

OCTOBER 2019

2019 Semi-Annual Report

DFS GUARANTEED INVESTMENT FUNDS

Financial Information as of June 30, 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.

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
 Montreal, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	115,929	75,396
Investments at fair value through profit or loss (FVTPL)	29,356,097	22,136,814
Premiums receivable	1,859	21,746
Receivable for securities sold	142	—
	<u>29,474,027</u>	<u>22,233,956</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	52,972	43,032
Withdrawals payable	138,086	10,753
Payable for securities purchased	40,229	19,060
	<u>231,287</u>	<u>72,845</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>29,242,740</u>	<u>22,161,111</u>
NET ASSETS PER UNIT		
Series 5	<u>5.44</u>	<u>5.12</u>
Series 6	<u>5.66</u>	<u>5.33</u>
Series 7	<u>5.82</u>	<u>5.46</u>
Series 8	<u>5.31</u>	<u>4.99</u>

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	355	147
Distributions from underlying funds	323,376	273,102
Changes in fair value:		
Net realized gain (loss) on investments	37,061	20,349
Net unrealized gain (loss) on investments	1,516,494	32,407
	<u>1,877,286</u>	<u>326,005</u>
EXPENSES		
Management fees and guarantee charge	275,552	235,145
Operating expenses	28,703	24,622
	<u>304,255</u>	<u>259,767</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,573,031</u>	<u>66,238</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	333,331	11,351
- per unit	0.32	0.01
Average Number of Units	1,053,017	852,534
SERIES 6		
Increase (Decrease) in Net Assets from Operations	842,817	807
- per unit	0.33	—
Average Number of Units	2,549,987	2,520,621
SERIES 7		
Increase (Decrease) in Net Assets from Operations	121,214	20,818
- per unit	0.36	0.04
Average Number of Units	337,751	537,992
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	275,669	33,262
- per unit	0.33	0.08
Average Number of Units	843,389	434,488

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	22,161,111	20,945,213
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,573,031	66,238
Premiums		
Series 5	1,755,863	874,182
Series 6	4,233,998	1,767,978
Series 7	316,755	1,483,641
Series 8*	2,431,404	2,781,192
	8,738,020	6,906,993
Withdrawals		
Series 5	(380,843)	(340,237)
Series 6	(1,714,985)	(4,445,660)
Series 7	(78,617)	(875,595)
Series 8*	(1,054,977)	(14,882)
	(3,229,422)	(5,676,374)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	29,242,740	22,242,070

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,573,031	66,238
Adjustments for:		
Net realized (gain) loss	(37,061)	(20,349)
Net unrealized (gain) loss	(1,516,494)	(32,407)
Non-cash distribution from investments	(323,376)	(273,102)
Proceeds from sale/maturity of investments	3,352,973	2,195,545
Investments purchased	(8,695,325)	(3,181,496)
Receivable for securities sold	(142)	(1,255)
Accrued expenses	9,940	2,071
Payable for securities purchased	21,169	(145,873)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(5,615,285)	(1,390,628)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	8,757,907	6,975,138
Amounts paid on withdrawals	(3,102,089)	(5,667,485)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	5,655,818	1,307,653
Increase (decrease) in cash/ bank overdraft	40,533	(82,975)
Cash (bank overdraft), beginning of period	75,396	165,845
CASH (BANK OVERDRAFT), END OF PERIOD	115,929	82,870
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	355	147

* Beginning of operations in April 2018.

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

DFS GIF – CONSERVATIVE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
BlackRock CDN US Equity Index Fund, Class D	73,683	1,665,235	1,924,231
Desjardins Canadian Equity Fund, I-Class	56,199	588,721	594,533
Desjardins Enhanced Bond Fund, I-Class	564,024	6,217,999	6,341,883
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	64,604	782,709	809,429
Desjardins Overseas Equity Fund, I-Class	42,820	662,078	735,731
Desjardins Overseas Equity Growth Fund, I-Class	30,575	670,174	725,544
Desjardins Short-Term Income Fund, I-Class	233,120	2,263,041	2,281,308
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
DGIA Canadian Bond Fund	1,414,181	14,366,243	14,763,786
Fidelity True North® Fund, Series O	11,354	546,646	591,798
Franklin Bissett Canadian Equity Fund, Series O	3,736	543,506	586,760
Total Investments		28,307,452	29,356,097
Other Net Assets (-0.4%)			(113,357)
Net Assets (100%)			29,242,740

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 50.5%	
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
DESJARDINS ENHANCED BOND FUND 21.7%	
Canada Housing Trust, 2.65%, December 15, 2028	9.3%
Government of Canada, 2.25%, June 1, 2029	5.6%
Government of Canada, 2.75%, December 1, 2048	3.9%
Province of Ontario, 2.80%, June 2, 2048	3.8%
Government of Canada, 1.00%, June 1, 2027	3.4%
DESJARDINS SHORT-TERM INCOME FUND 7.8%	
Canada Housing Trust, 2.40%, December 15, 2022	12.7%
Government of Canada, 1.75%, May 1, 2021	5.3%
Government of Canada, 1.25%, February 1, 2020	4.1%
Government of Canada, 2.25%, June 1, 2029	4.0%
Toronto-Dominion Bank, 2.982%, September 30, 2025	3.0%

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

Security Name	Percentage of Portfolio
BLACKROCK CDN US EQUITY INDEX FUND 6.6%	
Microsoft Corporation	4.2%
Apple	3.5%
Amazon.com	3.2%
Facebook	1.9%
Berkshire Hathaway	1.7%
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 2.8%	
Roche Holding	3.0%
Novo Nordisk	1.8%
Lamb Weston Holdings	1.6%
HCP	1.6%
Eversource Energy	1.6%
DESJARDINS OVERSEAS EQUITY FUND 2.5%	
Keyence Corporation	6.2%
Nestlé SA	5.2%
Unilever	5.0%
Diageo	4.5%
L'Oréal	4.4%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 2.5%	
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
DESJARDINS CANADIAN EQUITY FUND 2.0%	
Toronto-Dominion Bank	7.7%
Royal Bank of Canada	6.6%
Enbridge	4.4%
Scotiabank	4.2%
Canadian National Railway Company	3.8%
FIDELITY TRUE NORTH® FUND 2.0%	
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
FRANKLIN BISSETT CANADIAN EQUITY FUND 2.0%	
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – CONSERVATIVE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	12,668,080	16,688,017	—	29,356,097
TOTAL	12,668,080	16,688,017	—	29,356,097

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	10,388,417	11,748,397	—	22,136,814
TOTAL	10,388,417	11,748,397	—	22,136,814

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (80%)	1.00	231,481	181,881
S&P/TSX (6%)	3.00	52,083	40,923
MSCI World Net (14%)	3.00	121,527	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – MODERATE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	410,330	395,955
Investments at fair value through profit or loss (FVTPL)	54,166,991	45,377,811
Premiums receivable	22,967	211,737
Receivable for securities sold	—	45,702
	<u>54,600,288</u>	<u>46,031,205</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	97,120	86,862
Withdrawals payable	46,600	248,953
Payable for securities purchased	25,874	2,093
	<u>169,594</u>	<u>337,908</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>54,430,694</u>	<u>45,693,297</u>
NET ASSETS PER UNIT		
Series 5	<u>5.59</u>	<u>5.21</u>
Series 6	<u>5.90</u>	<u>5.49</u>
Series 7	<u>6.08</u>	<u>5.64</u>
Series 8	<u>5.32</u>	<u>4.95</u>

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,864	758
Distributions from underlying funds	560,490	437,711
Changes in fair value:		
Net realized gain (loss) on investments	120,040	110,441
Net unrealized gain (loss) on investments	3,391,897	379,754
	<u>4,074,291</u>	<u>928,664</u>
EXPENSES		
Management fees and guarantee charge	519,706	414,958
Operating expenses	54,778	43,800
	<u>574,484</u>	<u>458,758</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,499,807</u>	<u>469,906</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	193,513	19,828
- per unit	0.36	0.07
Average Number of Units	531,716	282,444
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,954,048	184,179
- per unit	0.40	0.04
Average Number of Units	4,903,818	4,834,993
SERIES 7		
Increase (Decrease) in Net Assets from Operations	662,963	145,007
- per unit	0.44	0.10
Average Number of Units	1,508,135	1,407,466
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	689,283	120,892
- per unit	0.36	0.10
Average Number of Units	1,902,138	1,169,723

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	45,693,297	34,892,762
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,499,807	469,906
Premiums		
Series 5	1,223,167	1,034,752
Series 6	6,944,390	5,730,273
Series 7	143,530	4,267,823
Series 8*	3,091,733	7,263,113
	11,402,820	18,295,961
Withdrawals		
Series 5	(634,861)	(103,088)
Series 6	(3,384,210)	(9,630,433)
Series 7	(816,117)	(1,931,299)
Series 8*	(1,330,042)	(234,437)
	(6,165,230)	(11,899,257)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	54,430,694	41,759,372

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,499,807	469,906
Adjustments for:		
Net realized (gain) loss	(120,040)	(110,441)
Net unrealized (gain) loss	(3,391,897)	(379,754)
Non-cash distribution from investments	(560,490)	(437,711)
Proceeds from sale/maturity of investments	7,029,593	3,315,437
Investments purchased	(11,746,346)	(9,277,033)
Receivable for securities sold	45,702	—
Accrued expenses	10,258	13,265
Payable for securities purchased	23,781	(100,635)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(5,209,632)	(6,506,966)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	11,591,590	18,293,146
Amounts paid on withdrawals	(6,367,583)	(11,888,264)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	5,224,007	6,404,882
Increase (decrease) in cash/ bank overdraft	14,375	(102,084)
Cash (bank overdraft), beginning of period	395,955	496,463
CASH (BANK OVERDRAFT), END OF PERIOD	410,330	394,379
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,864	758

* Beginning of operations in April 2018.

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

DFS GIF – MODERATE (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (99.5%)			
BlackRock CDN US Equity Index Fund, Class D	236,411	5,336,881	6,173,872
Desjardins Canadian Equity Fund, I-Class	181,264	1,896,419	1,917,589
Desjardins Enhanced Bond Fund, I-Class	843,558	9,292,619	9,484,969
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	209,360	2,533,154	2,623,066
Desjardins Overseas Equity Fund, I-Class	137,822	2,130,058	2,368,050
Desjardins Overseas Equity Growth Fund, I-Class	98,454	2,173,144	2,336,309
Desjardins Short-Term Income Fund, I-Class	345,767	3,351,129	3,383,679
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
DGIA Canadian Bond Fund	2,115,064	21,439,925	22,080,866
Fidelity True North® Fund, Series O	36,579	1,762,836	1,906,551
Franklin Bissett Canadian Equity Fund, Series O	12,040	1,748,220	1,890,946
Total Investments		51,665,485	54,166,991
Other Net Assets (0.5%)			263,703
Net Assets (100%)			54,430,694

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 40.6%	
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
DESJARDINS ENHANCED BOND FUND 17.4%	
Canada Housing Trust, 2.65%, December 15, 2028	9.3%
Government of Canada, 2.25%, June 1, 2029	5.6%
Government of Canada, 2.75%, December 1, 2048	3.9%
Province of Ontario, 2.80%, June 2, 2048	3.8%
Government of Canada, 1.00%, June 1, 2027	3.4%
BLACKROCK CDN US EQUITY INDEX FUND 11.3%	
Microsoft Corporation	4.2%
Apple	3.5%
Amazon.com	3.2%
Facebook	1.9%
Berkshire Hathaway	1.7%

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

Security Name	Percentage of Portfolio
DESJARDINS SHORT-TERM INCOME FUND 6.2%	
Canada Housing Trust, 2.40%, December 15, 2022	12.7%
Government of Canada, 1.75%, May 1, 2021	5.3%
Government of Canada, 1.25%, February 1, 2020	4.1%
Government of Canada, 2.25%, June 1, 2029	4.0%
Toronto-Dominion Bank, 2.982%, September 30, 2025	3.0%
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 4.8%	
Roche Holding	3.0%
Novo Nordisk	1.8%
Lamb Weston Holdings	1.6%
HCP	1.6%
Eversource Energy	1.6%
DESJARDINS OVERSEAS EQUITY FUND 4.4%	
Keyence Corporation	6.2%
Nestlé SA	5.2%
Unilever	5.0%
Diageo	4.5%
L'Oréal	4.4%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 4.3%	
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
DESJARDINS CANADIAN EQUITY FUND 3.5%	
Toronto-Dominion Bank	7.7%
Royal Bank of Canada	6.6%
Enbridge	4.4%
Scotiabank	4.2%
Canadian National Railway Company	3.8%
FIDELITY TRUE NORTH® FUND 3.5%	
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
FRANKLIN BISSETT CANADIAN EQUITY FUND 3.5%	
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – MODERATE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	25,912,253	28,254,738	—	54,166,991
TOTAL	25,912,253	28,254,738	—	54,166,991

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	22,450,652	22,927,159	—	45,377,811
TOTAL	22,450,652	22,927,159	—	45,377,811

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (65%)	1.00	357,312	305,560
S&P/TSX (10.5%)	3.00	173,159	148,079
MSCI World Net (24.5%)	3.00	404,038	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – BALANCED

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	420,067	379,679
Investments at fair value through profit or loss (FVTPL)	106,458,456	91,832,481
Premiums receivable	97,747	80,400
Receivable for securities sold	391	—
	<u>106,976,661</u>	<u>92,292,560</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	193,059	177,181
Withdrawals payable	231,564	94,114
Payable for securities purchased	84,205	80,768
	<u>508,828</u>	<u>352,063</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>106,467,833</u>	<u>91,940,497</u>
NET ASSETS PER UNIT		
Series 5	<u>5.78</u>	5.34
Series 6	<u>6.13</u>	5.65
Series 7	<u>6.31</u>	5.80
Series 8	<u>5.33</u>	4.91

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,583	676
Distributions from underlying funds	1,023,873	829,791
Changes in fair value:		
Net realized gain (loss) on investments	423,523	265,549
Net unrealized gain (loss) on investments	7,797,492	1,350,294
	<u>9,246,471</u>	<u>2,446,310</u>
EXPENSES		
Management fees and guarantee charge	1,081,009	932,830
Operating expenses	110,782	97,591
	<u>1,191,791</u>	<u>1,030,421</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>8,054,680</u>	<u>1,415,889</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	458,364	58,211
- per unit	0.43	0.09
Average Number of Units	1,060,102	672,844
SERIES 6		
Increase (Decrease) in Net Assets from Operations	4,413,101	718,712
- per unit	0.48	0.07
Average Number of Units	9,263,200	10,585,133
SERIES 7		
Increase (Decrease) in Net Assets from Operations	1,003,393	219,483
- per unit	0.51	0.11
Average Number of Units	1,961,483	1,980,078
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	2,179,822	419,483
- per unit	0.42	0.12
Average Number of Units	5,242,560	3,542,610

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	91,940,497	80,045,729
Increase (Decrease) in Net Assets from operations attributable to contract owners	8,054,680	1,415,889
Premiums		
Series 5	1,915,077	1,693,228
Series 6	7,644,606	10,051,093
Series 7	414,797	2,452,097
Series 8*	5,495,541	22,620,116
	15,470,021	36,816,534
Withdrawals		
Series 5	(895,432)	(478,813)
Series 6	(5,232,799)	(25,902,545)
Series 7	(907,126)	(1,404,904)
Series 8*	(1,962,008)	(844,365)
	(8,997,365)	(28,630,627)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	106,467,833	89,647,525

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	8,054,680	1,415,889
Adjustments for:		
Net realized (gain) loss	(423,523)	(265,549)
Net unrealized (gain) loss	(7,797,492)	(1,350,294)
Non-cash distribution from investments	(1,023,873)	(829,791)
Proceeds from sale/maturity of investments	10,521,990	4,292,186
Investments purchased	(15,903,077)	(11,150,429)
Receivable for securities sold	(391)	(4,106)
Accrued expenses	15,878	15,586
Payable for securities purchased	3,437	(447)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(6,552,371)	(7,876,955)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	15,452,674	36,338,433
Amounts paid on withdrawals	(8,859,915)	(28,438,905)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	6,592,759	7,899,528
Increase (decrease) in cash/ bank overdraft	40,388	22,573
Cash (bank overdraft), beginning of period	379,679	501,798
CASH (BANK OVERDRAFT), END OF PERIOD	420,067	524,371
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,583	676

* Beginning of operations in April 2018.

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

DFS GIF – BALANCED (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – UNAUDITED

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	665,370	14,704,077	17,376,095
Desjardins Canadian Equity Fund, I-Class	507,609	5,351,026	5,369,995
Desjardins Enhanced Bond Fund, I-Class	1,268,562	14,044,081	14,263,706
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	581,785	7,026,658	7,289,185
Desjardins Overseas Equity Fund, I-Class	387,033	5,908,908	6,649,993
Desjardins Overseas Equity Growth Fund, I-Class	276,528	5,959,530	6,562,001
Desjardins Short-Term Income Fund, I-Class	523,399	5,077,899	5,121,984
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
DGIA Canadian Bond Fund	3,180,156	32,312,495	33,200,220
Fidelity True North® Fund, Series O	102,324	4,883,293	5,333,245
Franklin Bissett Canadian Equity Fund, Series O	33,687	4,820,041	5,290,938
Total Investments		100,089,108	106,458,456
Other Net Assets (0.0%)			9,377
Net Assets (100%)			106,467,833

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 31.3%	
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
BLACKROCK CDN US EQUITY INDEX FUND 16.3%	
Microsoft Corporation	4.2%
Apple	3.5%
Amazon.com	3.2%
Facebook	1.9%
Berkshire Hathaway	1.7%
DESJARDINS ENHANCED BOND FUND 13.4%	
Canada Housing Trust, 2.65%, December 15, 2028	9.3%
Government of Canada, 2.25%, June 1, 2029	5.6%
Government of Canada, 2.75%, December 1, 2048	3.9%
Province of Ontario, 2.80%, June 2, 2048	3.8%
Government of Canada, 1.00%, June 1, 2027	3.4%

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

Security Name	Percentage of Portfolio
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 6.8%	
Roche Holding	3.0%
Novo Nordisk	1.8%
Lamb Weston Holdings	1.6%
HCP	1.6%
Eversource Energy	1.6%
DESJARDINS OVERSEAS EQUITY FUND 6.2%	
Keyence Corporation	6.2%
Nestlé SA	5.2%
Unilever	5.0%
Diageo	4.5%
L'Oréal	4.4%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 6.2%	
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
DESJARDINS CANADIAN EQUITY FUND 5.0%	
Toronto-Dominion Bank	7.7%
Royal Bank of Canada	6.6%
Enbridge	4.4%
Scotiabank	4.2%
Canadian National Railway Company	3.8%
FIDELITY TRUE NORTH® FUND 5.0%	
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
FRANKLIN BISSETT CANADIAN EQUITY FUND 5.0%	
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
DESJARDINS SHORT-TERM INCOME FUND 4.8%	
Canada Housing Trust, 2.40%, December 15, 2022	12.7%
Government of Canada, 1.75%, May 1, 2021	5.3%
Government of Canada, 1.25%, February 1, 2020	4.1%
Government of Canada, 2.25%, June 1, 2029	4.0%
Toronto-Dominion Bank, 2.982%, September 30, 2025	3.0%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – BALANCED (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	55,882,141	50,576,315	—	106,458,456
TOTAL	55,882,141	50,576,315	—	106,458,456

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	46,140,014	45,692,467	—	91,832,481
TOTAL	46,140,014	45,692,467	—	91,832,481

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (50%)	1.00	535,529	476,482
S&P/TSX (15%)	3.00	481,977	428,833
MSCI World Net (35%)	3.00	1,124,612	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GROWTH

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	185,626	275,379
Investments at fair value through profit or loss (FVTPL)	91,580,935	77,876,007
Premiums receivable	282,981	4,291
Receivable for securities sold	—	4,257
	<u>92,049,542</u>	<u>78,159,934</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	175,378	159,763
Withdrawals payable	468,339	73,753
Payable for securities purchased	83,024	129,667
	<u>726,741</u>	<u>363,183</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>91,322,801</u>	<u>77,796,751</u>
NET ASSETS PER UNIT		
Series 5	<u>5.97</u>	<u>5.45</u>
Series 6	<u>6.43</u>	<u>5.87</u>
Series 7	<u>6.60</u>	<u>6.00</u>
Series 8	<u>5.35</u>	<u>4.87</u>

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	685	318
Distributions from underlying funds	796,855	606,978
Changes in fair value:		
Net realized gain (loss) on investments	370,022	204,746
Net unrealized gain (loss) on investments	7,619,217	1,740,537
	<u>8,786,779</u>	<u>2,552,579</u>
EXPENSES		
Management fees and guarantee charge	969,851	818,345
Operating expenses	94,449	78,353
	<u>1,064,300</u>	<u>896,698</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,722,479</u>	<u>1,655,881</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,496,062	308,592
- per unit	0.51	0.14
Average Number of Units	2,911,930	2,278,940
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,759,500	806,915
- per unit	0.56	0.11
Average Number of Units	6,733,226	7,367,364
SERIES 7		
Increase (Decrease) in Net Assets from Operations	702,786	211,252
- per unit	0.60	0.16
Average Number of Units	1,167,097	1,313,955
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,764,131	329,122
- per unit	0.46	0.14
Average Number of Units	3,800,795	2,331,501

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	77,796,751	64,298,939
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>7,722,479</u>	<u>1,655,881</u>
Premiums		
Series 5	3,700,438	5,513,086
Series 6	5,581,182	8,180,880
Series 7	113,722	1,021,062
Series 8*	3,096,831	14,030,122
	<u>12,492,173</u>	<u>28,745,150</u>
Withdrawals		
Series 5	(2,352,320)	(968,542)
Series 6	(3,157,131)	(17,043,236)
Series 7	(543,468)	(662,900)
Series 8*	(635,683)	(312,370)
	<u>(6,688,602)</u>	<u>(18,987,048)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>91,322,801</u>	<u>75,712,922</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,722,479	1,655,881
Adjustments for:		
Net realized (gain) loss	(370,022)	(204,746)
Net unrealized (gain) loss	(7,619,217)	(1,740,537)
Non-cash distribution from investments	(796,855)	(606,978)
Proceeds from sale/maturity of investments	9,683,795	2,742,891
Investments purchased	(14,602,629)	(11,763,658)
Receivable for securities sold	4,257	—
Accrued expenses	15,615	24,647
Payable for securities purchased	(46,643)	(468,576)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(6,009,220)</u>	<u>(10,361,076)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	12,213,483	28,541,873
Amounts paid on withdrawals	(6,294,016)	(18,579,569)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>5,919,467</u>	<u>9,962,304</u>
Increase (decrease) in cash/ bank overdraft	(89,753)	(398,772)
Cash (bank overdraft), beginning of period	275,379	811,134
CASH (BANK OVERDRAFT), END OF PERIOD	<u>185,626</u>	<u>412,362</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	685	318

* Beginning of operations in April 2018.

