7%	11,609	16.1%	11,637	16.4%	11,698	17.0%	11,663	16.6%
3 Years	11,224	3.9%	11,346	4.3%	11,401	4.5%	11,590	5.0%	—	—
5 Years	11,806	3.4%	12,023	3.8%	12,120	3.9%	12,457	4.5%	—	—
10 Years	17,277	5.6%	17,933	6.0%	—	—	—	—	—	—
Since Inception	23,720	8.1%	24,680	8.5%	13,220	4.9%	13,640	5.5%	11,360	7.9%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

® Fidelity True North® is a registered trademark of FMR Corp.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	31,664	—
Investments at fair value through profit or loss (FVTPL)	36,726,625	32,695,585
Premiums receivable	94,810	12,027
Receivable for securities sold	—	17,462
	<u>36,853,099</u>	<u>32,725,074</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	17,207
Accrued expenses	93,212	83,794
Withdrawals payable	101,572	21,082
Payable for securities purchased	33,609	1,039
	<u>228,393</u>	<u>123,122</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>36,624,706</u>	<u>32,601,952</u>
NET ASSETS PER UNIT		
Series 3	<u>11.86</u>	10.25
Series 5	<u>12.34</u>	10.63
Series 6	<u>6.61</u>	5.68
Series 7	<u>6.82</u>	5.83
Series 8	<u>5.68</u>	4.87

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	1,875,774	1,829,585
Changes in fair value:		
Net realized gain (loss) on investments	872,922	1,083,926
Net unrealized gain (loss) on investments	3,606,622	(3,893,822)
	<u>6,355,318</u>	<u>(980,311)</u>
EXPENSES		
Management fees and guarantee charge	935,940	917,815
Operating expenses	159,255	163,720
	<u>1,095,195</u>	<u>1,081,535</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>5,260,123</u>	<u>(2,061,846)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	156,494	(75,968)
- per unit	1.68	(0.71)
Average Number of Units	92,950	107,687
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,581,802	(1,049,044)
- per unit	1.76	(0.62)
Average Number of Units	1,470,614	1,679,483
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,491,622	(634,260)
- per unit	0.93	(0.35)
Average Number of Units	1,606,534	1,805,484
SERIES 7		
Increase (Decrease) in Net Assets from Operations	150,427	(54,975)
- per unit	1.06	(0.29)
Average Number of Units	142,308	189,067
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	879,778	(247,599)
- per unit	0.78	(0.29)
Average Number of Units	1,133,060	846,398

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	32,601,952	36,614,712
Increase (Decrease) in Net Assets from operations attributable to contract owners	5,260,123	(2,061,846)
Premiums		
Series 3	85,837	202,189
Series 5	1,135,201	2,649,783
Series 6	2,130,905	2,601,968
Series 7	10,000	349,604
Series 8*	2,835,807	5,650,555
	6,197,750	11,454,099
Withdrawals		
Series 3	(256,757)	(379,741)
Series 5	(3,143,843)	(5,557,631)
Series 6	(2,180,636)	(6,494,059)
Series 7	(256,987)	(475,560)
Series 8*	(1,596,896)	(498,022)
	(7,435,119)	(13,405,013)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	36,624,706	32,601,952

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	5,260,123	(2,061,846)
Adjustments for:		
Net realized (gain) loss	(872,922)	(1,083,926)
Net unrealized (gain) loss	(3,606,622)	3,893,822
Non-cash distribution from investments	(1,875,774)	(1,829,585)
Proceeds from sale/maturity of investments	4,492,970	5,636,284
Investments purchased	(2,168,692)	(2,597,703)
Receivable for securities sold	17,462	(17,462)
Accrued expenses	9,418	(11,767)
Payable for securities purchased	32,570	(7,861)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,288,533	1,919,956
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,114,967	11,451,332
Amounts paid on withdrawals	(7,354,629)	(13,391,748)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,239,662)	(1,940,416)
Increase (decrease) in cash/ bank overdraft	48,871	(20,460)
Cash (bank overdraft), beginning of year	(17,207)	3,253
CASH (BANK OVERDRAFT), END OF YEAR	31,664	(17,207)

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Fidelity True North® Fund, Series O	700,144	29,874,920	36,726,625
Total Investments		29,874,920	36,726,625
Other Net Assets (-0.3%)			(101,919)
Net Assets (100%)			36,624,706

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	5.5%
Alimentation Couche-Tard	4.2%
Suncor Energy	3.8%
Enbridge	3.7%
BCE	3.6%
Canadian National Railway Company	3.5%
Metro	3.5%
CGI Group	3.3%
Fidelity Canadian Money Market Investment Trust	3.3%
Power Corporation of Canada	2.9%
Constellation Software	2.5%
Hydro One	2.4%
Franco-Nevada	2.2%
Barrick Gold Corp	2.2%
Canadian Natural Resources	2.1%
Brookfield Asset Inc	1.9%
Weston George	1.9%
Thomson Reuters Corporation	1.8%
SNC-Lavalin Group	1.8%
Restaurant Brands International	1.8%
Fortis	1.7%
Intact Financial Corporation	1.7%
Quebecor	1.7%
TMX Group	1.6%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve strong long-term capital growth by investing primarily in equity securities of Canadian companies that have a history of strong capital growth over the long-term. The fundamental investment of this Fund is to achieve long-term capital appreciation while still emphasizing the preservation of capital by investing primarily in Canadian equity securities.

Strategy of the Fund

To invest primarily in small, medium and large Canadian companies. The Fund may also invest in a limited portion of foreign securities. The Fund may also use, to a lesser degree, derivatives such as options, futures, forward contracts and swaps to protect against losses caused by changes in stock prices or exchange rates.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
36,726,625	—	—	36,726,625
36,726,625	—	—	36,726,625

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
32,695,585	—	—	32,695,585
32,695,585	—	—	32,695,585

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Capped	3.00	758,276	713,494

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	11.86	10.25	10.93	10.57	9.73
Series 5	12.34	10.63	11.30	10.88	9.98
Series 6	6.61	5.68	6.03	5.80	5.31
Series 7	6.82	5.83	6.16	5.88	5.36
Series 8*	5.68	4.87	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	1,061	1,075	1,329	1,377	1,197
Series 5	17,095	16,522	20,479	21,561	21,463
Series 6	10,554	9,112	13,638	10,218	6,259
Series 7	892	989	1,169	849	989
Series 8*	7,024	4,905	—	—	—
Number of units outstanding (000)					
Series 3	89	105	122	130	123
Series 5	1,385	1,555	1,813	1,982	2,151
Series 6	1,596	1,603	2,261	1,762	1,178
Series 7	131	170	190	144	185
Series 8*	1,237	1,008	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.57	3.58	3.57	3.56	3.59
Series 5	3.21	3.21	3.20	3.20	3.20
Series 6	3.03	3.04	3.03	3.04	3.05
Series 7	2.53	2.55	2.48	2.46	2.58
Series 8*	2.72	2.70	—	—	—
Portfolio turnover rate ² (%)	11.35	12.64	12.75	11.95	14.18

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
Canadian Imperial Bank of Commerce	3.3%
Bank of Montreal	3.3%
Alimentation Couche-Tard	3.2%
Scotiabank	2.9%
Enbridge	2.9%

THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,704	17.0%	11,734	17.3%	11,810	18.1%	11,848	18.5%	11,877	18.8%
3 Years	10,474	1.6%	10,589	1.9%	10,788	2.6%	10,844	2.7%	10,989	3.2%
5 Years	—	—	11,353	2.6%	11,711	3.2%	11,808	3.4%	12,082	3.9%
10 Years	—	—	17,766	5.9%	18,783	6.5%	—	—	—	—
Since Inception	10,580	1.8%	26,800	5.1%	16,436	4.2%	12,440	3.8%	12,780	4.3%

	Series 8**		Series IGP	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,872	18.7%	11,882	18.8%
3 Years	—	—	10,982	3.2%
5 Years	—	—	—	—
10 Years	—	—	—	—
Since Inception	11,160	6.7%	11,110	3.5%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	85,318	113,151
Investments at fair value through profit or loss (FVTPL)	46,742,876	46,832,967
Premiums receivable	35,151	6,830
Receivable for securities sold	31,299	1,211
	<u>46,894,644</u>	<u>46,954,159</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	130,777	133,101
Withdrawals payable	31,167	5,685
Payable for securities purchased	6,137	2,754
	<u>168,081</u>	<u>141,540</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>46,726,563</u>	<u>46,812,619</u>
NET ASSETS PER UNIT		
Series 1	<u>5.29</u>	4.52
Series 3	<u>13.40</u>	11.42
Series 5	<u>14.42</u>	12.21
Series 6	<u>6.22</u>	5.25
Series 7	<u>6.39</u>	5.38
Series 8	<u>5.58</u>	4.70
Series IGP	<u>11.11</u>	9.35

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	2,251	12,091
Distributions from underlying funds	1,471,455	1,113,697
Foreign exchange gain (loss) on cash	—	(37)
Changes in fair value:		
Net realized gain (loss) on investments	2,187,233	2,169,951
Net unrealized gain (loss) on investments	5,920,335	(8,399,030)
	<u>9,581,274</u>	<u>(5,103,328)</u>
EXPENSES		
Management fees and guarantee charge	1,430,310	1,603,621
Operating expenses	219,956	250,920
	<u>1,650,266</u>	<u>1,854,541</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,931,008</u>	<u>(6,957,869)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	1,680,370	(1,615,281)
- per unit	0.78	(0.66)
Average Number of Units	2,151,191	2,448,605
SERIES 3		
Increase (Decrease) in Net Assets from Operations	3,069,763	(2,745,350)
- per unit	2.08	(1.60)
Average Number of Units	1,473,484	1,718,891
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,996,036	(1,719,102)
- per unit	2.32	(1.64)
Average Number of Units	860,456	1,047,329
SERIES 6		
Increase (Decrease) in Net Assets from Operations	484,275	(443,399)
- per unit	0.95	(0.72)
Average Number of Units	507,512	616,461
SERIES 7		
Increase (Decrease) in Net Assets from Operations	22,079	(11,486)
- per unit	0.90	(0.41)
Average Number of Units	24,519	28,177
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	275,502	(127,299)
- per unit	0.86	(0.44)
Average Number of Units	319,902	286,432
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	402,983	(295,952)
- per unit	1.79	(1.21)
Average Number of Units	225,113	244,566

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	46,812,619	63,307,821
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,931,008	(6,957,869)
Premiums		
Series 1	229,442	385,175
Series 3	541,023	734,105
Series 5	848,663	745,366
Series 6	589,561	455,470
Series 7	133,738	—
Series 8*	460,162	1,805,984
Series IGP	12,879	18,516
	2,815,468	4,144,616
Withdrawals		
Series 1	(1,960,384)	(2,433,039)
Series 3	(4,147,290)	(3,697,353)
Series 5	(3,276,961)	(4,482,905)
Series 6	(558,743)	(2,433,494)
Series 7	(129,980)	(156,101)
Series 8*	(510,207)	(153,806)
Series IGP	(248,967)	(325,251)
	(10,832,532)	(13,681,949)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	46,726,563	46,812,619

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,931,008	(6,957,869)
Adjustments for:		
Foreign exchange gain (loss) on cash	—	37
Net realized (gain) loss	(2,187,233)	(2,169,951)
Net unrealized (gain) loss	(5,920,335)	8,399,030
Non-cash distribution from investments	(1,471,455)	(1,113,697)
Proceeds from sale/maturity of investments	10,322,853	11,992,451
Investments purchased	(653,739)	(540,789)
Receivable for securities sold	(30,088)	86,591
Accrued expenses	(2,324)	(46,327)
Payable for securities purchased	3,383	2,754
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	7,992,070	9,652,230
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,787,147	4,142,505
Amounts paid on withdrawals	(10,807,050)	(13,734,882)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(8,019,903)	(9,592,377)
Effect of exchange rate changes on foreign cash	—	(37)
Increase (decrease) in cash/ bank overdraft	(27,833)	59,816
Cash (bank overdraft), beginning of year	113,151	53,335
CASH (BANK OVERDRAFT), END OF YEAR	85,318	113,151
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,148	553
Interest paid	—	27

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
Franklin Bissett Canadian Equity Fund, Series O	287,622	36,266,194	46,742,876
Total Investments		36,266,194	46,742,876
Other Net Assets (-0.0%)			(16,313)
Net Assets (100%)			46,726,563

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Brookfield Asset Management	8.1%
Canadian National Railway Co.	5.4%
Royal Bank of Canada	5.1%
Canadian Pacific Railway	4.8%
Toronto-Dominion Bank	4.2%
Canadian Imperial Bank of Commerce	3.3%
Bank of Montreal	3.3%
Alimentation Couche-Tard	3.2%
Scotiabank	2.9%
Enbridge	2.9%
Metro	2.8%
Onex Corporation	2.7%
TELUS Corporation	2.4%
Franco-Nevada Corporation	2.4%
Manulife Financial Corporation	2.4%
Atco	2.3%
CGI Group	2.2%
Dollarama	2.2%
Toromont Industries	2.1%
Nutrien	2.1%
Fortis	2.0%
Saputo	2.0%
Keyera Corporation	2.0%
Canadian Natural Resources	2.0%
Open Text Corporation	1.9%

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The fundamental investment objective of this Fund is to achieve long-term capital appreciation while continuing to emphasize the preservation of capital by investing primarily in Canadian equity securities.

Strategy of the Fund

To invest primarily in mid to large cap Canadian equity securities of growth-oriented companies. The Fund may also have a foreign equity component.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
46,742,876	—	—	46,742,876
46,742,876	—	—	46,742,876

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
46,832,967	—	—	46,832,967
46,832,967	—	—	46,832,967

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	1,302,984	1,335,704

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 1	5.29	4.52	5.18	5.05	—
Series 3	13.40	11.42	13.04	12.65	10.59
Series 5	14.42	12.21	13.86	13.37	11.12
Series 6	6.22	5.25	5.96	5.74	4.77
Series 7	6.39	5.38	6.06	5.82	4.81
Series 8*	5.58	4.70	—	—	—
Series IGP	11.11	9.35	10.55	10.12	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	10,251	10,301	13,965	15,860	—
Series 3	17,964	18,501	24,209	26,914	15,132
Series 5	11,156	11,589	17,045	17,245	12,032
Series 6	3,137	2,622	5,043	4,529	2,412
Series 7	118	92	260	189	35
Series 8*	1,750	1,525	—	—	—
Series IGP	2,350	2,183	2,786	2,783	—
Number of units outstanding (000)					
Series 1	1,938	2,278	2,693	3,140	—
Series 3	1,340	1,620	1,856	2,127	1,429
Series 5	774	949	1,230	1,290	1,082
Series 6	505	499	847	790	506
Series 7	18	17	43	33	7
Series 8*	314	325	—	—	—
Series IGP	212	233	264	275	—
Management expense ratio (MER)¹ (%)					
Series 1	3.97	3.97	3.97	3.98	—
Series 3	3.58	3.59	3.58	3.59	3.59
Series 5	2.97	2.97	2.97	2.97	2.97
Series 6	2.80	2.80	2.80	2.80	2.79
Series 7	2.39	2.27	2.41	2.41	2.41
Series 8*	2.49	2.53	—	—	—
Series IGP	2.39	2.38	2.39	2.38	—
Portfolio turnover rate² (%)					
	4.37	3.00	3.26	14.66	4.51

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Cash and Cash Equivalents	7.6%
Premium Brands Holdings	6.3%
Kinaxis	4.6%
Winpak	4.4%
Canadian Western Bank	4.3%
Morneau Shepell	4.1%
Intertape Polymer Group	4.1%
Guardian Capital Group	4.0%
Richelieu Hardware	4.0%
NFI Group	4.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,344	13.4%	11,409	14.1%	11,422	14.2%	11,462	14.6%	11,453	14.5%
3 Years	9,602	-1.3%	9,767	-0.8%	9,775	-0.8%	9,913	-0.3%	—	—
5 Years	9,924	-0.2%	10,205	0.4%	10,231	0.5%	10,464	0.9%	—	—
10 Years	12,349	2.1%	13,047	2.7%	—	—	—	—	—	—
Since Inception	12,320	1.6%	10,888	0.7%	9,480	-0.9%	9,720	-0.5%	9,460	-3.2%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	25,610	27,083
Investments at fair value through profit or loss (FVTPL)	11,180,434	10,799,236
Premiums receivable	19,855	522
Receivable for securities sold	5,987	—
Interest, dividends and other receivables	418	—
	<u>11,232,304</u>	<u>10,826,841</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	30,912	29,928
Withdrawals payable	26,166	39,693
Payable for securities purchased	—	620
	<u>57,078</u>	<u>70,241</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>11,175,226</u>	<u>10,756,600</u>
NET ASSETS PER UNIT		
Series 3	<u>6.16</u>	5.43
Series 5	<u>6.64</u>	5.82
Series 6	<u>4.74</u>	4.15
Series 7	<u>4.86</u>	4.24
Series 8	<u>4.73</u>	4.13

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	264	131
Distributions from underlying funds	202,948	1,462,960
Changes in fair value:		
Net realized gain (loss) on investments	14,327	668,440
Net unrealized gain (loss) on investments	1,608,667	(4,173,905)
	<u>1,826,206</u>	<u>(2,042,374)</u>
EXPENSES		
Management fees and guarantee charge	332,496	414,482
Operating expenses	43,771	55,168
	<u>376,267</u>	<u>469,650</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,449,939</u>	<u>(2,512,024)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	236,162	(436,766)
- per unit	0.74	(1.24)
Average Number of Units	318,223	350,975
SERIES 5		
Increase (Decrease) in Net Assets from Operations	996,820	(1,762,886)
- per unit	0.84	(1.22)
Average Number of Units	1,188,639	1,449,408
SERIES 6		
Increase (Decrease) in Net Assets from Operations	124,777	(211,191)
- per unit	0.56	(0.76)
Average Number of Units	222,198	279,244
SERIES 7		
Increase (Decrease) in Net Assets from Operations	3,431	(5,154)
- per unit	0.62	(0.93)
Average Number of Units	5,522	5,522
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	88,749	(96,027)
- per unit	0.46	(0.85)
Average Number of Units	191,490	112,801

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	10,756,600	16,019,572
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,449,939	(2,512,024)
Premiums		
Series 3	39,727	69,184
Series 5	297,439	1,449,943
Series 6	596,431	292,877
Series 7	6,723	—
Series 8*	529,910	914,485
	1,470,230	2,726,489
Withdrawals		
Series 3	(219,674)	(551,696)
Series 5	(1,543,663)	(3,547,551)
Series 6	(613,892)	(1,040,963)
Series 7	(6,723)	—
Series 8*	(117,591)	(337,227)
	(2,501,543)	(5,477,437)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	11,175,226	10,756,600

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,449,939	(2,512,024)
Adjustments for:		
Net realized (gain) loss	(14,327)	(668,440)
Net unrealized (gain) loss	(1,608,667)	4,173,905
Non-cash distribution from investments	(202,948)	(1,462,960)
Proceeds from sale/maturity of investments	2,065,369	3,623,214
Investments purchased	(620,625)	(426,650)
Receivable for securities sold	(5,987)	26,802
Interest, dividends and other receivables	(418)	—
Accrued expenses	984	(14,382)
Payable for securities purchased	(620)	620
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,062,700	2,740,085
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,450,897	2,729,098
Amounts paid on withdrawals	(2,515,070)	(5,441,629)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,064,173)	(2,712,531)
Increase (decrease) in cash/ bank overdraft	(1,473)	27,554
Cash (bank overdraft), beginning of year	27,083	(471)
CASH (BANK OVERDRAFT), END OF YEAR	25,610	27,083
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	264	141
Interest paid	—	10

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
NEI Canadian Small Cap Equity Fund, Series I	628,485	10,554,637	11,180,434
Total Investments		10,554,637	11,180,434
Other Net Assets (-0.0%)			(5,208)
Net Assets (100%)			11,175,226

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Cash and Cash Equivalents	7.6%
Premium Brands Holdings	6.3%
Kinaxis	4.6%
Winpak	4.4%
Canadian Western Bank	4.3%
Morneau Shepell	4.1%
Intertape Polymer Group	4.1%
Guardian Capital Group	4.0%
Richelieu Hardware	4.0%
NFI Group	4.0%
ATS Automation Tooling Systems	3.6%
Enghouse Systems	3.6%
Equitable Group	3.5%
Ag Growth International	3.3%
Descartes Systems Group	3.2%
Slate Retail REIT	3.0%
E-L Financial	2.9%
Altus Group	2.8%
First National Financial	2.7%
Badger Daylighting	2.2%
K-Bro Linen	2.2%
Jamieson Wellness	2.1%
Leon's Furniture	2.1%
Stella-Jones	2.0%
Enerflex	2.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve capital appreciation over the longer term by investing primarily in the equity of smaller, fast growing Canadian companies with small market capitalizations under a billion dollars.