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

DFS GIF – GROWTH (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
BlackRock CDN US Equity Index Fund, Class D	739,329	16,613,080	19,307,542
Desjardins Canadian Equity Fund, I-Class	566,064	5,962,513	5,988,388
Desjardins Enhanced Bond Fund, I-Class	761,703	8,406,951	8,564,590
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	648,518	7,832,232	8,125,285
Desjardins Overseas Equity Fund, I-Class	431,689	6,658,024	7,417,289
Desjardins Overseas Equity Growth Fund, I-Class	308,418	6,786,504	7,318,747
Desjardins Short-Term Income Fund, I-Class	314,257	3,046,841	3,075,315
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
DGIA Canadian Bond Fund	1,909,496	19,379,235	19,934,770
Fidelity True North® Fund, Series O	114,109	5,490,609	5,947,479
Franklin Bissett Canadian Equity Fund, Series O	37,568	5,449,633	5,900,436
Total Investments		85,626,722	91,580,935
Other Net Assets (-0.3%)			(258,134)
Net Assets (100%)			91,322,801

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DGIA CANADIAN BOND FUND 21.8%	
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
BLACKROCK CDN US EQUITY INDEX FUND 21.1%	
Microsoft Corporation	4.2%
Apple	3.5%
Amazon.com	3.2%
Facebook	1.9%
Berkshire Hathaway	1.7%
DESJARDINS ENHANCED BOND FUND 9.4%	
Canada Housing Trust, 2.65%, December 15, 2028	9.3%
Government of Canada, 2.25%, June 1, 2029	5.6%
Government of Canada, 2.75%, December 1, 2048	3.9%
Province of Ontario, 2.80%, June 2, 2048	3.8%
Government of Canada, 1.00%, June 1, 2027	3.4%

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

Security Name	Percentage of Portfolio
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 8.9%	
Roche Holding	3.0%
Novo Nordisk	1.8%
Lamb Weston Holdings	1.6%
HCP	1.6%
Eversource Energy	1.6%
DESJARDINS OVERSEAS EQUITY FUND 8.1%	
Keyence Corporation	6.2%
Nestlé SA	5.2%
Unilever	5.0%
Diageo	4.5%
L'Oréal	4.4%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 8.0%	
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
DESJARDINS CANADIAN EQUITY FUND 6.6%	
Toronto-Dominion Bank	7.7%
Royal Bank of Canada	6.6%
Enbridge	4.4%
Scotiabank	4.2%
Canadian National Railway Company	3.8%
FIDELITY TRUE NORTH® FUND 6.5%	
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
FRANKLIN BISSETT CANADIAN EQUITY FUND 6.5%	
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
DESJARDINS SHORT-TERM INCOME FUND 3.4%	
Canada Housing Trust, 2.40%, December 15, 2022	12.7%
Government of Canada, 1.75%, May 1, 2021	5.3%
Government of Canada, 1.25%, February 1, 2020	4.1%
Government of Canada, 2.25%, June 1, 2029	4.0%
Toronto-Dominion Bank, 2.982%, September 30, 2025	3.0%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – GROWTH (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	52,338,623	39,242,312	—	91,580,935
TOTAL	52,338,623	39,242,312	—	91,580,935

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	40,613,972	37,262,035	—	77,876,007
TOTAL	40,613,972	37,262,035	—	77,876,007

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (35%)	1.00	316,840	278,279
S&P/TSX (19.5%)	3.00	529,576	465,123
MSCI World Net (45.5%)	3.00	1,235,676	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – MAXIMUM GROWTH

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	23,181	35,298
Investments at fair value through profit or loss (FVTPL)	9,483,682	7,347,554
Premiums receivable	1,821	1,411
Receivable for securities sold	362	—
	<u>9,509,046</u>	<u>7,384,263</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	18,370	14,994
Withdrawals payable	3,161	1,405
Payable for securities purchased	98	9,843
	<u>21,629</u>	<u>26,242</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,487,417</u>	<u>7,358,021</u>
NET ASSETS PER UNIT		
Series 5	<u>6.20</u>	<u>5.60</u>
Series 6	<u>6.67</u>	<u>6.02</u>
Series 7	<u>6.85</u>	<u>6.17</u>
Series 8	<u>5.35</u>	<u>4.82</u>

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Distributions from underlying funds	73,254	49,730
Changes in fair value:		
Net realized gain (loss) on investments	34,854	20,054
Net unrealized gain (loss) on investments	811,491	217,607
	<u>919,599</u>	<u>287,391</u>
EXPENSES		
Management fees and guarantee charge	96,146	77,154
Operating expenses	9,401	7,414
	<u>105,547</u>	<u>84,568</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>814,052</u>	<u>202,823</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	49,802	8,059
- per unit	0.46	0.15
Average Number of Units	107,171	54,602
SERIES 6		
Increase (Decrease) in Net Assets from Operations	419,950	119,666
- per unit	0.61	0.17
Average Number of Units	689,140	706,411
SERIES 7		
Increase (Decrease) in Net Assets from Operations	194,078	44,692
- per unit	0.68	0.19
Average Number of Units	284,225	233,500
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	150,222	30,406
- per unit	0.51	0.16
Average Number of Units	296,181	186,662

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	7,358,021	5,767,332
Increase (Decrease) in Net Assets from operations attributable to contract owners	814,052	202,823
Premiums		
Series 5	397,556	162,248
Series 6	1,023,822	1,140,531
Series 7	7,550	448,221
Series 8*	302,434	1,082,221
	1,731,362	2,833,221
Withdrawals		
Series 5	(14,557)	(8,834)
Series 6	(326,670)	(1,200,793)
Series 7	(6,119)	(4,981)
Series 8*	(68,672)	(977)
	(416,018)	(1,215,585)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	9,487,417	7,587,791

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	814,052	202,823
Adjustments for:		
Net realized (gain) loss	(34,854)	(20,054)
Net unrealized (gain) loss	(811,491)	(217,607)
Non-cash distribution from investments	(73,254)	(49,730)
Proceeds from sale/maturity of investments	1,317,930	239,386
Investments purchased	(2,534,459)	(1,775,577)
Receivable for securities sold	(362)	—
Accrued expenses	3,376	3,509
Payable for securities purchased	(9,745)	(80)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(1,328,807)	(1,617,330)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,730,952	2,833,041
Amounts paid on withdrawals	(414,262)	(1,215,167)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	1,316,690	1,617,874
Increase (decrease) in cash/ bank overdraft	(12,117)	544
Cash (bank overdraft), beginning of period	35,298	25,862
CASH (BANK OVERDRAFT), END OF PERIOD	23,181	26,406

* Beginning of operations in April 2018.

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

DFS GIF – MAXIMUM GROWTH (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.0%)			
BlackRock CDN US Equity Index Fund, Class D	93,840	2,159,458	2,450,637
Desjardins Canadian Equity Fund, I-Class	71,831	756,243	759,900
Desjardins Enhanced Bond Fund, I-Class	45,039	495,290	506,415
Desjardins IBrix Low Volatility Global Equity Fund, I-Class	82,484	999,278	1,033,442
Desjardins Overseas Equity Fund, I-Class	54,643	869,376	938,884
Desjardins Overseas Equity Growth Fund, I-Class	39,142	894,820	928,829
Desjardins Short-Term Income Fund, I-Class	18,673	181,057	182,738
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
DGIA Canadian Bond Fund	112,862	1,141,657	1,178,257
Fidelity True North® Fund, Series O	14,487	707,136	755,093
Franklin Bissett Canadian Equity Fund, Series O	4,765	705,770	748,393
Total Investments		8,911,185	9,483,682
Other Net Assets (0.0%)			3,735
Net Assets (100%)			9,487,417

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
BLACKROCK CDN US EQUITY INDEX FUND 25.9%	
Microsoft Corporation	4.2%
Apple	3.5%
Amazon.com	3.2%
Facebook	1.9%
Berkshire Hathaway	1.7%
DGIA CANADIAN BOND FUND 12.4%	
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
DESJARDINS IBRIX LOW VOLATILITY GLOBAL EQUITY FUND 10.9%	
Roche Holding	3.0%
Novo Nordisk	1.8%
Lamb Weston Holdings	1.6%
HCP	1.6%
Eversource Energy	1.6%

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

Security Name	Percentage of Portfolio
DESJARDINS OVERSEAS EQUITY FUND 9.9%	
Keyence Corporation	6.2%
Nestlé SA	5.2%
Unilever	5.0%
Diageo	4.5%
L'Oréal	4.4%
DESJARDINS OVERSEAS EQUITY GROWTH FUND 9.8%	
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
DESJARDINS CANADIAN EQUITY FUND 8.0%	
Toronto-Dominion Bank	7.7%
Royal Bank of Canada	6.6%
Enbridge	4.4%
Scotiabank	4.2%
Canadian National Railway Company	3.8%
FIDELITY TRUE NORTH® FUND 8.0%	
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
FRANKLIN BISSETT CANADIAN EQUITY FUND 7.9%	
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
DESJARDINS ENHANCED BOND FUND 5.3%	
Canada Housing Trust, 2.65%, December 15, 2028	9.3%
Government of Canada, 2.25%, June 1, 2029	5.6%
Government of Canada, 2.75%, December 1, 2048	3.9%
Province of Ontario, 2.80%, June 2, 2048	3.8%
Government of Canada, 1.00%, June 1, 2027	3.4%
DESJARDINS SHORT-TERM INCOME FUND 1.9%	
Canada Housing Trust, 2.40%, December 15, 2022	12.7%
Government of Canada, 1.75%, May 1, 2021	5.3%
Government of Canada, 1.25%, February 1, 2020	4.1%
Government of Canada, 2.25%, June 1, 2029	4.0%
Toronto-Dominion Bank, 2.982%, September 30, 2025	3.0%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – MAXIMUM GROWTH (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	5,854,788	3,628,894	—	9,483,682
TOTAL	5,854,788	3,628,894	—	9,483,682

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	4,115,380	3,232,174	—	7,347,554
TOTAL	4,115,380	3,232,174	—	7,347,554

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (20%)	1.00	18,979	15,068
S&P/TSX (24%)	3.00	68,326	54,244
MSCI World Net (56%)	3.00	159,427	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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".



Responsible Investment Portfolios

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	24,961	50
Investments at fair value through profit or loss (FVTPL)	3,815,536	2,204,572
Premiums receivable	24,099	41,544
	<u>3,864,596</u>	<u>2,246,166</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	7,302	4,383
Withdrawals payable	26,271	1,152
Payable for securities purchased	24,009	18,433
	<u>57,582</u>	<u>23,968</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,807,014</u>	<u>2,222,198</u>
NET ASSETS PER UNIT		
Series 5	<u>5.31</u>	4.96
Series 6	<u>5.32</u>	4.96
Series 7	<u>5.35</u>	4.98
Series 8	<u>5.34</u>	4.98

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
INCOME		
Interest for attribution purposes	2	—
Changes in fair value:		
Net realized gain (loss) on investments	6,964	15
Net unrealized gain (loss) on investments	229,912	12,718
	<u>236,878</u>	<u>12,733</u>
EXPENSES		
Management fees and guarantee charge	34,326	2,770
Operating expenses	3,402	278
	<u>37,728</u>	<u>3,048</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>199,150</u>	<u>9,685</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	23,317	2,130
- per unit	0.33	0.07
Average Number of Units	71,570	28,891
SERIES 6		
Increase (Decrease) in Net Assets from Operations	83,355	3,335
- per unit	0.34	0.08
Average Number of Units	245,785	43,045
SERIES 7		
Increase (Decrease) in Net Assets from Operations	12,253	2,192
- per unit	0.36	0.08
Average Number of Units	34,265	28,000
SERIES 8		
Increase (Decrease) in Net Assets from Operations	80,225	2,028
- per unit	0.35	0.06
Average Number of Units	226,441	33,620

* 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 – unaudited**

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	2,222,198	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>199,150</u>	<u>9,685</u>
Premiums		
Series 5	405,345	146,404
Series 6	940,954	427,475
Series 7	69,399	140,001
Series 8	<u>500,118</u>	<u>329,376</u>
	<u>1,915,816</u>	<u>1,043,256</u>
Withdrawals		
Series 5	(35,788)	—
Series 6	(115,236)	(153,038)
Series 8	<u>(379,126)</u>	<u>(83,828)</u>
	<u>(530,150)</u>	<u>(236,866)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>3,807,014</u>	816,075

STATEMENT OF CASH FLOWS – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	199,150	9,685
Adjustments for:		
Net realized (gain) loss	(6,964)	(15)
Net unrealized (gain) loss	(229,912)	(12,718)
Proceeds from sale/maturity of investments	269,879	1,370
Investments purchased	(1,643,967)	(806,437)
Accrued expenses	2,919	1,598
Payable for securities purchased	<u>5,576</u>	<u>8,471</u>
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(1,403,319)</u>	<u>(798,046)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,933,261	1,034,785
Amounts paid on withdrawals	<u>(505,031)</u>	<u>(236,739)</u>
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>1,428,230</u>	<u>798,046</u>
Increase (decrease) in cash/ bank overdraft	24,911	—
Cash (bank overdraft), beginning of period	<u>50</u>	<u>—</u>
CASH (BANK OVERDRAFT), END OF PERIOD	<u>24,961</u>	—
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	<u>2</u>	<u>—</u>

* Beginning of operations in April 2018.

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

DFS GIF – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.2%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
SocieTerra Conservative Portfolio, I-Class	361,182	3,655,487	3,814,442
Total Investments		3,656,587	3,815,536
Other Net Assets (-0.2%)			(8,522)
Net Assets (100%)			3,807,014

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
SOCIETERRA CONSERVATIVE PORTFOLIO 100.2%	
Desjardins SocieTerra Canadian Bond Fund	64.2%
Desjardins SocieTerra Canadian Equity Fund	8.3%
Desjardins SocieTerra Environmental Bond Fund	7.1%
Desjardins SocieTerra American Equity Fund	6.8%
Desjardins SocieTerra International Equity Fund	5.0%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	3,815,536	—	—	3,815,536
TOTAL	3,815,536	—	—	3,815,536

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	2,204,572	—	—	2,204,572
TOTAL	2,204,572	—	—	2,204,572

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 June 30, 2019 and December 31, 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 – CONSERVATIVE – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Interest Rate Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (71%)	1.00	27,030	15,778
S&P/TSX (9%)	3.00	10,279	6,000
MSCI World Net (20%)	3.00	22,842	13,333

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – BALANCED – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	655
Investments at fair value through profit or loss (FVTPL)	28,545,355	24,340,604
Premiums receivable	13,702	277,338
Receivable for securities sold	5,899	—
	28,564,956	24,618,597
LIABILITIES		
Current Liabilities		
Bank overdraft	4,897	—
Accrued expenses	55,858	51,002
Withdrawals payable	25,520	31,459
Payable for securities purchased	12,655	261,395
	98,930	343,856
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	28,466,026	24,274,741
NET ASSETS PER UNIT		
Series 5	5.68	5.24
Series 6	5.70	5.26
Series 7	5.81	5.35
Series 8	5.38	4.95

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	2	(16)
Changes in fair value:		
Net realized gain (loss) on investments	(20,910)	9,555
Net unrealized gain (loss) on investments	2,439,127	522,859
	2,418,219	532,398
EXPENSES		
Management fees and guarantee charge	291,679	259,389
Operating expenses	43,834	40,109
	335,513	299,498
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	2,082,706	232,900
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	586,684	62,813
- per unit	0.43	0.05
Average Number of Units	1,361,587	1,360,471
SERIES 6		
Increase (Decrease) in Net Assets from Operations	722,137	58,787
- per unit	0.43	0.03
Average Number of Units	1,674,433	1,836,362
SERIES 7		
Increase (Decrease) in Net Assets from Operations	414,787	60,990
- per unit	0.46	0.07
Average Number of Units	900,588	922,840
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	359,098	50,310
- per unit	0.41	0.11
Average Number of Units	881,281	477,667

* Beginning of operations in April 2018.

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

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	24,274,741	22,291,567
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,082,706	232,900
Premiums		
Series 5	1,036,869	1,262,818
Series 6	1,994,303	1,535,658
Series 7	320,897	404,487
Series 8*	2,014,273	2,991,693
	5,366,342	6,194,656
Withdrawals		
Series 5	(838,373)	(1,005,298)
Series 6	(1,376,687)	(3,241,764)
Series 7	(216,597)	(49,772)
Series 8*	(826,106)	(60,575)
	(3,257,763)	(4,357,409)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	28,466,026	24,361,714

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,082,706	232,900
Adjustments for:		
Net realized (gain) loss	20,910	(9,555)
Net unrealized (gain) loss	(2,439,127)	(522,859)
Proceeds from sale/maturity of investments	1,270,028	669,114
Investments purchased	(3,056,562)	(2,226,290)
Receivable for securities sold	(5,899)	78
Accrued expenses	4,856	3,539
Payable for securities purchased	(248,740)	104,723
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(2,371,828)	(1,748,350)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	5,629,978	6,154,260
Amounts paid on withdrawals	(3,263,702)	(4,351,291)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	2,366,276	1,802,969
Increase (decrease) in cash/ bank overdraft	(5,552)	54,619
Cash (bank overdraft), beginning of period	655	5,354
CASH (BANK OVERDRAFT), END OF PERIOD	(4,897)	59,973
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	2	—
Interest paid	—	16

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,095
SocieTerra Balanced Portfolio, I-Class	2,803,679	27,400,188	28,544,260
Total Investments		27,401,288	28,545,355
Other Net Assets (-0.3%)			(79,329)
Net Assets (100%)			28,466,026

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
SOCIETERRA BALANCED PORTFOLIO 100.3%	
Desjardins SocieTerra Canadian Bond Fund	50.1%
Desjardins SocieTerra Canadian Equity Fund	13.1%
Desjardins SocieTerra American Equity Fund	10.6%
Desjardins SocieTerra International Equity Fund	7.8%
Desjardins SocieTerra Environmental Bond Fund	5.6%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – BALANCED – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	28,545,355	—	—	28,545,355
TOTAL	28,545,355	—	—	28,545,355

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	24,340,604	—	—	24,340,604
TOTAL	24,340,604	—	—	24,340,604

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (55%)	1.00	152,847	133,017
S&P/TSX (14%)	3.00	116,720	101,577
MSCI World Net (31%)	3.00	258,451	224,920

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GROWTH – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	204,944	—
Investments at fair value through profit or loss (FVTPL)	6,193,866	3,426,707
Premiums receivable	89,152	500
	<u>6,487,962</u>	<u>3,427,207</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	1
Accrued expenses	11,763	7,040
Withdrawals payable	7,495	2,700
Payable for securities purchased	291,092	250
	<u>310,350</u>	<u>9,991</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>6,177,612</u>	<u>3,417,216</u>
NET ASSETS PER UNIT		
Series 5	<u>5.30</u>	4.85
Series 6	<u>5.31</u>	4.85
Series 7	<u>5.34</u>	4.87
Series 8	<u>5.33</u>	4.87

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
INCOME		
Interest for attribution purposes	3	—
Changes in fair value:		
Net realized gain (loss) on investments	(96)	51
Net unrealized gain (loss) on investments	434,758	20,932
	<u>434,665</u>	<u>20,983</u>
EXPENSES		
Management fees and guarantee charge	54,582	4,955
Operating expenses	4,965	443
	<u>59,547</u>	<u>5,398</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>375,118</u>	<u>15,585</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	73,725	7,031
- per unit	0.38	0.08
Average Number of Units	194,526	83,409
SERIES 6		
Increase (Decrease) in Net Assets from Operations	143,398	3,815
- per unit	0.43	0.05
Average Number of Units	331,947	72,085
SERIES 7		
Increase (Decrease) in Net Assets from Operations	13,086	2,332
- per unit	0.47	0.08
Average Number of Units	28,000	28,000
SERIES 8		
Increase (Decrease) in Net Assets from Operations	144,909	2,407
- per unit	0.45	0.08
Average Number of Units	319,325	29,395

* 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 – unaudited**

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	3,417,216	—
Increase (Decrease) in Net Assets from operations attributable to contract owners	375,118	15,585
Premiums		
Series 5	1,286,970	497,103
Series 6	1,395,968	631,963
Series 7	—	140,001
Series 8	432,115	148,940
	3,115,053	1,418,007
Withdrawals		
Series 5	(471,982)	(799)
Series 6	(198,036)	(6,864)
Series 8	(59,757)	(11)
	(729,775)	(7,674)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	6,177,612	1,425,918

STATEMENT OF CASH FLOWS – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	375,118	15,585
Adjustments for:		
Net realized (gain) loss	96	(51)
Net unrealized (gain) loss	(434,758)	(20,932)
Proceeds from sale/maturity of investments	72,503	3,357
Investments purchased	(2,405,000)	(1,381,702)
Accrued expenses	4,723	2,956
Payable for securities purchased	290,842	6,317
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(2,096,476)	(1,374,470)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,026,401	1,387,689
Amounts paid on withdrawals	(724,980)	(6,906)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	2,301,421	1,380,783
Increase (decrease) in cash/ bank overdraft	204,945	6,313
Cash (bank overdraft), beginning of period	(1)	—
CASH (BANK OVERDRAFT), END OF PERIOD	204,944	6,313
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	3	—

* Beginning of operations in April 2018.

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

DFS GIF – GROWTH – DESJARDINS SOCIETERRA (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
SocieTerra Growth Portfolio, I-Class	601,883	6,026,175	6,192,772
Total Investments		6,027,275	6,193,866
Other Net Assets (-0.3%)			(16,254)
Net Assets (100%)			6,177,612

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
SOCIETERRA GROWTH PORTFOLIO 100.3%	
Desjardins SocieTerra Canadian Bond Fund	36.4%
Desjardins SocieTerra Canadian Equity Fund	17.5%
Desjardins SocieTerra American Equity Fund	14.2%
Desjardins SocieTerra International Equity Fund	10.4%
Desjardins SocieTerra Emerging Markets Equity Fund	5.4%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	6,193,866	—	—	6,193,866
TOTAL	6,193,866	—	—	6,193,866

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	3,426,707	—	—	3,426,707
TOTAL	3,426,707	—	—	3,426,707

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	24,710	13,669
S&P/TSX (18%)	3.00	33,359	18,453
MSCI World Net (42%)	3.00	77,838	43,057

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – MAXIMUM GROWTH – DESJARDINS SOCIETERRA

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	2,445	—
Investments at fair value through profit or loss (FVTPL)	1,900,661	1,090,547
Premiums receivable	—	116,391
Receivable for securities sold	—	16,154
	<u>1,903,106</u>	<u>1,223,092</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	4,242	2,562
Withdrawals payable	321	132,741
Payable for securities purchased	1,442	50
	<u>6,005</u>	<u>135,353</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,897,101</u>	<u>1,087,739</u>
NET ASSETS PER UNIT		
Series 5	<u>5.34</u>	4.83
Series 6	<u>5.35</u>	4.83
Series 7	<u>5.38</u>	4.85
Series 8	<u>5.37</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
INCOME		
Interest for attribution purposes	1	—
Changes in fair value:		
Net realized gain (loss) on investments	(806)	29
Net unrealized gain (loss) on investments	<u>168,860</u>	<u>15,226</u>
	<u>168,055</u>	<u>15,255</u>
EXPENSES		
Management fees and guarantee charge	21,062	2,821
Operating expenses	1,776	247
	<u>22,838</u>	<u>3,068</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>145,217</u>	<u>12,187</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	19,494	3,132
- per unit	0.51	0.10
Average Number of Units	<u>37,919</u>	<u>32,117</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	83,997	2,970
- per unit	0.45	0.10
Average Number of Units	<u>185,813</u>	<u>29,072</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	15,028	3,029
- per unit	0.54	0.11
Average Number of Units	<u>28,000</u>	<u>28,000</u>
SERIES 8		
Increase (Decrease) in Net Assets from Operations	26,698	3,056
- per unit	0.53	0.11
Average Number of Units	<u>50,461</u>	<u>28,667</u>

* Beginning of operations in April 2018.

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

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>1,087,739</u>	<u>—</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>145,217</u>	<u>12,187</u>
Premiums		
Series 5	25,415	171,937
Series 6	682,827	150,003
Series 7	—	140,001
Series 8	26,665	143,334
	<u>734,907</u>	<u>605,275</u>
Withdrawals		
Series 5	(73)	—
Series 6	(41,420)	(4)
Series 8	(29,269)	—
	<u>(70,762)</u>	<u>(4)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>1,897,101</u>	<u>617,458</u>

STATEMENT OF CASH FLOWS – unaudited

Periods ended June 30

	2019 (6 months) \$	2018* (3 months) \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	145,217	12,187
Adjustments for:		
Net realized (gain) loss	806	(29)
Net unrealized (gain) loss	(168,860)	(15,226)
Proceeds from sale/maturity of investments	59,736	1,586
Investments purchased	(701,796)	(605,275)
Receivable for securities sold	16,154	—
Accrued expenses	1,680	1,483
Payable for securities purchased	1,392	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(645,671)</u>	<u>(605,274)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	851,298	605,275
Amounts paid on withdrawals	(203,182)	(1)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>648,116</u>	<u>605,274</u>
Increase (decrease) in cash/ bank overdraft	2,445	—
Cash (bank overdraft), beginning of period	—	—
CASH (BANK OVERDRAFT), END OF PERIOD	<u>2,445</u>	<u>—</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1	—

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.2%)			
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
SocieTerra Maximum Growth Portfolio, I-Class	186,378	1,843,583	1,899,567
Total Investments		1,844,683	1,900,661
Other Net Assets (-0.2%)			(3,560)
Net Assets (100%)			1,897,101

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
SOCIETERRA MAXIMUM GROWTH PORTFOLIO 100.1%	
Desjardins SocieTerra Canadian Equity Fund	23.4%
Desjardins SocieTerra American Equity Fund	19.1%
Desjardins SocieTerra Canadian Bond Fund	18.2%
Desjardins SocieTerra International Equity Fund	14.0%
Desjardins SocieTerra Emerging Markets Equity Fund	7.2%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.1%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – MAXIMUM GROWTH – DESJARDINS SOCIETERRA (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	1,900,661	—	—	1,900,661
TOTAL	1,900,661	—	—	1,900,661

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	1,090,547	—	—	1,090,547
TOTAL	1,090,547	—	—	1,090,547

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 June 30, 2019 and December 31, 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).

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Interest Rate Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (20%)	1.00	3,794	2,175
S&P/TSX (24%)	3.00	13,659	7,832
MSCI World Net (56%)	3.00	31,871	18,274

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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".

Individual Funds

DFS GUARANTEED INVESTMENT FUNDS

DFS GIF – MONEY MARKET

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	18,494	121,922
Investments at fair value through profit or loss (FVTPL)	31,021,802	32,017,137
Premiums receivable	66,677	363,411
Interest, dividends and other receivables	94	—
	<u>31,107,067</u>	<u>32,502,470</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	29,505	31,471
Withdrawals payable	131,981	204,967
	<u>161,486</u>	<u>236,438</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>30,945,581</u>	<u>32,266,032</u>
NET ASSETS PER UNIT		
Series 1	<u>6.57</u>	6.55
Series 3	<u>6.58</u>	6.57
Series 5	<u>6.84</u>	6.81
Series 6	<u>5.09</u>	5.06
Series 7	<u>5.24</u>	5.20
Series 8	<u>5.07</u>	5.03
Series IGP	<u>9.92</u>	9.89

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	208	—
Distributions from underlying funds	321,533	282,002
Changes in fair value:		
Net realized gain (loss) on investments	98,364	136,403
Net unrealized gain (loss) on investments	(87,337)	(167,988)
	<u>332,768</u>	<u>250,417</u>
EXPENSES		
Management fees and guarantee charge	130,872	138,262
Operating expenses	60,117	63,054
	<u>190,989</u>	<u>201,316</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>141,779</u>	<u>49,101</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	671	(304)
- per unit	0.01	—
Average Number of Units	47,783	63,402
SERIES 3		
Increase (Decrease) in Net Assets from Operations	4,133	(1,429)
- per unit	0.01	—
Average Number of Units	313,089	297,936
SERIES 5		
Increase (Decrease) in Net Assets from Operations	49,047	14,072
- per unit	0.03	0.01
Average Number of Units	1,910,184	2,130,873
SERIES 6		
Increase (Decrease) in Net Assets from Operations	49,040	25,492
- per unit	0.03	0.01
Average Number of Units	1,927,708	2,287,163
SERIES 7		
Increase (Decrease) in Net Assets from Operations	8,757	8,055
- per unit	0.04	0.03
Average Number of Units	213,881	320,456
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	27,075	3,707
- per unit	0.03	0.01
Average Number of Units	813,371	440,784
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	3,056	(492)
- per unit	0.02	—
Average Number of Units	126,712	134,629

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	32,266,032	33,515,393
Increase (Decrease) in Net Assets from operations attributable to contract owners	141,779	49,101
Premiums		
Series 1	600	2,554
Series 3	499,819	499,032
Series 5	4,162,658	3,340,302
Series 6	3,543,160	3,465,664
Series 7	205,000	1,176,902
Series 8*	3,800,298	2,919,093
Series IGP	5,774	2,924
	12,217,309	11,406,471
Withdrawals		
Series 1	(67,180)	(39,300)
Series 3	(156,122)	(216,510)
Series 5	(5,347,989)	(4,575,462)
Series 6	(4,109,455)	(6,035,387)
Series 7	(1,019,872)	(1,714,492)
Series 8*	(2,874,653)	(376,338)
Series IGP	(104,268)	(37,858)
	(13,679,539)	(12,995,347)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	30,945,581	31,975,618

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	141,779	49,101
Adjustments for:		
Net realized (gain) loss	(98,364)	(136,403)
Net unrealized (gain) loss	87,337	167,988
Non-cash distribution from investments	(321,533)	(282,002)
Proceeds from sale/maturity of investments	8,321,682	7,385,897
Investments purchased	(6,993,787)	(5,894,451)
Interest, dividends and other receivables	(94)	—
Accrued expenses	(1,966)	(1,835)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,135,054	1,288,295
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	12,514,043	11,634,367
Amounts paid on withdrawals	(13,752,525)	(12,930,599)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,238,482)	(1,296,232)
Increase (decrease) in cash/ bank overdraft	(103,428)	(7,937)
Cash (bank overdraft), beginning of period	121,922	31,243
CASH (BANK OVERDRAFT), END OF PERIOD	18,494	23,306
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	114	—

* Beginning of operations in April 2018.