Strategy of the Fund

To invest primarily in common shares and other equity securities issued by companies that are financially strong and have distinct competitive advantages at relative valuations.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
11,180,434	—	—	11,180,434
11,180,434	—	—	11,180,434

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
10,799,236	—	—	10,799,236
10,799,236	—	—	10,799,236

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Small Cap (50%)	3.00	139,619	130,886
S&P/TSX Completion (50%)	3.00	139,619	130,886

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	6.16	5.43	6.70	6.42	5.47
Series 5	6.64	5.82	7.13	6.80	5.77
Series 6	4.74	4.15	5.09	4.85	4.12
Series 7	4.86	4.24	5.17	4.90	4.14
Series 8*	4.73	4.13	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	1,863	1,807	2,726	3,145	3,125
Series 5	7,289	7,538	11,399	12,083	11,244
Series 6	1,015	907	1,866	1,432	1,088
Series 7	27	23	29	20	17
Series 8*	982	481	—	—	—
Number of units outstanding (000)					
Series 3	302	333	407	490	571
Series 5	1,098	1,296	1,598	1,777	1,948
Series 6	214	218	367	295	264
Series 7	6	6	6	4	4
Series 8*	208	117	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.81	3.83	3.82	3.82	3.83
Series 5	3.27	3.28	3.28	3.28	3.27
Series 6	3.20	3.23	3.24	3.21	3.21
Series 7	2.76	2.76	2.76	2.76	2.76
Series 8*	2.91	2.87	—	—	—
Portfolio turnover rate ² (%)	7.30	13.44	1.74	5.11	3.94

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – SMALL CAP – FRANKLIN BISSETT*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Transat A.T. Inc.	4.1%
Indigo Books & Music Inc.	3.3%
Trican Well Service Ltd.	3.1%
Blackline Safety Corporation	2.9%
Jamieson Wellness Inc.	2.9%
Total Energy Services Inc.	2.9%
InterRent Real Estate Investment Trust	2.8%
Atco	2.8%
Kinaxis Inc.	2.8%
Equitable Group Inc.	2.6%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	9,603	-4.0%	9,669	-3.3%	9,644	-3.6%	9,707	-2.9%	9,708	-2.9%
3 Years	6,595	-13.0%	6,722	-12.4%	6,713	-12.4%	6,787	-12.1%	—	—
5 Years	6,673	-7.8%	6,886	-7.2%	6,876	-7.2%	6,979	-6.9%	—	—
10 Years	10,975	0.9%	11,617	1.5%	—	—	—	—	—	—
Since Inception	22,760	4.3%	9,873	-0.1%	6,500	-7.1%	6,620	-6.8%	7,320	-16.9%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	1,618	712
Investments at fair value through profit or loss (FVTPL)	8,416,110	10,682,024
Premiums receivable	3,912	859
Receivable for securities sold	2,675	629
	<u>8,424,315</u>	<u>10,684,224</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	22,695	29,414
Withdrawals payable	7,214	12,178
Payable for securities purchased	631	—
	<u>30,540</u>	<u>41,592</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>8,393,775</u>	<u>10,642,632</u>
NET ASSETS PER UNIT		
Series 3	<u>11.38</u>	11.85
Series 5	<u>12.28</u>	12.70
Series 6	<u>3.25</u>	3.37
Series 7	<u>3.31</u>	3.41
Series 8	<u>3.66</u>	3.77

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	127	—
Distributions from underlying funds	216,451	190,745
Changes in fair value:		
Net realized gain (loss) on investments	(796,524)	74,148
Net unrealized gain (loss) on investments	477,982	(4,334,654)
	<u>(101,964)</u>	<u>(4,069,761)</u>
EXPENSES		
Management fees and guarantee charge	275,138	419,991
Operating expenses	39,982	62,056
	<u>315,120</u>	<u>482,047</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(417,084)</u>	<u>(4,551,808)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(146,139)	(1,616,911)
- per unit	(0.52)	(4.80)
Average Number of Units	278,632	336,645
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(189,845)	(2,043,281)
- per unit	(0.56)	(5.04)
Average Number of Units	337,943	405,530
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(62,719)	(717,493)
- per unit	(0.12)	(1.33)
Average Number of Units	519,436	541,209
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(2,195)	(33,104)
- per unit	(0.13)	(0.85)
Average Number of Units	17,259	38,942
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	(16,186)	(141,019)
- per unit	(0.15)	(1.31)
Average Number of Units	109,861	107,542

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	10,642,632	17,633,675
Increase (Decrease) in Net Assets from operations attributable to contract owners	(417,084)	(4,551,808)
Premiums		
Series 3	98,775	149,463
Series 5	619,497	490,140
Series 6	289,824	670,724
Series 7	—	33,297
Series 8*	40,114	594,263
	1,048,210	1,937,887
Withdrawals		
Series 3	(821,253)	(921,469)
Series 5	(1,616,638)	(2,033,693)
Series 6	(352,704)	(1,184,127)
Series 7	(9,445)	(198,883)
Series 8*	(79,943)	(38,950)
	(2,879,983)	(4,377,122)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	8,393,775	10,642,632

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(417,084)	(4,551,808)
Adjustments for:		
Net realized (gain) loss	796,524	(74,148)
Net unrealized (gain) loss	(477,982)	4,334,654
Non-cash distribution from investments	(216,451)	(190,745)
Proceeds from sale/maturity of investments	2,570,381	3,442,359
Investments purchased	(406,558)	(499,817)
Receivable for securities sold	(2,046)	(629)
Accrued expenses	(6,719)	(19,216)
Payable for securities purchased	631	(14,878)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,840,696	2,425,772
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,045,157	1,940,733
Amounts paid on withdrawals	(2,884,947)	(4,380,974)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,839,790)	(2,440,241)
Increase (decrease) in cash/ bank overdraft	906	(14,469)
Cash (bank overdraft), beginning of year	712	15,181
CASH (BANK OVERDRAFT), END OF YEAR	1,618	712
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	21	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Franklin Bissett Small Cap Fund, Series O	148,027	10,771,203	8,416,110
Total Investments		10,771,203	8,416,110
Other Net Assets (-0.3%)			(22,335)
Net Assets (100%)			8,393,775

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Transat A.T.	4.1%
Indigo Books & Music	3.3%
Trican Well Service	3.1%
Blackline Safety Corporation	2.9%
Jamieson Wellness	2.9%
Total Energy Services	2.9%
InterRent Real Estate Investment Trust	2.8%
Atco	2.8%
Kinaxis	2.8%
Equitable Group	2.6%
Canadian Western Bank	2.6%
Killaim Apartment Real Estate Investment Trust	2.6%
Martinrea International	2.5%
Nuvista Energy	2.5%
Calian Group	2.4%
Intertape Polymer Group	2.2%
Enghouse Systems	2.1%
Bird Construction	2.0%
Corby Spirit and Wine	2.0%
Horizon North Logistics	2.0%
Methanex Corporation	1.9%
NFI Group	1.9%
Transcontinental	1.9%
Exco Technologies	1.9%
Boyd Group Income Fund	1.9%

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with long-term capital appreciation. The Fund invests mainly in shares of Canadian companies with small to medium market capitalizations which are expected to provide above-average returns.

Strategy of the Fund

To be fully diversified at all times to compensate for the volatility inherent in investing in small capitalization equities.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
8,416,110	—	—	8,416,110
8,416,110	—	—	8,416,110

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
10,682,024	—	—	10,682,024
10,682,024	—	—	10,682,024

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Small Cap	3.00	196,226	213,278

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	11.38	11.85	16.78	17.26	13.53
Series 5	12.28	12.70	17.87	18.27	14.25
Series 6	3.25	3.37	4.74	4.84	3.78
Series 7	3.31	3.41	4.78	4.88	3.79
Series 8*	3.66	3.77	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	2,831	3,699	6,088	7,231	6,594
Series 5	3,533	4,720	8,307	9,211	8,051
Series 6	1,624	1,750	2,980	2,764	1,497
Series 7	48	60	258	34	27
Series 8*	358	414	—	—	—
Number of units outstanding (000)					
Series 3	249	312	363	419	487
Series 5	288	372	465	504	565
Series 6	499	520	629	571	396
Series 7	15	18	54	7	7
Series 8*	98	110	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.77	3.76	3.76	3.76	3.74
Series 5	3.14	3.14	3.14	3.14	3.13
Series 6	3.14	3.14	3.14	3.14	3.12
Series 7	2.73	2.45	2.74	2.74	2.56
Series 8*	2.82	2.87	—	—	—
Portfolio turnover rate ² (%)	6.57	4.76	13.53	9.69	6.10

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – AMERICAN EQUITY – MFS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Alphabet	3.4%
JPMorgan Chase & Co	3.1%
Microsoft Corporation	3.0%
Medtronic PLC	2.6%
Johnson & Johnson	2.5%
Mastercard Inc	2.5%
Bank of America Corp	2.4%
Visa	2.4%
American Tower Corp REIT	2.3%
Thermo Fisher Scientific Inc	2.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	12,142	21.4%	12,250	22.5%	12,244	22.4%	12,300	23.0%	12,285	22.8%
3 Years	13,543	10.6%	13,858	11.5%	13,871	11.5%	14,073	12.1%	—	—
5 Years	16,087	10.0%	16,709	10.8%	16,730	10.8%	17,131	11.4%	—	—
10 Years	27,425	10.6%	29,427	11.4%	—	—	—	—	—	—
Since Inception	18,820	3.3%	24,119	7.5%	18,880	11.5%	19,360	12.0%	12,260	12.8%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – AMERICAN EQUITY – MFS (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	8,744	9,535
Investments at fair value through profit or loss (FVTPL)	44,998,719	34,015,989
Premiums receivable	18,095	80,223
	<u>45,025,558</u>	<u>34,105,747</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	105,930	82,579
Withdrawals payable	14,821	7,144
Payable for securities purchased	2,491	3,999
	<u>123,242</u>	<u>93,722</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>44,902,316</u>	<u>34,012,025</u>
NET ASSETS PER UNIT		
Series 3	<u>9.41</u>	7.75
Series 5	<u>10.29</u>	8.40
Series 6	<u>9.44</u>	7.71
Series 7	<u>9.68</u>	7.87
Series 8	<u>6.13</u>	4.99

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	765	—
Distributions from underlying funds	3,700,315	3,236,021
Changes in fair value:		
Net realized gain (loss) on investments	543,618	404,582
Net unrealized gain (loss) on investments	4,647,949	(2,832,937)
	<u>8,892,647</u>	<u>807,666</u>
EXPENSES		
Management fees and guarantee charge	982,381	835,567
Operating expenses	160,321	145,180
	<u>1,142,702</u>	<u>980,747</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,749,945</u>	<u>(173,081)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	763,368	10,049
- per unit	1.67	0.02
Average Number of Units	456,581	501,192
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,638,077	18,120
- per unit	1.90	0.01
Average Number of Units	1,390,568	1,473,875
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,484,610	(13,354)
- per unit	1.71	(0.01)
Average Number of Units	1,449,401	1,399,221
SERIES 7		
Increase (Decrease) in Net Assets from Operations	261,301	31,917
- per unit	1.99	0.16
Average Number of Units	131,539	198,230
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,602,589	(219,813)
- per unit	1.12	(0.23)
Average Number of Units	1,435,133	956,090

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	34,012,025	27,602,437
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,749,945	(173,081)
Premiums		
Series 3	674,931	868,435
Series 5	2,361,172	3,376,500
Series 6	6,571,614	7,349,879
Series 7	90,088	1,572,425
Series 8*	6,501,466	6,515,594
	16,199,271	19,682,833
Withdrawals		
Series 3	(880,780)	(1,179,606)
Series 5	(3,194,537)	(3,437,217)
Series 6	(5,349,644)	(7,385,627)
Series 7	(729,034)	(875,288)
Series 8*	(2,904,930)	(222,426)
	(13,058,925)	(13,100,164)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	44,902,316	34,012,025

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,749,945	(173,081)
Adjustments for:		
Net realized (gain) loss	(543,618)	(404,582)
Net unrealized (gain) loss	(4,647,949)	2,832,937
Non-cash distribution from investments	(3,700,315)	(3,236,021)
Proceeds from sale/maturity of investments	5,368,844	3,731,562
Investments purchased	(7,459,692)	(9,283,244)
Receivable for securities sold	—	106
Accrued expenses	23,351	12,814
Payable for securities purchased	(1,508)	3,999
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(3,210,942)	(6,515,510)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	16,261,399	19,642,687
Amounts paid on withdrawals	(13,051,248)	(13,123,092)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	3,210,151	6,519,595
Increase (decrease) in cash/ bank overdraft	(791)	4,085
Cash (bank overdraft), beginning of year	9,535	5,450
CASH (BANK OVERDRAFT), END OF YEAR	8,744	9,535
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	96	—

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – AMERICAN EQUITY – MFS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
MFS U.S. Equity Core Fund	2,626,098	41,077,910	44,998,719
Total Investments		41,077,910	44,998,719
Other Net Assets (-0.2%)			(96,403)
Net Assets (100%)			44,902,316

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Alphabet	3.4%
JPMorgan Chase & Co	3.1%
Microsoft Corporation	3.0%
Medtronic PLC	2.6%
Johnson & Johnson	2.5%
Mastercard Inc	2.5%
Bank of America Corp	2.4%
Visa	2.4%
American Tower Corp REIT	2.3%
Thermo Fisher Scientific Inc	2.1%
Accenture PLC	2.1%
Comcast Corp	2.0%
Fidelity National Information Services Inc	2.0%
Honeywell International Inc	1.9%
Becton Dickinson and Co	1.8%
Danaher Corp	1.8%
Facebook Inc	1.6%
Nasdaq Inc	1.6%
Enterprise Products Partners LP	1.5%
Goldman Sachs Group Inc	1.5%
Apple Inc	1.5%
Texas Instruments Inc	1.5%
Adobe Inc	1.5%
Alphabet, Class C	1.4%
EOG Resources Inc	1.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To outperform the S&P 500.

Strategy of the Fund

To invest mainly in large cap equity securities of corporations located in the United States.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	44,998,719	—	44,998,719
—	44,998,719	—	44,998,719

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	34,015,989	—	34,015,989
—	34,015,989	—	34,015,989

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – AMERICAN EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P 500	3.00	1,261,368	985,566

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	9.41	7.75	7.77	6.95	6.80
Series 5	10.29	8.40	8.38	7.43	7.21
Series 6	9.44	7.71	7.68	6.81	6.61
Series 7	9.68	7.87	7.80	6.88	6.65
Series 8*	6.13	4.99	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	4,234	3,677	3,978	4,052	4,669
Series 5	14,052	12,247	12,290	11,107	11,080
Series 6	14,411	10,705	10,754	6,382	4,757
Series 7	932	1,310	581	162	148
Series 8*	11,272	6,073	—	—	—
Number of units outstanding (000)					
Series 3	450	475	512	583	687
Series 5	1,366	1,457	1,467	1,496	1,536
Series 6	1,527	1,389	1,400	938	720
Series 7	96	167	75	24	22
Series 8*	1,839	1,217	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 3	3.70	3.73	3.74	3.75	3.76
Series 5	2.93	2.94	2.93	2.93	2.93
Series 6	2.90	2.90	2.88	2.87	2.88
Series 7	2.42	2.43	2.44	2.44	2.47
Series 8*	2.57	2.59	—	—	—
Portfolio turnover rate ² (%)	13.63	11.30	22.68	26.82	15.88

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
JPMorgan Chase & Co.	5.0%
Bank of America	4.5%
Verizon Communications	3.4%
Cash and Cash Equivalents	3.3%
Intel	2.8%
Citigroup	2.4%
Pfizer	2.4%
Chevron	2.3%
Medtronic	2.3%
Comcast	2.1%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,873	18.7%	11,953	19.5%	11,975	19.7%	12,000	20.0%	12,054	20.5%
3 Years	11,726	5.5%	11,948	6.1%	12,000	6.3%	12,073	6.5%	12,273	7.1%
5 Years	14,427	7.6%	14,857	8.2%	14,966	8.4%	15,109	8.6%	15,543	9.2%
10 Years	24,921	9.6%	26,272	10.1%	26,567	10.3%	—	—	—	—
Since Inception	20,160	2.9%	14,855	1.9%	20,807	6.2%	17,400	9.9%	17,960	10.5%

	Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	12,045	20.5%
3 Years	—	—
5 Years	—	—
10 Years	—	—
Since Inception	11,660	9.5%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	96,948	65,972
Investments at fair value through profit or loss (FVTPL)	26,390,524	24,165,421
Premiums receivable	1,256	13,079
Receivable for securities sold	—	1,044
	<u>26,488,728</u>	<u>24,245,516</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	65,102	61,387
Withdrawals payable	6,148	7,478
Payable for securities purchased	32,187	953
	<u>103,437</u>	<u>69,818</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>26,385,291</u>	<u>24,175,698</u>
NET ASSETS PER UNIT		
Series 1	<u>10.08</u>	8.49
Series 3	<u>11.26</u>	9.42
Series 5	<u>11.46</u>	9.57
Series 6	<u>8.70</u>	7.25
Series 7	<u>8.98</u>	7.45
Series 8	<u>5.83</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	1,268	386
Distributions from underlying funds	1,049,412	751,425
Changes in fair value:		
Net realized gain (loss) on investments	1,234,671	1,185,337
Net unrealized gain (loss) on investments	3,011,327	(2,010,216)
	<u>5,296,678</u>	<u>(73,068)</u>
EXPENSES		
Management fees and guarantee charge	654,325	677,572
Operating expenses	107,741	118,059
	<u>762,066</u>	<u>795,631</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>4,534,612</u>	<u>(868,699)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	380,536	(114,846)
- per unit	1.60	(0.34)
Average Number of Units	238,092	339,603
SERIES 3		
Increase (Decrease) in Net Assets from Operations	474,019	(97,265)
- per unit	1.88	(0.34)
Average Number of Units	252,207	287,719
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,826,137	(318,440)
- per unit	1.92	(0.29)
Average Number of Units	951,815	1,100,706
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,114,607	(197,007)
- per unit	1.47	(0.23)
Average Number of Units	757,374	847,754
SERIES 7		
Increase (Decrease) in Net Assets from Operations	41,725	6,939
- per unit	1.82	0.12
Average Number of Units	22,921	58,970
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	697,588	(148,080)
- per unit	0.94	(0.27)
Average Number of Units	738,361	546,374

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	24,175,698	26,378,468
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,534,612	(868,699)
Premiums		
Series 1	21,024	89,939
Series 3	223,199	501,971
Series 5	1,036,288	1,166,719
Series 6	1,068,718	1,856,244
Series 7	—	149,349
Series 8*	1,630,899	3,563,600
	3,980,128	7,327,822
Withdrawals		
Series 1	(779,537)	(475,109)
Series 3	(547,618)	(811,054)
Series 5	(2,656,452)	(2,941,461)
Series 6	(1,420,255)	(3,750,847)
Series 7	(154,364)	(415,886)
Series 8*	(746,921)	(267,536)
	(6,305,147)	(8,661,893)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	26,385,291	24,175,698

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,534,612	(868,699)
Adjustments for:		
Net realized (gain) loss	(1,234,671)	(1,185,337)
Net unrealized (gain) loss	(3,011,327)	2,010,216
Non-cash distribution from investments	(1,049,412)	(751,425)
Proceeds from sale/maturity of investments	4,495,702	4,160,781
Investments purchased	(1,425,067)	(2,014,491)
Receivable for securities sold	1,044	15,783
Accrued expenses	3,715	(7,059)
Payable for securities purchased	31,234	(393)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2,345,830	1,359,376
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,991,951	7,317,424
Amounts paid on withdrawals	(6,306,477)	(8,658,635)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(2,314,526)	(1,341,211)
Effect of exchange rate changes on foreign cash	(328)	490
Increase (decrease) in cash/bank overdraft	30,976	18,655
Cash (bank overdraft), beginning of year	65,972	47,317
CASH (BANK OVERDRAFT), END OF YEAR	96,948	65,972
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	641	332
Interest paid	—	3

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.0%)			
Desjardins American Equity Value Fund, I-Class	825,091	18,385,685	26,390,524
Total Investments		18,385,685	26,390,524
Other Net Assets (-0.0%)			(5,233)
Net Assets (100%)			26,385,291

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
JPMorgan Chase & Co.	5.0%
Bank of America	4.5%
Verizon Communications	3.4%
Cash and Cash Equivalents	3.3%
Intel	2.8%
Citigroup	2.4%
Pfizer	2.4%
Chevron	2.3%
Medtronic	2.3%
Comcast	2.1%
United Technologies	1.9%
Philip Morris International	1.8%
Merck & Co.	1.8%
Chubb	1.7%
UnitedHealth Group	1.7%
Exxon Mobil	1.7%
Eaton	1.6%
AstraZeneca	1.6%
PNC Financial Services Group	1.5%
Marsh & McLennan Companies	1.4%
Honeywell International	1.4%
Lowe's Companies	1.4%
Deere & Company	1.4%
Target	1.4%
American International Group	1.3%

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with long-term capital growth by investing primarily in U.S. equities.