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

DFS GIF – MONEY MARKET (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.2%)			
DGIA Money Market Fund	3,243,544	30,718,230	31,021,802
Total Investments		30,718,230	31,021,802
Other Net Assets (-0.2%)			(76,221)
Net Assets (100%)			30,945,581

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Government of Canada, 1.25%, February 1, 2020	11.0%
TMX Group, Notes, July 8, 2019	5.9%
Canadian Imperial Bank of Commerce, Floating Rate, December 8, 2020	5.4%
Greater Toronto Airports Authority, Notes, July 8, 2019	4.3%
Toyota Credit Canada, 1.80%, February 19, 2020	4.3%
Altalink, Notes, July 29, 2019	4.0%
National Bank of Canada, Floating Rate, June 12, 2020	3.8%
Daimler Canada Finance, Floating Rate, February 24, 2020	3.8%
Daimler Canada Finance, 1.57%, May 25, 2020	3.7%
Toyota Credit Canada, Floating Rate, July 24, 2020	3.4%
Toronto-Dominion Bank, Notes, December 27, 2019	3.4%
Altalink, Notes, July 15, 2019	2.8%
OMERS Realty, 3.203%, July 24, 2020	2.7%
Canadian Imperial Bank of Commerce, Floating Rate, February 7, 2020	2.7%
Royal Bank of Canada, Notes, May 6, 2020	2.5%
Royal Bank of Canada, Notes, April 28, 2020	2.4%
Wells Fargo Financial Canada Corporation, 2.944%, July 25, 2019	2.1%
Daimler Canada Finance, Floating Rate, July 8, 2019	1.9%
Toronto-Dominion Bank, Notes, December 18, 2019	1.8%
Bank of Montreal, Notes, May 22, 2020	1.7%
Royal Bank of Canada, Floating Rate, November 5, 2019	1.6%
Greater Toronto Airports Authority, Notes, July 9, 2019	1.6%
Manitoba Treasury Bills, September 11, 2019	1.6%
Honda Canada Finance, Notes, October 31, 2019	1.5%
Honda Canada Finance, Notes, July 29, 2019	1.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	31,021,802	—	31,021,802
TOTAL	—	31,021,802	—	31,021,802

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	32,017,137	—	32,017,137
TOTAL	—	32,017,137	—	32,017,137

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – MONEY MARKET (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills	0.25	51,611	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – INCOME – FIERA CAPITAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	265,885	—
Investments at fair value through profit or loss (FVTPL)	56,544,539	51,475,734
Investments at fair value through profit or loss (FVTPL) pledged as collateral	16,778,445	17,570,073
Premiums receivable	22,408	125,568
Cash guarantee received for repurchase transactions	14,545,044	16,498,533
Interest, dividends and other receivables	242,390	233,932
	88,398,711	85,903,840
LIABILITIES		
Current Liabilities		
Bank overdraft	—	24,852
Accrued expenses	111,020	114,256
Withdrawals payable	189,332	234,326
Commitments related to repurchase transactions	14,545,044	16,498,533
	14,845,396	16,871,967
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	73,553,315	69,031,873
NET ASSETS PER UNIT		
Series 1	10.33	9.88
Series 3	11.02	10.52
Series 5	11.85	11.28
Series 6	5.62	5.35
Series 7	5.78	5.48
Series 8	5.35	5.08

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	778,280	817,008
Distributions from underlying funds	252,768	261,328
Revenue from securities lending activities	12,129	12,692
Changes in fair value:		
Net realized gain (loss) on investments	1,105,636	753,849
Net unrealized gain (loss) on investments	2,047,028	(1,230,802)
	4,195,841	614,075
EXPENSES		
Management fees and guarantee charge	477,896	540,588
Operating expenses	216,363	249,053
	694,259	789,641
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	3,501,582	(175,566)
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	44,071	(9,373)
- per unit	0.44	(0.08)
Average Number of Units	99,199	122,342
SERIES 3		
Increase (Decrease) in Net Assets from Operations	285,862	(40,006)
- per unit	0.50	(0.06)
Average Number of Units	577,254	676,236
SERIES 5		
Increase (Decrease) in Net Assets from Operations	2,524,896	(139,641)
- per unit	0.57	(0.03)
Average Number of Units	4,444,975	5,279,219
SERIES 6		
Increase (Decrease) in Net Assets from Operations	402,756	(36,872)
- per unit	0.28	(0.02)
Average Number of Units	1,458,634	1,668,427
SERIES 7		
Increase (Decrease) in Net Assets from Operations	115,879	20,817
- per unit	0.30	0.04
Average Number of Units	388,116	469,909
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	128,118	29,509
- per unit	0.28	0.08
Average Number of Units	462,248	383,560

* Beginning of operations in April 2018.

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

DFS GIF – INCOME – FIERA CAPITAL (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	69,031,873	84,086,303
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,501,582	(175,566)
Premiums		
Series 1	40,195	2,617
Series 3	93,601	92,754
Series 5	4,433,114	2,131,947
Series 6	1,841,512	1,319,438
Series 7	2,007,809	1,383,764
Series 8*	852,356	2,444,174
	9,268,587	7,374,694
Withdrawals		
Series 1	(119,683)	(140,338)
Series 3	(573,359)	(815,256)
Series 5	(6,322,379)	(9,389,334)
Series 6	(607,407)	(3,652,163)
Series 7	(502,073)	(437,634)
Series 8*	(123,826)	(849,279)
	(8,248,727)	(15,284,004)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	73,553,315	76,001,427

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,501,582	(175,566)
Adjustments for:		
Net realized (gain) loss	(1,105,636)	(753,849)
Net unrealized (gain) loss	(2,047,028)	1,230,802
Non-cash distribution from investments	(252,768)	(261,328)
Proceeds from sale/maturity of investments	72,521,371	73,559,958
Investments purchased	(73,393,068)	(65,857,173)
Receivable for securities sold	—	(364,786)
Cash guarantee received for repurchase transactions	1,953,489	(13,387,293)
Interest, dividends and other receivables	(8,458)	154,182
Accrued expenses	(3,236)	(14,752)
Commitments related to repurchase transactions	(1,953,489)	13,387,293
Payable for securities purchased	—	376,000
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(787,241)	7,893,488
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	9,371,747	7,226,262
Amounts paid on withdrawals	(8,293,721)	(15,107,640)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	1,078,026	(7,881,378)
Effect of exchange rate changes on foreign cash	(48)	48
Increase (decrease) in cash/bank overdraft	290,737	12,158
Cash (bank overdraft), beginning of period	(24,852)	(9,766)
CASH (BANK OVERDRAFT), END OF PERIOD	265,885	2,392
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	769,838	969,667
Interest paid	16	8

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
BONDS (72.1%)				
Canadian Bonds (72.0%)				
Government of Canada (17.8%)				
Canada Housing Trust				
1.200%, 2020-06-15	CAD	12,000	11,930	11,940
floating rate, 2021-09-15	CAD	1,059,000	1,067,733	1,066,811
Export Development Canada				
1.800%, 2022-09-01	CAD	175,000	174,758	175,970
Government of Canada				
2.750%, 2022-06-01	CAD	3,701,000	3,788,686	3,839,453
1.500%, 2023-06-01	CAD	88,000	88,062	88,309
2.250%, 2024-03-01*	CAD	30,000	30,930	31,156
2.500%, 2024-06-01*	CAD	294,000	308,641	309,429
2.000%, 2028-06-01*	CAD	390,000	406,708	407,713
2.250%, 2029-06-01*	CAD	2,045,000	2,201,011	2,192,796
Series WL43, 5.750%, 2029-06-01*	CAD	1,157,000	1,569,094	1,608,532
5.000%, 2037-06-01	CAD	233,000	353,624	353,863
4.000%, 2041-06-01*	CAD	310,000	421,430	440,662
2.750%, 2048-12-01*	CAD	863,000	1,003,453	1,075,798
PSP Capital				
Series 7, 3.290%, 2024-04-04	CAD	345,000	330,135	367,965
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	880,527	798,577	1,097,364
			12,554,772	13,067,761
Provincial Governments and Crown Corporations (38.1%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	362,000	362,000	406,348
Hydro-Québec				
stripped, 2029-02-15	CAD	29,000	21,857	23,288
stripped, 2029-08-15	CAD	29,000	21,499	22,943
stripped, 2030-02-15	CAD	28,000	20,454	21,852
stripped, 2030-08-15	CAD	27,000	19,234	20,782
stripped, 2031-02-15	CAD	27,000	19,064	20,475
stripped, 2031-08-15	CAD	26,000	17,919	19,416
stripped, 2032-02-15	CAD	26,000	17,798	19,135
stripped, 2032-08-15	CAD	26,000	17,310	18,867
Infrastructure Ontario				
4.700%, 2037-06-01	CAD	80,000	71,858	102,947
Ontario School Boards Financing				
Private Placement, Series 06A1, 5.070%, 2031-04-18	CAD	442,792	397,239	509,477
Ornge Issuer Trust				
5.727%, 2034-06-11	CAD	197,589	180,915	234,160
Province of Alberta				
2.900%, 2028-12-01	CAD	715,000	741,334	758,662
3.300%, 2046-12-01	CAD	29,000	30,458	33,290
3.050%, 2048-12-01	CAD	185,000	183,500	204,671
Province of Manitoba				
3.000%, 2028-06-02*	CAD	190,000	191,858	202,405
3.400%, 2048-09-05	CAD	305,000	309,103	354,114

DFS GIF – INCOME – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
Provincial Governments and Crown Corporations (cont.)				
Province of New Brunswick				
3.100%, 2048-08-14	CAD	102,000	103,086	110,161
3.050%, 2050-08-14	CAD	100,000	99,477	107,590
Province of Newfoundland and Labrador				
3.700%, 2048-10-17	CAD	260,000	278,603	306,279
Province of Ontario				
4.200%, 2020-06-02*	CAD	562,000	578,238	574,429
2.600%, 2027-06-02*	CAD	6,900,000	6,696,124	7,166,563
2.900%, 2028-06-02	CAD	3,251,000	3,404,552	3,455,353
6.500%, 2029-03-08	CAD	1,838,000	2,501,336	2,526,108
5.600%, 2035-06-02*	CAD	215,000	280,661	305,707
4.600%, 2039-06-02	CAD	340,000	435,452	452,956
3.450%, 2045-06-02*	CAD	1,797,000	1,948,144	2,120,179
2.900%, 2046-12-02*	CAD	94,000	90,592	101,417
2.800%, 2048-06-02*	CAD	240,000	253,265	255,387
Province of Québec				
4.250%, 2021-12-01	CAD	4,190,000	4,447,209	4,445,950
3.500%, 2045-12-01*	CAD	810,000	834,487	971,456
3.500%, 2048-12-01*	CAD	8,000	8,719	9,741
Province of Saskatchewan				
3.900%, 2045-06-02	CAD	271,000	320,631	340,251
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	287,000	238,639	368,277
Series B, 5.395%, 2040-02-22	CAD	884,000	879,524	1,227,786
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	178,000	178,000	196,226
			26,200,139	28,014,648
Corporations (16.1%)				
Bank of Montreal				
2.850%, 2024-03-06	CAD	480,000	479,890	490,510
2.700%, 2024-09-11	CAD	587,000	586,924	605,160
Bell Canada				
4.450%, 2047-02-27	CAD	370,000	387,133	407,234
Blackbird Infrastructure 407 General Partners				
Series B, 1.713%, (floating rate from 2020-01-08), 2021-10-08	CAD	229,000	227,216	228,405
Canadian Tire Corporation				
3.167%, 2023-07-06	CAD	288,000	288,000	296,418
CU				
4.543%, 2041-10-24	CAD	187,000	208,646	230,891
4.085%, 2044-09-02	CAD	91,000	93,197	106,905
3.964%, 2045-07-27	CAD	131,000	135,818	151,733
3.763%, 2046-11-19	CAD	129,000	130,004	145,338
Daimler Canada Finance				
3.050%, 2022-05-16	CAD	357,000	356,946	364,203
Enbridge				
3.200%, 2027-06-08	CAD	140,000	131,744	143,521
3.520%, 2029-02-22	CAD	263,000	262,890	279,916
4.570%, 2044-03-11	CAD	8,000	7,419	8,759

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
Corporations (cont.)				
Great-West Lifeco				
3.337%, 2028-02-28	CAD	444,000	444,000	476,298
5.998%, 2039-11-16	CAD	103,000	136,278	146,579
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	801,000	921,194	1,084,990
Hydro One				
3.630%, 2049-06-25	CAD	160,000	159,501	174,512
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	190,325	175,915	247,902
Laurentian Bank of Canada				
2.750%, 2021-04-22	CAD	115,000	114,755	115,842
Manulife Bank of Canada				
2.844%, 2023-01-12	CAD	57,000	57,000	58,322
Melancthon Wolfe Wind				
3.834%, 2028-12-31	CAD	171,707	171,727	176,835
North Battleford Power				
Series A, 4.958%, 2032-12-31	CAD	217,618	207,441	246,684
North West Redwater Partnership				
3.200%, 2026-04-24	CAD	64,000	63,864	66,557
Series F, 4.250%, 2029-06-01	CAD	203,000	202,436	226,912
Pembina Pipeline				
3.620%, 2029-04-03	CAD	298,000	297,902	309,561
4.810%, 2044-03-25	CAD	19,000	19,463	20,962
4.740%, 2047-01-21	CAD	30,000	31,214	32,913
Series 11, 4.750%, 2048-03-26	CAD	51,000	52,617	56,215
Royal Bank of Canada				
2.990%, (floating rate from 2019-12-06), 2024-12-06	CAD	400,000	401,400	401,442
Scotiabank				
2.290%, 2024-06-28	CAD	94,000	90,585	94,943
3.367%, (floating rate from 2020-12-08), 2025-12-08	CAD	120,000	120,707	121,898
SGTP Highway Bypass				
Series A, 4.105%, 2045-01-31	CAD	435,000	435,000	478,226
Sinai Health System				
Series A, 3.527%, 2056-06-09	CAD	151,000	151,000	166,040
TELUS				
Series CY, 3.300%, 2029-05-02	CAD	342,000	339,178	350,428
Teranet Income Fund				
5.754%, 2040-12-17	CAD	567,000	550,310	617,146
6.100%, 2041-06-17	CAD	743,000	719,970	844,648
Toronto-Dominion Bank				
2.850%, 2024-03-08	CAD	593,000	595,698	606,927
3.226%, 2024-07-24	CAD	150,000	158,328	158,485
TransCanada PipeLines				
Series 17-A, 4.650%, (floating rate from 2027-05-18), 2077-05-18	CAD	622,000	621,712	593,692
TransLink				
3.150%, 2048-11-16	CAD	507,000	506,204	550,222
			11,041,226	11,884,174
Total Canadian Bonds			49,796,137	52,966,583

DFS GIF – INCOME – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
U.S. Bonds (0.1%)				
Corporations				
Wells Fargo & Company				
2.509%, 2023-10-27*	CAD	50,000	48,221	50,012
TOTAL BONDS			49,844,358	53,016,595
		Number of Units		
INVESTMENT FUNDS (27.6%)				
Fiera Active Short Term Canadian Municipal Bond				
		2,002,760	20,004,697	20,306,389
Total Investments (99.7%)			69,849,055	73,322,984
Other Net Assets (0.3%)				230,331
Net Assets (100%)				73,553,315

* 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 FIVE HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
FIERA ACTIVE SHORT TERM CANADIAN MUNICIPAL BOND FUND 27.6%	
Province of Québec, 3.50%, December 1, 2022	2.7%
City of Magog, 2.00%, September 2, 2020	1.8%
Province of Québec, 3.75%, September 1, 2024	1.5%
Société de transport de Laval, 2.30%, November 15, 2022	1.4%
City of Belœil, 2.00%, September 8, 2020	1.1%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Bonds	39,736,198	13,280,397	—	53,016,595
Investment Funds	—	20,306,389	—	20,306,389
TOTAL	39,736,198	33,586,786	—	73,322,984

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
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 periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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 June 30, 2019 and December 31, 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.

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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
	\$	\$	\$	\$	\$	\$
June 30, 2019	2,548,912	11,457,307	21,728,785	17,547,476	53,282,480	1,284,421
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:

June 30, 2019		December 31, 2018	
Market Segment	%	Market Segment	%
Canadian Bonds		Canadian Bonds	
Government of Canada	17.8	Provincial Governments and Crown Corporations	30.3
Provincial Governments and Crown Corporations	38.1	Government of Canada	21.7
Corporations	16.1	Corporations	16.6
U.S. Bonds	0.1	U.S. Bonds	0.1
Income Investment Funds	27.6	Income Investment Funds	31.2
Other Net Assets	0.3	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	
		June 30, 2019	December 31, 2018
	%	\$	\$
FTSE Canada Universe Bond	1.00	719,307	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.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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	
	June 30, 2019	December 31, 2018
	%	%
AAA	24	32
AA	52	44
A	13	12
BBB	11	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:

	\$
June 30, 2019	14,479,654
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:

	\$
June 30, 2019	3,433,323
December 31, 2018	3,005,361

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

	\$
June 30, 2019	35,520
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".

DFS GIF – INCOME – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

	June 30, 2019	December 31, 2018
	\$	\$
Investments at FVTPL pledged as collateral	16,778,445	17,570,073
Value of Collateral received	17,114,014	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.

	June 30, 2019	December 31, 2018
	Fair Value*	Fair Value*
	\$	\$
Financial assets	14,479,654	16,489,369
Related liabilities	14,509,495	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.

	June 30, 2019		June 30, 2018	
	\$	%	\$	%
Total Income	20,215	100	21,153	100
Net Income received by the Fund	12,129	60	12,692	60
Net Income received by Desjardins Trust	8,086	40	8,461	40

DFS GIF – CANADIAN BOND

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	12,386
Investments at fair value through profit or loss (FVTPL)	28,710,106	30,579,320
Premiums receivable	1,349	34,451
Receivable for securities sold	46,150	5,597
	<u>28,757,605</u>	<u>30,631,754</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	32,444	—
Accrued expenses	41,367	47,131
Withdrawals payable	85,209	102,964
	<u>159,020</u>	<u>150,095</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>28,598,585</u>	<u>30,481,659</u>
NET ASSETS PER UNIT		
Series 5	<u>5.32</u>	5.05
Series 6	<u>5.36</u>	5.08
Series 7	<u>5.47</u>	5.16
Series 8	<u>5.37</u>	5.08

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Distributions from underlying funds	349,298	490,150
Changes in fair value:		
Net realized gain (loss) on investments	(8,689)	(97,817)
Net unrealized gain (loss) on investments	1,480,600	(239,680)
	<u>1,821,209</u>	<u>152,653</u>
EXPENSES		
Management fees and guarantee charge	184,462	223,272
Operating expenses	83,801	103,107
	<u>268,263</u>	<u>326,379</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,552,946</u>	<u>(173,726)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,197,884	(150,216)
- per unit	0.27	(0.03)
Average Number of Units	4,364,819	5,555,496
SERIES 6		
Increase (Decrease) in Net Assets from Operations	271,801	(39,636)
- per unit	0.28	(0.03)
Average Number of Units	962,296	1,226,193
SERIES 7		
Increase (Decrease) in Net Assets from Operations	19,301	(204)
- per unit	0.30	—
Average Number of Units	63,935	67,918
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	63,960	16,330
- per unit	0.29	0.08
Average Number of Units	220,072	204,202

* Beginning of operations in April 2018.

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

DFS GIF – CANADIAN BOND (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>30,481,659</u>	<u>37,160,277</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>1,552,946</u>	<u>(173,726)</u>
Premiums		
Series 5	466,213	584,411
Series 6	296,525	981,576
Series 7	—	7,521
Series 8*	35,486	1,145,561
	<u>798,224</u>	<u>2,719,069</u>
Withdrawals		
Series 5	(3,613,093)	(4,284,792)
Series 6	(532,354)	(2,133,281)
Series 7	(32,096)	(16,698)
Series 8*	(56,701)	(11,309)
	<u>(4,234,244)</u>	<u>(6,446,080)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>28,598,585</u>	<u>33,259,540</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,552,946	(173,726)
Adjustments for:		
Net realized (gain) loss	8,689	97,817
Net unrealized (gain) loss	(1,480,600)	239,680
Non-cash distribution from investments	(349,298)	(490,150)
Proceeds from sale/maturity of investments	3,916,012	4,567,344
Investments purchased	(225,589)	(519,523)
Receivable for securities sold	(40,553)	(142,085)
Accrued expenses	(5,764)	(6,869)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>3,375,843</u>	<u>3,572,488</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	831,326	2,703,558
Amounts paid on withdrawals	(4,251,999)	(6,421,563)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(3,420,673)</u>	<u>(3,718,005)</u>
Increase (decrease) in cash/ bank overdraft	(44,830)	(145,517)
Cash (bank overdraft), beginning of period	12,386	8,662
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(32,444)</u>	<u>(136,855)</u>

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
DGIA Canadian Bond Fund	2,750,060	27,960,132	28,710,106
Total Investments		27,960,132	28,710,106
Other Net Assets (-0.4%)			(111,521)
Net Assets (100%)			28,598,585

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Canada Housing Trust, 1.15%, December 15, 2021	9.4%
Canada Housing Trust, 2.40%, December 15, 2022	5.7%
Canada Housing Trust, 2.90%, June 15, 2024	4.0%
Province of Ontario, 2.60%, June 2, 2025	3.6%
Government of Canada, 2.25%, June 1, 2029	2.9%
Government of Canada, 1.00%, June 1, 2027	2.7%
Government of Canada, 4.00%, June 1, 2041	2.5%
Royal Bank of Canada, 1.65%, July 15, 2021	2.3%
Scotiabank, 1.90%, December 2, 2021	1.9%
Province of Ontario, 2.80%, June 2, 2048	1.9%
Royal Bank of Canada, 1.92%, July 17, 2020	1.8%
Province of Ontario, 4.65%, June 2, 2041	1.7%
Government of Canada, 2.00%, December 1, 2051	1.6%
Toronto-Dominion Bank, 1.994%, March 23, 2022	1.6%
Government of Canada, 5.00%, June 1, 2037	1.5%
Financement-Québec, 5.25%, June 1, 2034	1.3%
NHA First National Financial, 2.39%, May 1, 2023	1.3%
Province of Québec, 3.50%, December 1, 2045	1.2%
Province of Québec, 3.75%, September 1, 2024	1.1%
Bank of Montreal, 1.61%, October 28, 2021	1.1%
Royal Bank of Canada, 2.352%, July 2, 2024	1.1%
Province of Ontario, 2.90%, June 2, 2049	1.1%
Province of Québec, 3.50%, December 1, 2048	1.1%
Ontario Pension Board, 2.98%, January 25, 2027	1.0%
Royal Bank of Canada, 1.583%, September 13, 2021	1.0%

DFS GIF – CANADIAN BOND (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	28,710,106	—	28,710,106
TOTAL	—	28,710,106	—	28,710,106
December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	30,579,320	—	30,579,320
TOTAL	—	30,579,320	—	30,579,320