Strategy of the Fund

To invest primarily in the common shares of high quality, publicly traded mid to large United States companies across a wide range of market sectors.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
26,390,524	—	—	26,390,524
26,390,524	—	—	26,390,524

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
24,165,421	—	—	24,165,421
24,165,421	—	—	24,165,421

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P 500	3.00	713,309	686,977

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 1	10.08	8.49	8.87	8.60	8.02
Series 3	11.26	9.42	9.78	9.42	8.74
Series 5	11.46	9.57	9.93	9.55	8.85
Series 6	8.70	7.25	7.51	7.21	6.67
Series 7	8.98	7.45	7.65	7.32	6.73
Series 8*	5.83	4.84	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	2,224	2,602	3,102	2,900	2,971
Series 3	2,759	2,610	3,016	3,380	3,508
Series 5	10,085	9,879	11,972	11,989	11,951
Series 6	6,434	5,671	7,762	6,237	4,543
Series 7	154	266	526	285	543
Series 8*	4,730	3,148	—	—	—
Number of units outstanding (000)					
Series 1	221	307	350	337	370
Series 3	245	277	308	359	401
Series 5	880	1,032	1,206	1,255	1,351
Series 6	739	782	1,034	865	682
Series 7	17	36	69	39	81
Series 8*	811	650	—	—	—
Management expense ratio (MER)¹ (%)					
Series 1	3.83	3.82	3.82	3.82	3.81
Series 3	3.20	3.20	3.21	3.22	3.23
Series 5	3.06	3.06	3.06	3.05	3.06
Series 6	2.84	2.84	2.84	2.83	2.79
Series 7	2.33	2.22	2.38	2.27	2.25
Series 8*	2.54	2.53	—	—	—
Portfolio turnover rate ² (%)	9.76	10.63	12.45	17.24	9.05

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUNDS AS OF DECEMBER 31, 2019

Security Name	Percentage
Cash and Cash Equivalents	2.6%
AXA	1.8%
Allianz	1.8%
Verizon Communications	1.7%
Dominion Resources	1.6%
Duke Energy	1.5%
Total	1.5%
Las Vegas Sands	1.5%
FirstEnergy	1.5%
Snam	1.5%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,260	12.6%	11,258	12.6%	11,322	13.2%	11,296	13.0%
3 Years	11,614	5.1%	11,577	5.0%	11,766	5.6%	—	—
5 Years	13,135	5.6%	13,073	5.5%	13,405	6.0%	—	—
Since Inception	19,300	9.5%	14,140	6.1%	14,560	6.6%	11,160	6.7%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	268	3,120
Investments at fair value through profit or loss (FVTPL)	30,922,637	26,887,337
Premiums receivable	17,372	139,823
Receivable for securities sold	766	—
	<u>30,941,043</u>	<u>27,030,280</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	70,170	60,899
Withdrawals payable	37,722	110,451
Payable for securities purchased	7,071	39,826
	<u>114,963</u>	<u>211,176</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>30,826,080</u>	<u>26,819,104</u>
NET ASSETS PER UNIT		
Series 5	<u>9.65</u>	8.57
Series 6	<u>7.07</u>	6.28
Series 7	<u>7.28</u>	6.43
Series 8	<u>5.58</u>	4.94

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	1,337,615	1,164,991
Changes in fair value:		
Net realized gain (loss) on investments	353,313	253,322
Net unrealized gain (loss) on investments	2,567,383	(1,681,606)
	<u>4,258,311</u>	<u>(263,293)</u>
EXPENSES		
Management fees and guarantee charge	734,522	687,431
Operating expenses	64,753	59,868
	<u>799,275</u>	<u>747,299</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,459,036</u>	<u>(1,010,592)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	991,403	(332,853)
- per unit	1.09	(0.33)
Average Number of Units	910,006	1,008,412
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,252,968	(498,209)
- per unit	0.79	(0.28)
Average Number of Units	1,583,164	1,790,236
SERIES 7		
Increase (Decrease) in Net Assets from Operations	296,115	(88,387)
- per unit	0.85	(0.24)
Average Number of Units	348,399	372,282
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	918,550	(91,143)
- per unit	0.63	(0.08)
Average Number of Units	1,459,041	1,198,334

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	26,819,104	26,396,332
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,459,036	(1,010,592)
Premiums		
Series 5	1,354,830	1,300,317
Series 6	4,018,728	3,596,860
Series 7	7,874	187,279
Series 8*	2,403,916	7,411,699
	<u>7,785,348</u>	<u>12,496,155</u>
Withdrawals		
Series 5	(2,720,093)	(1,482,051)
Series 6	(3,170,412)	(8,446,302)
Series 7	(174,643)	(369,574)
Series 8*	(1,172,260)	(764,864)
	<u>(7,237,408)</u>	<u>(11,062,791)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	30,826,080	26,819,104

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,459,036	(1,010,592)
Adjustments for:		
Net realized (gain) loss	(353,313)	(253,322)
Net unrealized (gain) loss	(2,567,383)	1,681,606
Non-cash distribution from investments	(1,337,615)	(1,164,991)
Proceeds from sale/maturity of investments	3,343,673	2,773,502
Investments purchased	(3,120,662)	(3,483,868)
Receivable for securities sold	(766)	—
Accrued expenses	9,271	(432)
Payable for securities purchased	(32,755)	(209,912)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(600,514)	(1,668,009)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,907,799	12,633,096
Amounts paid on withdrawals	(7,310,137)	(10,965,777)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	597,662	1,667,319
Increase (decrease) in cash/ bank overdraft	(2,852)	(690)
Cash (bank overdraft), beginning of year	3,120	3,810
CASH (BANK OVERDRAFT), END OF YEAR	268	3,120

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Desjardins Global Dividend Fund, I-Class	1,431,684	27,429,186	30,921,505
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	106	1,111	1,132
Total Investments		27,430,297	30,922,637
Other Net Assets (-0.3%)			(96,557)
Net Assets (100%)			30,826,080

The accompanying Notes are an integral part of these financial statements.

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage
Cash and Cash Equivalents	2.6%
AXA	1.8%
Allianz	1.8%
Verizon Communications	1.7%
Dominion Resources	1.6%
Duke Energy	1.5%
Total	1.5%
Las Vegas Sands	1.5%
FirstEnergy	1.5%
Snam	1.5%
Pfizer	1.4%
BCE	1.4%
Entergy	1.4%
Muenchener Rueckversicherung	1.4%
National Grid	1.4%
Altria Group	1.3%
BAE Systems	1.3%
Merck & Co.	1.3%
Philip Morris International	1.3%
Royal Dutch Shell, ADR	1.3%
Welltower	1.3%
AT&T	1.3%
Novartis	1.2%
Takeda Pharmaceutical Company	1.2%
Terna – Rete Elettrica Nazionale	1.2%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to provide dividend income and long term capital appreciation through the investment in equity and equity related securities of companies around the world, including, when deemed appropriate, emerging markets.

Strategy of the Fund

In order to achieve its investment objective, the Fund invests in companies with high dividend yields and whose management teams optimize their balance sheets through the redemption of shares or reducing debt or by opting to increase cash flows sufficiently to allow for the opportunity for dividend growth. Companies are selected which show stable or high profit growth, a lower than average debt in comparison to their industry average and whose securities are traded at a reasonable price in relation to other companies with similar characteristics. Equity related securities such as American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs) may be used to gain exposure to a particular stock or sector.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
30,922,637	—	—	30,922,637
30,922,637	—	—	30,922,637

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
26,887,337	—	—	26,887,337
26,887,337	—	—	26,887,337

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

Monthly, the investment strategy team compares the underlying funds' performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying funds' performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Funds' investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Funds' managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying funds. Detailed disclosure about the currency risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying funds. Detailed disclosure about the interest rate risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying funds. Detailed disclosure about the concentration risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying funds. Detailed disclosure about the price risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI World Net	3.00	683,372	572,132

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying funds. Detailed disclosure about the credit risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in underlying funds which are exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying funds. Detailed disclosure about the liquidity risk on the underlying funds can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	9.65	8.57	8.90	8.31	8.13
Series 6	7.07	6.28	6.53	6.11	5.98
Series 7	7.28	6.43	6.65	6.19	6.03
Series 8*	5.58	4.94	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 5	8,144	8,518	9,032	9,170	8,985
Series 6	11,537	9,436	14,783	10,511	5,827
Series 7	2,439	2,310	2,581	904	415
Series 8*	8,706	6,556	—	—	—
Number of units outstanding (000)					
Series 5	844	994	1,015	1,104	1,105
Series 6	1,631	1,502	2,262	1,721	974
Series 7	335	359	388	146	69
Series 8*	1,559	1,326	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	2.82	2.81	2.80	2.80	2.79
Series 6	2.89	2.89	2.89	2.87	2.83
Series 7	2.39	2.37	2.37	2.34	2.47
Series 8*	2.56	2.59	—	—	—
Portfolio turnover rate ² (%)	11.49	10.28	8.85	12.24	10.21

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL EQUITY – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the period ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Microsoft	3.5%
Thermo Fisher Scientific	3.1%
Cash and Cash Equivalents	3.0%
Alphabet	3.0%
Zoetis	2.7%
Aon	2.6%
Wolters Kluwer	2.5%
Unilever	2.5%
Coca-Cola Consolidated	2.5%
Iqvia Holdings	2.5%

PERFORMANCE INFORMATION FOR THE PERIOD ENDING DECEMBER 31, 2019**

	Series 5		Series 6		Series 7		Series 8	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
Since Inception	10,320	3.2%	10,320	3.2%	10,320	3.2%	10,320	3.2%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in October 2019.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019
	\$
ASSETS	
Current Assets	
Cash	1,001
Investments at fair value through profit or loss (FVTPL)	630,439
	<u>631,440</u>
LIABILITIES	
Current Liabilities	
Accrued expenses	1,400
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>630,040</u>
NET ASSETS PER UNIT	
Series 5	5.16
Series 6	5.16
Series 7	5.16
Series 8	5.16

STATEMENT OF COMPREHENSIVE INCOME

Period Ended December 31

	2019*
	(3 months)
	\$
INCOME	
Distributions from underlying funds	11,413
Changes in fair value:	
Net realized gain (loss) on investments	16
Net unrealized gain (loss) on investments	12,489
	<u>23,918</u>
EXPENSES	
Management fees and guarantee charge	4,014
Operating expenses	370
	<u>4,384</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>19,534</u>
DATA PER SERIES	
SERIES 5	
Increase (Decrease) in Net Assets from Operations	4,775
- per unit	0.16
Average Number of Units	29,641
SERIES 6	
Increase (Decrease) in Net Assets from Operations	4,799
- per unit	0.16
Average Number of Units	29,641
SERIES 7	
Increase (Decrease) in Net Assets from Operations	5,016
- per unit	0.17
Average Number of Units	29,640
SERIES 8	
Increase (Decrease) in Net Assets from Operations	4,944
- per unit	0.17
Average Number of Units	29,641

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL EQUITY – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Period Ended December 31

	2019*
	(3 months)
	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>19,534</u>
Premiums	
Series 5	152,627
Series 6	152,627
Series 7	152,625
Series 8	<u>152,627</u>
	<u>610,506</u>
Withdrawals	
Series 5	—
Series 6	—
Series 7	—
Series 8	<u>—</u>
	<u>—</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>630,040</u>

STATEMENT OF CASH FLOWS

Period Ended December 31

	2019*
	(3 months)
	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	
Increase (Decrease) in Net Assets from operations attributable to contract owners	19,534
Adjustments for:	
Net realized (gain) loss	(16)
Net unrealized (gain) loss	(12,489)
Non-cash distribution from investments	(11,413)
Proceeds from sale/maturity of investments	3,988
Investments purchased	(610,509)
Accrued expenses	<u>1,400</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(609,505)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	
Premium payments	<u>610,506</u>
Increase (decrease) in cash/ bank overdraft	1,001
Cash (bank overdraft), beginning of period	<u>—</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>1,001</u>

* Beginning of operations in October 2019.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.1%)			
Desjardins Global Equity Fund, I-Class	58,613	617,950	630,439
Total Investments		617,950	630,439
Other Net Assets (-0.1%)			(399)
Net Assets (100%)			630,040

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Microsoft	3.5%
Thermo Fisher Scientific	3.1%
Cash and Cash Equivalents	3.0%
Alphabet	3.0%
Zoetis	2.7%
Aon	2.6%
Wolters Kluwer	2.5%
Unilever	2.5%
Coca-Cola Consolidated	2.5%
Iqvia Holdings	2.5%
Visa	2.2%
Johnson & Johnson	2.2%
Diageo	2.2%
Accenture	2.1%
RELX	1.9%
Honeywell International	1.9%
S&P Global	1.9%
Intercontinental Exchange Group	1.9%
Rockwell Automation	1.8%
AIA Group	1.8%
Motorola Solutions	1.8%
Tencent Holdings	1.7%
PTC	1.7%
Procter & Gamble	1.6%
McDonald's	1.6%

DFS GIF – GLOBAL EQUITY – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The objective of this Fund is to provide long-term capital appreciation by investing primarily in equity and equity-related securities of companies located throughout the world, including emerging markets.

Strategy of the Fund

The Fund favours a bottom-up investment strategy that focuses on the financial profitability of corporations, as well as on sustainability and its impact on the corporations' valuation. Relying on a rigorous fundamental analysis, the Fund searches for quality corporations that can maintain strong financial profitability over the long term, as well as corporations that significantly improve their financial profitability.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following table categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	630,439	—	—	630,439
TOTAL	630,439	—	—	630,439

Transfers between Levels 1 and 2

During the period ended December 31, 2019, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019

Currency Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's best estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, with all other variables held constant, is as follows:

	Change in Price	Impact on Net Assets Attributable to Contract Owners
		December 31, 2019
Benchmarks	%	\$
MSCI All Country World Net	3.00	18,901

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – GLOBAL EQUITY – DESJARDINS (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past period. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019*
Net Assets and Net Asset Value Per Unit (\$)	
Series 5	5.16
Series 6	5.16
Series 7	5.16
Series 8	5.16
Ratios and Supplemental Data	
Net Asset Value (\$000's)	
Series 5	157
Series 6	157
Series 7	158
Series 8	158
Number of units outstanding (000)	
Series 5	31
Series 6	31
Series 7	31
Series 8	31
Management expense ratio (MER)¹ (%)	
Series 5	2.93
Series 6	2.87
Series 7	2.36
Series 8	2.53
Portfolio turnover rate² (%)	0.64

* Beginning of operations in October 2019.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – GLOBAL EQUITY – MFS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Microsoft Corporation	3.2%
Alphabet	2.3%
Amazon.com Inc	2.2%
salesforce.com Inc	1.6%
Facebook Inc	1.6%
Mastercard Inc	1.5%
Fiserv Inc	1.5%
Aon PLC	1.4%
Roche Holding AG	1.4%
Honeywell International Inc	1.3%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 3		Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	12,263	22.6%	12,294	22.9%	12,300	23.0%	12,351	23.5%	12,322	23.2%
3 Years	13,487	10.5%	13,664	11.0%	13,651	10.9%	13,847	11.5%	—	—
5 Years	15,369	9.0%	15,724	9.5%	15,700	9.4%	16,056	9.9%	—	—
10 Years	19,082	6.7%	19,971	7.2%	—	—	—	—	—	—
Since Inception	22,322	7.5%	12,522	1.9%	16,580	9.0%	17,020	9.5%	11,780	10.2%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – GLOBAL EQUITY – MFS (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	26,568	13,144
Investments at fair value through profit or loss (FVTPL)	61,406,750	56,556,513
Premiums receivable	8,785	1,002
Receivable for securities sold	—	12,163
	<u>61,442,103</u>	<u>56,582,822</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	145,530	135,732
Withdrawals payable	19,212	63,021
Payable for securities purchased	498	—
	<u>165,240</u>	<u>198,753</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>61,276,863</u>	<u>56,384,069</u>
NET ASSETS PER UNIT		
Series 3	<u>5.96</u>	4.86
Series 5	<u>6.27</u>	5.10
Series 6	<u>8.29</u>	6.74
Series 7	<u>8.51</u>	6.89
Series 8	<u>5.89</u>	4.78

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	703	396
Distributions from underlying funds	5,280,367	5,168,853
Changes in fair value:		
Net realized gain (loss) on investments	803,888	630,664
Net unrealized gain (loss) on investments	7,965,455	(5,832,532)
	<u>14,050,413</u>	<u>(32,619)</u>
EXPENSES		
Management fees and guarantee charge	1,343,425	1,398,324
Operating expenses	378,452	401,948
	<u>1,721,877</u>	<u>1,800,272</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>12,328,536</u>	<u>(1,832,891)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	658,158	(123,090)
- per unit	1.12	(0.19)
Average Number of Units	586,506	663,955
SERIES 5		
Increase (Decrease) in Net Assets from Operations	10,223,763	(1,446,494)
- per unit	1.19	(0.15)
Average Number of Units	8,561,944	9,777,759
SERIES 6		
Increase (Decrease) in Net Assets from Operations	709,179	(102,382)
- per unit	1.57	(0.21)
Average Number of Units	450,544	484,742
SERIES 7		
Increase (Decrease) in Net Assets from Operations	197,473	(20,507)
- per unit	1.53	(0.13)
Average Number of Units	128,918	154,114
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	539,963	(140,418)
- per unit	1.08	(0.37)
Average Number of Units	500,924	381,872

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	56,384,069	60,855,644
Increase (Decrease) in Net Assets from operations attributable to contract owners	12,328,536	(1,832,891)
Premiums		
Series 3	179,226	766,570
Series 5	2,974,796	3,189,354
Series 6	1,004,421	1,973,977
Series 7	548,418	1,028,952
Series 8*	819,211	2,420,890
	5,526,072	9,379,743
Withdrawals		
Series 3	(750,667)	(632,576)
Series 5	(9,874,291)	(8,412,884)
Series 6	(1,123,861)	(2,313,405)
Series 7	(908,056)	(502,901)
Series 8*	(304,939)	(156,661)
	(12,961,814)	(12,018,427)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	61,276,863	56,384,069

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	12,328,536	(1,832,891)
Adjustments for:		
Net realized (gain) loss	(803,888)	(630,664)
Net unrealized (gain) loss	(7,965,455)	5,832,532
Non-cash distribution from investments	(5,280,367)	(5,168,853)
Proceeds from sale/maturity of investments	10,224,538	7,749,017
Investments purchased	(1,025,065)	(3,356,083)
Receivable for securities sold	12,163	3,954
Accrued expenses	9,798	(12,736)
Payable for securities purchased	498	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	7,500,758	2,584,276
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	5,518,289	9,379,956
Amounts paid on withdrawals	(13,005,623)	(11,960,203)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(7,487,334)	(2,580,247)
Increase (decrease) in cash/ bank overdraft	13,424	4,029
Cash (bank overdraft), beginning of year	13,144	9,115
CASH (BANK OVERDRAFT), END OF YEAR	26,568	13,144
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	298	136
Interest paid	—	59

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – GLOBAL EQUITY – MFS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
MFS Global Research Fund	3,216,158	56,031,709	61,406,750
Total Investments		56,031,709	61,406,750
Other Net Assets (-0.2%)			(129,887)
Net Assets (100%)			61,276,863

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Microsoft Corporation	3.2%
Alphabet	2.3%
Amazon.com Inc	2.2%
salesforce.com Inc	1.6%
Facebook Inc	1.6%
Mastercard Inc	1.5%
Fiserv Inc	1.5%
Aon PLC	1.4%
Roche Holding AG	1.4%
Honeywell International Inc	1.3%
AIA Group Ltd	1.3%
Goldman Sachs Group Inc	1.2%
Medtronic PLC	1.2%
Adobe Inc	1.2%
Schneider Electric SE	1.1%
Nestle SA	1.1%
CMS Energy Corp	1.1%
Truist Financial Corp	1.1%
BNP Paribas SA	1.1%
Charles Schwab Corp	1.1%
LEG Immobilien AG	1.1%
Danaher Corp	1.1%
Global Payments Inc	1.1%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.1%
Sherwin-Williams Co	1.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

To achieve long-term capital growth by investing primarily in equity securities.