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond	1.00	281,979	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – DIVERSIFIED INCOME – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	154,573,280	157,402,700
Premiums receivable	8,694	150,424
Receivable for securities sold	257,183	221,079
	<u>154,839,157</u>	<u>157,774,203</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	240,464	184,987
Accrued expenses	338,861	370,585
Withdrawals payable	335,950	360,983
	<u>915,275</u>	<u>916,555</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>153,923,882</u>	<u>156,857,648</u>
NET ASSETS PER UNIT		
Series 3	<u>7.60</u>	<u>7.17</u>
Series 5	<u>7.80</u>	<u>7.35</u>
Series 6	<u>5.56</u>	<u>5.24</u>
Series 7	<u>5.72</u>	<u>5.37</u>
Series 8	<u>5.22</u>	<u>4.91</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(2)	(127)
Changes in fair value:		
Net realized gain (loss) on investments	2,295,023	2,549,267
Net unrealized gain (loss) on investments	9,240,359	(1,666,719)
	<u>11,535,380</u>	<u>882,421</u>
EXPENSES		
Management fees and guarantee charge	1,802,389	2,068,721
Operating expenses	397,123	460,450
	<u>2,199,512</u>	<u>2,529,171</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,335,868</u>	<u>(1,646,750)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	252,941	(52,861)
- per unit	0.43	(0.08)
Average Number of Units	582,636	655,269
SERIES 5		
Increase (Decrease) in Net Assets from Operations	6,847,752	(1,292,017)
- per unit	0.45	(0.07)
Average Number of Units	15,115,185	17,753,475
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,259,113	(331,314)
- per unit	0.33	(0.06)
Average Number of Units	3,865,380	5,336,676
SERIES 7		
Increase (Decrease) in Net Assets from Operations	333,274	(31,447)
- per unit	0.35	(0.03)
Average Number of Units	949,362	1,070,923
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	642,788	60,889
- per unit	0.31	0.04
Average Number of Units	2,070,226	1,722,250

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	156,857,648	185,494,569
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,335,868	(1,646,750)
Premiums		
Series 3	46,874	115,618
Series 5	4,942,024	6,097,984
Series 6	1,305,284	2,966,648
Series 7	—	357,189
Series 8*	1,026,447	10,089,561
	7,320,629	19,627,000
Withdrawals		
Series 3	(559,037)	(473,472)
Series 5	(15,435,899)	(17,921,427)
Series 6	(2,577,817)	(13,121,567)
Series 7	(370,483)	(730,320)
Series 8*	(647,027)	(649,280)
	(19,590,263)	(32,896,066)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	153,923,882	170,578,753

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,335,868	(1,646,750)
Adjustments for:		
Net realized (gain) loss	(2,295,023)	(2,549,267)
Net unrealized (gain) loss	(9,240,359)	1,666,719
Proceeds from sale/maturity of investments	15,216,202	16,722,434
Investments purchased	(851,400)	(921,910)
Receivable for securities sold	(36,104)	(123,882)
Accrued expenses	(31,724)	(37,823)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	12,097,460	13,109,521
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,462,359	19,513,193
Amounts paid on withdrawals	(19,615,296)	(32,676,065)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(12,152,937)	(13,162,872)
Increase (decrease) in cash/ bank overdraft	(55,477)	(53,351)
Cash (bank overdraft), beginning of period	(184,987)	(7,836)
CASH (BANK OVERDRAFT), END OF PERIOD	(240,464)	(61,187)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	2	127

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
Franklin Quotential Diversified Income Portfolio	19,815,309	127,146,749	154,573,280
Total Investments		127,146,749	154,573,280
Other Net Assets (-0.4%)			(649,398)
Net Assets (100%)			153,923,882

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Canadian Government Bond Fund	28.1%
Franklin Bissett Core Plus Bond Fund	22.6%
Franklin Bissett Short Duration Bond Fund	9.3%
Franklin Liberty Global Aggregate Bond ETF	8.8%
Templeton Global Bond Fund	6.1%
Franklin Strategic Income Fund	3.9%
Franklin International Core Equity Fund	2.8%
Cash and Cash Equivalents	2.8%
Franklin U.S. Core Equity Fund	2.7%
Franklin Bissett Canadian Equity Fund	2.6%
Franklin Canadian Core Equity Fund	2.0%
Franklin FTSE Canada All Cap Index ETF	2.0%
Franklin Select U.S. Equity Fund	1.9%
Templeton Emerging Markets Fund	1.7%
Franklin FTSE U.S. Index ETF	1.4%
Franklin U.S. Rising Dividends Fund	1.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	154,573,280	—	—	154,573,280
TOTAL	154,573,280	—	—	154,573,280

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	157,402,700	—	—	157,402,700
TOTAL	157,402,700	—	—	157,402,700

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (55%)	1.00	783,225	832,953
Bloomberg Barclays Multiverse Bond (25%)	1.00	356,011	378,615
S&P/TSX (7%)	3.00	299,050	681,507
MSCI All Country World Net (13%)	3.00	555,378	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	267,207	28,638
Investments at fair value through profit or loss (FVTPL)	217,210,247	215,105,892
Premiums receivable	263,961	2,884
Receivable for securities sold	114,010	149,866
	<u>217,855,425</u>	<u>215,287,280</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	487,378	519,594
Withdrawals payable	750,022	339,424
Payable for securities purchased	191,964	—
	<u>1,429,364</u>	<u>859,018</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>216,426,061</u>	<u>214,428,262</u>
NET ASSETS PER UNIT		
Series 3	<u>7.06</u>	6.62
Series 5	<u>7.29</u>	6.82
Series 6	<u>5.79</u>	5.41
Series 7	<u>5.93</u>	5.53
Series 8	<u>5.18</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	360	—
Changes in fair value:		
Net realized gain (loss) on investments	3,478,983	3,146,596
Net unrealized gain (loss) on investments	14,112,480	(60,797)
	<u>17,591,823</u>	<u>3,085,799</u>
EXPENSES		
Management fees and guarantee charge	2,544,585	2,822,027
Operating expenses	601,899	666,214
	<u>3,146,484</u>	<u>3,488,241</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,445,339</u>	<u>(402,442)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	413,408	(26,679)
- per unit	0.46	(0.02)
Average Number of Units	903,207	1,120,938
SERIES 5		
Increase (Decrease) in Net Assets from Operations	12,073,174	(372,641)
- per unit	0.47	(0.01)
Average Number of Units	25,618,689	27,954,871
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,258,816	(65,862)
- per unit	0.38	(0.02)
Average Number of Units	3,324,017	4,298,673
SERIES 7		
Increase (Decrease) in Net Assets from Operations	244,022	3,482
- per unit	0.40	—
Average Number of Units	612,202	883,222
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	455,919	59,258
- per unit	0.35	0.05
Average Number of Units	1,321,359	1,216,871

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>214,428,262</u>	<u>244,421,774</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>14,445,339</u>	<u>(402,442)</u>
Premiums		
Series 3	42,175	96,768
Series 5	8,721,166	9,405,294
Series 6	972,818	2,367,042
Series 7	2,672	290,151
Series 8*	714,168	7,285,843
	<u>10,452,999</u>	<u>19,445,098</u>
Withdrawals		
Series 3	(961,432)	(839,270)
Series 5	(19,368,670)	(17,316,320)
Series 6	(1,328,460)	(9,439,704)
Series 7	(79,396)	(352,411)
Series 8*	(1,162,581)	(165,603)
	<u>(22,900,539)</u>	<u>(28,113,308)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>216,426,061</u>	<u>235,351,122</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,445,339	(402,442)
Adjustments for:		
Net realized (gain) loss	(3,478,983)	(3,146,596)
Net unrealized (gain) loss	(14,112,480)	60,797
Proceeds from sale/maturity of investments	16,151,918	13,917,528
Investments purchased	(664,810)	(1,949,608)
Receivable for securities sold	35,856	82,040
Accrued expenses	(32,216)	(23,890)
Payable for securities purchased	191,964	126,595
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>12,536,588</u>	<u>8,664,424</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	10,191,922	19,474,370
Amounts paid on withdrawals	(22,489,941)	(27,959,697)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(12,298,019)</u>	<u>(8,485,327)</u>
Increase (decrease) in cash/ bank overdraft	238,569	179,097
Cash (bank overdraft), beginning of period	28,638	22,229
CASH (BANK OVERDRAFT), END OF PERIOD	<u>267,207</u>	<u>201,326</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	360	—

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
Franklin Quotential Balanced Income Portfolio	21,413,738	165,801,354	217,210,247
Total Investments		165,801,354	217,210,247
Other Net Assets (-0.4%)			(784,186)
Net Assets (100%)			216,426,061

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Canadian Government Bond Fund	20.5%
Franklin Bissett Core Plus Bond Fund	20.2%
Franklin Bissett Short Duration Bond Fund	7.5%
Franklin Liberty Global Aggregate Bond ETF	6.9%
Templeton Global Bond Fund	5.1%
Franklin Bissett Canadian Equity Fund	4.0%
Franklin Canadian Core Equity Fund	4.0%
Franklin FTSE Canada All Cap Index ETF	3.4%
Franklin FTSE U.S. Index ETF	2.8%
Franklin Templeton Canadian Large Cap Fund	2.7%
Franklin U.S. Rising Dividends Fund	2.7%
Franklin U.S. Core Equity Fund	2.7%
Franklin International Core Equity Fund	2.5%
Franklin LibertyQT U.S. Equity Index ETF	2.2%
Franklin U.S. Opportunities Fund	2.2%
Franklin Select U.S. Equity Fund	2.2%
Cash and Cash Equivalents	2.2%
iShares Core MSCI Emerging Markets ETF	1.8%
iShares Core MSCI EAFE ETF	1.7%
Franklin FTSE Europe Ex U.K. Index ETF	1.3%
Templeton Asian Growth Fund	0.7%
Franklin Emerging Market Core Equity Fund	0.7%

DFS GIF – BALANCED INCOME – FRANKLIN QUOTENTIAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	217,210,247	—	—	217,210,247
TOTAL	217,210,247	—	—	217,210,247

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	215,105,892	—	—	215,105,892
TOTAL	215,105,892	—	—	215,105,892

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	852,874	1,048,779
Bloomberg Barclays Multiverse Bond (20%)	1.00	426,437	349,593
S&P/TSX (15%)	3.00	959,483	1,398,372
MSCI All Country World Net (25%)	3.00	1,599,138	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – FIDELITY

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	746,427,191	705,981,199
Premiums receivable	863,041	603,594
Receivable for securities sold	373,398	531,368
	<u>747,663,630</u>	<u>707,116,161</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	22,216	79,130
Accrued expenses	1,694,800	1,732,611
Withdrawals payable	2,131,596	1,630,983
	<u>3,848,612</u>	<u>3,442,724</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>743,815,018</u>	<u>703,673,437</u>
NET ASSETS PER UNIT		
Series 3	<u>10.19</u>	<u>9.20</u>
Series 5	<u>10.62</u>	<u>9.57</u>
Series 6	<u>6.35</u>	<u>5.72</u>
Series 7	<u>6.53</u>	<u>5.86</u>
Series 8	<u>5.40</u>	<u>4.86</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,274	—
Distributions from underlying funds	11,159,065	12,089,164
Changes in fair value:		
Net realized gain (loss) on investments	7,220,328	10,812,508
Net unrealized gain (loss) on investments	68,411,561	5,994,023
	<u>86,792,228</u>	<u>28,895,695</u>
EXPENSES		
Management fees and guarantee charge	8,648,986	9,487,631
Operating expenses	2,067,081	2,271,090
	<u>10,716,067</u>	<u>11,758,721</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>76,076,161</u>	<u>17,136,974</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	866,559	189,210
- per unit	1.01	0.19
Average Number of Units	861,001	1,013,840
SERIES 5		
Increase (Decrease) in Net Assets from Operations	70,270,613	15,841,530
- per unit	1.06	0.21
Average Number of Units	66,246,681	73,825,421
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,197,509	636,810
- per unit	0.63	0.10
Average Number of Units	5,045,839	6,548,401
SERIES 7		
Increase (Decrease) in Net Assets from Operations	523,134	133,042
- per unit	0.67	0.15
Average Number of Units	782,659	861,515
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,218,346	336,382
- per unit	0.54	0.19
Average Number of Units	2,239,486	1,808,527

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	703,673,437	824,948,900
Increase (Decrease) in Net Assets from operations attributable to contract owners	76,076,161	17,136,974
Premiums		
Series 3	351,627	372,581
Series 5	35,797,224	37,489,336
Series 6	3,107,675	3,743,594
Series 7	8,246	1,586,392
Series 8*	2,306,778	10,616,234
	41,571,550	53,808,137
Withdrawals		
Series 3	(1,332,330)	(922,584)
Series 5	(70,579,751)	(93,103,573)
Series 6	(3,771,456)	(15,992,476)
Series 7	(79,669)	(956,439)
Series 8*	(1,742,924)	(468,504)
	(77,506,130)	(111,443,576)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	743,815,018	784,450,435

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	76,076,161	17,136,974
Adjustments for:		
Net realized (gain) loss	(7,220,328)	(10,812,508)
Net unrealized (gain) loss	(68,411,561)	(5,994,023)
Non-cash distribution from investments	(11,159,065)	(12,089,164)
Proceeds from sale/maturity of investments	46,745,679	69,520,021
Investments purchased	(400,717)	(510,058)
Receivable for securities sold	157,970	(259,637)
Accrued expenses	(37,811)	(99,785)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	35,750,328	56,891,820
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	41,312,103	53,787,832
Amounts paid on withdrawals	(77,005,517)	(110,770,594)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(35,693,414)	(56,982,762)
Increase (decrease) in cash/ bank overdraft	56,914	(90,942)
Cash (bank overdraft), beginning of period	(79,130)	185,215
CASH (BANK OVERDRAFT), END OF PERIOD	(22,216)	94,273
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,274	—

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
Fidelity Canadian Balanced Fund, Series O	31,046,414	610,119,506	746,427,191
Total Investments		610,119,506	746,427,191
Other Net Assets (-0.4%)			(2,612,173)
Net Assets (100%)			743,815,018

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Canadian Pacific Railway	3.8%
Royal Bank of Canada	3.6%
Suncor Energy	2.9%
Brookfield Asset Management	2.9%
Waste Connections	2.3%
Alimentation Couche-Tard	2.3%
Restaurant Brands International	2.2%
Constellation Software	2.2%
Toronto-Dominion Bank	1.7%
CGI Group	1.7%
Shopify	1.5%
CCL Industries	1.5%
Thermo Fisher Scientific	1.4%
Adobe	1.2%
Parkland Fuel Corporation	1.1%
Province of Ontario, 3.15%, June 2, 2022	1.1%
Air Canada	1.0%
Barrick Gold Corporation	1.0%
Fidelity Canadian Money Market Investment Trust	1.0%
Canadian Natural Resources	0.9%
Franco-Nevada Corporation	0.9%
Microsoft Corporation	0.8%
Canadian Apartment Properties Real Estate Investment Trust	0.8%
Canada Housing Trust, 2.40%, December 15, 2022	0.8%
Visa	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	746,427,191	—	—	746,427,191
TOTAL	746,427,191	—	—	746,427,191

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	705,981,199	—	—	705,981,199
TOTAL	705,981,199	—	—	705,981,199

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Funds Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	2,969,009	2,844,530
Merrill Lynch High Yield Master II (10%)	2.00	1,484,505	1,422,265
S&P/TSX Capped (50%)	3.00	11,133,784	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	1,214	194
Investments at fair value through profit or loss (FVTPL)	19,070,689	15,879,167
Premiums receivable	42,386	6,012
Receivable for securities sold	—	14,981
	<u>19,114,289</u>	<u>15,900,354</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	39,925	35,003
Withdrawals payable	5,795	20,593
Payable for securities purchased	40,873	252
	<u>86,593</u>	<u>55,848</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>19,027,696</u>	<u>15,844,506</u>
NET ASSETS PER UNIT		
Series 5	<u>5.96</u>	5.62
Series 6	<u>5.97</u>	5.62
Series 7	<u>6.10</u>	5.73
Series 8	<u>5.50</u>	5.17

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Distributions from underlying funds	190,776	149,372
Changes in fair value:		
Net realized gain (loss) on investments	34,968	28,885
Net unrealized gain (loss) on investments	1,058,632	366,779
	<u>1,284,376</u>	<u>545,036</u>
EXPENSES		
Management fees and guarantee charge	218,378	179,752
Operating expenses	19,530	15,643
	<u>237,908</u>	<u>195,395</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,046,468</u>	<u>349,641</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	137,326	55,820
- per unit	0.35	0.12
Average Number of Units	394,482	468,222
SERIES 6		
Increase (Decrease) in Net Assets from Operations	382,317	109,884
- per unit	0.35	0.08
Average Number of Units	1,096,674	1,343,858
SERIES 7		
Increase (Decrease) in Net Assets from Operations	167,998	93,596
- per unit	0.34	0.17
Average Number of Units	491,345	563,212
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	358,827	90,341
- per unit	0.32	0.19
Average Number of Units	1,110,617	478,877

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	15,844,506	14,036,627
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,046,468	349,641
Premiums		
Series 5	387,183	256,737
Series 6	1,153,878	1,246,971
Series 7	682,059	1,268,398
Series 8*	1,706,776	3,088,274
	3,929,896	5,860,380
Withdrawals		
Series 5	(443,816)	(942,453)
Series 6	(703,146)	(4,173,442)
Series 7	(47,832)	(525,427)
Series 8*	(598,380)	(174,638)
	(1,793,174)	(5,815,960)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	19,027,696	14,430,688

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,046,468	349,641
Adjustments for:		
Net realized (gain) loss	(34,968)	(28,885)
Net unrealized (gain) loss	(1,058,632)	(366,779)
Non-cash distribution from investments	(190,776)	(149,372)
Proceeds from sale/maturity of investments	826,077	1,877,874
Investments purchased	(2,733,223)	(1,711,032)
Receivable for securities sold	14,981	—
Accrued expenses	4,922	362
Payable for securities purchased	40,621	(333,401)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(2,084,530)	(361,592)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,893,522	6,062,892
Amounts paid on withdrawals	(1,807,972)	(5,751,714)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	2,085,550	311,178
Increase (decrease) in cash/ bank overdraft	1,020	(50,414)
Cash (bank overdraft), beginning of period	194	51,312
CASH (BANK OVERDRAFT), END OF PERIOD	1,214	898

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.2%)			
Fidelity U.S. Monthly Income Fund, Series O	782,795	18,124,644	19,070,689
Total Investments		18,124,644	19,070,689
Other Net Assets (-0.2%)			(42,993)
Net Assets (100%)			19,027,696

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Fidelity Canadian Money Market Investment Trust	4.4%
iShares TIPS Bond ETF	2.0%
JPMorgan Chase & Company	1.3%
Johnson & Johnson	1.1%
U.S. Treasury Note, 1.75%, June 30, 2022	1.1%
U.S. Treasury Note, 2.25%, August 15, 2027	1.0%
Verizon Communications	1.0%
Bank of America Corporation	0.9%
U.S. Treasury Bill, 3.00%, February 15, 2049	0.9%
Berkshire Hathaway	0.9%
U.S. Treasury Note, 2.625%, February 15, 2029	0.9%
Chevron Corporation	0.9%
Comcast Corporation	0.9%
Walmart	0.8%
Citigroup	0.8%
Wells Fargo & Company	0.8%
U.S. Treasury Note, 3.125%, November 15, 2028	0.7%
McDonald's Corporation	0.7%
Exelon Corporation	0.7%
American Tower Corporation	0.7%
Ginnie Mae, 3.00%, 30 Year	0.7%
Cisco Systems	0.6%
United Technologies Corporation	0.6%
Walt Disney Company	0.6%
Danaher Corporation	0.6%

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

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	19,070,689	—	—	19,070,689
TOTAL	19,070,689	—	—	19,070,689

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	15,879,167	—	—	15,879,167
TOTAL	15,879,167	—	—	15,879,167

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
Bloomberg Barclays U.S. Aggregate Bond (31%)	1.50	87,099	74,318
Bank of America ML all US Convertibles (5%)	1.50	14,048	11,987
JPMorgan EMBI Global Diversified (5%)	2.00	18,731	15,982
Bank of America ML High Yield Master II Constrained (12%)	2.00	44,954	38,358
FTSE NAREIT Equity REITs (7%)	3.00	39,335	33,563
S&P 1500 (40%)	3.00	224,772	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GLOBAL BALANCED – JARISLOWSKY FRASER

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	74,479	128,038
Investments at fair value through profit or loss (FVTPL)	255,835,487	241,890,336
Premiums receivable	326,147	240,798
	<u>256,236,113</u>	<u>242,259,172</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	544,635	557,063
Withdrawals payable	933,867	645,765
	<u>1,478,502</u>	<u>1,202,828</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>254,757,611</u>	<u>241,056,344</u>
NET ASSETS PER UNIT		
Series 3	<u>8.84</u>	8.14
Series 5	<u>9.36</u>	8.61
Series 6	<u>5.78</u>	5.31
Series 7	<u>5.89</u>	5.39
Series 8	<u>5.33</u>	4.88

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,207	200
Distributions from underlying funds	3,501,532	2,853,494
Changes in fair value:		
Net realized gain (loss) on investments	1,891,765	1,945,021
Net unrealized gain (loss) on investments	19,169,211	(567,748)
	<u>24,563,715</u>	<u>4,230,967</u>
EXPENSES		
Management fees and guarantee charge	2,626,792	2,725,001
Operating expenses	825,581	884,665
	<u>3,452,373</u>	<u>3,609,666</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>21,111,342</u>	<u>621,301</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	637,846	(8,704)
- per unit	0.70	(0.01)
Average Number of Units	907,970	1,007,700
SERIES 5		
Increase (Decrease) in Net Assets from Operations	14,440,984	378,601
- per unit	0.76	0.02
Average Number of Units	18,896,421	20,784,271
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,276,870	(93,639)
- per unit	0.47	(0.01)
Average Number of Units	6,996,059	8,630,419
SERIES 7		
Increase (Decrease) in Net Assets from Operations	810,409	47,215
- per unit	0.50	0.03
Average Number of Units	1,632,826	1,771,194
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,945,233	297,828
- per unit	0.43	0.09
Average Number of Units	4,494,004	3,148,380

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	241,056,344	259,872,224
Increase (Decrease) in Net Assets from operations attributable to contract owners	21,111,342	621,301
Premiums		
Series 3	390,279	456,547
Series 5	12,101,832	13,804,736
Series 6	4,791,454	7,418,076
Series 7	192,610	1,992,783
Series 8*	4,376,100	18,561,610
	<u>21,852,275</u>	<u>42,233,752</u>
Withdrawals		
Series 3	(927,609)	(1,013,119)
Series 5	(22,424,377)	(20,842,999)
Series 6	(3,628,364)	(22,893,831)
Series 7	(411,536)	(1,582,317)
Series 8*	(1,870,464)	(490,579)
	<u>(29,262,350)</u>	<u>(46,822,845)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	254,757,611	255,904,432

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	21,111,342	621,301
Adjustments for:		
Net realized (gain) loss	(1,891,765)	(1,945,021)
Net unrealized (gain) loss	(19,169,211)	567,748
Non-cash distribution from investments	(3,501,532)	(2,853,494)
Proceeds from sale/maturity of investments	13,817,448	13,055,434
Investments purchased	(3,200,091)	(6,078,960)
Interest, dividends and other receivables	—	403,131
Accrued expenses	(12,428)	(12,278)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	7,153,763	3,757,861
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	21,766,926	42,622,911
Amounts paid on withdrawals	(28,974,248)	(46,578,012)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(7,207,322)	(3,955,101)
Increase (decrease) in cash/ bank overdraft	(53,559)	(197,240)
Cash (bank overdraft), beginning of period	128,038	305,631
CASH (BANK OVERDRAFT), END OF PERIOD	74,479	108,391
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	672	266
Interest paid	—	126

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
Jarislowsky Fraser Global Balanced Fund	18,491,636	215,916,775	255,835,487
Total Investments		215,916,775	255,835,487
Other Net Assets (-0.4%)			(1,077,876)
Net Assets (100%)			254,757,611

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Jarislowsky Fraser International Fund	17.0%
Jarislowsky Fraser Emerging Market Equity Fund	2.3%
Toronto-Dominion Bank	1.8%
Microsoft Corporation	1.6%
Jarislowsky Fraser Special Equity Fund	1.4%
Canadian National Railway Company	1.4%
Province of Ontario, 2.90%, June 2, 2028	1.3%
Canadian Imperial Bank of Commerce, 2.30%, July 11, 2022	1.3%
Enbridge	1.2%
Scotiabank	1.2%
Government of Canada, 2.00%, June 1, 2028	1.1%
Province of Ontario, 4.70%, June 2, 2037	1.1%
Royal Bank of Canada	1.1%
Alimentation Couche-Tard	1.1%
Brookfield Asset Management	1.0%
Government of Canada, 2.75%, December 1, 2048	1.0%
Nutrien	1.0%
Berkshire Hathaway	1.0%
Manulife Financial Corporation	1.0%
Government of Canada, 1.25%, February 1, 2020	1.0%
Province of Ontario, 2.40%, June 2, 2026	0.9%
Bank of Montreal, 2.27%, July 11, 2022	0.9%
Open Text Corporation	0.9%
CGI Group	0.9%
Province of Ontario, 2.80%, June 2, 2048	0.9%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	255,835,487	—	255,835,487
TOTAL	—	255,835,487	—	255,835,487

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	241,890,336	—	241,890,336
TOTAL	—	241,890,336	—	241,890,336

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills (6%)	0.25	41,693	41,926
FTSE Canada Universe Bond (40%)	1.00	1,111,801	1,118,019
S&P/TSX (22%)	3.00	1,834,472	1,844,732
S&P 500 (16%)	3.00	1,334,161	1,341,623
MSCI EAFE Net (16%)	3.00	1,334,161	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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".