Strategy of the Fund

To control the level of volatility of return relative to the overall stock markets by maintaining strong geographic diversification and by investing in attractively-valued securities. The Fund will primarily invest in common stocks of American, European, and Asian corporations.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	61,406,750	—	61,406,750
—	61,406,750	—	61,406,750

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	56,556,513	—	56,556,513
—	56,556,513	—	56,556,513

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – GLOBAL EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI All Country World Net	3.00	1,824,156	1,763,243

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 3	5.96	4.86	5.05	4.42	4.46
Series 5	6.27	5.10	5.27	4.59	4.61
Series 6	8.29	6.74	6.97	6.07	6.10
Series 7	8.51	6.89	7.09	6.15	6.15
Series 8*	5.89	4.78	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 3	3,336	3,249	3,238	2,850	3,096
Series 5	50,273	46,949	53,619	50,538	57,250
Series 6	3,748	3,158	3,600	1,993	1,515
Series 7	742	904	399	183	24
Series 8*	3,178	2,124	—	—	—
Number of units outstanding (000)					
Series 3	560	668	641	645	695
Series 5	8,015	9,206	10,175	11,014	12,426
Series 6	452	468	516	328	248
Series 7	87	131	56	30	4
Series 8*	539	444	—	—	—
Management expense ratio (MER)¹ (%)					
Series 3	3.36	3.37	3.37	3.36	3.39
Series 5	2.90	2.90	2.90	2.92	2.92
Series 6	2.95	2.94	2.94	2.93	2.95
Series 7	2.46	2.43	2.46	2.53	2.53
Series 8*	2.63	2.64	—	—	—
Portfolio turnover rate² (%)	10.52	12.40	21.60	10.45	8.57

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – INTERNATIONAL EQUITY – MFS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading “Strategy in using Financial Instruments”.

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
Nestle SA	3.9%
Roche Holding AG	3.2%
Schneider Electric SE	2.9%
Alia Group Ltd	2.8%
Hoya Corp	2.7%
Air Liquide SA	2.7%
SAP SE	2.6%
Amadeus IT Group SA	2.2%
LVMH Moët Hennessy Louis Vuitton SE	2.1%
Beiersdorf AG	2.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 1		Series 3		Series 5		Series 6		Series 7	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,807	18.1%	11,841	18.4%	11,937	19.4%	11,904	19.0%	11,958	19.6%
3 Years	12,987	9.1%	13,065	9.3%	13,415	10.3%	13,313	10.0%	13,507	10.5%
5 Years	14,397	7.6%	14,534	7.8%	15,183	8.7%	14,984	8.4%	15,338	8.9%
10 Years	15,470	4.5%	15,670	4.6%	17,079	5.5%	—	—	—	—
Since Inception	15,680	1.9%	12,866	1.2%	11,546	1.2%	14,380	6.4%	14,780	6.9%

	Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	11,932	19.3%
3 Years	—	—
5 Years	—	—
10 Years	—	—
Since Inception	11,240	7.2%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	3,772	3,384
Investments at fair value through profit or loss (FVTPL)	12,526,764	12,402,347
Premiums receivable	1,043	7,958
	<u>12,531,579</u>	<u>12,413,689</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	32,501	31,625
Withdrawals payable	1,614	8,316
Payable for securities purchased	778	431
	<u>34,893</u>	<u>40,372</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>12,496,686</u>	<u>12,373,317</u>
NET ASSETS PER UNIT		
Series 1	<u>7.84</u>	6.64
Series 3	<u>8.17</u>	6.90
Series 5	<u>9.12</u>	7.64
Series 6	<u>7.19</u>	6.04
Series 7	<u>7.39</u>	6.18
Series 8	<u>5.62</u>	4.71

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Interest for attribution purposes	—	5,780
Distributions from underlying funds	718,927	1,180,308
Changes in fair value:		
Net realized gain (loss) on investments	382,745	454,255
Net unrealized gain (loss) on investments	1,448,480	(1,873,562)
	<u>2,550,152</u>	<u>(233,219)</u>
EXPENSES		
Management fees and guarantee charge	324,046	336,707
Operating expenses	69,451	76,554
	<u>393,497</u>	<u>413,261</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,156,655</u>	<u>(646,480)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	242,591	(73,537)
- per unit	1.21	(0.28)
Average Number of Units	200,830	265,030
SERIES 3		
Increase (Decrease) in Net Assets from Operations	669,981	(220,750)
- per unit	1.28	(0.39)
Average Number of Units	525,081	569,295
SERIES 5		
Increase (Decrease) in Net Assets from Operations	623,615	(169,762)
- per unit	1.50	(0.33)
Average Number of Units	415,018	517,491
SERIES 6		
Increase (Decrease) in Net Assets from Operations	348,069	(109,064)
- per unit	1.17	(0.36)
Average Number of Units	297,042	305,481
SERIES 7		
Increase (Decrease) in Net Assets from Operations	61,602	(17,146)
- per unit	1.30	(0.26)
Average Number of Units	47,415	65,239
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	210,797	(56,221)
- per unit	0.90	(0.46)
Average Number of Units	233,698	121,233

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	<u>12,373,317</u>	<u>12,450,263</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>2,156,655</u>	<u>(646,480)</u>
Premiums		
Series 1	28,530	493,774
Series 3	300,070	630,035
Series 5	454,662	657,761
Series 6	296,280	1,945,812
Series 7	171,423	400,784
Series 8*	509,678	1,083,429
	<u>1,760,643</u>	<u>5,211,595</u>
Withdrawals		
Series 1	(292,463)	(1,091,709)
Series 3	(874,678)	(672,851)
Series 5	(1,362,388)	(1,098,768)
Series 6	(639,039)	(1,560,360)
Series 7	(437,337)	(168,577)
Series 8*	(188,024)	(49,796)
	<u>(3,793,929)</u>	<u>(4,642,061)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	<u>12,496,686</u>	<u>12,373,317</u>

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,156,655	(646,480)
Adjustments for:		
Net realized (gain) loss	(382,745)	(454,255)
Net unrealized (gain) loss	(1,448,480)	1,873,562
Non-cash distribution from investments	(718,927)	(1,180,308)
Proceeds from sale/maturity of investments	2,937,462	2,458,801
Investments purchased	(511,727)	(2,613,436)
Accrued expenses	876	(7,917)
Payable for securities purchased	347	(19,249)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>2,033,461</u>	<u>(589,282)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,767,558	5,204,954
Amounts paid on withdrawals	(3,800,631)	(4,634,919)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(2,033,073)</u>	<u>570,035</u>
Increase (decrease) in cash/ bank overdraft	388	(19,247)
Cash (bank overdraft), beginning of year	3,384	22,631
CASH (BANK OVERDRAFT), END OF YEAR	<u>3,772</u>	<u>3,384</u>

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.2%)			
MFS International Equity Fund	915,431	10,664,975	12,526,764
Total Investments		10,664,975	12,526,764
Other Net Assets (-0.2%)			(30,078)
Net Assets (100%)			12,496,686

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
Nestle SA	3.9%
Roche Holding AG	3.2%
Schneider Electric SE	2.9%
AIA Group Ltd	2.8%
Hoya Corp	2.7%
Air Liquide SA	2.7%
SAP SE	2.6%
Amadeus IT Group SA	2.2%
LVMH Moët Hennessy Louis Vuitton SE	2.1%
Beiersdorf AG	2.0%
Bayer AG	2.0%
Olympus Corp	2.0%
Experian PLC	2.0%
Terumo Corp	1.9%
Canadian National Railway Co	1.9%
Diageo PLC	1.8%
Novo Nordisk AS	1.8%
Novartis AG	1.8%
Taiwan Semiconductor Manufacturing Co Ltd ADR	1.8%
Pernod Ricard SA	1.7%
Daikin Industries Ltd	1.7%
KBC Group NV	1.6%
Akzo Nobel NV	1.6%
Compass Group PLC	1.5%
UBS Group AG	1.5%

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

The fundamental investment objective of this Fund is to provide investors with long-term capital growth based on an internationally diversified equity portfolio by investing primarily in Europe and the Far East.

Strategy of the Fund

To invest its assets primarily in the common shares of large corporations with attractive relative valuations located in many countries.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)**Hierarchy of Financial Instruments Measured at Fair Value**

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	12,526,764	—	12,526,764
—	12,526,764	—	12,526,764

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
—	12,402,347	—	12,402,347
—	12,402,347	—	12,402,347

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)**Underlying Fund Risk Management**

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI EAFE Net	3.00	382,144	375,877

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements. The net assets per unit presented in the financial statements may differ from the net asset value calculated for fund pricing purposes.

As at December 31	2019	2018	2017	2016	2015
Net Assets Per Unit (\$)					
Series 1	7.84	6.64	7.03	6.04	6.42
Series 3	8.17	6.90	7.30	6.25	6.64
Series 5	9.12	7.64	8.01	6.80	7.15
Series 6	7.19	6.04	6.34	5.40	5.70
Series 7	7.39	6.18	6.46	5.47	5.75
Series 8*	5.62	4.71	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$000's)					
Series 1	1,404	1,426	2,097	1,617	2,240
Series 3	4,007	3,912	4,175	4,112	5,158
Series 5	3,409	3,693	4,304	3,672	4,175
Series 6	1,958	1,953	1,677	830	883
Series 7	208	412	197	195	147
Series 8*	1,510	977	—	—	—
Number of units outstanding (000)					
Series 1	179	215	298	268	349
Series 3	491	567	572	658	777
Series 5	374	483	537	540	584
Series 6	272	323	264	154	155
Series 7	28	67	31	36	26
Series 8*	269	207	—	—	—
Management expense ratio (MER)¹ (%)					
Series 1	3.84	3.84	3.83	3.82	3.83
Series 3	3.62	3.64	3.65	3.65	3.64
Series 5	2.73	2.75	2.75	2.75	2.76
Series 6	3.03	3.00	3.02	3.01	3.05
Series 7	2.52	2.50	2.55	2.55	2.59
Series 8*	2.72	2.70	—	—	—
Portfolio turnover rate² (%)					
	9.83	18.90	16.90	10.33	20.58

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS*

SUMMARY FACTS STATEMENT — unaudited

The following unaudited section shows the Top holdings of the Fund and performance data for the year ending December 31, 2019. The current objective and strategy of the Fund can be found in the audited Notes to the Financial Statements – Specific Information as at December 31, 2019 section of this document under the section heading "Strategy in using Financial Instruments".

For a detailed description of each Fund's investment policy and where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s) is available upon request by writing to the Company at 1 Complexe Desjardins, P.O. Box 9000, Montreal, Quebec, H5B 1H5.

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND AS OF DECEMBER 31, 2019

Security Name	Percentage
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
AIA Group	3.9%
Ferrari	3.9%
Kering	3.8%
M3	3.6%
Softbank	3.4%
Zalando	3.1%
Inditex	3.0%

PERFORMANCE INFORMATION FOR THE YEAR ENDING DECEMBER 31, 2019

	Series 5		Series 6		Series 7		Series 8**	
	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)	\$10,000 Lump Sum Value	Total Gain (Annualized)
1 Year	12,585	25.8%	12,599	26.0%	12,659	26.6%	12,646	26.5%
3 Years	15,172	14.9%	15,251	15.1%	15,456	15.6%	—	—
5 Years	16,238	10.2%	16,381	10.4%	16,728	10.8%	—	—
Since Inception	23,080	12.2%	15,900	8.3%	16,280	8.7%	10,800	4.7%

* This Fund is composed of units of the corresponding underlying investment funds.

** Beginning of operations in April 2018.

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

STATEMENT OF FINANCIAL POSITION

As at December 31

	2019	2018
	\$	\$
ASSETS		
Current Assets		
Cash	1,668	1,473
Investments at fair value through profit or loss (FVTPL)	15,468,928	12,115,074
Premiums receivable	1,581	8,909
Receivable for securities sold	—	11,404
	<u>15,472,177</u>	<u>12,136,860</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	35,940	29,037
Withdrawals payable	7,146	17,077
Payable for securities purchased	1,899	994
	<u>44,985</u>	<u>47,108</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>15,427,192</u>	<u>12,089,752</u>
NET ASSETS PER UNIT		
Series 5	<u>11.54</u>	<u>9.17</u>
Series 6	<u>7.95</u>	<u>6.31</u>
Series 7	<u>8.14</u>	<u>6.43</u>
Series 8	<u>5.40</u>	<u>4.27</u>

STATEMENT OF COMPREHENSIVE INCOME

Years Ended December 31

	2019	2018
	\$	\$
INCOME		
Distributions from underlying funds	219,032	1,360,247
Changes in fair value:		
Net realized gain (loss) on investments	(23,080)	119,792
Net unrealized gain (loss) on investments	3,398,507	(2,981,629)
	<u>3,594,459</u>	<u>(1,501,590)</u>
EXPENSES		
Management fees and guarantee charge	369,766	287,144
Operating expenses	37,387	30,594
	<u>407,153</u>	<u>317,738</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,187,306</u>	<u>(1,819,328)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	779,009	(478,595)
- per unit	2.32	(1.34)
Average Number of Units	336,153	358,482
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,298,479	(606,943)
- per unit	1.62	(0.99)
Average Number of Units	801,732	611,103
SERIES 7		
Increase (Decrease) in Net Assets from Operations	95,040	(41,086)
- per unit	1.62	(0.61)
Average Number of Units	58,785	67,008
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,014,778	(692,704)
- per unit	1.09	(1.08)
Average Number of Units	930,648	641,819

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Years Ended December 31

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF YEAR	12,089,752	6,025,124
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>3,187,306</u>	(1,819,328)
Premiums		
Series 5	692,711	2,545,717
Series 6	2,053,504	5,465,581
Series 7	139,176	247,933
Series 8*	<u>1,783,476</u>	4,741,966
	<u>4,668,867</u>	13,001,197
Withdrawals		
Series 5	(1,456,852)	(1,006,051)
Series 6	(1,766,415)	(3,295,760)
Series 7	(210,302)	(335,585)
Series 8*	<u>(1,085,164)</u>	(479,845)
	<u>(4,518,733)</u>	(5,117,241)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF YEAR	<u>15,427,192</u>	12,089,752

STATEMENT OF CASH FLOWS

Years Ended December 31

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,187,306	(1,819,328)
Adjustments for:		
Net realized (gain) loss	23,080	(119,792)
Net unrealized (gain) loss	(3,398,507)	2,981,629
Non-cash distribution from investments	(219,032)	(1,360,247)
Proceeds from sale/maturity of investments	2,603,146	1,019,195
Investments purchased	(2,362,541)	(8,595,500)
Receivable for securities sold	11,404	(11,404)
Accrued expenses	6,903	14,251
Payable for securities purchased	905	(535)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(147,336)</u>	(7,891,731)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	4,676,195	12,995,810
Amounts paid on withdrawals	(4,528,664)	(5,103,945)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>147,531</u>	7,891,865
Increase (decrease) in cash/ bank overdraft	195	134
Cash (bank overdraft), beginning of year	1,473	1,339
CASH (BANK OVERDRAFT), END OF YEAR	<u>1,668</u>	1,473

* Beginning of operations in April 2018.

The accompanying Notes are an integral part of these financial statements.

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO

As at December 31, 2019

	NUMBER OF UNITS	COST	FAIR VALUE
		\$	\$
Investment Funds (100.3%)			
Desjardins Overseas Equity Growth Fund, I-Class	589,270	13,911,575	15,468,928
Total Investments		13,911,575	15,468,928
Other Net Assets (-0.3%)			(41,736)
Net Assets (100%)			15,427,192

The accompanying Notes are an integral part of these financial statements.

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage
ASML Holding	7.1%
Alibaba Group Holding, ADR	4.7%
Tencent Holdings	4.7%
Alia Group	3.9%
Ferrari	3.9%
Kering	3.8%
M3	3.6%
Softbank	3.4%
Zalando	3.1%
Inditex	3.0%
Illumina	2.8%
Tesla	2.6%
MercadoLibre	2.5%
Amazon.com	2.2%
TAL Education Group, ADR	2.1%
Spotify Technology	2.1%
L'Oréal	2.1%
Genmab	2.1%
SMC	2.0%
Umicore	2.0%
Cash and Cash Equivalents	2.0%
Meituan-Dianping, Class B	1.9%
Atlas Copco, A Shares	1.9%
Delivery Hero	1.8%
Rolls-Royce Holdings	1.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

STRATEGY IN USING FINANCIAL INSTRUMENTS

Investment Objective

The objective of this Fund is to achieve long-term capital growth by investing in equity and equity related securities of companies located or operating outside of North America, while when appropriate, also investing in equity and equity related securities of companies located or operating in emerging markets.

Strategy of the Fund

Investment decisions are backed by extensive research and analysis with preference given to those companies that can sustain above average growth in earnings and cash flow and whose securities are traded at a reasonable price. The investment approach involves a bottom-up, stock driven approach to country and sector allocation and more specifically, those companies with sustainable competitive advantages and strong management teams operating in a favourable market background and display solid financial characteristics.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE (Note 7)

Hierarchy of Financial Instruments Measured at Fair Value

The following tables categorize the Fund's financial assets fair value measurement according to a three-level hierarchy. The methodology used for valuing securities is not necessarily an indication of the risk associated with investing in those securities. Fair value measurement is described in the "Significant Accounting Policies" section of Note 2.