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS ("NET ASSETS") PER UNIT AS PER THE FINANCIAL STATEMENTS WITH NET ASSET VALUE PER UNIT FOR TRANSACTIONAL PURPOSES

Subsequent to June 30, 2019, an undervaluation of net asset value was detected that represented 0.91% as of June 30, 2019. The net assets per unit were adjusted in the financial statements to reflect the correct valuation. This created a difference between the net assets per unit as per financial statements and the net asset value per unit for transactional purposes as follows:

As at June 30, 2019:

	Net Asset per Unit as per the Financial Statements	Net Asset Value per Unit for Transactional Purposes
Series 3	8.84	8.76
Series 5	9.36	9.28
Series 6	5.78	5.73
Series 7	5.89	5.83
Series 8	5.33	5.28

This undervaluation was corrected subsequent to June 30, 2019. The Fund and impacted contract owners were compensated for a total amount under \$3,500.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	114,394	144,336
Investments at fair value through profit or loss (FVTPL)	157,017,561	131,418,132
Investments at fair value through profit or loss (FVTPL) pledged as collateral	19,466,197	33,136,525
Premiums receivable	18,841	238,796
Cash guarantee received for repurchase transactions	16,319,793	16,747,058
Interest, dividends and other receivables	270,860	291,763
	<u>193,207,646</u>	<u>181,976,610</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	354,683	456,883
Withdrawals payable	141,570	92,039
Payable for securities purchased	—	10,012
Commitments related to repurchase transactions	16,319,793	16,747,058
	<u>16,816,046</u>	<u>17,305,992</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>176,391,600</u>	<u>164,670,618</u>
NET ASSETS PER UNIT		
Series 1	11.15	10.11
Series 3	12.53	11.32
Series 5	13.44	12.11
Series 6	6.61	5.96
Series 7	6.79	6.10
Series 8	5.57	5.01

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	717,756	599,874
Dividends	926,153	879,635
Distributions from underlying funds	408,562	399,957
Revenue from securities		
lending activities	12,077	13,665
Foreign exchange gain (loss) on cash	(244)	1,096
Changes in fair value:		
Net realized gain (loss) on investments	1,034,832	949,294
Net unrealized gain (loss) on investments	16,996,459	1,177,569
	<u>20,095,595</u>	<u>4,021,090</u>
EXPENSES		
Management fees and guarantee charge	1,753,507	1,811,473
Operating expenses	477,181	499,498
	<u>2,230,688</u>	<u>2,310,971</u>
Commissions and other portfolio transaction costs	10,882	15,102
	<u>2,241,570</u>	<u>2,326,073</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>17,854,025</u>	<u>1,695,017</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	550,143	15,666
- per unit	1.05	0.03
Average Number of Units	521,718	592,453
SERIES 3		
Increase (Decrease) in Net Assets from Operations	1,145,883	78,158
- per unit	1.24	0.07
Average Number of Units	922,019	1,067,750
SERIES 5		
Increase (Decrease) in Net Assets from Operations	13,853,664	1,361,606
- per unit	1.35	0.12
Average Number of Units	10,299,527	11,315,671
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,327,519	31,673
- per unit	0.64	0.01
Average Number of Units	2,072,734	2,507,723
SERIES 7		
Increase (Decrease) in Net Assets from Operations	165,928	46,521
- per unit	0.70	0.11
Average Number of Units	238,075	407,744
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	810,888	161,393
- per unit	0.55	0.15
Average Number of Units	1,473,832	1,085,144

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	164,670,618	181,663,982
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,854,025	1,695,017
Premiums		
Series 1	18,039	39,847
Series 3	157,008	122,752
Series 5	6,523,377	5,219,321
Series 6	2,626,458	1,432,184
Series 7	20,188	1,518,089
Series 8*	1,679,768	6,373,866
	11,024,838	14,706,059
Withdrawals		
Series 1	(361,763)	(678,316)
Series 3	(1,745,491)	(850,874)
Series 5	(12,645,940)	(12,969,739)
Series 6	(1,321,916)	(7,633,424)
Series 7	(126,458)	(178,508)
Series 8*	(956,313)	(269,687)
	(17,157,881)	(22,580,548)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	176,391,600	175,484,510

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	17,854,025	1,695,017
Adjustments for:		
Foreign exchange gain (loss) on cash	244	(1,096)
Net realized (gain) loss	(1,034,832)	(949,294)
Net unrealized (gain) loss	(16,996,459)	(1,177,569)
Non-cash distribution from investments	(408,562)	(399,957)
Proceeds from sale/maturity of investments	151,778,073	132,037,463
Investments purchased	(145,265,638)	(123,919,881)
Receivable for securities sold	—	(1,165,404)
Cash guarantee received for repurchase transactions	427,265	(6,806,575)
Interest, dividends and other receivables	20,903	64,807
Accrued expenses	(102,200)	(15,480)
Commitments related to repurchase transactions	(427,265)	6,806,575
Payable for securities purchased	(10,012)	1,179,859
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	5,835,542	7,348,465
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	11,244,793	14,673,382
Amounts paid on withdrawals	(17,108,350)	(22,203,366)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(5,863,557)	(7,529,984)
Effect of exchange rate changes on foreign cash	(1,927)	5,108
Increase (decrease) in cash/ bank overdraft	(29,942)	(176,411)
Cash (bank overdraft), beginning of period	144,336	189,880
CASH (BANK OVERDRAFT), END OF PERIOD	114,394	13,469
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	632,888	662,620
Dividends received, net of withholding taxes	927,274	881,156
Interest paid	232	—

* Beginning of operations in April 2018.

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

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Shares	Cost	Fair Value
		\$	\$
EQUITIES (45.7%)			
Energy (1.1%)			
Imperial Oil	55,450	2,160,442	2,010,616
Materials (2.7%)			
CCL Industries, Class B	43,000	2,556,072	2,761,460
Winpak	45,037	2,081,253	1,945,598
		4,637,325	4,707,058
Industrials (9.1%)			
CAE	26,800	809,367	943,628
Canadian National Railway Company	27,890	1,838,630	3,380,268
Canadian Pacific Railway	11,670	2,157,656	3,599,378
Thomson Reuters	35,978	2,288,979	3,039,421
Toromont Industries	47,350	2,721,171	2,939,014
Waste Connections	17,006	1,067,605	2,127,451
		10,883,408	16,029,160
Consumer Discretionary (2.4%)			
Dollarama	48,615	1,453,571	2,239,693
Restaurant Brands International	22,550	1,726,234	2,053,628
		3,179,805	4,293,321
Consumer Staples (6.1%)			
Alimentation Couche-Tard, Class B	41,926	2,250,944	3,455,122
Loblaw Companies	40,107	2,173,192	2,689,174
Metro	63,475	2,788,351	3,119,162
Saputo Group	38,500	1,667,888	1,509,200
		8,880,375	10,772,658
Financials (13.8%)			
Bank of Montreal	22,750	2,184,606	2,250,430
Brookfield Asset Management, Class A	52,167	2,448,221	3,268,263
Great-West Lifeco*	40,175	1,431,169	1,211,276
Intact Financial Corporation	17,805	1,717,786	2,154,761
National Bank of Canada	39,850	2,429,767	2,479,068
Royal Bank of Canada	37,194	2,750,925	3,870,780
Scotiabank	36,888	2,383,300	2,594,702
TMX Group	30,350	2,498,356	2,764,885
Toronto-Dominion Bank	47,712	2,533,982	3,650,922
		20,378,112	24,245,087
Information Technology (5.7%)			
CGI, Class A	29,378	1,569,379	2,957,777
Constellation Software	3,306	2,268,177	4,080,430
Open Text	56,000	2,291,465	3,026,240
		6,129,021	10,064,447
Communication Services (3.7%)			
Quebecor, Class B	81,105	1,653,000	2,529,665
Rogers Communications, Class B	16,850	1,084,544	1,181,185
Shaw Communications, Class B	63,250	1,652,161	1,690,040
TELUS	24,450	1,098,749	1,183,624
		5,488,454	6,584,514

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Number of Shares	Cost	Fair Value
			\$	\$
Utilities (1.1%)				
ATCO, Class I		43,500	1,982,601	1,920,090
TOTAL EQUITIES			63,719,543	80,626,951
		Number of Units		
INVESTMENT FUNDS (24.9%)				
Fiera Active Short Term Canadian Municipal Bond		966,940	9,659,154	9,804,003
Fiera Capital Global Equity Fund, Series A		1,371,179	17,341,918	34,084,368
TOTAL INVESTMENT FUNDS			27,001,072	43,888,371
		Par Value		
BONDS (15.2%)				
Canadian Bonds (15.2%)				
Government of Canada (3.8%)				
Canada Housing Trust				
1.200%, 2020-06-15*	CAD	44,000	43,742	43,781
floating rate, 2021-09-15	CAD	545,000	549,755	549,020
Government of Canada				
2.750%, 2022-06-01*	CAD	1,855,000	1,899,557	1,924,395
1.500%, 2023-06-01	CAD	44,000	44,031	44,155
2.250%, 2024-03-01*	CAD	75,000	77,325	77,890
2.500%, 2024-06-01*	CAD	633,000	648,072	666,220
1.000%, 2027-06-01*	CAD	68,000	64,743	65,751
2.000%, 2028-06-01*	CAD	275,000	286,704	287,490
2.250%, 2029-06-01*	CAD	1,069,000	1,147,610	1,146,258
Series WL43, 5.750%, 2029-06-01*	CAD	365,000	495,711	507,445
5.000%, 2037-06-01*	CAD	150,000	222,405	227,809
3.500%, 2045-12-01*	CAD	50,000	68,036	69,166
2.750%, 2048-12-01*	CAD	305,000	362,793	380,207
PSP Capital				
Series 7, 3.290%, 2024-04-04*	CAD	120,000	119,939	127,988
Royal Office Finance				
Series A, 5.209%, 2032-11-12	CAD	441,153	437,407	549,790
			6,467,830	6,667,365
Provincial Governments and Crown Corporations (8.1%)				
Hospital for Sick Children				
Series B, 3.416%, 2057-12-07	CAD	178,000	178,000	199,806
Hydro-Québec				
stripped, 2029-02-15	CAD	45,000	33,916	36,136
stripped, 2029-08-15	CAD	44,000	32,619	34,811
stripped, 2030-02-15	CAD	43,000	31,411	33,559
stripped, 2030-08-15	CAD	42,000	29,919	32,328
stripped, 2031-02-15	CAD	41,000	28,949	31,092
stripped, 2031-08-15	CAD	40,000	27,568	29,870
stripped, 2032-02-15	CAD	39,000	26,697	28,702
stripped, 2032-08-15	CAD	39,000	25,966	28,300
Infrastructure Ontario				
4.700%, 2037-06-01	CAD	70,000	70,093	90,078

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
Provincial Governments and Crown Corporations (cont.)				
Ontario School Boards Financing				
Series 04A1, 5.483%, 2029-11-26	CAD	321,475	343,083	373,521
Private Placement, Series 06A1, 5.070%, 2031-04-18	CAD	316,280	316,280	363,912
Ornge Issuer Trust				
5.727%, 2034-06-11	CAD	110,040	123,586	130,406
Province of Alberta				
2.900%, 2028-12-01*	CAD	352,000	364,955	373,495
3.300%, 2046-12-01*	CAD	10,000	10,503	11,479
3.050%, 2048-12-01*	CAD	102,000	101,166	112,846
Province of Manitoba				
3.000%, 2028-06-02*	CAD	98,000	98,958	104,398
3.400%, 2048-09-05*	CAD	149,000	151,009	172,994
Province of New Brunswick				
3.100%, 2048-08-14*	CAD	51,000	51,543	55,081
3.050%, 2050-08-14	CAD	51,000	50,733	54,871
Province of Newfoundland and Labrador				
3.700%, 2048-10-17	CAD	125,000	133,944	147,250
Province of Ontario				
4.200%, 2020-06-02*	CAD	127,000	130,675	129,809
2.400%, 2026-06-02	CAD	567,000	545,448	581,737
2.600%, 2027-06-02*	CAD	2,530,000	2,461,147	2,627,740
2.900%, 2028-06-02*	CAD	967,000	1,021,705	1,027,784
6.500%, 2029-03-08*	CAD	916,000	1,251,071	1,258,931
5.600%, 2035-06-02*	CAD	199,000	259,775	282,957
4.600%, 2039-06-02*	CAD	153,000	194,333	203,830
3.500%, 2043-06-02*	CAD	24,000	22,362	28,304
3.450%, 2045-06-02*	CAD	1,084,000	1,165,084	1,278,951
2.900%, 2046-12-02*	CAD	241,000	234,274	260,016
2.800%, 2048-06-02*	CAD	84,000	88,643	89,385
Province of Québec				
4.250%, 2021-12-01*	CAD	2,380,000	2,526,363	2,525,385
2.500%, 2026-09-01*	CAD	747,000	727,503	772,794
3.500%, 2048-12-01*	CAD	166,000	176,389	202,122
Province of Saskatchewan				
3.900%, 2045-06-02	CAD	135,000	159,724	169,498
TCHC Issuer Trust				
4.877%, 2037-05-11	CAD	59,000	59,000	75,709
Series B, 5.395%, 2040-02-22	CAD	110,000	112,200	152,779
University of Western Ontario				
Series B, 3.388%, 2057-12-04	CAD	88,000	88,000	97,011
			13,454,594	14,209,677
Corporations (3.3%)				
407 International				
4.190%, 2042-04-25	CAD	80,000	87,400	94,902
Bank of Montreal				
2.850%, 2024-03-06*	CAD	244,000	243,944	249,343
2.700%, 2024-09-11	CAD	136,000	135,982	140,207
Bell Canada				
4.450%, 2047-02-27*	CAD	155,000	163,085	170,598

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

		Par Value	Cost	Fair Value
			\$	\$
Corporations (cont.)				
Blackbird Infrastructure 407 General Partners				
Series B, 1.713%, (floating rate from 2020-01-08), 2021-10-08	CAD	77,000	76,400	76,800
Canadian Tire Corporation				
3.167%, 2023-07-06*	CAD	47,000	47,000	48,374
CU				
4.543%, 2041-10-24	CAD	78,000	88,448	96,307
3.964%, 2045-07-27	CAD	320,000	334,081	370,644
3.763%, 2046-11-19	CAD	28,000	28,335	31,546
Daimler Canada Finance				
3.050%, 2022-05-16	CAD	179,000	178,973	182,611
Enbridge				
3.520%, 2029-02-22*	CAD	130,000	129,945	138,362
4.570%, 2044-03-11	CAD	2,000	1,866	2,190
Greater Toronto Airports Authority				
Series 99-1, 6.450%, 2029-07-30	CAD	18	20	22
Great-West Lifeco				
3.337%, 2028-02-28	CAD	316,000	318,200	338,987
5.998%, 2039-11-16	CAD	52,000	70,529	74,001
Health Montréal Collective, Private Placement				
Series 144A, 6.721%, 2049-09-30	CAD	397,000	487,401	537,754
Hydro One				
3.720%, 2047-11-18	CAD	1,000	1,010	1,104
3.630%, 2049-06-25*	CAD	85,000	84,734	92,709
IGM Financial				
4.115%, 2047-12-09	CAD	20,000	20,115	21,065
Intact Financial Corporation				
2.850%, 2027-06-07*	CAD	1,000	990	1,011
Integrated Team Solutions SJHC				
5.946%, 2042-11-30	CAD	51,063	51,423	66,510
Laurentian Bank of Canada				
2.750%, 2021-04-22	CAD	36,000	35,923	36,264
Melancthon Wolfe Wind				
3.834%, 2028-12-31	CAD	81,295	81,305	83,723
North Battleford Power				
Series A, 4.958%, 2032-12-31	CAD	101,555	101,562	115,119
North West Redwater Partnership				
3.200%, 2026-04-24	CAD	44,000	43,906	45,758
Series F, 4.250%, 2029-06-01	CAD	4,000	3,989	4,471
Series B, 4.050%, 2044-07-22	CAD	16,000	16,788	17,745
Pembina Pipeline				
3.620%, 2029-04-03	CAD	165,000	164,946	171,401
4.810%, 2044-03-25	CAD	73,000	71,893	80,538
Plenary Health Care Partnerships Humber				
4.895%, 2039-05-31	CAD	118,589	118,589	138,151
Scotiabank				
2.290%, 2024-06-28*	CAD	72,000	69,369	72,722
3.367%, (floating rate from 2020-12-08), 2025-12-08	CAD	154,000	156,182	156,436
SGTP Highway Bypass				
Series A, 4.105%, 2045-01-31	CAD	164,000	164,000	180,297

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Par Value		Cost	Fair Value
			\$	\$
Corporations (cont.)				
Sinai Health System				
Series A, 3.527%, 2056-06-09	CAD	55,000	55,000	60,478
Telus				
Series CY, 3.300%, 2029-05-02*	CAD	219,000	217,193	224,397
Teranet Income Fund				
5.754%, 2040-12-17	CAD	207,000	218,784	225,307
6.100%, 2041-06-17	CAD	425,000	473,988	483,143
Toronto-Dominion Bank				
2.850%, 2024-03-08*	CAD	182,000	182,000	186,274
3.226%, 2024-07-24	CAD	115,000	121,385	121,505
TransCanada PipeLines				
Series 17-A, 4.650%, (floating rate from 2027-05-18), 2077-05-18	CAD	301,000	300,854	287,301
TransLink				
3.150%, 2048-11-16	CAD	387,000	386,391	419,992
			5,533,928	5,846,069
Total Canadian Bonds			25,456,352	26,723,111
U.S. Bonds (0.0%)				
Corporations				
Wells Fargo & Company				
2.509%, 2023-10-27*	CAD	24,000	23,146	24,006
TOTAL BONDS			25,479,498	26,747,117
MONEY MARKET SECURITIES (14.3%)				
Canada Treasury Bills				
2019-07-25	CAD	10,190,000	10,177,922	10,177,922
2019-08-22	CAD	14,870,000	14,833,938	14,833,938
New Brunswick Treasury Bills				
2019-08-22	CAD	210,000	209,459	209,459
TOTAL MONEY MARKET SECURITIES			25,221,319	25,221,319
Total Investments (100.1%)			141,421,432	176,483,758
Other Net Assets (-0.1%)				(92,158)
Net Assets (100%)				176,391,600

* 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 FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
FIERA CAPITAL GLOBAL EQUITY FUND 19.3%	
Moody's Corporation	6.0%
Mastercard	5.5%
Keyence Corporation	4.9%
MSCI	4.0%
Becton Dickinson	3.9%
FIERA ACTIVE SHORT TERM CANADIAN MUNICIPAL BOND FUND 5.6%	
Province of Québec, 3.50%, December 1, 2022	2.7%
City of Magog, 2.00%, September 2, 2020	1.8%
Province of Québec, 3.75%, September 1, 2024	1.5%
Société de transport de Laval, 2.30%, November 15, 2022	1.4%
City of Belœil, 2.00%, September 8, 2020	1.1%

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Equities	80,626,951	—	—	80,626,951
Bonds	19,712,386	7,034,731	—	26,747,117
Investment Funds	—	43,888,371	—	43,888,371
Money Market Securities	25,221,319	—	—	25,221,319
TOTAL	125,560,656	50,923,102	—	176,483,758

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 periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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 June 30, 2019 and December 31, 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
	\$	\$	\$	\$	\$	\$
June 30, 2019	26,135,123	6,322,063	10,347,082	9,278,562	52,082,830	914,121
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:

June 30, 2019		December 31, 2018	
Market Segment	%	Market Segment	%
Equities		Equities	
Financials	13.8	Financials	11.7
Industrials	9.1	Industrials	7.6
Consumer Staples	6.1	Consumer Staples	5.7
Information Technology	5.7	Information Technology	5.4
Communication Services	3.7	Communication Services	5.1
Materials	2.7	Materials	2.3
Consumer Discretionary	2.4	Consumer Discretionary	2.1
Energy	1.1	Energy	1.9
Utilities	1.1	Utilities	0.9
Investment Funds		Investment Funds	
Growth	19.3	Growth	16.5
Income	5.6	Income	7.4
Bonds	15.2	Money Market Securities	17.4
Money Market Securities	14.3	Bonds	15.9
Other Net Assets	(0.1)	Other Net Assets	0.1
TOTAL	100	TOTAL	100

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada 91 Day Treasury Bills (10%)	0.25	41,149	42,868
FTSE Canada Universe Bond (30%)	1.00	493,784	514,415
S&P/TSX Capped (40%)	3.00	1,975,136	2,057,658
MSCI World Net (20%)	3.00	987,568	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	
	June 30, 2019	December 31, 2018
	%	%
AAA	25	34
AA	50	42
A	15	14
BBB	10	10
TOTAL	100	100

Portfolio's Money Market Securities by Credit Rating Category

Credit Rating	Percentage of Money Market Securities	
	June 30, 2019	December 31, 2018
	%	%
R-1 (High)	99	77
R-1 (Middle)	1	23
TOTAL	100	100

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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:

	\$
June 30, 2019	16,248,752
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:

	\$
June 30, 2019	3,852,325
December 31, 2018	3,050,446

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

	\$
June 30, 2019	39,855
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.

	June 30, 2019	December 31, 2018
	\$	\$
Investments at FVTPL pledged as collateral	19,466,197	33,136,525
Value of Collateral received	19,856,108	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.

	June 30, 2019	December 31, 2018
	Fair Value*	Fair Value*
	\$	\$
Financial assets	16,248,752	16,746,589
Related liabilities	16,279,906	16,747,058

* The fair value equals carrying amount.

DFS GIF – CANADIAN BALANCED – FIERA CAPITAL (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

	June 30, 2019		June 30, 2018	
	\$	%	\$	%
Total Income	20,128	100	22,775	100
Net Income received by the Fund	12,077	60	13,665	60
Net Income received by Desjardins Trust	8,051	40	9,110	40

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	177,475,155	177,585,601
Premiums receivable	52,097	163,744
Receivable for securities sold	284,965	148,033
	<u>177,812,217</u>	<u>177,897,378</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	222,164	1,927
Accrued expenses	370,139	399,518
Withdrawals payable	316,480	414,465
	<u>908,783</u>	<u>815,910</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>176,903,434</u>	<u>177,081,468</u>
NET ASSETS PER UNIT		
Series 3	<u>7.42</u>	6.98
Series 5	<u>7.77</u>	7.29
Series 6	<u>5.58</u>	5.23
Series 7	<u>5.72</u>	5.35
Series 8	<u>5.02</u>	4.71

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(12)	(139)
Changes in fair value:		
Net realized gain (loss) on investments	2,796,320	3,817,884
Net unrealized gain (loss) on investments	11,048,954	(2,245,823)
	<u>13,845,262</u>	<u>1,571,922</u>
EXPENSES		
Management fees and guarantee charge	1,892,491	2,193,121
Operating expenses	517,681	601,364
	<u>2,410,172</u>	<u>2,794,485</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>11,435,090</u>	<u>(1,222,563)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	265,755	(43,669)
- per unit	0.46	(0.06)
Average Number of Units	580,141	688,523
SERIES 5		
Increase (Decrease) in Net Assets from Operations	8,118,918	(928,000)
- per unit	0.48	(0.05)
Average Number of Units	16,742,722	18,944,806
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,892,176	(417,621)
- per unit	0.35	(0.06)
Average Number of Units	5,426,552	7,527,256
SERIES 7		
Increase (Decrease) in Net Assets from Operations	278,159	(8,014)
- per unit	0.37	(0.01)
Average Number of Units	745,873	875,555
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	880,082	174,741
- per unit	0.33	0.07
Average Number of Units	2,693,650	2,341,281

* Beginning of operations in April 2018.

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

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>177,081,468</u>	<u>215,300,351</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>11,435,090</u>	<u>(1,222,563)</u>
Premiums		
Series 3	159,950	91,127
Series 5	4,736,571	5,325,556
Series 6	1,471,089	3,079,606
Series 7	—	804,987
Series 8*	666,802	13,604,190
	<u>7,034,412</u>	<u>22,905,466</u>
Withdrawals		
Series 3	(1,039,803)	(782,355)
Series 5	(12,758,786)	(15,961,916)
Series 6	(2,749,502)	(19,015,348)
Series 7	(164,904)	(503,540)
Series 8*	(1,934,541)	(311,011)
	<u>(18,647,536)</u>	<u>(36,574,170)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>176,903,434</u>	<u>200,409,084</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	11,435,090	(1,222,563)
Adjustments for:		
Net realized (gain) loss	(2,796,320)	(3,817,884)
Net unrealized (gain) loss	(11,048,954)	2,245,823
Proceeds from sale/maturity of investments	14,220,104	17,229,028
Investments purchased	(264,384)	(852,976)
Receivable for securities sold	(136,932)	(172,741)
Accrued expenses	(29,379)	(36,169)
Payable for securities purchased	—	(30,273)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>11,379,225</u>	<u>13,342,245</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,146,059	22,957,206
Amounts paid on withdrawals	(18,745,521)	(36,360,278)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(11,599,462)</u>	<u>(13,403,072)</u>
Increase (decrease) in cash/ bank overdraft	(220,237)	(60,827)
Cash (bank overdraft), beginning of period	(1,927)	29,768
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(222,164)</u>	<u>(31,059)</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	2	—
Interest paid	14	139

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Franklin Bissett Canadian Balanced Fund, Series O	3,782,651	139,628,456	177,475,155
Total Investments		139,628,456	177,475,155
Other Net Assets (-0.3%)			(571,721)
Net Assets (100%)			176,903,434

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Corporate Bond Fund	19.5%
Franklin Bissett Canadian Equity Fund	14.2%
Franklin Bissett Monthly Income and Growth Fund	9.4%
Franklin ActiveQuant Canadian Fund	7.0%
Franklin Bissett Core Plus Bond Fund	6.0%
Franklin Bissett Microcap Fund	5.6%
Franklin ActiveQuant U.S. Fund	5.4%
Franklin U.S. Rising Dividends Fund	5.0%
Templeton EAFE Developed Markets Fund	5.0%
Franklin Mutual European Fund	4.8%
Franklin Bissett Small Cap Fund	4.7%
Franklin Bissett Canadian Dividend Fund	4.5%
Templeton Global Bond Fund	4.1%
Franklin Bissett Canadian Bond Fund	3.9%
Franklin Bissett Canadian Government Bond Fund	0.5%
Cash and Cash Equivalents	0.4%

DFS GIF – CANADIAN BALANCED – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide investors with a balance of current income and long-term capital appreciation primarily through the investment in Canadian fixed-income and equity securities.