Fair Value Hierarchy

December 31, 2019

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
15,468,928	—	—	15,468,928
15,468,928	—	—	15,468,928

December 31, 2018

Financial Assets at FVTPL

Investment Funds

TOTAL

Level 1	Level 2	Level 3	Total
\$	\$	\$	\$
12,115,074	—	—	12,115,074
12,115,074	—	—	12,115,074

Transfers between Levels 1 and 2

During the years ended December 31, 2019 and 2018, there were no transfers of securities between Levels 1 and 2.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

Monthly, the investment strategy team compares the underlying fund's performance to similar funds as well as to the related benchmarks.

Quarterly, this team makes an analysis of the underlying fund's performance. This analysis includes among others a review of the securities having obtained a greater or lower performance than forecasts, an evaluation of the strategies used as well as a complete analysis of the sector. It also ensures the compliance with the Fund's investment policies. Furthermore, it examines thoughtfully any change within the organization, such as the recruitment, the departure of key staff or any structure modification.

Annually, this team reviews the practices and processes used by the Fund's managers through an exhaustive questionnaire and periodic meetings.

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION

As at December 31, 2019 and 2018

Currency Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to currency risk. As a result, the Fund may be exposed to currency risk related to the current underlying fund. Detailed disclosure about the currency risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Interest Rate Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to interest rate risk. As a result, the Fund may be exposed to interest rate risk related to the current underlying fund. Detailed disclosure about the interest rate risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Concentration Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to concentration risk. As a result, the Fund is exposed to concentration risk related to the current underlying fund. Detailed disclosure about the concentration risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Price Risk

The majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to price risk. As a result, the Fund is exposed to price risk related to the current underlying fund. Detailed disclosure about the price risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

The Manager's estimate of the impact on Net Assets Attributable to Contract Owners as a result of a reasonably possible change in benchmarks, using a historical beta coefficient (a measure of the sensitivity of a security in comparison to the market) between the Fund's return as compared to the return of the Fund's benchmarks, with all other variables held constant, is included in the following table. A 36-month regression analysis has been utilized to estimate the historical beta coefficient. The regression analysis uses data based on the monthly returns of the Fund.

	Change in Price	Impact on Net Assets Attributable to Contract Owners	
		December 31, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI EAFE Net	3.00	642,514	459,531

When there is more than one benchmark, the effect of each benchmark must be considered individually, as each benchmark might fluctuate independently from the others.

In practice, actual trading results may differ from these sensitivity analyses and the differences could be significant.

Credit Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which may be exposed to credit risk. As a result, the Fund may be exposed to credit risk related to the current underlying fund. Detailed disclosure about the credit risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

Liquidity Risk

As at December 31, 2019 and 2018, the majority of the Net Assets Attributable to Contract Owners are invested in an underlying fund which is exposed to liquidity risk. As a result, the Fund is exposed to liquidity risk related to the current underlying fund. Detailed disclosure about the liquidity risk on the underlying fund can be obtained from Desjardins Financial Security (see Note 7).

For further information on maturities of financial liabilities and liquidity risk management of the Fund, please refer to Note 7 "Financial Instruments Disclosures".

FINANCIAL HIGHLIGHTS — unaudited

The following table shows selected key financial information about the Fund and is intended to help you understand the Fund's financial performance for the past five years. This information is derived from the Fund's audited annual financial statements.

As at December 31	2019	2018	2017	2016	2015
Net Assets and Net Asset Value Per Unit (\$)					
Series 5	11.54	9.17	10.16	7.61	8.05
Series 6	7.95	6.31	6.97	5.21	5.51
Series 7	8.14	6.43	7.08	5.27	5.54
Series 8*	5.40	4.27	—	—	—
Ratios and Supplemental Data					
Net Asset Value (\$'000's)					
Series 5	3,363	3,348	2,287	1,334	1,571
Series 6	6,370	4,785	3,222	1,154	931
Series 7	412	388	516	22	23
Series 8*	5,283	3,569	—	—	—
Number of units outstanding (000)					
Series 5	291	365	225	175	195
Series 6	802	758	462	221	169
Series 7	51	60	73	4	4
Series 8*	979	836	—	—	—
Management expense ratio (MER) ¹ (%)					
Series 5	3.08	3.11	3.10	3.10	3.11
Series 6	2.94	2.94	2.94	2.93	2.92
Series 7	2.47	2.44	2.53	2.53	2.53
Series 8*	2.62	2.64	—	—	—
Portfolio turnover rate ² (%)	18.19	9.50	6.78	24.69	13.03

* Beginning of operations in April 2018.

¹ The management expense ratio is based on total expenses (excluding commissions and other portfolio transaction costs and withholding taxes) for the stated year and is expressed as an annualized percentage of daily average net asset value during the year. The management expense ratios reflected are those presented in the Fund Facts for each series.

² The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover rate in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a Fund.

NOTES TO THE FINANCIAL STATEMENTS

Years Ended December 31, 2019 and 2018

1. ESTABLISHMENT OF THE FUNDS

The Desjardins Financial Security Guaranteed Investment Funds (the Funds) consist of forty Funds established by Desjardins Financial Security Life Assurance Company (Desjardins Financial Security or the Company) in respect of individual variable insurance contracts issued under the Desjardins Financial Security Guaranteed Investment Funds Plan – Helios, Helios2, the Millennia III Plan and the Imperial Growth Plan. The assets of each Fund are segregated from the Company's other assets and are owned by Desjardins Financial Security. The Funds are not separate legal entities. The Company's head office is located at 200, rue des Commandeurs, Lévis, Québec, Canada G6V 6R2.

The Funds were established on the following dates:

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
INVESTMENT SOLUTIONS							
Conservative	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Moderate	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Maximum Growth	—	—	Oct. 19, 2015	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
RESPONSIBLE INVESTMENT PORTFOLIOS							
Conservative – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
Balanced – Desjardins SocieTerra	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Growth – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
Maximum Growth – Desjardins SocieTerra	—	—	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	Apr. 30, 2018	—
INDIVIDUAL FUNDS							
Income							
Money Market	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	Nov. 7, 2014
Income – Fiera Capital	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Bond	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Global Tactical Bond – Desjardins	—	—	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	—
Balanced and Asset Allocation							
Diversified Income – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced Income – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Balanced – Fidelity	—	Dec. 1, 2008	Dec. 1, 2008	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
U.S. Monthly Income – Fidelity	—	—	Oct. 19, 2015	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Global Balanced – Jarislowsky Fraser	—	Nov. 17, 2003	Oct. 29, 2007	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Canadian Balanced – Fiera Capital	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Balanced Growth – Franklin Quotential	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Balanced – CI Signature	—	—	May 3, 2010	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Income and Growth – CI Signature	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth and Income – NEI Northwest	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Growth – NEI Select	—	Jan. 14, 2002	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Asset Allocation – CI Cambridge	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Growth – Franklin Quotential	—	Oct. 30, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity							
Dividend Income – Desjardins	—	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	—
Canadian Dividend – NEI Northwest	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity – Jarislowsky Fraser	—	Dec. 5, 2005	Oct. 29, 2007	Oct. 19, 2015	Oct. 19, 2015	Apr. 30, 2018	—
Canadian Equity – Fidelity True North®	—	Dec. 1, 2008	Dec. 1, 2008	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Canadian Equity – Franklin Bissett	Nov. 25, 2016	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	Nov. 25, 2016
Specialty Equity – NEI Northwest	—	Dec. 11, 2006	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Small Cap – Franklin Bissett	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
Foreign Equity							
American Equity – MFS	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
American Equity Value – Desjardins	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Dividend – Desjardins	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
Global Equity – Desjardins	—	—	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	Oct. 7, 2019	—
Global Equity – MFS	—	Dec. 1, 2008	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
International Equity – MFS	Nov. 15, 1995	Dec. 14, 1998	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
International Equity Growth – Desjardins	—	—	Sept. 24, 2012	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—

The information provided in these financial statements and notes thereto is as at December 31, 2019 and 2018 and for the 12-month periods ended on those dates. For Funds established in either year, the "period" represents the period from the establishment date to December 31 of that fiscal year. The establishment date of the Fund is the earliest date presented for the series listed above.

The Company opened the following Funds, which are available under Series 5, 6, 7 and 8 exclusively:

On April 30, 2018

NAMES OF THE FUNDS

DFS GIF – Conservative – Desjardins SocieTerra

DFS GIF – Growth – Desjardins SocieTerra

DFS GIF – Maximum Growth – Desjardins SocieTerra

On October 7, 2019

NAMES OF THE FUNDS

DFS GIF – Global Tactical Bond – Desjardins

DFS GIF – Global Equity – Desjardins

The Company opened the following Fund, which is available under Series 3, 5, 6, 7 and 8 exclusively:

On October 7, 2019

NAMES OF THE FUNDS

DFS GIF – Global Tactical Bond – Desjardins

On October 4, 2019, the Company closed the following Funds:

NAMES OF THE FUNDS

DFS GIF – Dividend Income – Franklin Bissett

DFS GIF – Canadian Balanced – Franklin Bissett

The main activities of the Funds are disclosed in the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Statement of Compliance

The policies applied in the preparation of these financial statements are in accordance with International Financial Reporting Standards (IFRS). The financial statements have been authorized for issue by the Audit and Risk Management Committee of the Company on April 9, 2020.

SIGNIFICANT ACCOUNTING POLICIES

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Assets and Liabilities

Upon initial recognition, financial assets and liabilities are recorded at fair value. The Funds' financial assets consist primarily of investments in non-derivative financial instruments and derivative financial instruments presented in the Schedule of Investment Portfolio. Financial liabilities consist primarily of derivative financial instruments.

Financial assets and liabilities are recognized on the date that the Funds become a party to the contractual provisions of the instrument, namely the trade date of the financial instrument.

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all the risks and rewards of ownership.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Classification and Measurement

The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments*. Financial assets are measured at amortized cost, at FVTPL or at fair value through other comprehensive income depending on the contractual cash flow characteristics and the business model for managing the financial assets.

The portfolios of financial assets are managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and use that information to assess the assets' performance and to make decisions. The contractual cash flows of the Funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at FVTPL.

Impairment

As for the impairment model, it is applicable to financial assets, loan commitments and financial collateral contracts, except for financial instruments at FVTPL or designated at fair value through other comprehensive income.

With respect to other financial assets measured at amortized cost, the Funds consider both historical analysis and forward-looking information in determining any expected credit loss. As at the financial statement date, all financial assets measured at amortized cost are due to be settled within the short term. The Funds consider the probability of default to be close to zero as these financial instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligation in the near term. Given the limited exposure of the Funds to credit risk from financial assets recorded at amortized cost, no loss allowance has been recognized as any such impairment will not have a significant impact on the financial statements.

The Funds' obligation concerning net assets attributable to Contract Owners is recorded at the redemption amount which approximates fair value. The accounting policies used to measure the fair value of investments and derivative financial instruments are identical to those used in measuring the net asset value for transactions with Contract Owners, except when the closing price for financial assets and liabilities is not within the bid-ask spread.

As at December 31, 2019 and 2018, there are no differences between the Funds' net asset value per unit for transactions and their net assets attributable to Contract Owners per unit.

Determination of the Fair Value of Financial Instruments

Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the valuation date and there is little subjectivity in its determination. The Funds use the closing price for both financial assets and financial liabilities when this price falls within the bid-ask spread. In circumstances when the closing price is not within the bid-ask spread, the Company determines the point within the bid-ask spread that is most representative of fair value based on the specific facts and circumstances.

The fair value of financial assets and liabilities that are not traded in an active market, including over-the-counter derivative financial instruments, is determined using valuation techniques. The Funds use a variety of methods and make assumptions that are based on market conditions existing at each valuation date.

Valuation techniques include the use of comparable recent arm's length transactions, the fair value of other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other techniques commonly used by market participants and which make the maximum use of observable inputs. Refer to Note 7 "Financial Instruments Disclosures" for further information about the Funds' fair value measurements.

Liquidity

Cash (bank overdraft) is measured at cost, which closely approximates fair value.

Money Market Securities

Money market securities are recorded at cost including accrued interest, which closely approximates fair value.

Equities, Index-Based Investments and Exchange Traded Funds

Equity, index-based investment and exchange traded funds are recorded at the closing price of the stock exchange on which the corresponding security is principally traded. Unlisted warrants are valued with a recognized valuation model, including Black & Scholes.

Bonds, Mortgage-Backed Securities and Asset-Backed Securities

Bonds, mortgage-backed securities and asset-backed securities are valued based on prices obtained from recognized securities dealers.

Investment Funds

The underlying funds' units are generally valued based on the net asset value per unit provided by the underlying fund's manager at each valuation day.

Derivative Financial Instruments

Certain Funds may use an array of derivative financial instruments such as foreign currency forward contracts, forward contracts and standardized futures contracts for hedging purposes or purposes other than hedging, or both. The fair value of derivative financial instruments takes into account the impact of legally binding master netting agreements, if applicable. Refer to the section "Offsetting Financial Assets and Financial Liabilities" for further information about the Funds' offsetting.

Foreign Currency Forward Contracts and Forward Contracts

The fair value of these instruments corresponds to the gains or losses that would result from the contract close-out on the valuation date; this value is recorded in "Unrealized appreciation (depreciation) on derivatives" in the Statement of Financial Position.

Standardized Futures Contracts

Standardized futures contracts are valued at fair value and are settled daily through brokers acting as intermediaries. Any amounts receivable (payable) from the settlement of standardized futures contracts are recorded in "Receivable (Payable) on standardized futures contracts" in the Statement of Financial Position.

Valuation of Unlisted Securities and Other Investments

When the valuation principles of the aforementioned investments are not appropriate, fair value is determined according to the Company's best estimates, based on established valuation procedures and on prevailing market conditions on each valuation date. These procedures cover, among others, securities no longer traded, securities issued by private corporations and illiquid securities. For further information, refer to Note 3 "Critical Accounting Judgments, Estimates and Assumptions".

Investment Transactions

Investment transactions are accounted for on the trade date. Cost is determined on an average cost basis except for money market securities, for which the cost is determined using the First In First Out method. The average cost does not include amortization of premiums or discounts on fixed-income securities with the exception of stripped bonds. Transaction costs, such as brokerage commissions, incurred in the purchase and sale of securities by the Funds, are recognized in the Statement of Comprehensive Income. The difference between the unrealized appreciation (depreciation) of investments at the beginning and at the end of the year is included in "Net unrealized gain (loss) on investments" in the Statement of Comprehensive Income. On disposal of an investment, the difference between the fair value and the cost of the investment is included in "Net realized gain (loss) on investments" in the Statement of Comprehensive Income.

Securities Lending Activities

Certain Funds may enter into securities lending, repurchase transactions and reverse repurchase transactions through the securities lending program of the Funds' custodian, Desjardins Trust Inc. (Trust).

The securities loaned and repurchased are not derecognized in the Statement of Financial Position as substantially all the risks and rewards of ownership of these securities are retained.

To limit the risk that the counterparty fails to fulfill its obligations, the Funds obtain collateral, representing at least 102% of the contract amount, determined daily based on the fair value of the previous business day's securities loaned or repurchase transactions. The collateral for reverse repurchase transactions is at least 100%. Securities received as collateral in securities lending transactions are not recognized in the Statement of Financial Position as substantially all the risks and rewards of ownership of these securities have not been transferred to the Funds. Cash guarantees received for securities lending and repurchase transactions are recognized as financial assets in the Statement of Financial Position, in "Cash guarantee received for securities lending" or "Cash guarantee received for repurchase transactions", as appropriate. A liability representing the obligation to return the securities is recognized in "Commitments related to securities lending" or "Commitments related to repurchase transactions", as appropriate.

Trust, as the Funds' custodian, may use those amounts to buy investments. Revenue generated through Trust's securities lending program is shared by the Fund and the Trust at the rate presented in the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund. This revenue is included in "Revenue from securities lending activities" in the Statement of Comprehensive Income.

Offsetting Financial Assets and Financial Liabilities

Financial assets and liabilities are offset in the Statement of Financial Position for the Funds if, and only if, a Fund has:

- a legally enforceable and unconditional right to offset the recognized amounts and
- an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

The Funds have a legally enforceable and unconditional right to offset a financial asset and liability when they meet the following criteria:

- the right is enforceable in the normal course of business, and
- the right is enforceable in the event of default, insolvency or bankruptcy.

Over-the-counter derivative financial instruments, securities lending and repurchase agreements, receivable for investments sold and payable for investments purchased are subject to master netting or similar agreements that do not meet the criteria for offsetting in the Statement of Financial Position as they give a right to an offset that is enforceable only in the event of default, insolvency or bankruptcy.

Other Assets and Liabilities

Premiums receivable, receivable for investments sold, cash guarantee received for securities lending and repurchase transactions as well as interest, dividends and other receivables are measured at amortized cost.

Similarly, accrued expenses, withdrawals payable, payable for investments purchased, commitments related to securities lending and repurchase transactions, as well as interest, dividends and other payables are measured at amortized cost.

Given the short-term nature of other assets and liabilities, their carrying amount closely approximates their fair value.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Income

Interest for attribution purposes from investments in debt securities presented in the Statement of Comprehensive Income is recognized as it is earned. The Funds do not amortize premiums paid or discounts received on the purchase of debt securities except for stripped bonds. Dividends are recognized as income on the ex-dividend date. Income received from exchange traded funds and income trusts are presented in "Dividends". Amounts from investments that are treated as a return of capital for income tax purposes reduce the average cost of those investments. Foreign interest and dividend income are accounted for on a gross basis and are included in the income section of the Statement of Comprehensive Income.

Distributions received from underlying funds are recorded at the date of distribution. They are included in "Distributions from underlying funds" and are presented as a separate line item in the Statement of Comprehensive Income.

Distributions received in the form of units from underlying funds are presented as a separate line item called "Non-cash distributions from investments" in the Statement of Cash Flows.

On derivative financial instruments contract close-out, the gains and losses from derivative financial instruments held for hedging purposes are included in "Net realized gain (loss) on derivatives" of the Statement of Comprehensive Income. Gains and losses from derivative financial instruments held for purposes other than hedging are included in "Net income (loss) from derivatives" of the Statement of Comprehensive Income.

Foreign Currency Translation

The Funds' financial statements, premiums and withdrawals are denominated in Canadian dollars, the Funds' functional and presentation currency. Foreign currency assets and liabilities denominated in a foreign currency are translated into the functional currency at the exchange rate on each valuation date. Purchases and sales of securities, as well as income and expenses denominated in foreign currencies, are translated into the functional currency at the exchange rates prevailing on the transaction dates.

Foreign exchange gains and losses relating to cash are presented as "Foreign exchange gain (loss) on cash" and those relating to other financial assets and liabilities are presented within "Net realized gain (loss) on investments" and "Net unrealized gain (loss) on investments" in the Statement of Comprehensive Income.

Increase (Decrease) in Net Assets per Unit from Operations Attributable to Contract Owners

The increase (decrease) in net assets per unit from operations attributable to Contract Owners, presented in the Statement of Comprehensive Income, is calculated by dividing the increase (decrease) in net assets from operations attributable to Contract Owners by the average number of units outstanding during the year.

Income Taxes

Under the *Income Tax Act* (Canada), each Fund is treated as a segregated fund trust. The Fund's income, as well as gains or losses realized, if any, are allocated to Contract Owners on a regular basis. In the case of interest that accumulates in a registered account, Contract Owners will not receive annual tax slips. However, any amount paid to Contract Owners or former Contract Owners may be subject to be taxed in their hands. On the other hand, for interest that accumulates in a non-registered account, Contract Owners will receive an annual tax slip for any income, gains or losses allocated. Under current tax laws, Funds do not pay income taxes, except for any foreign tax withholdings that may apply.