Strategy of the Fund

To provide such an opportunity by investing in a diversified portfolio of Franklin Bissett mutual funds. The underlying funds may invest in foreign securities.

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	177,475,155	—	—	177,475,155
TOTAL	177,475,155	—	—	177,475,155

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	177,585,601	—	—	177,585,601
TOTAL	177,585,601	—	—	177,585,601

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (35%)	1.00	575,005	613,215
Bloomberg Barclays U.S. Aggregate Bond (2.5%)	1.00	41,072	43,801
JPMorgan Global Government Bond (2.5%)	1.00	41,072	43,801
S&P/TSX Small Cap (5%)	3.00	246,431	262,807
S&P/TSX (32.5%)	3.00	1,601,800	1,708,243
S&P 500 (10%)	3.00	492,862	525,613
MSCI EAFE Net (10%)	3.00	492,862	525,613
MSCI Emerging Markets Net (2.5%)	3.00	123,215	131,403

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 GROWTH – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	11,253
Investments at fair value through profit or loss (FVTPL)	462,344,682	446,880,268
Premiums receivable	42,719	38,840
Receivable for securities sold	121,815	280,998
	462,509,216	447,211,359
LIABILITIES		
Current Liabilities		
Bank overdraft	26,567	—
Accrued expenses	1,051,105	1,096,057
Withdrawals payable	739,616	639,365
Payable for securities purchased	—	13,531
	1,817,288	1,748,953
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	460,691,928	445,462,406
NET ASSETS PER UNIT		
Series 3	6.71	6.22
Series 5	6.97	6.45
Series 6	5.94	5.49
Series 7	6.10	5.62
Series 8	5.15	4.76

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(21)	(375)
Changes in fair value:		
Net realized gain (loss) on investments	7,656,130	8,251,410
Net unrealized gain (loss) on investments	34,396,072	297,645
	42,052,181	8,548,680
EXPENSES		
Management fees and guarantee charge	5,451,196	5,992,838
Operating expenses	1,292,534	1,425,104
	6,743,730	7,417,942
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	35,308,451	1,130,738
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	681,156	9,290
- per unit	0.51	0.01
Average Number of Units	1,346,779	1,561,952
SERIES 5		
Increase (Decrease) in Net Assets from Operations	31,251,714	975,691
- per unit	0.52	0.01
Average Number of Units	59,959,077	65,110,150
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,311,241	66,311
- per unit	0.45	0.01
Average Number of Units	5,166,376	6,169,858
SERIES 7		
Increase (Decrease) in Net Assets from Operations	274,834	4,272
- per unit	0.49	0.01
Average Number of Units	560,465	850,508
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	789,506	75,174
- per unit	0.39	0.05
Average Number of Units	2,048,724	1,651,939

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	445,462,406	511,324,868
Increase (Decrease) in Net Assets from operations attributable to contract owners	35,308,451	1,130,738
Premiums		
Series 3	64,242	804,848
Series 5	18,649,686	15,925,111
Series 6	1,688,148	3,161,070
Series 7	4,766	1,100,320
Series 8*	1,481,268	9,838,977
	21,888,110	30,830,326
Withdrawals		
Series 3	(1,427,537)	(742,306)
Series 5	(36,664,008)	(35,966,840)
Series 6	(2,420,074)	(12,085,598)
Series 7	(408,125)	(590,242)
Series 8*	(1,047,295)	(232,818)
	(41,967,039)	(49,617,804)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	460,691,928	493,668,128

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	35,308,451	1,130,738
Adjustments for:		
Net realized (gain) loss	(7,656,130)	(8,251,410)
Net unrealized (gain) loss	(34,396,072)	(297,645)
Proceeds from sale/maturity of investments	27,027,694	27,514,005
Investments purchased	(439,906)	(1,416,533)
Receivable for securities sold	159,183	(446,405)
Accrued expenses	(44,952)	(36,727)
Payable for securities purchased	(13,531)	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	19,944,737	18,196,023
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	21,884,231	30,785,933
Amounts paid on withdrawals	(41,866,788)	(49,104,827)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(19,982,557)	(18,318,894)
Increase (decrease) in cash/ bank overdraft	(37,820)	(122,871)
Cash (bank overdraft), beginning of period	11,253	(45,254)
CASH (BANK OVERDRAFT), END OF PERIOD	(26,567)	(168,125)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	21	375

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
Franklin Quotential Balanced Growth Portfolio	38,874,708	321,701,128	462,344,682
Total Investments		321,701,128	462,344,682
Other Net Assets (-0.4%)			(1,652,754)
Net Assets (100%)			460,691,928

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Bissett Canadian Government Bond Fund	13.8%
Franklin Bissett Core Plus Bond Fund	13.6%
Franklin Canadian Core Equity Fund	5.5%
Franklin Bissett Canadian Equity Fund	5.5%
Franklin Bissett Short Duration Bond Fund	5.0%
Franklin FTSE Canada All Cap Index ETF	4.6%
Franklin FTSE U.S. Index ETF	4.6%
Franklin Liberty Global Aggregate Bond ETF	4.6%
Franklin U.S. Rising Dividends Fund	4.3%
Franklin U.S. Core Equity Fund	4.3%
Franklin International Core Equity Fund	4.2%
Franklin Templeton Canadian Large Cap Fund	3.7%
Franklin LibertyQT U.S. Equity Index ETF	3.5%
Franklin U.S. Opportunities Fund	3.5%
Franklin Select U.S. Equity Fund	3.5%
Templeton Global Bond Fund	3.4%
iShares Core MSCI EAFE ETF	3.0%
iShares Core MSCI Emerging Markets ETF	2.8%
Franklin FTSE Europe Ex U.K. Index ETF	2.3%
Cash and Cash Equivalents	2.1%
Templeton Asian Growth Fund	1.1%
Franklin Emerging Market Core Equity Fund	1.1%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	462,344,682	—	—	462,344,682
TOTAL	462,344,682	—	—	462,344,682
December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	446,880,268	—	—	446,880,268
TOTAL	446,880,268	—	—	446,880,268

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (30%)	1.00	1,381,090	1,482,187
Bloomberg Barclays Multiverse Bond (10%)	1.00	460,363	494,062
S&P/TSX (20%)	3.00	2,762,181	4,446,561
MSCI All Country World Net (40%)	3.00	5,524,361	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	528
Investments at fair value through profit or loss (FVTPL)	123,455,124	118,674,581
Premiums receivable	5,135	132,458
Receivable for securities sold	219,751	25,994
	<u>123,680,010</u>	<u>118,833,561</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	157,784	—
Accrued expenses	272,620	286,154
Withdrawals payable	182,789	230,188
Payable for securities purchased	—	1,133
	<u>613,193</u>	<u>517,475</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>123,066,817</u>	<u>118,316,086</u>
NET ASSETS PER UNIT		
Series 5	<u>7.45</u>	6.85
Series 6	<u>6.03</u>	5.54
Series 7	<u>6.20</u>	5.68
Series 8	<u>5.08</u>	4.66

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(3)	(172)
Changes in fair value:		
Net realized gain (loss) on investments	(308,646)	208,063
Net unrealized gain (loss) on investments	12,367,059	2,689,502
	<u>12,058,410</u>	<u>2,897,393</u>
EXPENSES		
Management fees and guarantee charge	1,417,950	1,592,038
Operating expenses	336,390	388,231
	<u>1,754,340</u>	<u>1,980,269</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>10,304,070</u>	<u>917,124</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	6,857,034	577,769
- per unit	0.61	0.05
Average Number of Units	11,241,576	12,816,248
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,066,727	65,669
- per unit	0.49	0.01
Average Number of Units	4,188,627	5,268,943
SERIES 7		
Increase (Decrease) in Net Assets from Operations	480,125	37,324
- per unit	0.52	0.05
Average Number of Units	917,650	826,916
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	900,184	236,362
- per unit	0.41	0.14
Average Number of Units	2,179,830	1,724,644

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>118,316,086</u>	<u>136,540,032</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>10,304,070</u>	<u>917,124</u>
Premiums		
Series 5	3,274,152	7,289,262
Series 6	1,528,067	4,726,387
Series 7	6,691	2,250,517
Series 8*	<u>1,309,059</u>	<u>10,324,043</u>
	<u>6,117,969</u>	<u>24,590,209</u>
Withdrawals		
Series 5	(8,040,480)	(11,299,626)
Series 6	(2,440,678)	(14,204,100)
Series 7	(175,384)	(464,815)
Series 8*	<u>(1,014,766)</u>	<u>(248,907)</u>
	<u>(11,671,308)</u>	<u>(26,217,448)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>123,066,817</u>	<u>135,829,917</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	10,304,070	917,124
Adjustments for:		
Net realized (gain) loss	308,646	(208,063)
Net unrealized (gain) loss	(12,367,059)	(2,689,502)
Proceeds from sale/maturity of investments	8,396,839	7,996,315
Investments purchased	(1,118,969)	(4,442,493)
Receivable for securities sold	(193,757)	129,503
Interest, dividends and other receivables	—	77
Accrued expenses	(13,534)	(1,154)
Payable for securities purchased	(1,133)	74,125
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>5,315,103</u>	<u>1,775,932</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	6,245,292	24,548,116
Amounts paid on withdrawals	(11,718,707)	(26,350,055)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>(5,473,415)</u>	<u>(1,801,939)</u>
Increase (decrease) in cash/ bank overdraft	(158,312)	(26,007)
Cash (bank overdraft), beginning of period	528	19,933
CASH (BANK OVERDRAFT), END OF PERIOD	<u>(157,784)</u>	<u>(6,074)</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	3	99

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Signature Canadian Balanced Fund, Class I	13,290,464	124,541,745	123,455,124
Total Investments		124,541,745	123,455,124
Other Net Assets (-0.3%)			(388,307)
Net Assets (100%)			123,066,817

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Government of Canada, 2.00%, June 1, 2028	7.8%
Manulife Financial Corporation	3.9%
Scotiabank	3.3%
SPDR Gold Trust	3.2%
Province of Ontario, 2.90%, June 2, 2028	2.6%
Suncor Energy	1.8%
Province of Ontario, 2.60%, June 2, 2025	1.4%
Province of Québec, 2.50%, September 1, 2026	1.4%
Total SA	1.4%
Nestlé SA	1.4%
Canadian Natural Resources	1.2%
Province of Québec, 3.75%, September 1, 2024	1.2%
Province of Ontario, 2.70%, June 2, 2029	1.2%
Canadian Pacific Railway	1.2%
Government of Canada, 1.75%, May 1, 2021	1.1%
Enbridge	1.1%
Province of Ontario, 3.50%, June 2, 2024	1.0%
Canadian Imperial Bank of Commerce	1.0%
Government of Canada, 2.25%, June 1, 2029	1.0%
Teck Resources	0.9%
Sony Corporation	0.9%
Province of Québec, 2.75%, September 1, 2025	0.9%
Province of Québec, 3.10%, December 1, 2051	0.9%
Alimentation Couche-Tard	0.9%
Province of Ontario, 2.90%, June 2, 2049	0.9%

DFS GIF – CANADIAN BALANCED – CI SIGNATURE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	123,455,124	—	—	123,455,124
TOTAL	123,455,124	—	—	123,455,124

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	118,674,581	—	—	118,674,581
TOTAL	118,674,581	—	—	118,674,581

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	519,697	452,914
S&P/TSX (30%)	3.00	1,169,319	1,019,056
MSCI All Country World Net (30%)	3.00	1,169,319	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – INCOME AND GROWTH – CI SIGNATURE

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	112,519,163	102,581,921
Premiums receivable	198,470	192,328
Receivable for securities sold	68,334	195,827
	<u>112,785,967</u>	<u>102,970,076</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	53,083	188,222
Accrued expenses	246,500	242,515
Withdrawals payable	342,893	195,996
Payable for securities purchased	—	23,368
	<u>642,476</u>	<u>650,101</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>112,143,491</u>	<u>102,319,975</u>
NET ASSETS PER UNIT		
Series 5	<u>7.07</u>	6.48
Series 6	<u>6.04</u>	5.53
Series 7	<u>6.21</u>	5.67
Series 8	<u>5.07</u>	4.64

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Distributions from underlying funds	4,311,493	3,568,555
Changes in fair value:		
Net realized gain (loss) on investments	(76,974)	152,942
Net unrealized gain (loss) on investments	6,758,528	(1,263,224)
	<u>10,993,047</u>	<u>2,458,273</u>
EXPENSES		
Management fees and guarantee charge	1,385,997	1,256,782
Operating expenses	173,235	158,834
	<u>1,559,232</u>	<u>1,415,616</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,433,815</u>	<u>1,042,657</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	4,047,045	467,504
- per unit	0.59	0.07
Average Number of Units	6,864,555	6,453,072
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,864,450	99,704
- per unit	0.51	0.02
Average Number of Units	5,654,991	6,364,275
SERIES 7		
Increase (Decrease) in Net Assets from Operations	653,667	95,811
- per unit	0.54	0.08
Average Number of Units	1,207,442	1,237,183
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,868,653	379,638
- per unit	0.43	0.13
Average Number of Units	4,366,673	2,845,513

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	102,319,975	92,991,328
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,433,815	1,042,657
Premiums		
Series 5	6,392,331	8,915,026
Series 6	3,490,040	8,073,148
Series 7	74,500	2,081,419
Series 8*	3,265,505	17,072,893
	13,222,376	36,142,486
Withdrawals		
Series 5	(6,558,741)	(6,137,609)
Series 6	(3,444,425)	(18,699,144)
Series 7	(301,801)	(864,666)
Series 8*	(2,527,708)	(249,368)
	(12,832,675)	(25,950,787)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	112,143,491	104,225,684

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	9,433,815	1,042,657
Adjustments for:		
Net realized (gain) loss	76,974	(152,942)
Net unrealized (gain) loss	(6,758,528)	1,263,224
Non-cash distribution from investments	(4,311,493)	(3,568,555)
Proceeds from sale/maturity of investments	5,477,946	2,640,158
Investments purchased	(4,422,141)	(11,495,013)
Receivable for securities sold	127,493	—
Accrued expenses	3,985	25,638
Payable for securities purchased	(23,368)	(464,418)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(395,317)	(10,709,251)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	13,216,234	36,015,468
Amounts paid on withdrawals	(12,685,778)	(25,880,092)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	530,456	10,135,376
Increase (decrease) in cash/ bank overdraft	135,139	(573,875)
Cash (bank overdraft), beginning of period	(188,222)	599,304
CASH (BANK OVERDRAFT), END OF PERIOD	(53,083)	25,429

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Signature Income & Growth Fund, Class I	12,168,838	113,537,254	112,519,163
Total Investments		113,537,254	112,519,163
Other Net Assets (-0.3%)			(375,672)
Net Assets (100%)			112,143,491

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
SPDR Gold Trust	5.7%
Manulife Financial Corporation	3.8%
Scotiabank	3.3%
Suncor Energy	1.8%
Total SA	1.4%
Nestlé SA	1.4%
Canadian Natural Resources	1.2%
Government of Canada, 1.50%, June 1, 2026	1.2%
Canadian Pacific Railway	1.2%
Government of Canada, 1.75%, May 1, 2021	1.1%
Enbridge	1.1%
Province of Ontario, 2.60%, June 2, 2025	1.0%
Canadian Imperial Bank of Commerce	1.0%
Province of Québec, 2.50%, September 1, 2026	0.9%
Teck Resources	0.9%
Sony Corporation	0.9%
Government of Canada, 0.75%, March 1, 2021	0.9%
Alimentation Couche-Tard	0.9%
Power Financial Corporation	0.9%
Nutrien	0.9%
Province of Québec, 3.75%, September 1, 2024	0.9%
Agnico-Eagle Mines	0.9%
Mondelez International	0.9%
Samsung Electronics	0.8%
Province of Ontario, 2.90%, June 2, 2028	0.8%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	112,519,163	—	—	112,519,163
TOTAL	112,519,163	—	—	112,519,163

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	102,581,921	—	—	102,581,921
TOTAL	102,581,921	—	—	102,581,921

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (15%)	1.00	165,193	141,923
Merrill Lynch High Yield Master II (15%)	2.00	330,385	283,846
S&P/TSX Composite High Dividend (10%)	3.00	330,385	283,846
S&P/TSX (30%)	3.00	991,155	851,538
MSCI All Country World Net (30%)	3.00	991,155	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	432,273	429,028
Investments at fair value through profit or loss (FVTPL)	228,224,532	205,177,507
Premiums receivable	196,386	1,049,731
	<u>228,853,191</u>	<u>206,656,266</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	500,982	488,102
Withdrawals payable	339,961	345,235
Payable for securities purchased	113,134	50,786
	<u>954,077</u>	<u>884,123</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>227,899,114</u>	<u>205,772,143</u>
NET ASSETS PER UNIT		
Series 3	<u>6.82</u>	6.22
Series 5	<u>7.34</u>	6.67
Series 6	<u>6.46</u>	5.86
Series 7	<u>6.63</u>	6.01
Series 8	<u>5.14</u>	4.66

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,805	694
Distributions from underlying funds	2,120,842	1,904,182
Changes in fair value:		
Net realized gain (loss) on investments	2,415,467	1,562,714
Net unrealized gain (loss) on investments	19,303,635	4,888,905
	<u>23,841,749</u>	<u>8,356,495</u>
EXPENSES		
Management fees and guarantee charge	2,652,356	2,415,521
Operating expenses	503,659	489,388
	<u>3,156,015</u>	<u>2,904,909</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>20,685,734</u>	<u>5,451,586</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	171,749	43,782
- per unit	<u>0.59</u>	0.15
Average Number of Units	<u>292,070</u>	299,582
SERIES 5		
Increase (Decrease) in Net Assets from Operations	13,755,130	3,980,411
- per unit	<u>0.68</u>	0.19
Average Number of Units	<u>20,328,462</u>	20,729,671
SERIES 6		
Increase (Decrease) in Net Assets from Operations	3,860,176	907,764
- per unit	<u>0.58</u>	0.15
Average Number of Units	<u>6,700,616</u>	5,915,129
SERIES 7		
Increase (Decrease) in Net Assets from Operations	960,475	247,412
- per unit	<u>0.65</u>	0.24
Average Number of Units	<u>1,473,317</u>	1,051,880
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,938,204	272,217
- per unit	<u>0.44</u>	0.13
Average Number of Units	<u>4,409,960</u>	2,093,823

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	<u>205,772,143</u>	<u>190,921,321</u>
Increase (Decrease) in Net Assets from operations attributable to contract owners	<u>20,685,734</u>	<u>5,451,586</u>
Premiums		
Series 3	313,147	450,570
Series 5	8,470,955	15,671,867
Series 6	9,226,617	12,132,418
Series 7	190,610	4,300,043
Series 8*	<u>8,240,965</u>	<u>12,890,345</u>
	<u>26,442,294</u>	<u>45,445,243</u>
Withdrawals		
Series 3	(203,669)	(408,732)
Series 5	(13,696,770)	(15,462,412)
Series 6	(6,694,157)	(15,304,739)
Series 7	(1,248,085)	(406,738)
Series 8*	<u>(3,158,376)</u>	<u>(289,736)</u>
	<u>(25,001,057)</u>	<u>(31,872,357)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	<u>227,899,114</u>	<u>209,945,793</u>

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	20,685,734	5,451,586
Adjustments for:		
Net realized (gain) loss	(2,415,467)	(1,562,714)
Net unrealized (gain) loss	(19,303,635)	(4,888,905)
Non-cash distribution from investments	(2,120,842)	(1,904,182)
Proceeds from sale/maturity of investments	9,440,096	5,069,477
Investments purchased	(8,647,177)	(15,791,085)
Receivable for securities sold	—	21,496
Accrued expenses	12,880	41,154
Payable for securities purchased	62,348	74,911
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	<u>(2,286,063)</u>	<u>(13,488,262)</u>
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	27,295,639	45,126,322
Amounts paid on withdrawals	(25,006,331)	(31,625,258)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	<u>2,289,308</u>	<u>13,501,064</u>
Increase (decrease) in cash/ bank overdraft	3,245	12,802
Cash (bank overdraft), beginning of period	429,028	455,769
CASH (BANK OVERDRAFT), END OF PERIOD	<u>432,273</u>	<u>468,571</u>
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1,805	714
Interest paid	—	20

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.1%)			
NEI Growth & Income Fund, Series I	28,693,412	168,046,986	228,224,532
Total Investments		168,046,986	228,224,532
Other Net Assets (-0.1%)			(325,418)
Net Assets (100%)			227,899,114

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
NEI Global Equity Fund	34.0%
NEI Canadian Bond Fund	22.1%
Toronto-Dominion Bank	4.3%
Scotiabank	3.7%
Air Canada	3.5%
FirstService Corporation	3.4%
Colliers International Group	2.7%
Quebecor	2.5%
Manulife Financial Corporation	2.4%
Onex Corporation	2.3%
Sun Life Financial	2.2%
TELUS Corporation	2.0%
Magna	2.0%
Brookfield Property Partners	1.6%
NorthWest Healthcare Properties Real Estate Investment Trust	1.5%
Bombardier	1.3%
Equitable Group	1.2%
BCE	1.1%
Pason Systems	1.0%
TMX Group	1.0%
First Quantum Minerals	1.0%
Vermilion Energy	0.9%
Precision Drilling Corporation	0.5%
Canadian Imperial Bank of Commerce	0.4%
Bonterra Energy	0.2%

DFS GIF – GROWTH AND INCOME – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	228,224,532	—	—	228,224,532
TOTAL	228,224,532	—	—	228,224,532

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	205,177,507	—	—	205,177,507
TOTAL	205,177,507	—	—	205,177,507

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (25%)	1.00	621,767	590,000
S&P/TSX (55%)	3.00	4,103,665	3,894,001
MSCI World Net (20%)	3.00	1,492,242	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GLOBAL GROWTH – NEI SELECT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	65,961	83,346
Investments at fair value through profit or loss (FVTPL)	137,372,235	128,683,611
Premiums receivable	139,841	287,353
Receivable for securities sold	154,534	—
	<u>137,732,571</u>	<u>129,054,310</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	321,140	323,519
Withdrawals payable	450,225	246,926
Payable for securities purchased	20,964	111,646
	<u>792,329</u>	<u>682,091</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>136,940,242</u>	<u>128,372,219</u>
NET ASSETS PER UNIT		
Series 3	<u>8.26</u>	7.64
Series 5	<u>8.94</u>	8.25
Series 6	<u>6.32</u>	5.83
Series 7	<u>6.48</u>	5.96
Series 8	<u>5.07</u>	4.67

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	210	15
Changes in fair value:		
Net realized gain (loss) on investments	281,347	358,799
Net unrealized gain (loss) on investments	12,652,885	2,347,775
	<u>12,934,442</u>	<u>2,706,589</u>
EXPENSES		
Management fees and guarantee charge	1,727,878	1,582,049
Operating expenses	322,775	302,290
	<u>2,050,653</u>	<u>1,884,339</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>10,883,789</u>	<u>822,250</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	206,485	9,629
- per unit	0.63	0.02
Average Number of Units	327,548	421,974
SERIES 5		
Increase (Decrease) in Net Assets from Operations	6,939,450	518,048
- per unit	0.70	0.06
Average Number of Units	9,884,671	9,116,746
SERIES 6		
Increase (Decrease) in Net Assets from Operations	2,121,478	178,689
- per unit	0.49	0.04
Average Number of Units	4,316,927	4,411,658
SERIES 7		
Increase (Decrease) in Net Assets from Operations	537,660	49,068
- per unit	0.54	0.05
Average Number of Units	996,420	1,041,372
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	1,078,716	66,816
- per unit	0.40	0.04
Average Number of Units	2,692,870	1,626,882

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	128,372,219	114,797,037
Increase (Decrease) in Net Assets from operations attributable to contract owners	10,883,789	822,250
Premiums		
Series 3	50,278	265,689
Series 5	5,974,120	13,333,930
Series 6	2,720,136	7,454,250
Series 7	4,625	1,869,530
Series 8*	2,027,371	9,594,611
	10,776,530	32,518,010
Withdrawals		
Series 3	(282,209)	(645,775)
Series 5	(8,595,287)	(7,433,226)
Series 6	(2,319,927)	(10,422,750)
Series 7	(496,543)	(571,814)
Series 8*	(1,398,330)	(36,083)
	(13,092,296)	(19,109,648)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	136,940,242	129,027,649

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	10,883,789	822,250
Adjustments for:		
Net realized (gain) loss	(281,347)	(358,799)
Net unrealized (gain) loss	(12,652,885)	(2,347,775)
Proceeds from sale/maturity of investments	6,801,766	3,537,756
Investments purchased	(2,556,158)	(14,905,394)
Receivable for securities sold	(154,534)	88,442
Accrued expenses	(2,379)	36,847
Payable for securities purchased	(90,682)	120,156
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,947,570	(13,006,517)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	10,924,042	32,016,753
Amounts paid on withdrawals	(12,888,997)	(18,990,250)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,964,955)	13,026,503
Increase (decrease) in cash/ bank overdraft	(17,385)	19,986
Cash (bank overdraft), beginning of period	83,346	88,509
CASH (BANK OVERDRAFT), END OF PERIOD	65,961	108,495
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	210	86
Interest paid	—	71

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
NEI Select Growth Portfolio, Series I	11,575,402	128,945,945	137,372,235
Total Investments		128,945,945	137,372,235
Other Net Assets (-0.3%)			(431,993)
Net Assets (100%)			136,940,242

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
NEI Global Equity RS Fund	13.1%
NEI Global Equity Fund	12.0%
NEI Global Value Fund	9.9%
NEI Global Total Return Bond Fund	9.0%
NEI International Equity Fund	9.0%
NEI Emerging Markets Fund	8.2%
NEI Canadian Equity Fund	7.0%
NEI Canadian Dividend Fund	6.9%
NEI Canadian Small Cap Equity Fund	6.0%
NEI U.S. Equity Fund	6.0%
NEI Canadian Bond Fund	5.9%
NEI U.S. Dividend Fund	4.9%
NEI Global High Yield Bond Fund	2.0%
Cash and Cash Equivalents	0.1%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	137,372,235	—	—	137,372,235
TOTAL	137,372,235	—	—	137,372,235

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	128,683,611	—	—	128,683,611
TOTAL	128,683,611	—	—	128,683,611

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (20%)	1.00	281,985	266,501
S&P/TSX (16%)	3.00	676,764	639,602
MSCI World Net (64%)	3.00	2,707,055	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	7,484
Investments at fair value through profit or loss (FVTPL)	15,040,112	15,143,652
Premiums receivable	901	901
Receivable for securities sold	979	13,813
	<u>15,041,992</u>	<u>15,165,850</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	547	—
Accrued expenses	30,072	32,654
Withdrawals payable	3,609	18,021
Payable for securities purchased	100	7,056
	<u>34,328</u>	<u>57,731</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>15,007,664</u>	<u>15,108,119</u>
NET ASSETS PER UNIT		
Series 5	<u>7.54</u>	6.96
Series 6	<u>6.15</u>	5.67
Series 7	<u>6.31</u>	5.81
Series 8	<u>5.26</u>	4.85

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Distributions from underlying funds	241,364	615,271
Changes in fair value:		
Net realized gain (loss) on investments	121,854	72,870
Net unrealized gain (loss) on investments	1,080,281	(550,852)
	<u>1,443,499</u>	<u>137,289</u>
EXPENSES		
Management fees and guarantee charge	179,172	196,843
Operating expenses	19,378	21,004
	<u>198,550</u>	<u>217,847</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,244,949</u>	<u>(80,558)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	372,173	(52,296)
- per unit	0.58	(0.07)
Average Number of Units	646,087	745,992
SERIES 6		
Increase (Decrease) in Net Assets from Operations	361,418	(82,317)
- per unit	0.49	(0.07)
Average Number of Units	740,910	1,179,912
SERIES 7		
Increase (Decrease) in Net Assets from Operations	246,793	21,723
- per unit	0.54	0.04
Average Number of Units	454,302	508,093
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	264,565	32,332
- per unit	0.40	0.06
Average Number of Units	668,363	506,092

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	15,108,119	16,423,804
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,244,949	(80,558)
Premiums		
Series 5	243,557	196,101
Series 6	655,832	370,972
Series 7	228,632	1,650,354
Series 8*	673,293	3,082,650
	1,801,314	5,300,077
Withdrawals		
Series 5	(508,859)	(1,075,366)
Series 6	(1,266,038)	(4,066,249)
Series 7	(996,814)	(153,935)
Series 8*	(375,007)	(127,280)
	(3,146,718)	(5,422,830)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	15,007,664	16,220,493

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,244,949	(80,558)
Adjustments for:		
Net realized (gain) loss	(121,854)	(72,870)
Net unrealized (gain) loss	(1,080,281)	550,852
Non-cash distribution from investments	(241,364)	(615,271)
Proceeds from sale/maturity of investments	2,071,139	1,490,230
Investments purchased	(524,100)	(1,228,658)
Receivable for securities sold	12,834	(25,937)
Accrued expenses	(2,582)	(1,257)
Payable for securities purchased	(6,956)	(4,464)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,351,785	12,067
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,801,314	5,361,391
Amounts paid on withdrawals	(3,161,130)	(5,373,917)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,359,816)	(12,526)
Increase (decrease) in cash/ bank overdraft	(8,031)	(459)
Cash (bank overdraft), beginning of period	7,484	594
CASH (BANK OVERDRAFT), END OF PERIOD	(547)	135

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.2%)			
Cambridge Canadian Asset Allocation Corporate Class, I-Class	792,210	13,993,577	15,040,112
Total Investments		13,993,577	15,040,112
Other Net Assets (-0.2%)			(32,448)
Net Assets (100%)			15,007,664

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Cambridge Bond Fund	32.2%
Cambridge Cdn Short Term Bond Fund	14.0%
Cambridge Canadian Long Term Bond Fund	3.0%
Keyera Corporation	2.5%
Franco-Nevada Corporation	2.4%
Athene Holding	2.1%
McKesson Corporation	2.1%
CSX Corporation	2.1%
Jacobs Engineering Group	2.1%
Cambridge Balanced Yield Pool Fund	2.0%
Magna International	2.0%
Canadian Natural Resources	2.0%
Linde	1.8%
Tourmaline Oil Corporation	1.8%
Anthem	1.8%
Gilead Sciences	1.8%
Verizon Communications	1.8%
Emera	1.7%
Activision Blizzard	1.7%
Cboe Global Markets	1.6%
Nutrien	1.5%
George Weston	1.5%
Canadian Pacific Railway	1.5%
Alphabet	1.5%
Great Canadian Gaming Corporation	1.3%

DFS GIF – CANADIAN ASSET ALLOCATION – CI CAMBRIDGE (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	15,040,112	—	—	15,040,112
TOTAL	15,040,112	—	—	15,040,112

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	15,143,652	—	—	15,143,652
TOTAL	15,143,652	—	—	15,143,652

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (40%)	1.00	44,360	43,415
S&P/TSX (60%)	3.00	199,622	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – FRANKLIN QUOTENTIAL

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Investments at fair value through profit or loss (FVTPL)	50,710,801	48,996,956
Premiums receivable	987	517
Receivable for securities sold	20,392	12,672
	<u>50,732,180</u>	<u>49,010,145</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	14,726	9,581
Accrued expenses	123,959	129,432
Withdrawals payable	348,796	66,601
	<u>487,481</u>	<u>205,614</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>50,244,699</u>	<u>48,804,531</u>
NET ASSETS PER UNIT		
Series 3	<u>6.36</u>	5.84
Series 5	<u>6.66</u>	6.11
Series 6	<u>6.08</u>	5.56
Series 7	<u>6.22</u>	5.68
Series 8	<u>5.12</u>	4.67

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(5)	(40)
Changes in fair value:		
Net realized gain (loss) on investments	1,385,626	1,480,515
Net unrealized gain (loss) on investments	3,813,133	(219,806)
	<u>5,198,754</u>	<u>1,260,669</u>
EXPENSES		
Management fees and guarantee charge	671,872	750,639
Operating expenses	130,679	147,163
	<u>802,551</u>	<u>897,802</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>4,396,203</u>	<u>362,867</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	164,370	9,210
- per unit	0.53	0.03
Average Number of Units	313,024	364,152
SERIES 5		
Increase (Decrease) in Net Assets from Operations	3,847,470	319,621
- per unit	0.57	0.04
Average Number of Units	6,773,840	7,475,276
SERIES 6		
Increase (Decrease) in Net Assets from Operations	256,453	22,861
- per unit	0.50	0.04
Average Number of Units	512,064	581,696
SERIES 7		
Increase (Decrease) in Net Assets from Operations	23,348	(101)
- per unit	0.55	—
Average Number of Units	42,240	29,231
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	104,562	11,276
- per unit	0.43	0.06
Average Number of Units	242,104	190,874

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	48,804,531	57,204,568
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,396,203	362,867
Premiums		
Series 3	49,366	78,620
Series 5	1,757,201	1,141,668
Series 6	436,841	789,506
Series 7	—	189,592
Series 8*	244,545	1,234,747
	2,487,953	3,434,133
Withdrawals		
Series 3	(111,914)	(198,944)
Series 5	(4,745,430)	(3,776,819)
Series 6	(435,465)	(1,551,558)
Series 7	(47,189)	(130)
Series 8*	(103,990)	(150,976)
	(5,443,988)	(5,678,427)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	50,244,699	55,323,141

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,396,203	362,867
Adjustments for:		
Net realized (gain) loss	(1,385,626)	(1,480,515)
Net unrealized (gain) loss	(3,813,133)	219,806
Proceeds from sale/maturity of investments	4,047,597	3,994,821
Investments purchased	(562,683)	(856,317)
Receivable for securities sold	(7,720)	10,253
Accrued expenses	(5,473)	(4,863)
Payable for securities purchased	—	30
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	2,669,165	2,246,082
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,487,483	3,428,776
Amounts paid on withdrawals	(5,161,793)	(5,666,104)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(2,674,310)	(2,237,328)
Increase (decrease) in cash/ bank overdraft	(5,145)	8,754
Cash (bank overdraft), beginning of period	(9,581)	(10,085)
CASH (BANK OVERDRAFT), END OF PERIOD	(14,726)	(1,331)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	5	40

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.9%)			
Franklin Quotential Growth Portfolio	4,314,821	32,409,145	50,710,801
Total Investments		32,409,145	50,710,801
Other Net Assets (-0.9%)			(466,102)
Net Assets (100%)			50,244,699

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

TOP MAJOR HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Franklin Canadian Core Equity Fund	7.0%
Franklin Bissett Canadian Government Bond Fund	6.9%
Franklin Bissett Canadian Equity Fund	6.9%
Franklin Bissett Core Plus Bond Fund	6.9%
Franklin FTSE U.S. Index ETF	6.4%
Franklin U.S. Core Equity Fund	6.0%
Franklin U.S. Rising Dividends Fund	6.0%
Franklin FTSE Canada All Cap Index ETF	5.9%
Franklin International Core Equity Fund	5.8%
Franklin LibertyQT U.S. Equity Index ETF	4.9%
Franklin U.S. Opportunities Fund	4.9%
Franklin Select U.S. Equity Fund	4.8%
Franklin Templeton Canadian Large Cap Fund	4.7%
iShares Core MSCI EAFE ETF	4.1%
iShares Core MSCI Emerging Markets ETF	3.9%
Franklin FTSE Europe Ex U.K. Index ETF	3.1%
Franklin Bissett Short Duration Bond Fund	2.6%
Franklin Liberty Global Aggregate Bond ETF	2.3%
Cash and Cash Equivalents	2.1%
Templeton Global Bond Fund	1.7%
Templeton Asian Growth Fund	1.6%
Franklin Emerging Market Core Equity Fund	1.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	50,710,801	—	—	50,710,801
TOTAL	50,710,801	—	—	50,710,801
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 periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (15%)	1.00	74,644	79,751
Bloomberg Barclays Multiverse Bond (5%)	1.00	24,881	26,584
S&P/TSX (25%)	3.00	373,221	558,260
MSCI All Country World Net (55%)	3.00	821,085	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – DIVIDEND INCOME – FRANKLIN BISSETT

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	16,907	51,632
Investments at fair value through profit or loss (FVTPL)	161,790,411	157,711,546
Premiums receivable	34,236	137,216
Receivable for securities sold	98,110	21,779
	<u>161,939,664</u>	<u>157,922,173</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	374,863	394,137
Withdrawals payable	232,055	208,296
Payable for securities purchased	—	3,531
	<u>606,918</u>	<u>605,964</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>161,332,746</u>	<u>157,316,209</u>
NET ASSETS PER UNIT		
Series 3	<u>12.76</u>	11.64
Series 5	<u>13.43</u>	12.21
Series 6	<u>5.89</u>	5.35
Series 7	<u>6.05</u>	5.48
Series 8	<u>5.35</u>	4.86

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	228	—
Distributions from underlying funds	2,089,812	2,242,986
Changes in fair value:		
Net realized gain (loss) on investments	2,496,780	2,318,084
Net unrealized gain (loss) on investments	13,320,833	(4,794,356)
	<u>17,907,653</u>	<u>(233,286)</u>
EXPENSES		
Management fees and guarantee charge	1,852,929	2,026,379
Operating expenses	582,621	645,478
	<u>2,435,550</u>	<u>2,671,857</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>15,472,103</u>	<u>(2,905,143)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	2,690,194	(597,557)
- per unit	1.17	(0.23)
Average Number of Units	2,298,979	2,640,703
SERIES 5		
Increase (Decrease) in Net Assets from Operations	11,433,271	(2,181,626)
- per unit	1.25	(0.21)
Average Number of Units	9,177,891	10,436,715
SERIES 6		
Increase (Decrease) in Net Assets from Operations	787,058	(206,304)
- per unit	0.54	(0.12)
Average Number of Units	1,458,868	1,742,354
SERIES 7		
Increase (Decrease) in Net Assets from Operations	106,641	(14,743)
- per unit	0.59	(0.08)
Average Number of Units	179,470	192,547
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	454,939	95,087
- per unit	0.48	0.18
Average Number of Units	947,760	516,116

* Beginning of operations in April 2018.

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

DFS GIF – DIVIDEND INCOME – FRANKLIN BISSETT (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	157,316,209	190,358,298
Increase (Decrease) in Net Assets from operations attributable to contract owners	15,472,103	(2,905,143)
Premiums		
Series 3	491,367	899,228
Series 5	5,384,239	3,184,876
Series 6	1,814,740	2,111,172
Series 7	—	125,119
Series 8*	990,476	3,125,609
	8,680,822	9,446,004
Withdrawals		
Series 3	(3,334,745)	(3,108,705)
Series 5	(14,572,470)	(13,276,085)
Series 6	(1,613,346)	(4,140,955)
Series 7	(99,328)	(168,556)
Series 8*	(516,499)	(65,403)
	(20,136,388)	(20,759,704)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	161,332,746	176,139,455

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	15,472,103	(2,905,143)
Adjustments for:		
Net realized (gain) loss	(2,496,780)	(2,318,084)
Net unrealized (gain) loss	(13,320,833)	4,794,356
Non-cash distribution from investments	(2,089,812)	(2,242,986)
Proceeds from sale/maturity of investments	14,637,391	14,197,378
Investments purchased	(808,831)	(229,937)
Receivable for securities sold	(76,331)	(292,681)
Accrued expenses	(19,274)	(38,426)
Payable for securities purchased	(3,531)	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	11,294,102	10,964,477
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	8,783,802	9,325,497
Amounts paid on withdrawals	(20,112,629)	(20,543,914)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(11,328,827)	(11,218,417)
Increase (decrease) in cash/bank overdraft	(34,725)	(253,940)
Cash (bank overdraft), beginning of period	51,632	43,002
CASH (BANK OVERDRAFT), END OF PERIOD	16,907	(210,938)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	228	113
Interest paid	—	113

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Franklin Bissett Dividend Income Fund, Series O	3,696,892	132,826,069	161,790,411
Total Investments		132,826,069	161,790,411
Other Net Assets (-0.3%)			(457,665)
Net Assets (100%)			161,332,746

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Royal Bank of Canada	3.9%
Canadian National Railway Company	3.3%
Toronto-Dominion Bank	2.9%
Canadian Imperial Bank of Commerce	2.9%
Enbridge	2.6%
Bank of Montreal	2.4%
Scotiabank	2.3%
Rogers Communications	2.2%
Canadian Utilities	2.2%
Brookfield Renewable Partners	2.1%
Fortis	2.0%
TELUS Corporation	1.9%
Brookfield Infrastructure Partners	1.9%
Metro	1.8%
Nutrien	1.8%
Brookfield Property Partners	1.8%
Inter Pipeline	1.7%
BCE	1.6%
RioCan Real Estate Investment Trust	1.5%
Manulife Financial Corporation	1.5%
Alimentation Couche-Tard	1.5%
Sun Life Financial	1.4%
Merck & Company	1.4%
Franco-Nevada Corporation	1.4%
Apple	1.4%

DFS GIF – DIVIDEND INCOME – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

STRATEGY IN USING FINANCIAL INSTRUMENTS**Investment Objective**

To provide the investor with a consistent return through investment in dividend paying common shares and preferred shares.

Strategy of the Fund

To invest in a diversified portfolio of large cap Canadian issuer preferred shares and common shares as well as common shares of large cap United States issuers with long histories of dividend growth. From time to time the Fund also invests in investment grade interest-bearing securities to a maximum of 25% of the total assets of the Fund.

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	161,790,411	—	—	161,790,411
TOTAL	161,790,411	—	—	161,790,411

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	157,711,546	—	—	157,711,546
TOTAL	157,711,546	—	—	157,711,546

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
FTSE Canada Universe Bond (15%)	1.00	214,744	217,686
S&P/TSX Preferred Share (5%)	3.00	214,744	217,686
S&P/TSX (60%)	3.00	2,576,928	2,612,236
S&P 500 (20%)	3.00	858,976	870,745

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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 DIVIDEND – NEI NORTHWEST

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	63,853	58,655
Investments at fair value through profit or loss (FVTPL)	22,812,528	21,583,566
Premiums receivable	17,096	10,816
	<u>22,893,477</u>	<u>21,653,037</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	51,228	53,141
Withdrawals payable	5,887	4,360
Payable for securities purchased	21,154	1,829
	<u>78,269</u>	<u>59,330</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>22,815,208</u>	<u>21,593,707</u>
NET ASSETS PER UNIT		
Series 5	<u>8.30</u>	<u>7.55</u>
Series 6	<u>6.38</u>	<u>5.79</u>
Series 7	<u>6.51</u>	<u>5.90</u>
Series 8	<u>5.20</u>	<u>4.72</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	283	108
Distributions from underlying funds	470,603	482,995
Changes in fair value:		
Net realized gain (loss) on investments	53,317	18,580
Net unrealized gain (loss) on investments	2,002,900	(385,909)
	<u>2,527,103</u>	<u>115,774</u>
EXPENSES		
Management fees and guarantee charge	297,274	315,841
Operating expenses	38,094	42,367
	<u>335,368</u>	<u>358,208</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,191,735</u>	<u>(242,434)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,421,214	(211,487)
- per unit	0.81	(0.10)
Average Number of Units	1,751,767	2,202,994
SERIES 6		
Increase (Decrease) in Net Assets from Operations	425,139	(82,098)
- per unit	0.58	(0.11)
Average Number of Units	729,727	774,415
SERIES 7		
Increase (Decrease) in Net Assets from Operations	65,236	12,502
- per unit	0.78	0.14
Average Number of Units	84,020	89,768
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	280,146	38,649
- per unit	0.41	0.13
Average Number of Units	683,053	292,053

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	21,593,707	24,372,451
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,191,735	(242,434)
Premiums		
Series 5	515,828	1,537,058
Series 6	1,160,524	1,055,979
Series 7	2,402	391,362
Series 8*	1,607,439	1,965,380
	<u>3,286,193</u>	<u>4,949,779</u>
Withdrawals		
Series 5	(2,566,586)	(2,405,052)
Series 6	(1,036,064)	(2,339,619)
Series 7	(229,858)	(56,672)
Series 8*	(423,919)	(101,452)
	<u>(4,256,427)</u>	<u>(4,902,795)</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	22,815,208	24,177,001

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,191,735	(242,434)
Adjustments for:		
Net realized (gain) loss	(53,317)	(18,580)
Net unrealized (gain) loss	(2,002,900)	385,909
Non-cash distribution from investments	(470,603)	(482,995)
Proceeds from sale/maturity of investments	2,611,923	1,269,581
Investments purchased	(1,314,065)	(1,051,414)
Receivable for securities sold	—	(58,419)
Accrued expenses	(1,913)	(947)
Payable for securities purchased	19,325	49,910
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	980,185	(149,389)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,279,913	4,833,617
Amounts paid on withdrawals	(4,254,900)	(4,633,474)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(974,987)	200,143
Increase (decrease) in cash/ bank overdraft	5,198	50,754
Cash (bank overdraft), beginning of period	58,655	58,213
CASH (BANK OVERDRAFT), END OF PERIOD	63,853	108,967
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	283	108

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.0%)			
NEI Canadian Dividend Fund, Series I	1,406,965	22,588,283	22,812,528
Total Investments		22,588,283	22,812,528
Other Net Assets (0.0%)			2,680
Net Assets (100%)			22,815,208

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	4.8%
Royal Bank of Canada	4.4%
Scotiabank	3.6%
Power Financial Corporation	3.3%
Enbridge	3.3%
Hydro One	3.1%
BCE	3.0%
Brookfield Property Partners	2.9%
Metro	2.8%
Cenovus Energy	2.5%
Rogers Communications	2.5%
Inter Pipeline	2.5%
Canadian Natural Resources	2.5%
Intact Financial Corporation	2.2%
Nutrien	2.1%
Canadian Imperial Bank of Commerce	2.0%
Superior Plus Corporation	1.9%
Husky Energy	1.9%
Cominar Real Estate Investment Trust	1.9%
Crescent Point Energy	1.8%
Bank of Montreal	1.7%
Shaw Communications	1.7%
Chartwell Retirement Residences	1.7%
RioCan Real Estate Investment Trust	1.7%
Laurentian Bank of Canada	1.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	22,812,528	—	—	22,812,528
TOTAL	22,812,528	—	—	22,812,528

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 periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	576,083	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	6,054	—
Investments at fair value through profit or loss (FVTPL)	120,556,293	113,981,501
Premiums receivable	17,750	134,862
	<u>120,580,097</u>	<u>114,116,363</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	38,274
Accrued expenses	273,421	276,020
Withdrawals payable	330,010	199,644
	<u>603,431</u>	<u>513,938</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>119,976,666</u>	<u>113,602,425</u>
NET ASSETS PER UNIT		
Series 3	<u>7.81</u>	6.91
Series 5	<u>8.43</u>	7.43
Series 6	<u>6.04</u>	5.33
Series 7	<u>6.15</u>	5.41
Series 8	<u>5.44</u>	4.78

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	(4,541)	742
Distributions from underlying funds	1,723,011	1,830,238
Changes in fair value:		
Net realized gain (loss) on investments	430,213	1,106,814
Net unrealized gain (loss) on investments	14,587,216	(716,531)
	<u>16,735,899</u>	<u>2,221,263</u>
EXPENSES		
Management fees and guarantee charge	1,292,116	1,455,387
Operating expenses	469,597	530,177
	<u>1,761,713</u>	<u>1,985,564</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,974,186</u>	<u>235,699</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	339,498	(2,726)
- per unit	0.95	(0.01)
Average Number of Units	356,266	428,184
SERIES 5		
Increase (Decrease) in Net Assets from Operations	14,262,889	194,988
- per unit	1.02	0.01
Average Number of Units	14,045,645	16,257,926
SERIES 6		
Increase (Decrease) in Net Assets from Operations	181,977	(3,469)
- per unit	0.74	(0.01)
Average Number of Units	245,205	297,178
SERIES 7		
Increase (Decrease) in Net Assets from Operations	115,717	23,823
- per unit	0.80	0.16
Average Number of Units	143,994	148,941
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	74,105	23,083
- per unit	0.63	0.25
Average Number of Units	117,864	93,170

* 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 – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	113,602,425	146,687,828
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,974,186	235,699
Premiums		
Series 3	61,874	63,546
Series 5	4,535,413	2,040,061
Series 6	220,202	334,100
Series 7	35,374	468,034
Series 8*	139,032	527,964
	4,991,895	3,433,705
Withdrawals		
Series 3	(579,264)	(393,061)
Series 5	(12,289,442)	(16,250,774)
Series 6	(375,016)	(702,820)
Series 7	(222,828)	(223)
Series 8*	(125,290)	(2,256)
	(13,591,840)	(17,349,134)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	119,976,666	133,008,098

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	14,974,186	235,699
Adjustments for:		
Net realized (gain) loss	(430,213)	(1,106,814)
Net unrealized (gain) loss	(14,587,216)	716,531
Non-cash distribution from investments	(1,723,011)	(1,830,238)
Proceeds from sale/maturity of investments	10,216,695	15,952,924
Investments purchased	(51,047)	(314,802)
Interest, dividends and other receivables	—	(816)
Accrued expenses	(2,599)	(80,298)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	8,396,795	13,572,186
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	5,109,007	3,582,748
Amounts paid on withdrawals	(13,461,474)	(17,179,005)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(8,352,467)	(13,596,257)
Increase (decrease) in cash/ bank overdraft	44,328	(24,071)
Cash (bank overdraft), beginning of period	(38,274)	(26,619)
CASH (BANK OVERDRAFT), END OF PERIOD	6,054	(50,690)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	30	12
Interest paid	—	92

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.5%)			
Jarislowsky Fraser Canadian Equity Fund	3,686,782	112,863,380	120,556,293
Total Investments		112,863,380	120,556,293
Other Net Assets (-0.5%)			(579,627)
Net Assets (100%)			119,976,666

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Toronto-Dominion Bank	7.6%
Jarislowsky Fraser Special Equity Fund	6.0%
Canadian National Railway Company	5.9%
Enbridge	5.3%
Scotiabank	5.1%
Royal Bank of Canada	4.8%
Alimentation Couche-Tard	4.6%
Brookfield Asset Management	4.4%
Nutrien	4.4%
Manulife Financial Corporation	4.2%
Open Text Corporation	3.8%
CGI Group	3.8%
Thomson Reuters Corporation	3.5%
Restaurant Brands International	3.3%
Gildan Activewear	3.2%
Canadian Natural Resources	3.2%
CCL Industries	3.0%
Pembina Pipeline Corporation	2.7%
Intact Financial Corporation	2.5%
Metro	2.3%
Saputo	2.3%
CAE	2.0%
SNC-Lavalin Group	1.8%
Stantec	1.8%
iA Financial Corporation	1.6%

DFS GIF – CANADIAN EQUITY – JARISLOWSKY FRASER (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	120,556,293	—	120,556,293
TOTAL	—	120,556,293	—	120,556,293

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	113,981,501	—	113,981,501
TOTAL	—	113,981,501	—	113,981,501

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	3,261,786	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS ("NET ASSETS") PER UNIT AS PER THE FINANCIAL STATEMENTS WITH NET ASSET VALUE PER UNIT FOR TRANSACTIONAL PURPOSES

Subsequent to June 30, 2019, an undervaluation of net asset value was detected that represented 0.75% as of June 30, 2019. The net assets per unit were adjusted in the financial statements to reflect the correct valuation. This created a difference between the net assets per unit as per financial statements and the net asset value per unit for transactional purposes as follows:

As at June 30, 2019:

	Net Asset per Unit as per the Financial Statements	Net Asset Value per Unit for Transactional Purposes
Series 3	7.81	7.75
Series 5	8.43	8.36
Series 6	6.04	6.00
Series 7	6.15	6.11
Series 8	5.44	5.40

This undervaluation was corrected subsequent to June 30, 2019. The Fund and impacted contract owners were compensated for a total amount under \$200.