Investments in Entities

The Funds meet the definition in IFRS 10, *Consolidated Financial Statements*, of investment entities and account for their investments in underlying funds at FVTPL.

According to IFRS 12, *Disclosure of Interests in Other Entities*, the Funds must disclose specific information on their investments in other entities, such as subsidiaries, associates and structured entities.

Subsidiaries

An entity is considered as a subsidiary when it is controlled by another entity. The Fund controls an entity when it has the right to variable returns from its involvement with the entity and through its power over the entity.

Associates

Associates are investments in entities over which the Fund exercises significant influence without, however, exercising control.

Structured Entities

Structured entities are conceived in a way that the right to vote and other similar rights are not determining factors in exercising control. The Company has determined that its investments in underlying funds (including limited partnerships), index-based investments (including exchange traded funds), mortgage-backed securities, asset-backed securities and master asset vehicles (included in bonds), are structured entities, unless the specified relationship is different. Total values of those investments in the table "Fair Value Hierarchy" also represent the fair value of investments in structured entities.

Refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund for more information on entities.

3. CRITICAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements requires the Management of the Company to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may differ from these estimates. The following paragraphs discuss the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements.

Fair Value Measurement of Derivative Financial Instruments and Securities not Quoted in an Active Market

The Funds may hold financial instruments that are not quoted in active markets, including derivative financial instruments. Fair value is determined based on models that make maximum use of observable inputs and rely as little as possible on unobservable inputs. The Funds consider the data observable if that market data is readily available, distributed or updated on a regular basis, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Company.

When no quoted prices are available, the fair value is estimated using present value or other valuation methods, which are influenced by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates, which reflect varying degrees of risk, including liquidity risk, credit risk, risks related to interest rates, exchange rates, and price and rate volatility.

The calculation of the fair values may differ given the role that judgment plays in applying the valuation techniques and the acceptable estimation. Fair value reflects market conditions at a given date and, for this reason, it may not be representative of future fair values. Refer to Note 7 "Financial Instruments Disclosures" for further information on fair value measurement of financial instruments.

Classification and Measurement of Investments

In classifying and measuring financial instruments held by the Funds, the Company is required to make significant judgments about the business model in which the portfolio of investments and derivatives is held. The Company has determined that the Funds' business model is one on which the portfolios are managed and performance is evaluated on a fair value basis. For further information on financial instruments, refer to Note 2 "Basis of Presentation and Significant Accounting Policies".

4. NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS

Structure of the Funds and the Units Attributed

The Funds are wholly owned assets of Desjardins Financial Security, which have been segregated from the Company's other assets. The Funds' assets may only be used to pay benefits under the Contracts.

Each Fund has a series of units, which are attributed to Contracts for the purpose of determining the value of benefits to the units attributable to those Contracts. A Contract Owner acquires no direct claim on the units or assets of a Fund by purchasing a Contract but only the benefits that are provided under the Contract.

Units within the same series of Funds have the same net asset value per unit. Subject to the Company's administrative rules, Contract Owners have the right to make transactions under their Contracts such as premiums, withdrawals and switches between units of Funds. Because of these transactions, units are attributed to and withdrawn from the Contract based on each Contract's terms and conditions or as provided by law. Since the Contract Owner does not own units of a Fund, ownership of units cannot be sold or transferred to another party. There are no voting rights associated with the units of the Fund.

Classification of Units Attributable to Contract Owners

The Funds' outstanding units qualify as "puttable instruments" as required by the IAS 32, *Financial Instruments: Presentation* (IAS 32). IAS 32 states that units that include a contractual obligation for the issuer to repurchase or redeem them for cash or another financial asset should be classified as financial liabilities. The Funds issue different series of units attributable to Contract Owners that are equally subordinated but have different features.

In addition, the Funds have a contractual obligation to attribute annually any taxable income that allows the Contract Owners to request cash payment for any attributions. These features breach the requirements for the units to be presented as equity under IAS 32. Consequently, the Funds' outstanding units are classified as financial liabilities in these financial statements.

Valuation of the Units

The units of a Fund are valued according to the administrative rules established by the Company and in accordance with the Contract and all laws and regulations applicable to the Funds.

These units differ with respect to redemption charges and management fees charged to each series (See Note 5). The net asset value per unit is determined on each market day by dividing the net assets attributable to Contract Owners by its outstanding units.

Series of Units Available

The Desjardins Financial Security Guaranteed Investment Funds Plan, the Millennia III Plan, and the Imperial Growth Plan, as well as the various Contract versions offered under each of these Plans, offers different Series providing different guarantees and provisions as well as varying Management Expense Ratios (MERs).

Series IGP: This Series was offered under the Imperial Growth Plan through the three remaining Contracts (C71, C81, and C88). The Imperial Growth Plan was offered pre-1995.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Series 1: This Series was offered under the Millennia III Plan through two different Contracts: the Millennia III and Millennia III – New Era Contracts. The Millennia III Plan was offered from November 15, 1995 to October 28, 2007.

Series 3: This Series was offered under the Millennia III Plan through two different Contracts: the Millennia III – Classic and Millennia III – New Era Contracts. The Millennia III Plan was offered from November 15, 1995 to October 28, 2007.

Series 5: This Series was offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 6: This Series is offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 7: This Series was offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on October 29, 2007 and currently, the only Contract available is the Helios2 Contract.

Series 8: This Series is offered under the Desjardins Financial Security Guaranteed Investment Funds Plan through the Helios2 Contract. The Desjardins Financial Security Guaranteed Investment Funds Plan was first offered starting on April 30, 2018 and currently, the only Contract available is the Helios2 Contract.

Number of Units

The number of units outstanding in each Fund as at December 31, 2019 and 2018, and the number of units attributed to and withdrawn from Contracts during the year are as follows:

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
INVESTMENT SOLUTIONS						
Conservative						
Series 5	1,389,411	936,561	627,857	227,764	175,007	74,324
Series 6	3,064,802	2,290,648	1,337,749	672,813	563,595	1,059,501
Series 7	291,541	320,747	81,827	269,842	111,033	372,188
Series 8	1,164,209	685,063	714,207	714,710	235,061	29,647
Moderate						
Series 5	917,159	490,648	595,001	467,709	168,490	164,641
Series 6	5,427,180	4,653,709	2,249,604	1,991,889	1,476,133	2,243,303
Series 7	1,251,227	1,553,760	47,773	871,694	350,306	414,821
Series 8	2,853,699	1,777,875	1,778,038	1,999,299	702,214	221,424
Balanced						
Series 5	20,529,980	999,255	21,284,247	620,581	1,753,522	183,392
Series 6	14,170,615	9,039,364	7,325,544	2,934,658	2,194,293	5,298,040
Series 7	2,412,619	1,990,807	769,831	537,177	348,019	317,848
Series 8	8,837,940	4,883,148	4,912,732	5,327,155	957,940	444,007
Growth						
Series 5	3,509,363	2,776,875	1,376,597	1,369,901	644,109	405,490
Series 6	7,397,026	6,525,782	1,979,143	2,279,159	1,107,899	3,395,224
Series 7	1,109,493	1,189,602	25,651	320,566	105,760	349,123
Series 8	4,587,612	3,532,430	1,337,917	3,709,794	282,735	177,364
Maximum Growth						
Series 5	123,477	76,839	66,961	41,546	20,323	3,419
Series 6	750,463	648,883	246,745	281,061	145,165	303,477
Series 7	315,388	284,072	43,627	86,410	12,311	9,520
Series 8	367,242	263,355	119,686	275,756	15,799	12,401
RESPONSIBLE INVESTMENT PORTFOLIOS						
Conservative – Desjardins SocieTerra						
Series 5	379,555	38,217	352,976	39,096	11,638	879
Series 6	471,101	167,604	357,031	219,894	53,534	52,290
Series 7	29,984	28,000	13,320	28,000	11,336	—
Series 8	464,506	213,197	371,069	253,487	119,760	40,290
Balanced – Desjardins SocieTerra						
Series 5	1,480,766	1,334,952	439,498	290,213	293,684	297,517
Series 6	1,855,419	1,643,981	642,780	566,733	431,342	837,369
Series 7	829,442	882,678	106,399	83,242	159,635	69,999
Series 8	1,076,970	789,301	515,105	847,879	227,436	58,578

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Growth – Desjardins SocieTerra						
Series 5	315,284	120,981	305,845	121,859	111,542	878
Series 6	921,071	259,258	942,631	333,119	280,818	73,861
Series 7	28,000	28,000	—	28,000	—	—
Series 8	750,216	295,011	476,768	304,940	21,563	9,929
Maximum Growth – Desjardins SocieTerra						
Series 5	38,302	36,382	5,627	36,382	3,707	—
Series 6	249,792	110,979	160,274	111,694	21,461	715
Series 7	28,000	28,000	—	28,000	—	—
Series 8	49,130	49,634	5,022	101,885	5,526	52,251
INDIVIDUAL FUNDS						
Income						
Money Market						
Series 1	51,938	55,955	25,036	8,356	29,053	20,118
Series 3	271,837	283,176	172,476	122,334	183,815	141,388
Series 5	2,972,092	1,990,271	2,537,795	855,718	1,555,974	1,151,971
Series 6	1,963,546	2,030,405	1,521,657	1,731,758	1,588,516	2,166,025
Series 7	206,518	329,291	238,986	362,559	361,759	391,578
Series 8	1,296,675	630,384	1,790,968	1,012,264	1,124,677	381,880
Series IGP	108,204	133,861	683	5,937	26,340	8,599
Income – Fiera Capital						
Series 1	92,140	103,725	4,057	696	15,642	27,752
Series 3	492,400	600,816	41,574	36,047	149,990	151,684
Series 5	4,083,682	4,510,807	669,255	432,186	1,096,380	1,548,746
Series 6	1,669,297	1,332,483	676,694	437,160	339,880	917,214
Series 7	602,988	273,727	538,169	258,146	208,908	320,427
Series 8	665,481	431,050	382,768	641,090	148,337	210,040
Canadian Bond						
Series 5	3,858,739	4,755,237	312,405	389,621	1,208,903	1,584,929
Series 6	984,557	987,456	177,417	261,633	180,316	574,381
Series 7	163,902	65,905	140,060	1,472	42,063	3,600
Series 8	259,842	222,906	72,889	263,214	35,953	40,308
Global Tactical Bond – Desjardins						
Series 5	24,396	—	24,437	—	41	—
Series 6	38,345	—	48,319	—	9,974	—
Series 7	27,530	—	27,530	—	—	—
Series 8	39,258	—	97,520	—	58,262	—
Balanced and Asset Allocation						
Diversified Income – Franklin Quotential						
Series 3	501,391	615,258	43,907	51,647	157,774	117,920
Series 5	13,661,509	15,855,931	1,440,484	1,557,805	3,634,906	4,295,659
Series 6	3,688,543	3,960,626	491,896	898,385	763,979	2,917,371
Series 7	832,956	976,953	16,958	65,057	160,955	192,616
Series 8	2,012,123	2,018,904	418,843	2,228,455	425,624	209,551
Balanced Income – Franklin Quotential						
Series 3	778,830	970,057	19,864	34,023	211,091	227,538
Series 5	23,754,397	26,354,449	2,439,518	2,507,094	5,039,570	4,678,013
Series 6	3,232,407	3,387,680	379,921	644,393	535,194	1,983,254
Series 7	617,171	618,909	25,744	52,307	27,482	324,028
Series 8	1,128,807	1,324,319	295,809	1,579,286	491,321	254,967
Canadian Balanced – Fidelity						
Series 3	790,534	907,078	129,983	73,305	246,527	203,956
Series 5	61,844,486	68,009,847	7,322,201	7,066,197	13,487,562	15,708,417
Series 6	4,990,641	5,066,648	966,816	1,116,234	1,042,823	3,326,900
Series 7	774,936	788,139	11,047	260,812	24,250	213,189
Series 8	2,546,267	2,211,907	876,503	2,453,931	542,143	242,024

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
U.S. Monthly Income – Fidelity						
Series 5	448,534	399,971	156,594	119,065	108,031	264,089
Series 6	1,255,701	1,071,807	451,039	482,812	267,145	977,100
Series 7	459,233	449,840	122,267	238,605	112,874	210,262
Series 8	1,326,896	966,573	576,030	1,090,633	215,707	124,060
Global Balanced – Jarislowsky Fraser						
Series 3	835,655	937,841	84,461	113,621	186,647	213,495
Series 5	17,577,163	19,467,492	2,529,653	2,643,163	4,419,982	4,217,853
Series 6	7,232,861	6,859,990	1,632,202	2,361,840	1,259,331	4,923,428
Series 7	1,511,812	1,653,246	40,970	383,877	182,404	433,047
Series 8	4,893,950	4,195,884	1,528,296	4,494,875	830,230	298,991
Canadian Balanced – Fiera Capital						
Series 1	477,511	534,521	15,962	15,427	72,972	102,858
Series 3	987,937	975,799	326,594	34,315	314,456	159,318
Series 5	10,224,074	10,560,082	1,577,614	864,518	1,913,622	1,912,828
Series 6	2,903,331	1,980,857	1,513,596	640,817	591,122	1,521,033
Series 7	248,056	243,390	49,388	246,992	44,722	222,351
Series 8	2,434,005	1,416,749	1,468,219	1,579,266	450,963	162,517
Balanced Growth – Franklin Quotential						
Series 3	1,177,408	1,448,161	38,926	198,201	309,679	323,334
Series 5	56,073,927	61,290,715	5,572,097	5,259,971	10,788,885	10,573,439
Series 6	4,984,324	5,205,510	556,874	841,691	778,060	2,311,195
Series 7	461,933	603,353	3,049	183,092	144,469	370,325
Series 8	2,014,885	1,931,743	401,718	2,092,223	318,576	160,480
Canadian Balanced – CI Signature						
Series 5	10,009,727	11,596,722	994,081	1,708,805	2,581,076	3,078,503
Series 6	4,021,377	4,250,477	489,418	1,263,929	718,518	2,798,989
Series 7	870,977	929,069	1,117	505,235	59,209	173,821
Series 8	2,221,160	2,158,501	414,029	2,355,805	351,370	197,304
Income and Growth – CI Signature						
Series 5	6,603,178	6,870,696	1,499,674	2,220,121	1,767,192	1,569,076
Series 6	5,353,910	5,618,380	1,085,106	2,674,327	1,349,576	3,961,662
Series 7	1,095,368	1,230,563	54,959	363,947	190,154	205,372
Series 8	4,504,824	4,261,339	1,172,617	4,605,944	929,132	344,605
Growth and Income – NEI Northwest						
Series 3	264,383	289,319	74,060	97,471	98,996	105,669
Series 5	19,414,717	20,727,468	2,740,874	4,182,827	4,053,625	4,177,458
Series 6	7,176,397	6,450,285	2,478,285	4,082,426	1,752,173	3,390,354
Series 7	1,177,952	1,530,261	48,268	1,143,363	400,577	210,005
Series 8	5,342,427	3,998,405	2,717,608	4,484,769	1,373,586	486,364
Global Growth – NEI Select						
Series 3	284,364	338,553	22,004	49,616	76,193	147,622
Series 5	9,183,520	9,991,356	1,341,204	3,161,283	2,149,040	1,924,475
Series 6	4,499,291	4,258,936	1,011,728	2,145,888	771,373	2,289,828
Series 7	929,071	1,034,185	1,934	315,754	107,048	157,293
Series 8	2,899,151	2,656,090	797,735	2,888,100	554,674	232,010
Canadian Asset Allocation – CI Cambridge						
Series 5	582,394	657,052	78,779	78,069	153,437	242,200
Series 6	700,790	780,271	181,514	152,644	260,995	791,536
Series 7	331,847	515,055	61,728	281,073	244,936	79,822
Series 8	623,186	641,523	176,999	725,195	195,336	83,672
Growth – Franklin Quotential						
Series 3	287,964	314,825	8,912	28,504	35,773	86,372
Series 5	6,228,522	7,007,054	553,225	530,847	1,331,757	1,224,727
Series 6	444,954	511,366	85,802	179,762	152,214	308,312
Series 7	17,601	42,744	4,944	30,618	30,087	52
Series 8	297,119	235,386	95,878	278,252	34,145	42,866

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Canadian Equity						
Dividend Income – Desjardins						
Series 3	4,803,321	—	5,127,377	—	324,056	—
Series 5	21,770,286	—	23,741,230	—	1,970,944	—
Series 6	1,717,930	—	1,844,551	—	126,621	—
Series 7	152,701	—	172,038	—	19,337	—
Series 8	1,123,310	—	1,224,793	—	101,483	—
Canadian Dividend – NEI Northwest						
Series 5	1,495,464	1,866,598	81,854	251,752	452,988	624,757
Series 6	710,425	714,453	248,142	362,311	252,170	488,343
Series 7	50,057	97,867	387	67,892	48,197	15,723
Series 8	922,200	591,759	492,976	647,311	162,535	55,552
Canadian Equity – Jarislowsky Fraser						
Series 3	288,009	380,483	11,079	33,794	103,553	100,170
Series 5	12,804,579	14,564,995	991,982	650,732	2,752,398	3,350,243
Series 6	227,435	253,530	66,971	89,281	93,066	145,598
Series 7	95,695	156,236	7,653	92,572	68,194	21,020
Series 8	116,459	111,962	28,947	118,582	24,450	6,620
Canadian Equity – Fidelity True North®						
Series 3	89,458	104,921	7,530	18,755	22,993	35,342
Series 5	1,385,256	1,554,803	97,002	240,166	266,549	498,118
Series 6	1,595,827	1,602,916	337,707	432,799	344,796	1,090,684
Series 7	130,830	169,559	1,473	57,900	40,202	78,259
Series 8	1,236,868	1,008,081	522,287	1,105,409	293,500	97,328
Canadian Equity – Franklin Bissett						
Series 1	1,938,478	2,277,843	44,727	77,212	384,092	492,787
Series 3	1,340,255	1,620,144	42,102	59,556	321,991	295,826
Series 5	773,714	949,135	62,328	55,993	237,749	336,787
Series 6	504,686	499,006	99,857	80,063	94,177	427,598
Series 7	18,443	17,100	22,166	—	20,823	25,727
Series 8	313,952	324,570	86,374	354,193	96,992	29,623
Series IGP	211,547	233,459	1,227	1,810	23,139	32,366
Specialty Equity – NEI Northwest						
Series 3	302,362	332,705	6,816	11,161	37,159	85,531
Series 5	1,098,370	1,295,819	47,146	208,423	244,595	510,274
Series 6	214,140	218,472	131,646	59,026	135,978	207,195
Series 7	5,522	5,522	1,468	—	1,468	—
Series 8	207,883	116,568	117,590	183,169	26,275	66,601
Small Cap – Franklin Bissett						
Series 3	248,628	312,176	8,725	9,975	72,273	60,665
Series 5	287,675	371,597	48,525	29,591	132,447	122,766
Series 6	498,931	519,712	88,699	156,524	109,480	266,109
Series 7	14,520	17,506	—	7,689	2,986	44,201
Series 8	97,897	109,804	10,422	118,067	22,329	8,263
Foreign Equity						
American Equity – MFS						
Series 3	450,114	474,709	77,178	108,291	101,773	145,241
Series 5	1,365,992	1,457,234	250,171	387,333	341,413	397,364
Series 6	1,527,260	1,388,943	749,962	913,437	611,645	924,887
Series 7	96,354	166,541	10,125	197,023	80,312	104,992
Series 8	1,839,341	1,217,030	1,130,676	1,259,547	508,365	42,517
American Equity Value – Desjardins						
Series 1	220,551	306,603	2,235	9,972	88,287	53,173
Series 3	245,079	277,111	20,950	50,021	52,982	81,275
Series 5	880,032	1,032,094	98,106	115,993	250,168	289,983
Series 6	739,238	781,744	133,045	241,236	175,551	493,493
Series 7	17,115	35,761	—	19,198	18,646	52,148
Series 8	811,366	649,940	298,311	701,151	136,885	51,211

NOTES TO THE FINANCIAL STATEMENTS (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Global Dividend – Desjardins						
Series 5	844,229	994,469	148,507	148,233	298,747	168,861
Series 6	1,631,313	1,501,608	599,709	560,287	470,004	1,321,040
Series 7	335,280	359,111	1,104	28,162	24,935	56,919
Series 8	1,559,222	1,325,817	452,989	1,477,023	219,584	151,206
Global Equity – Desjardins						
Series 5	30,525	—	30,525	—	—	—
Series 6	30,525	—	30,525	—	—	—
Series 7	30,525	—	30,525	—	—	—
Series 8	30,525	—	30,525	—	—	—
Global Equity – MFS						
Series 3	560,134	667,905	32,618	148,849	140,389	122,133
Series 5	8,015,043	9,206,301	512,852	594,272	1,704,110	1,563,295
Series 6	452,240	468,390	130,361	274,360	146,511	322,366
Series 7	87,179	131,212	69,663	142,159	113,696	67,196
Series 8	539,140	444,314	150,536	474,562	55,710	30,248
International Equity – MFS						
Series 1	179,161	214,701	4,117	70,475	39,657	153,933
Series 3	490,629	566,542	39,475	86,999	115,388	92,498
Series 5	373,758	483,192	55,813	80,929	165,247	135,203
Series 6	272,469	323,365	44,063	303,213	94,959	244,153
Series 7	28,155	66,737	24,685	61,591	63,267	25,410
Series 8	268,500	207,462	96,620	217,370	35,582	9,908
International Equity Growth – Desjardins						
Series 5	291,453	364,932	68,101	233,684	141,580	93,831
Series 6	801,683	758,352	288,899	737,425	245,568	441,000
Series 7	50,533	60,239	19,142	31,558	28,848	44,262
Series 8	979,029	835,830	366,412	939,686	223,213	103,856

Management of Risks Associated with Units Attributable to Contract Owners

Units attributed and outstanding are considered as the Funds' capital. The Funds are not subject to specific capital requirements on the premiums and withdrawals, other than certain minimum deposit requirements. Contract Owners are entitled to require payment of the net asset value per unit for all or any of the units they hold by giving an official notice to the Company at any time. Units attributable to Contract Owners are redeemable for cash equal to a pro rata share of the Funds' net asset value.

5. MANAGEMENT FEES AND OTHER EXPENSES

Management fees

In return for investment management, Desjardins Financial Security is paid a management fee from the Funds based on the net asset value of the units attributed to each series of each Fund and calculated daily.

The management fees, as a percentage of the daily average net assets, are as follows:

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
	%	%	%	%	%	%	%
INVESTMENT SOLUTIONS							
Conservative	—	—	2.05	1.95	1.50	1.65	—
Moderate	—	—	2.05	2.00	1.55	1.70	—
Balanced	—	—	2.10	2.00	1.55	1.70	—
Growth	—	—	2.15	2.05	1.60	1.75	—
Maximum Growth	—	—	2.15	2.05	1.60	1.75	—
RESPONSIBLE INVESTMENT PORTFOLIOS							
Conservative –							
Desjardins SocieTerra	—	—	2.20	2.10	1.65	1.80	—
Balanced – Desjardins SocieTerra	—	—	1.88	2.15	1.70	1.85	—
Growth – Desjardins SocieTerra	—	—	2.30	2.20	1.75	1.90	—
Maximum Growth –							
Desjardins SocieTerra	—	—	2.40	2.30	1.85	2.00	—

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
	%	%	%	%	%	%	%
INDIVIDUAL FUNDS							
Income							
Money Market	0.75	0.75	0.75	0.80	0.35	0.50	1.30
Income – Fiera Capital	1.50	1.38	1.09	1.35	0.90	1.05	—
Canadian Bond	—	—	1.09	1.35	0.90	1.05	—
Global Tactical Bond – Desjardins	—	—	1.85	1.70	1.25	1.40	—
Balanced and Asset Allocation							
Diversified Income –							
Franklin Quotential	—	1.90	1.96	2.20	1.75	1.90	—
Balanced Income –							
Franklin Quotential	—	1.90	1.96	2.15	1.70	1.85	—
Canadian Balanced – Fidelity	—	2.02	2.02	2.20	1.75	1.90	—
U.S. Monthly Income – Fidelity	—	—	2.40	2.30	1.85	2.00	—
Global Balanced –							
Jarislowsky Fraser	—	2.10	1.69	2.10	1.65	1.80	—
Canadian Balanced –							
Fiera Capital	2.00	1.65	1.68	2.00	1.55	1.70	—
Balanced Growth –							
Franklin Quotential	—	1.90	1.96	2.15	1.70	1.85	—
Canadian Balanced –							
CI Signature	—	—	1.89	2.15	1.70	1.85	—
Income and Growth –							
CI Signature	—	—	2.20	2.20	1.75	1.90	—
Growth and Income –							
NEI Northwest	—	2.22	2.03	2.20	1.75	1.90	—
Global Growth – NEI Select	—	2.33	2.10	2.30	1.85	2.00	—
Canadian Asset Allocation –							
CI Cambridge	—	—	2.20	2.05	1.60	1.75	—
Growth – Franklin Quotential	—	2.15	2.21	2.20	1.75	1.90	—
Canadian Equity							
Dividend Income – Desjardins	—	2.05	2.05	2.00	1.55	1.70	—
Canadian Dividend –							
NEI Northwest	—	—	2.20	2.15	1.70	1.85	—
Canadian Equity –							
Jarislowsky Fraser	—	2.15	1.69	2.10	1.65	1.80	—
Canadian Equity – Fidelity							
True North®	—	2.02	2.02	2.25	1.80	1.95	—
Canadian Equity – Franklin Bissett	2.75	2.18	1.75	2.10	1.65	1.80	1.95
Specialty Equity – NEI Northwest	—	2.35	2.16	2.40	1.95	2.10	—
Small Cap – Franklin Bissett	—	2.25	2.01	2.40	1.95	2.10	—
Foreign Equity							
American Equity – MFS	—	2.25	1.71	2.15	1.70	1.85	—
American Equity Value –							
Desjardins	2.00	1.69	2.06	2.10	1.65	1.80	—
Global Dividend – Desjardins	—	—	2.20	2.20	1.75	1.90	—
Global Equity – Desjardins	—	—	2.15	2.10	1.65	1.80	—
Global Equity – MFS	—	1.78	1.78	2.25	1.80	1.95	—
International Equity – MFS	2.00	1.95	1.69	2.25	1.80	1.95	—
International Equity Growth –							
Desjardins	—	—	2.20	2.20	1.75	1.90	—

Operating Expenses

In addition to management fees, a charge is applied to each Fund for operating and administrative expenses relating to the Fund. Each Fund is also responsible for all applicable taxes, including Goods and Services Tax (GST) and Harmonized Sales Tax (HST) if any, and all brokerage commissions incurred by a Fund in buying and selling investments on behalf of a Fund.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Management Expense Ratios

Some expenses (audit fees, legal fees, custodial fees, marketing costs, etc.) have been absorbed by the Company. Management expense ratios for all the Funds would be 22 basis points higher if these expenses had been charged to the Funds. The Company does not intend to change its method of allocating costs.

The management expense ratios for the past five years, which includes management, guarantee, operating expenses and taxes are as follows:

	December 31 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %
INVESTMENT SOLUTIONS					
Conservative**					
Series 5	2.61	2.61	2.59	2.59	2.59*
Series 6	2.47	2.46	2.47	2.47	2.49
Series 7	1.87	1.90	1.91	1.88	2.01
Series 8	2.11	2.14*	—	—	—
Moderate**					
Series 5	2.61	2.68	2.67	2.70	2.64*
Series 6	2.51	2.50	2.50	2.49	2.51
Series 7	1.96	1.95	1.95	1.90	1.90
Series 8	2.16	2.19*	—	—	—
Balanced**					
Series 5	2.73	2.73	2.73	2.76	2.70*
Series 6	2.56	2.56	2.56	2.54	2.57
Series 7	2.04	2.05	2.07	2.08	2.13
Series 8	2.23	2.25*	—	—	—
Growth**					
Series 5	2.78	2.79	2.78	2.82	2.76*
Series 6	2.58	2.58	2.58	2.59	2.68
Series 7	2.06	2.05	2.07	2.10	2.18
Series 8	2.25	2.31*	—	—	—
Maximum Growth**					
Series 5	2.75	2.76	2.76	2.87	2.81*
Series 6	2.69	2.70	2.70	2.67	2.71
Series 7	2.11	2.06	2.24	2.24	2.24
Series 8	2.35	2.36*	—	—	—
RESPONSIBLE INVESTMENT PORTFOLIOS					
Conservative – Desjardins SocieTerra					
Series 5	2.82	2.76*	—	—	—
Series 6	2.70	2.64*	—	—	—
Series 7	2.18	2.14*	—	—	—
Series 8	2.36	2.31*	—	—	—
Balanced – Desjardins SocieTerra					
Series 5	2.82	2.81	2.81	2.81	2.81*
Series 6	2.70	2.68	2.70	2.76	2.74*
Series 7	2.12	2.13	2.11	2.30	2.30*
Series 8	2.38	2.42*	—	—	—
Growth – Desjardins SocieTerra					
Series 5	2.83	2.93*	—	—	—
Series 6	2.85	2.81*	—	—	—
Series 7	2.36	2.31*	—	—	—
Series 8	2.42	2.48*	—	—	—
Maximum Growth – Desjardins SocieTerra					
Series 5	3.16	3.09*	—	—	—
Series 6	3.02	2.98*	—	—	—
Series 7	2.53	2.48*	—	—	—
Series 8	2.70	2.64*	—	—	—

	December 31 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %
INDIVIDUAL FUNDS					
Income					
Money Market**					
Series 1	1.72	1.73	1.72	1.72	1.72
Series 3	1.73	1.73	1.73	1.71	1.72
Series 5	1.39	1.39	1.38	1.38	1.39
Series 6	1.13	1.13	1.13	1.12	1.10
Series 7	0.59	0.59	0.58	0.61	0.63
Series 8	0.80	0.79*	—	—	—
Series IGP	1.66	1.66	1.65	1.66	1.66
Income – Fiera Capital					
Series 1	2.98	2.97	2.95	2.93	2.93
Series 3	2.60	2.61	2.61	2.61	2.61
Series 5	1.96	1.96	1.96	1.96	1.96
Series 6	1.79	1.77	1.78	1.77	1.79
Series 7	1.28	1.29	1.20	1.22	1.31
Series 8	1.44	1.46*	—	—	—
Canadian Bond**					
Series 5	1.97	1.96	1.96	1.96	1.96*
Series 6	1.80	1.80	1.78	1.77	1.75*
Series 7	1.23	1.22	1.22	1.22	1.32*
Series 8	1.48	1.46*	—	—	—
Global Tactical Bond – Desjardins					
Series 5	2.47*	—	—	—	—
Series 6	2.30*	—	—	—	—
Series 7	1.78*	—	—	—	—
Series 8	1.95*	—	—	—	—
Balanced and Asset Allocation					
Diversified Income – Franklin Quotential					
Series 3	3.14	3.15	3.14	3.14	3.13
Series 5	2.92	2.92	2.91	2.91	2.92
Series 6	2.72	2.71	2.70	2.71	2.68
Series 7	2.22	2.22	2.18	2.20	2.27
Series 8	2.38	2.42*	—	—	—
Balanced Income – Franklin Quotential					
Series 3	3.20	3.20	3.20	3.20	3.20
Series 5	2.95	2.95	2.95	2.95	2.95
Series 6	2.75	2.75	2.75	2.76	2.75
Series 7	2.27	2.27	2.28	2.30	2.30
Series 8	2.40	2.42*	—	—	—
Canadian Balanced – Fidelity					
Series 3	3.38	3.38	3.38	3.39	3.41
Series 5	2.96	2.96	2.96	2.96	2.96
Series 6	2.81	2.81	2.81	2.81	2.82
Series 7	2.27	2.27	2.28	2.28	2.34
Series 8	2.48	2.48*	—	—	—
U.S. Monthly Income – Fidelity					
Series 5	3.01	3.00	2.97	3.10	3.04*
Series 6	2.89	2.88	2.89	2.99	2.93*
Series 7	2.38	2.37	2.39	2.47	2.42*
Series 8	2.57	2.59*	—	—	—
Global Balanced – Jarislowsky Fraser					
Series 3	3.37	3.37	3.37	3.39	3.40
Series 5	2.85	2.85	2.85	2.85	2.85
Series 6	2.67	2.68	2.68	2.63	2.59*
Series 7	2.16	2.15	2.18	2.24	2.24*
Series 8	2.33	2.36*	—	—	—

NOTES TO THE FINANCIAL STATEMENTS (continued)

	December 31 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %
Canadian Balanced – Fiera Capital**					
Series 1	3.83	3.83	3.83	3.83	3.83
Series 3	3.19	3.19	3.18	3.19	3.20
Series 5	2.55	2.55	2.55	2.55	2.55
Series 6	2.57	2.57	2.57	2.57	2.59
Series 7	2.04	2.03	2.08	2.08	2.12
Series 8	2.25	2.25*	—	—	—
Balanced Growth – Franklin Quotential					
Series 3	3.28	3.27	3.26	3.26	3.27
Series 5	2.98	2.97	2.97	2.97	2.97
Series 6	2.78	2.78	2.79	2.80	2.79
Series 7	2.27	2.27	2.29	2.34	2.36
Series 8	2.44	2.48*	—	—	—
Canadian Balanced – CI Signature					
Series 5	3.00	3.00	2.99	2.99	2.99
Series 6	2.79	2.78	2.78	2.79	2.78
Series 7	2.24	2.25	2.28	2.29	2.34
Series 8	2.44	2.48*	—	—	—
Income and Growth – CI Signature					
Series 5	3.04	3.04	3.04	3.05	3.05
Series 6	2.90	2.90	2.89	2.90	2.85
Series 7	2.35	2.34	2.36	2.36	2.32
Series 8	2.57	2.59*	—	—	—
Growth and Income – NEI Northwest					
Series 3	3.59	3.62	3.63	3.64	3.64
Series 5	2.94	2.94	2.94	2.94	2.94
Series 6	2.84	2.83	2.84	2.85	2.87
Series 7	2.34	2.28	2.29	2.30	2.41
Series 8	2.50	2.53*	—	—	—
Global Growth – NEI Select					
Series 3	3.82	3.82	3.83	3.85	3.85
Series 5	3.13	3.13	3.13	3.13	3.12
Series 6	2.99	3.00	2.99	2.98	2.98
Series 7	2.42	2.37	2.46	2.40	2.59
Series 8	2.67	2.70*	—	—	—
Canadian Asset Allocation – CI Cambridge					
Series 5	2.89	2.90	2.89	2.90	2.89
Series 6	2.71	2.71	2.70	2.70	2.68
Series 7	2.21	2.20	2.21	2.19	2.30
Series 8	2.37	2.42*	—	—	—
Growth – Franklin Quotential					
Series 3	3.60	3.60	3.60	3.61	3.61
Series 5	3.22	3.22	3.22	3.22	3.22
Series 6	2.89	2.89	2.89	2.89	2.92
Series 7	2.40	2.46	2.45	2.45	2.47
Series 8	2.55	2.59*	—	—	—
Canadian Equity					
Dividend Income – Desjardins					
Series 3	3.11*	—	—	—	—
Series 5	2.66*	—	—	—	—
Series 6	2.55*	—	—	—	—
Series 7	2.04*	—	—	—	—
Series 8	2.24*	—	—	—	—

	December 31 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %
Canadian Dividend – NEI Northwest					
Series 5	3.07	3.07	3.07	3.08	3.08
Series 6	2.87	2.87	2.88	2.87	2.85
Series 7	2.36	2.39	2.39	2.41	2.41
Series 8	2.56	2.53*	—	—	—
Canadian Equity – Jarislowsky Fraser					
Series 3	3.60	3.60	3.60	3.59	3.58
Series 5	2.92	2.92	2.92	2.92	2.91
Series 6	2.84	2.82	2.82	2.93	2.87*
Series 7	2.37	2.33	2.41	2.41	2.36*
Series 8	2.50	2.53*	—	—	—
Canadian Equity – Fidelity True North®					
Series 3	3.57	3.58	3.57	3.56	3.59
Series 5	3.21	3.21	3.20	3.20	3.20
Series 6	3.03	3.04	3.03	3.04	3.05
Series 7	2.53	2.55	2.48	2.46	2.58
Series 8	2.72	2.70*	—	—	—
Canadian Equity – Franklin Bissett					
Series 1	3.97	3.97	3.97	3.98*	—
Series 3	3.58	3.59	3.58	3.59	3.59
Series 5	2.97	2.97	2.97	2.97	2.97
Series 6	2.80	2.80	2.80	2.80	2.79
Series 7	2.39	2.27	2.41	2.41	2.41
Series 8	2.49	2.53*	—	—	—
Series IGP	2.39	2.38	2.39	2.38*	—
Specialty Equity – NEI Northwest					
Series 3	3.81	3.83	3.82	3.82	3.83
Series 5	3.27	3.28	3.28	3.28	3.27
Series 6	3.20	3.23	3.24	3.21	3.21
Series 7	2.76	2.76	2.76	2.76	2.76
Series 8	2.91	2.87*	—	—	—
Small Cap – Franklin Bissett					
Series 3	3.77	3.76	3.76	3.76	3.74
Series 5	3.14	3.14	3.14	3.14	3.13
Series 6	3.14	3.14	3.14	3.14	3.12
Series 7	2.73	2.45	2.74	2.74	2.56
Series 8	2.82	2.87*	—	—	—
Foreign Equity					
American Equity – MFS**					
Series 3	3.70	3.73	3.74	3.75	3.76
Series 5	2.93	2.94	2.93	2.93	2.93
Series 6	2.90	2.90	2.88	2.87	2.88
Series 7	2.42	2.43	2.44	2.44	2.47
Series 8	2.57	2.59*	—	—	—
American Equity Value – Desjardins					
Series 1	3.83	3.82	3.82	3.82	3.81
Series 3	3.20	3.20	3.21	3.22	3.23
Series 5	3.06	3.06	3.06	3.05	3.06
Series 6	2.84	2.84	2.84	2.83	2.79
Series 7	2.33	2.22	2.38	2.27	2.25
Series 8	2.54	2.53*	—	—	—

NOTES TO THE FINANCIAL STATEMENTS (continued)

	December 31 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %
Global Dividend – Desjardins					
Series 5	2.82	2.81	2.80	2.80	2.79
Series 6	2.89	2.89	2.89	2.87	2.83
Series 7	2.39	2.37	2.37	2.34	2.47
Series 8	2.56	2.59*	—	—	—
Global Equity – Desjardins					
Series 5	2.93*	—	—	—	—
Series 6	2.87*	—	—	—	—
Series 7	2.36*	—	—	—	—
Series 8	2.53*	—	—	—	—
Global Equity – MFS**					
Series 3	3.36	3.37	3.37	3.36	3.39
Series 5	2.90	2.90	2.90	2.92	2.92
Series 6	2.95	2.94	2.94	2.93	2.95
Series 7	2.46	2.43	2.46	2.53	2.53
Series 8	2.63	2.64*	—	—	—
International Equity – MFS**					
Series 1	3.84	3.84	3.83	3.82	3.83
Series 3	3.62	3.64	3.65	3.65	3.64
Series 5	2.73	2.75	2.75	2.75	2.76
Series 6	3.03	3.00	3.02	3.01	3.05
Series 7	2.52	2.50	2.55	2.55	2.59
Series 8	2.72	2.70*	—	—	—
International Equity Growth – Desjardins					
Series 5	3.08	3.11	3.10	3.10	3.11
Series 6	2.94	2.94	2.94	2.93	2.92
Series 7	2.47	2.44	2.53	2.53	2.53
Series 8	2.62	2.64*	—	—	—

* Annualized.

** The management expense ratios for these Funds include underlying fund managers' fees, ranging from 0.01 to 0.04%.

6. RELATED PARTY TRANSACTIONS

The Funds pay management fees and operating expenses to the Company, which are presented in the Statement of Comprehensive Income. Those fees are calculated daily using the net asset value of the Fund. The management fees are paid monthly at the annual rate specified in Note 5. Accrued expenses, presented in the Statement of Financial Position, are to be paid to the Company.

Some Funds have investments in underlying funds from related parties.

As at December 31, 2019 and 2018, the Company had the following seed capital investments:

	December 31, 2019 \$	December 31, 2018 \$
Conservative	24,152	22,391
Moderate	25,285	22,966
Balanced	26,460	23,540
Growth	27,758	24,139
Maximum Growth	331,322	283,602
Conservative – Desjardins SocieTerra	612,630	559,957
Balanced – Desjardins SocieTerra	26,564	145,299
Growth – Desjardins SocieTerra	623,337	547,564
Maximum Growth – Desjardins SocieTerra	635,443	545,024
Money Market	86,817	85,667
Income – Fiera Capital	24,714	23,439
Canadian Bond	24,234	22,916
Global Tactical Bond – Desjardins	366,120	—
Diversified Income – Franklin Quotential	24,820	23,189
Balanced Income – Franklin Quotential	25,768	23,677

	December 31, 2019	December 31, 2018
	\$	\$
Canadian Balanced – Fidelity	28,097	24,658
U.S. Monthly Income – Fidelity	525,304	476,194
Global Balanced – Jarislowsky Fraser	26,755	23,804
Canadian Balanced – Fiera Capital	29,410	25,532
Balanced Growth – Franklin Quotential	26,707	23,948
Canadian Balanced – CI Signature	26,554	23,462
Income and Growth – CI Signature	26,972	23,571
Growth and Income – NEI Northwest	28,915	25,522
Global Growth – NEI Select	29,298	25,540
Canadian Asset Allocation – CI Cambridge	27,437	233,254
Growth – Franklin Quotential	27,532	24,178
Dividend Income – Desjardins	5,032	—
Canadian Dividend – NEI Northwest	27,677	250,276
Canadian Equity – Jarislowsky Fraser	27,854	23,662
Canadian Equity – Fidelity True North®	28,271	24,176
Canadian Equity – Franklin Bissett	75,063	63,205
Specialty Equity – NEI Northwest	277,852	244,733
Small Cap – Franklin Bissett	14,448	14,889
American Equity – MFS	40,693	33,093
American Equity Value – Desjardins	1,033,706	870,193
Global Dividend – Desjardins	30,637	284,169
Global Equity – Desjardins	630,032	—
Global Equity – MFS	36,367	29,452
International Equity – MFS	32,463	27,155
International Equity Growth – Desjardins	382,652	303,901

The related party transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. FINANCIAL INSTRUMENTS DISCLOSURES

DFS Preliminary Information

The net assets of the DFS Guaranteed Investment Funds are held by the Company. These Funds are not separate legal entities. The Contract Owners do not own any of the assets of the Funds nor own an interest in the Funds. However, the financial instrument risks resulting from the Funds are assumed by the Contract Owners. The value of the segregated funds may increase or decrease according to market fluctuations. Moreover, the Funds are offered with a deposit guarantee of 75 to 100% that protects the deposits until specific maturity dates.

For the Funds of funds, details regarding the top holdings of the underlying fund(s) are shown in the appendix of the Schedule of Investment Portfolio.

Hierarchy of Financial Instruments at Fair Value

The fair value measurement of financial instruments is determined using the following three levels of the fair value hierarchy:

- Level 1 – Measurement based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation techniques based primarily on observable market data;
- Level 3 – Valuation techniques not based primarily on observable market data.

If inputs of different levels are used to measure the fair value of an asset or liability, the classification within the hierarchy is based on the lowest level input that is significant to the measurement of fair value.

Measurement Monitoring

The Company is responsible for establishing the fair value measurements included in the Funds' financial statements, including Level 3 measurements. The Company obtains prices from a pricing agency, monitors and analyzes these prices daily. A Measurement Monitoring Committee established by the Company ensures that appropriate operating procedures and a proper monitoring structure are in place and followed. This Committee meets on a quarterly basis to review fair value situations. Reports are produced monthly and given quarterly to the Committee members. It also examines specific processes carried out by the Portfolio Pricing and Controls department. Moreover, the Measurement Monitoring Committee establishes Measurement Policy orientation. On a quarterly basis, this Committee examines and approves the Level 3 measurements after obtaining confirmation of the measurements from each portfolio manager, as needed. The Committee signs off on any adjustments made to prices or estimates provided by the pricing agency.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Establishment of Levels

A change in the fair value measurement method could result in a transfer between levels. The Funds' policy is to record the implications of the transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified as Level 3 if their prices are no longer based on observable inputs.

a) Money Market Securities

Money market securities primarily include public sector and corporate securities. The inputs that are significant to valuation are generally observable. Public sector money market securities guaranteed by the federal or provincial government have been classified as Level 1. Other money market securities have been classified as Level 2.

b) Equities

Equities are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data and the fair value is classified as Level 2. If the determination of fair value uses significant unobservable data, then the fair value is classified as Level 3. Unlisted warrants are generally classified as Level 2.

c) Index-Based Investments and Exchange Traded Funds

Index-based investments and exchange traded funds are classified as Level 1 when the security is actively traded and a reliable price is observable.

d) Bonds

Public sector bonds guaranteed by the federal or provincial government are classified as Level 1. Corporate bonds, which are valued using models with inputs including interest rate curves, credit spreads and volatilities are usually classified as Level 2.

e) Mortgage-Backed Securities and Asset-Backed Securities

Mortgage-backed securities and asset-backed securities consist primarily of corporate securities, which are valued using models with inputs including interest rate curves, credit spreads and volatilities. Since the inputs that are significant to valuation are generally observable, mortgage-backed securities and asset-backed securities are usually classified as Level 2.

f) Investment Funds

Public investment funds are classified as Level 1 when their prospectus is unrestricted and their price is reliable and observable. Since some investment funds are not public, their price is determined using observable market data and their fair value is classified as Level 2. If the measurement of fair value requires the use of significant unobservable inputs, it is classified as Level 3.

g) Derivative Financial Instruments

Derivative financial instruments consist of foreign currency forward contracts for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined to be significant to fair value, are classified as Level 2.

Detailed information concerning the fair value hierarchy of each Fund is available in their respective "Notes to the Financial Statements – Specific Information". For securities classified as Level 3, the valuation techniques and assumptions are also presented in their respective notes.

Management of Risks Arising from Financial Instruments

Throughout their activities, the Funds are exposed to a variety of risks associated with financial instruments such as market risk (including currency risk, interest rate risk and price risk), concentration risk, credit risk and liquidity risk. The overall strategy of the Funds' risk management focuses on the unpredictability of financial markets and optimizes the Funds' financial performance. Most investments involve a risk of loss.

For the purpose of these financial statements, certain risks detailed in the Contract and Information Folder are associated with other risks. The market risk, the special equity risk and the sovereign risk are presented under price risk. The credit risk and the financial instruments risk are presented under credit risk.

The Company monitors the Funds' risks on a quarterly basis and the Committee Performance of Manager and Investment Solutions of Desjardins Wealth Management and Life and Health Insurance reviews these risks on a quarterly basis.

Market Risk

Market risk is the risk that the fair value or future cash flows associated with a financial instrument will fluctuate because of a change in the relevant risk variables, such as interest rates, exchange rates and equity prices. The Funds' market risk is managed through diversification of the investment portfolios' exposure ratios. The return on investments held by the Funds is monitored by the Company monthly and reviewed by the Committee Performance of Manager and Investment Solutions of Desjardins Wealth Management and Life and Health Insurance on a quarterly basis.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Currency risk is composed of monetary items (usually including cash, receivable amounts in foreign currencies, investments in fixed-income and money market securities) and non-monetary items (usually including investments in equities and investment funds). The non-monetary assets are classified according to the currency in which the security was purchased.

The Funds are exposed to currency risk by holding assets and liabilities denominated in currencies other than the Canadian dollar, the Funds' functional currency, as the value of the securities denominated in other currencies will fluctuate according to the prevailing exchange rates. The Funds may enter into foreign currency forward contracts to reduce their exposure to currency risk.

The Funds' exposure to currency risk is shown based on the carrying value of financial assets and financial liabilities (including the notional amount of foreign currency forward contracts and foreign currency futures, if any).

When the Canadian dollar decreases in relation to foreign currencies, the value of foreign investments increases. Conversely, when the value of the Canadian dollar increases, the value of foreign investments decreases.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest rate risk occurs when an investment fund invests in interest-bearing financial instruments. Generally, the value of these securities increases if interest rates decrease and decreases if interest rates increase. The Company manages this risk by calculating and monitoring the average portfolio duration on these securities. The Funds also hold a limited amount of cash subject to variable interest rates, which expose them to cash flow interest rate risk.

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market price, other than those arising from currency risk or interest rate risk.

The Company manages this risk by carefully selecting securities and other financial instruments, in accordance with defined limits. The maximum risk resulting from financial instruments is determined by the fair value or contract value of the financial instruments. The Funds' overall market positions are monitored monthly by the Company and reviewed on a quarterly basis by the Committee Performance of Manager and Investment Solutions of Desjardins Wealth Management and Life and Health Insurance. The Funds' financial instruments are exposed to price risk arising from uncertainties about the future prices of instruments.

Concentration Risk

Concentration risk arises because of the concentration of exposure within the same category, whether it is geographical location or industry sector. For Funds with an international investment strategy, the concentration by geographic location is presented according to, among other things, the country of incorporation or region. For Funds with a domestic investment strategy, the concentration by industry sector is presented according to their investments in the different sectors. The concentration risk is managed through portfolio diversification within the framework of the Funds' objective and strategy.

Credit Risk

Credit risk is the risk that the financial instrument counterparty will be unable to pay the full amount at maturity. The Funds' credit risk is managed through an independent credit analysis from the Manager/sub-advisor, in addition to credit rating agencies analysis.

Financial Instruments Transactions

The Funds are exposed to credit risk. The Funds' and the counterparty's respective credit risk are considered when determining the fair value of financial assets and liabilities, including derivative financial instruments. Transactions are settled or paid on delivery using approved brokers. The risk of default is considered limited as delivery of the securities sold is made once the broker has received payment.

Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligations.

However, there are risks involved in dealing with custodians or prime brokers who settle trades and, in rare circumstances, the securities and other assets deposited with the custodian or broker may be exposed to credit risk with regard to such parties. In addition, there may be practical problems or time delays associated with enforcing the Funds' rights to their assets in the case of an insolvency of any such party.

The investment grade for fixed-income securities and money market securities is rated by credit rating agencies, which generally includes the *Dominion Bond Rating Service* (DBRS), *Standard & Poor's* and *Moody's*. In cases where the credit rating agencies do not agree on a credit rating for fixed-income securities and money market securities, they will be classified following these rules:

- If two credit ratings are available, but the ratings are different, the lowest rating is used;
- If three credit ratings are available, the most common credit rating is used;
- If all three credit rating agencies have different ratings, the middle credit rating is used.

The credit rating is then converted to DBRS format. Generally, the greater the credit rating of a security, the lower the probability of it defaulting on its obligations.

Derivative financial instruments are financial contracts whose value depends on underlying assets. The vast majority of derivative financial instruments are negotiated by mutual agreement between the Funds and their counterparties, and include, among others, foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of standardized futures contracts.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Securities Lending, Repurchase Transactions and Reverse Repurchase Transactions

Securities lending, repurchase transactions and reverse repurchase transactions expose the Funds to credit risk. These transactions are governed by Investment Industry Regulatory Organization of Canada participation agreements. The Funds also use netting agreements with counterparties to mitigate credit risk and require a percentage of collateralization (a pledge) on these transactions. The Funds only accept pledges from counterparties that comply with the eligibility criteria defined in their policies. These criteria promote quick realization, if necessary, of collateral in case of default. The collateral received and given by the Funds are mainly cash and government securities. Further information on assets pledged and received as collateral is presented in the "Notes to the Financial Statements – Specific Information" pertaining to each Fund.

Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with financial liabilities.

The Funds are exposed to daily cash redemptions of units. Most of their assets are therefore invested in liquid investments (i.e., investments that are traded in an active market and that can be readily disposed of).

Some Funds may invest in derivative financial instruments, debt securities and unlisted equity investments which are not traded in an active market. As a result, some Funds may not be able to quickly liquidate their investments at amounts approximating their fair values or be able to respond to specific effects such as deterioration in the creditworthiness of any particular issuer.

Units attributable to Contract Owners are redeemable upon request at the owner's option. However, the Company does not expect that the contractual maturity disclosed will be representative of the actual cash outflows, as Contract Owners of the instruments typically retain them for a longer period.

The majority of the remaining liabilities are due within the next three months. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Subsequent Event at the Statement of Financial Position Date

The Company is monitoring the recent outbreak of the novel coronavirus ("COVID-19") and its potential impact on the Funds. The outbreak of COVID-19 has increased volatility in financial markets. While the extent and duration of the impact of COVID-19 on global and local economies, financial markets, and sectors and issuers in which the Funds may invest is uncertain at this point, the outbreak has the potential to adversely affect the value of the Funds' Portfolios.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund. Details on risks and various documents on underlying funds (detailed description of each Fund's investment policy and, where applicable, the investment policy and/or prospectus and financial statements of the underlying fund(s)) are available upon request by writing to the Company at the following address:

1 Complexe Desjardins
P.O. Box 9000
Montréal, Québec
H5B 1H5

INDEPENDENT AUDITOR'S REPORT

To the Contract Owners and Desjardins Financial Security Life Assurance Company of

DFS GIF – Conservative

DFS GIF – Moderate

DFS GIF – Balanced

DFS GIF – Growth

DFS GIF – Maximum Growth

DFS GIF – Conservative – Desjardins SocieTerra

DFS GIF – Balanced – Desjardins SocieTerra

DFS GIF – Growth – Desjardins SocieTerra

DFS GIF – Maximum Growth – Desjardins SocieTerra

DFS GIF – Money Market

DFS GIF – Income – Fiera Capital

DFS GIF – Canadian Bond

DFS GIF – Global Tactical Bond – Desjardins

DFS GIF – Diversified Income – Franklin Quotential

DFS GIF – Balanced Income – Franklin Quotential

DFS GIF – Canadian Balanced – Fidelity

DFS GIF – U.S. Monthly Income – Fidelity

DFS GIF – Global Balanced – Jarislowsky Fraser

DFS GIF – Canadian Balanced – Fiera Capital

DFS GIF – Balanced Growth – Franklin Quotential

DFS GIF – Canadian Balanced – CI Signature

DFS GIF – Income and Growth – CI Signature

DFS GIF – Growth and Income – NEI Northwest

DFS GIF – Global Growth – NEI Select

DFS GIF – Canadian Asset Allocation – CI Cambridge

DFS GIF – Growth – Franklin Quotential

DFS GIF – Dividend Income – Desjardins

DFS GIF – Canadian Dividend – NEI Northwest

DFS GIF – Canadian Equity – Jarislowsky Fraser

DFS GIF – Canadian Equity – Fidelity True North®

DFS GIF – Canadian Equity – Franklin Bissett

DFS GIF – Specialty Equity – NEI Northwest

DFS GIF – Small Cap – Franklin Bissett

DFS GIF – American Equity – MFS

DFS GIF – American Equity Value – Desjardins

DFS GIF – Global Dividend – Desjardins

DFS GIF – Global Equity – Desjardins

DFS GIF – Global Equity – MFS

DFS GIF – International Equity – MFS

DFS GIF – International Equity Growth – Desjardins

(individually, a Fund)

Our opinion

In our opinion, the accompanying December 31, 2019 financial statements of each Fund present fairly, in all material respects, the financial position of each Fund, its financial performance and its cash flows as at and for the periods indicated in note 1 in accordance with International Financial Reporting Standards (IFRS).

What we have audited

The financial statements of each Fund comprise:

- the statements of financial position as at the period-end dates indicated in note 1;
- the statements of comprehensive income for the periods indicated in note 1;
- the statements of changes in net assets attributable to contract owners for the periods indicated in note 1;
- the statements of cash flows for the periods indicated in note 1; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

Independence

We are independent of each Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Other matter – unaudited information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the unaudited information which is comprised of the Summary Facts Statement, Top Five Holdings of the Underlying Funds or Top 25 Holdings of the Underlying Funds or Top Major Holdings of the Underlying Funds (as applicable) as of December 31, 2019, Financial Highlights and Performance Information for the year ending December 31, 2019 of each Fund. Accordingly, this auditor's report and our opinion does not cover the aforementioned unaudited information.

INDEPENDENT AUDITOR'S REPORT (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements of each Fund in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ability of each Fund to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate any Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the financial reporting process of each Fund.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole for each Fund are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of each Fund.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of each Fund, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 internal control of each Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of each Fund to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements of each Fund or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause any Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of each Fund, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Montréal, Quebec
April 9, 2020

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

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING IN THE AUDITED ANNUAL FINANCIAL STATEMENTS

Management

The accompanying financial statements have been prepared by the management of Desjardins Financial Security Life Assurance Company (Desjardins Financial Security), in accordance with International Financial Reporting Standards. Management is responsible for the information contained in the financial statements.

Desjardins Financial Security maintains an appropriate system of internal control to ensure that relevant and reliable financial information is produced and that the Funds' assets are appropriately accounted for and safeguarded. A summary of the significant accounting policies applicable to the Funds can be found in Note 2 of the Notes to the Financial Statements.

External Auditor

PricewaterhouseCoopers LLP have been appointed by the shareholder, Desjardins Financial Corporation Inc., as the external auditor of the Funds. Their responsibility is to audit the annual financial statements in accordance with Canadian generally accepted auditing standards and to report to the contract owners of the fairness of the Funds' financial position and results of operations as reflected in the annual financial statements.

Denis Dubois

President and Chief Operating Officer

François Drouin

Senior Vice-President,
Finance

Éric Landry

Vice-President,
Investment Solutions

Lévis, Québec
April 9, 2020



NOTES



NOTES

A decorative header pattern consisting of a repeating geometric design of interconnected lines forming a series of triangles and polygons, rendered in a light gray color.

NOTES

Thank you.

Thank you for choosing the strength and stability of a company specialized in providing individual insurance and retirement savings products to over five million Canadians, every day, to ensure their financial security.

Thank you for also choosing Desjardins Group, the largest cooperative financial group in Canada, whose financial stability is recognized by the following credit ratings which are comparable, if not superior to those of the five largest Canadian banks and insurance companies:

- Standard and Poor's A+
- Moody's Aa2
- Dominion Bond Rating Service AA
- Fitch AA-

The Contract and Information Folder contains important information on the DFS Guaranteed Investment Funds. Please read it carefully before investing. DFS Guaranteed Investment Funds is a registered trademark owned by Desjardins Financial Security Life Assurance Company. DFS Guaranteed Investment Funds are established by Desjardins Financial Security Life Assurance Company.

DFS stands for Desjardins Financial Security.

This Document is also available on our website:

desjardinslifeinsurance.com

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.