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH®

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	133,301	—
Investments at fair value through profit or loss (FVTPL)	35,988,104	32,695,585
Premiums receivable	19,060	12,027
Receivable for securities sold	—	17,462
	<u>36,140,465</u>	<u>32,725,074</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	—	17,207
Accrued expenses	84,762	83,794
Withdrawals payable	16,353	21,082
Payable for securities purchased	144,051	1,039
	<u>245,166</u>	<u>123,122</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>35,895,299</u>	<u>32,601,952</u>
NET ASSETS PER UNIT		
Series 3	<u>11.38</u>	10.25
Series 5	<u>11.82</u>	10.63
Series 6	<u>6.33</u>	5.68
Series 7	<u>6.51</u>	5.83
Series 8	<u>5.43</u>	4.87

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	—	(25)
Changes in fair value:		
Net realized gain (loss) on investments	401,603	584,783
Net unrealized gain (loss) on investments	3,819,918	687,331
	<u>4,221,521</u>	<u>1,272,089</u>
EXPENSES		
Management fees and guarantee charge	455,117	465,368
Operating expenses	78,452	84,051
	<u>533,569</u>	<u>549,419</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>3,687,952</u>	<u>722,670</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	114,665	16,420
- per unit	1.18	0.14
Average Number of Units	96,796	113,988
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,847,714	390,407
- per unit	1.22	0.22
Average Number of Units	1,519,246	1,754,589
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,036,158	136,428
- per unit	0.65	0.07
Average Number of Units	1,600,494	2,011,609
SERIES 7		
Increase (Decrease) in Net Assets from Operations	109,475	27,104
- per unit	0.73	0.14
Average Number of Units	150,436	199,957
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	579,940	152,311
- per unit	0.54	0.24
Average Number of Units	1,070,200	624,601

* Beginning of operations in April 2018.

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

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	32,601,952	36,614,712
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,687,952	722,670
Premiums		
Series 3	35,966	64,293
Series 5	761,854	1,940,415
Series 6	1,256,032	1,238,981
Series 7	—	349,604
Series 8*	1,657,900	3,882,943
	3,711,752	7,476,236
Withdrawals		
Series 3	(195,048)	(305,904)
Series 5	(1,711,442)	(3,351,941)
Series 6	(1,080,020)	(5,206,657)
Series 7	(187,520)	(350,370)
Series 8*	(932,327)	(157,329)
	(4,106,357)	(9,372,201)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	35,895,299	35,441,417

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	3,687,952	722,670
Adjustments for:		
Net realized (gain) loss	(401,603)	(584,783)
Net unrealized (gain) loss	(3,819,918)	(687,331)
Proceeds from sale/maturity of investments	2,305,119	3,145,733
Investments purchased	(1,376,117)	(716,948)
Receivable for securities sold	17,462	(35,827)
Accrued expenses	968	(3,949)
Payable for securities purchased	143,012	73,759
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	556,875	1,913,324
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,704,719	7,364,719
Amounts paid on withdrawals	(4,111,086)	(9,198,362)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(406,367)	(1,833,643)
Increase (decrease) in cash/ bank overdraft	150,508	79,681
Cash (bank overdraft), beginning of period	(17,207)	3,253
CASH (BANK OVERDRAFT), END OF PERIOD	133,301	82,934
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest paid	—	25

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Fidelity True North® Fund, Series O	690,472	28,923,103	35,988,104
Total Investments		28,923,103	35,988,104
Other Net Assets (-0.3%)			(92,805)
Net Assets (100%)			35,895,299

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Fidelity Canadian Money Market Investment Trust	7.2%
Toronto-Dominion Bank	6.3%
Alimentation Couche-Tard	4.6%
Canadian National Railway Company	4.5%
Royal Bank of Canada	4.2%
Suncor Energy	3.7%
Metro	3.6%
CGI Group	3.5%
BCE	3.2%
Enbridge	2.8%
Constellation Software	2.5%
Power Corporation of Canada	2.5%
Loblaw Companies	2.4%
Rogers Communications	2.3%
Franco-Nevada Corporation	2.2%
Restaurant Brands International	2.1%
Hydro One	1.9%
Weston George	1.9%
Fortis	1.8%
Canadian Natural Resources	1.8%
Thomson Reuters Corporation	1.6%
Intact Financial Corporation	1.6%
Quebecor	1.5%
Barrick Gold Corporation	1.5%
Fairfax Financial Holdings	1.4%

DFS GIF – CANADIAN EQUITY – FIDELITY TRUE NORTH® (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	35,988,104	—	—	35,988,104
TOTAL	35,988,104	—	—	35,988,104

December 31, 2018	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Financial Assets at FVTPL				
Investment Funds	32,695,585	—	—	32,695,585
TOTAL	32,695,585	—	—	32,695,585

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Capped	3.00	735,630	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	114,221	113,151
Investments at fair value through profit or loss (FVTPL)	48,390,676	46,832,967
Premiums receivable	11,545	6,830
Receivable for securities sold	11,918	1,211
	<u>48,528,360</u>	<u>46,954,159</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	127,133	133,101
Withdrawals payable	40,942	5,685
Payable for securities purchased	—	2,754
	<u>168,075</u>	<u>141,540</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>48,360,285</u>	<u>46,812,619</u>
NET ASSETS PER UNIT		
Series 1	<u>5.05</u>	<u>4.52</u>
Series 3	<u>12.78</u>	<u>11.42</u>
Series 5	<u>13.70</u>	<u>12.21</u>
Series 6	<u>5.90</u>	<u>5.25</u>
Series 7	<u>6.06</u>	<u>5.38</u>
Series 8	<u>5.29</u>	<u>4.70</u>
Series IGP	<u>10.53</u>	<u>9.35</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1,649	512
Changes in fair value:		
Net realized gain (loss) on investments	1,034,715	1,355,925
Net unrealized gain (loss) on investments	5,418,158	(1,521,220)
	<u>6,454,522</u>	<u>(164,783)</u>
EXPENSES		
Management fees and guarantee charge	727,701	835,573
Operating expenses	112,707	131,098
	<u>840,408</u>	<u>966,671</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>5,614,114</u>	<u>(1,131,454)</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	1,198,188	(292,489)
- per unit	0.54	(0.12)
Average Number of Units	2,227,196	2,541,977
SERIES 3		
Increase (Decrease) in Net Assets from Operations	2,196,677	(433,758)
- per unit	1.41	(0.24)
Average Number of Units	1,555,777	1,777,042
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,419,696	(287,925)
- per unit	1.55	(0.26)
Average Number of Units	915,522	1,105,946
SERIES 6		
Increase (Decrease) in Net Assets from Operations	327,743	(134,189)
- per unit	0.64	(0.18)
Average Number of Units	512,559	732,769
SERIES 7		
Increase (Decrease) in Net Assets from Operations	12,453	(1,956)
- per unit	0.52	(0.05)
Average Number of Units	23,885	38,007
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	185,041	54,725
- per unit	0.58	0.24
Average Number of Units	318,016	230,864
SERIES IGP		
Increase (Decrease) in Net Assets from Operations	274,316	(35,862)
- per unit	1.19	(0.14)
Average Number of Units	229,983	251,803

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	46,812,619	63,307,821
Increase (Decrease) in Net Assets from operations attributable to contract owners	5,614,114	(1,131,454)
Premiums		
Series 1	126,582	291,190
Series 3	265,207	255,873
Series 5	660,244	416,800
Series 6	396,782	234,626
Series 7	116,813	—
Series 8*	257,775	1,362,798
Series IGP	6,489	11,932
	1,829,892	2,573,219
Withdrawals		
Series 1	(652,455)	(1,664,844)
Series 3	(2,385,946)	(2,140,449)
Series 5	(2,112,294)	(3,110,169)
Series 6	(354,794)	(2,043,653)
Series 7	(14,247)	(29,889)
Series 8*	(294,451)	(43,751)
Series IGP	(82,153)	(245,180)
	(5,896,340)	(9,277,935)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	48,360,285	55,471,651

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	5,614,114	(1,131,454)
Adjustments for:		
Net realized (gain) loss	(1,034,715)	(1,355,925)
Net unrealized (gain) loss	(5,418,158)	1,521,220
Proceeds from sale/maturity of investments	5,254,816	7,725,214
Investments purchased	(359,652)	(39,673)
Receivable for securities sold	(10,707)	35,019
Accrued expenses	(5,968)	(22,691)
Payable for securities purchased	(2,754)	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	4,036,976	6,731,710
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,825,177	2,553,313
Amounts paid on withdrawals	(5,861,083)	(9,243,950)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(4,035,906)	(6,690,637)
Increase (decrease) in cash/ bank overdraft	1,070	41,073
Cash (bank overdraft), beginning of period	113,151	53,335
CASH (BANK OVERDRAFT), END OF PERIOD	114,221	94,408
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	542	193
Interest paid	—	18

* Beginning of operations in April 2018.

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

DFS GIF – CANADIAN EQUITY – FRANKLIN BISSETT (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.1%)			
Franklin Bissett Canadian Equity Fund, Series O	308,102	38,416,170	48,390,676
Total Investments		38,416,170	48,390,676
Other Net Assets (-0.1%)			(30,391)
Net Assets (100%)			48,360,285

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Brookfield Asset Management	7.3%
Canadian National Railway Company	6.0%
Royal Bank of Canada	5.6%
Toronto-Dominion Bank	4.8%
Canadian Pacific Railway	4.8%
Bank of Montreal	3.5%
Alimentation Couche-Tard	3.4%
Canadian Imperial Bank of Commerce	3.4%
Scotiabank	3.0%
Onex Corporation	2.8%
Enbridge	2.8%
Metro	2.8%
Franco-Nevada Corporation	2.7%
TELUS Corporation	2.5%
Toromont Industries	2.4%
Dollarama	2.4%
Manulife Financial Corporation	2.4%
CGI Group	2.2%
Atco	2.1%
Saputo	2.1%
Keyera Corporation	2.1%
Fortis	1.9%
Enghouse Systems	1.9%
Nutrien	1.9%
Sun Life Financial	1.7%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	48,390,676	—	—	48,390,676
TOTAL	48,390,676	—	—	48,390,676
December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	46,832,967	—	—	46,832,967
TOTAL	46,832,967	—	—	46,832,967

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX	3.00	1,322,178	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – SPECIALTY EQUITY – NEI NORTHWEST

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	25,420	27,083
Investments at fair value through profit or loss (FVTPL)	11,587,219	10,799,236
Premiums receivable	1,181	522
Receivable for securities sold	1,168	—
	<u>11,614,988</u>	<u>10,826,841</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	29,565	29,928
Withdrawals payable	932	39,693
Payable for securities purchased	725	620
	<u>31,222</u>	<u>70,241</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>11,583,766</u>	<u>10,756,600</u>
NET ASSETS PER UNIT		
Series 3	<u>6.00</u>	<u>5.43</u>
Series 5	<u>6.44</u>	<u>5.82</u>
Series 6	<u>4.60</u>	<u>4.15</u>
Series 7	<u>4.71</u>	<u>4.24</u>
Series 8	<u>4.58</u>	<u>4.13</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	94	86
Distributions from underlying funds	—	13,074
Changes in fair value:		
Net realized gain (loss) on investments	(9,950)	347,935
Net unrealized gain (loss) on investments	1,339,177	(94,186)
	<u>1,329,321</u>	<u>266,909</u>
EXPENSES		
Management fees and guarantee charge	167,072	223,059
Operating expenses	21,904	29,685
	<u>188,976</u>	<u>252,744</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,140,345</u>	<u>14,165</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	187,267	(13,673)
- per unit	0.58	(0.04)
Average Number of Units	324,939	363,897
SERIES 5		
Increase (Decrease) in Net Assets from Operations	794,237	16,874
- per unit	0.64	0.01
Average Number of Units	1,239,468	1,535,956
SERIES 6		
Increase (Decrease) in Net Assets from Operations	96,887	3,140
- per unit	0.44	0.01
Average Number of Units	222,625	330,018
SERIES 7		
Increase (Decrease) in Net Assets from Operations	2,588	146
- per unit	0.47	0.03
Average Number of Units	5,522	5,522
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	59,366	7,678
- per unit	0.34	0.06
Average Number of Units	176,813	123,027

* Beginning of operations in April 2018.

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

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	10,756,600	16,019,572
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,140,345	14,165
Premiums		
Series 3	28,832	16,578
Series 5	216,815	1,340,766
Series 6	590,608	241,747
Series 8*	481,436	734,893
	1,317,691	2,333,984
Withdrawals		
Series 3	(117,531)	(405,048)
Series 5	(915,581)	(2,302,091)
Series 6	(523,034)	(905,231)
Series 8*	(74,724)	(139,819)
	(1,630,870)	(3,752,189)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	11,583,766	14,615,532

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,140,345	14,165
Adjustments for:		
Net realized (gain) loss	9,950	(347,935)
Net unrealized (gain) loss	(1,339,177)	94,186
Non-cash distribution from investments	—	(13,074)
Proceeds from sale/maturity of investments	1,116,285	1,809,001
Investments purchased	(575,041)	(176,676)
Receivable for securities sold	(1,168)	(86,526)
Accrued expenses	(363)	(2,332)
Payable for securities purchased	105	—
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	350,936	1,290,809
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,317,032	2,336,565
Amounts paid on withdrawals	(1,669,631)	(3,674,729)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(352,599)	(1,338,164)
Increase (decrease) in cash/bank overdraft	(1,663)	(47,355)
Cash (bank overdraft), beginning of period	27,083	(471)
CASH (BANK OVERDRAFT), END OF PERIOD	25,420	(47,826)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	126	90
Interest paid	—	4

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.0%)			
NEI Canadian Small Cap Equity Fund, Series I	669,549	11,230,912	11,587,219
Total Investments		11,230,912	11,587,219
Other Net Assets (-0.0%)			(3,453)
Net Assets (100%)			11,583,766

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Premium Brands Holdings	5.7%
NFI Group	4.7%
Kinaxis	4.5%
Intertape Polymer Group	4.5%
Canadian Western Bank	4.2%
Ag Growth International	4.0%
Stella-Jones	3.9%
Morneau Shepell	3.7%
ATS Automation Tooling Systems	3.7%
Guardian Capital Group	3.5%
Richelieu Hardware	3.3%
Equitable Group	3.2%
Altus Group	3.1%
Winpak	3.0%
Pason Systems	3.0%
Descartes Systems Group	2.9%
Enerflex	2.8%
E-L Financial Corporation	2.7%
Enghouse Systems	2.7%
Slate Retail REIT	2.7%
First National Financial	2.2%
Freehold Royalties	2.2%
Badger Daylighting	2.1%
Vermilion Energy	2.1%
ShawCor	2.0%

DFS GIF – SPECIALTY EQUITY – NEI NORTHWEST (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	11,587,219	—	—	11,587,219
TOTAL	11,587,219	—	—	11,587,219

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	10,799,236	—	—	10,799,236
TOTAL	10,799,236	—	—	10,799,236

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Small Cap (50%)	3.00	132,379	130,886
S&P/TSX Completion (50%)	3.00	132,379	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	712
Investments at fair value through profit or loss (FVTPL)	9,305,327	10,682,024
Premiums receivable	655	859
Receivable for securities sold	3,457	629
	<u>9,309,439</u>	<u>10,684,224</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	2,481	—
Accrued expenses	24,096	29,414
Withdrawals payable	20,116	12,178
Payable for securities purchased	36	—
	<u>46,729</u>	<u>41,592</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>9,262,710</u>	<u>10,642,632</u>
NET ASSETS PER UNIT		
Series 3	<u>11.14</u>	<u>11.85</u>
Series 5	<u>11.98</u>	<u>12.70</u>
Series 6	<u>3.18</u>	<u>3.37</u>
Series 7	<u>3.23</u>	<u>3.41</u>
Series 8	<u>3.56</u>	<u>3.77</u>

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	113	(11)
Distributions from underlying funds	124,694	—
Changes in fair value:		
Net realized gain (loss) on investments	(344,467)	97,677
Net unrealized gain (loss) on investments	(196,479)	(837,519)
	<u>(416,139)</u>	<u>(739,853)</u>
EXPENSES		
Management fees and guarantee charge	150,096	231,210
Operating expenses	21,985	34,236
	<u>172,081</u>	<u>265,446</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>(588,220)</u>	<u>(1,005,299)</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	(200,641)	(365,032)
- per unit	(0.67)	(1.04)
Average Number of Units	<u>298,917</u>	<u>350,771</u>
SERIES 5		
Increase (Decrease) in Net Assets from Operations	(259,970)	(462,402)
- per unit	(0.71)	(1.09)
Average Number of Units	<u>366,091</u>	<u>425,703</u>
SERIES 6		
Increase (Decrease) in Net Assets from Operations	(99,871)	(160,493)
- per unit	(0.19)	(0.28)
Average Number of Units	<u>517,490</u>	<u>576,954</u>
SERIES 7		
Increase (Decrease) in Net Assets from Operations	(3,281)	(12,642)
- per unit	(0.19)	(0.22)
Average Number of Units	<u>17,488</u>	<u>57,732</u>
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	(24,457)	(4,730)
- per unit	(0.22)	(0.05)
Average Number of Units	<u>113,575</u>	<u>97,187</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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	10,642,632	17,633,675
Increase (Decrease) in Net Assets from operations attributable to contract owners	(588,220)	(1,005,299)
Premiums		
Series 3	46,410	84,554
Series 5	544,244	401,181
Series 6	216,829	404,924
Series 7	—	33,297
Series 8*	39,014	568,962
	846,497	1,492,918
Withdrawals		
Series 3	(549,675)	(446,982)
Series 5	(866,635)	(1,401,295)
Series 6	(190,289)	(994,463)
Series 7	(143)	(124)
Series 8*	(31,457)	(15,564)
	(1,638,199)	(2,858,428)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	9,262,710	15,262,866

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	(588,220)	(1,005,299)
Adjustments for:		
Net realized (gain) loss	344,467	(97,677)
Net unrealized (gain) loss	196,479	837,519
Non-cash distribution from investments	(124,694)	—
Proceeds from sale/maturity of investments	1,264,028	1,965,965
Investments purchased	(303,583)	(324,608)
Receivable for securities sold	(2,828)	(86,122)
Accrued expenses	(5,318)	(5,745)
Payable for securities purchased	36	(14,878)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	780,367	1,269,155
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	846,701	1,496,623
Amounts paid on withdrawals	(1,630,261)	(2,784,911)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(783,560)	(1,288,288)
Increase (decrease) in cash/ bank overdraft	(3,193)	(19,133)
Cash (bank overdraft), beginning of period	712	15,181
CASH (BANK OVERDRAFT), END OF PERIOD	(2,481)	(3,952)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	6	—
Interest paid	—	11

* Beginning of operations in April 2018.

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

DFS GIF – SMALL CAP – FRANKLIN BISSETT (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.5%)			
Franklin Bissett Small Cap Fund, Series O	168,563	12,334,881	9,305,327
Total Investments		12,334,881	9,305,327
Other Net Assets (-0.5%)			(42,617)
Net Assets (100%)			9,262,710

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Indigo Books & Music	6.5%
Total Energy Services	4.1%
Transat A.T.	3.6%
Trican Well Service	3.3%
AKITA Drilling	3.2%
Horizon North Logistics	3.2%
Equitable Group	3.0%
Martinrea International	2.9%
Canadian Western Bank	2.9%
Richelieu Hardware	2.9%
Sleep Country Canada Holdings	2.9%
Transcontinental	2.8%
Exco Technologies	2.7%
Corby Spirit and Wine	2.7%
Intertape Polymer Group	2.6%
Major Drilling Group International	2.6%
AltaGas Canada	2.6%
NFI Group	2.6%
InterRent Real Estate Investment Trust	2.5%
Killam Apartment Real Estate Investment Trust	2.5%
Boyd Group Income Fund	2.5%
Jamieson Wellness	2.4%
Bird Construction	2.4%
Kinaxis	2.3%
Enghouse Systems	2.3%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	9,305,327	—	—	9,305,327
TOTAL	9,305,327	—	—	9,305,327
December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	10,682,024	—	—	10,682,024
TOTAL	10,682,024	—	—	10,682,024

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – SMALL CAP – FRANKLIN BISSETT (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P/TSX Small Cap	3.00	186,092	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	7,388	9,535
Investments at fair value through profit or loss (FVTPL)	39,306,900	34,015,989
Premiums receivable	51,172	80,223
	<u>39,365,460</u>	<u>34,105,747</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	240,658	82,579
Withdrawals payable	22,902	7,144
Payable for securities purchased	1,199	3,999
	<u>264,759</u>	<u>93,722</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>39,100,701</u>	<u>34,012,025</u>
NET ASSETS PER UNIT		
Series 3	<u>8.80</u>	<u>7.75</u>
Series 5	<u>9.58</u>	<u>8.40</u>
Series 6	<u>8.79</u>	<u>7.71</u>
Series 7	<u>8.99</u>	<u>7.87</u>
Series 8	<u>5.70</u>	<u>4.99</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	29	60
Distributions from underlying funds	124,352	265,297
Changes in fair value:		
Net realized gain (loss) on investments	267,348	121,552
Net unrealized gain (loss) on investments	4,918,383	1,453,461
	<u>5,310,112</u>	<u>1,840,370</u>
EXPENSES		
Management fees and guarantee charge	461,410	395,959
Operating expenses	76,100	70,196
	<u>537,510</u>	<u>466,155</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>4,772,602</u>	<u>1,374,215</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	490,807	178,276
- per unit	1.06	0.35
Average Number of Units	463,455	511,899
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,668,772	556,196
- per unit	1.19	0.38
Average Number of Units	1,397,696	1,482,508
SERIES 6		
Increase (Decrease) in Net Assets from Operations	1,517,451	469,141
- per unit	1.07	0.32
Average Number of Units	1,415,833	1,460,396
SERIES 7		
Increase (Decrease) in Net Assets from Operations	187,880	64,494
- per unit	1.21	0.33
Average Number of Units	154,667	195,370
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	907,692	106,108
- per unit	0.69	0.16
Average Number of Units	1,315,861	677,957

* Beginning of operations in April 2018.

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

DFS GIF – AMERICAN EQUITY – MFS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	34,012,025	27,602,437
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,772,602	1,374,215
Premiums		
Series 3	373,699	473,603
Series 5	1,382,497	2,498,804
Series 6	3,066,257	4,189,897
Series 7	56,474	1,518,713
Series 8*	2,530,329	4,118,454
	7,409,256	12,799,471
Withdrawals		
Series 3	(503,779)	(476,760)
Series 5	(2,091,282)	(2,493,152)
Series 6	(2,600,898)	(5,089,128)
Series 7	(354,940)	(219,808)
Series 8*	(1,542,283)	(89,386)
	(7,093,182)	(8,368,234)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	39,100,701	33,407,889

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	4,772,602	1,374,215
Adjustments for:		
Net realized (gain) loss	(267,348)	(121,552)
Net unrealized (gain) loss	(4,918,383)	(1,453,461)
Non-cash distribution from investments	(124,352)	(265,297)
Proceeds from sale/maturity of investments	3,198,351	1,265,285
Investments purchased	(3,179,179)	(5,133,802)
Receivable for securities sold	—	106
Interest, dividends and other receivables	—	(10)
Accrued expenses	158,079	12,965
Payable for securities purchased	(2,800)	29,126
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(363,030)	(4,292,425)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	7,438,307	12,680,456
Amounts paid on withdrawals	(7,077,424)	(8,364,509)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	360,883	4,315,947
Increase (decrease) in cash/ bank overdraft	(2,147)	23,522
Cash (bank overdraft), beginning of period	9,535	5,450
CASH (BANK OVERDRAFT), END OF PERIOD	7,388	28,972
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	29	67
Interest paid	—	19

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.5%)			
MFS U.S. Equity Core Fund	2,299,712	35,115,656	39,306,900
Total Investments		35,115,656	39,306,900
Other Net Assets (-0.5%)			(206,199)
Net Assets (100%)			39,100,701

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Visa	3.3%
Alphabet	3.0%
American Tower Corporation REIT	2.8%
JPMorgan Chase & Company	2.7%
Mastercard	2.5%
Johnson & Johnson	2.5%
Danaher Corporation	2.5%
Medtronic	2.5%
Thermo Fisher Scientific	2.5%
Fidelity National Information Services	2.2%
Bank of America Corporation	2.2%
Comcast Corporation	2.1%
Honeywell International	2.0%
Accenture	2.0%
Microsoft Corporation	1.8%
Mondelez International	1.7%
Starbucks Corporation	1.7%
Facebook	1.7%
Canadian National Railway Company	1.7%
EOG Resources	1.5%
Nasdaq	1.5%
Cognizant Technology Solutions Corporation	1.5%
Enterprise Products Partners	1.5%
Tractor Supply Company	1.5%
Texas Instruments	1.5%

DFS GIF – AMERICAN EQUITY – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	39,306,900	—	39,306,900
TOTAL	—	39,306,900	—	39,306,900

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	34,015,989	—	34,015,989
TOTAL	—	34,015,989	—	34,015,989

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P 500	3.00	1,100,729	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	69,734	65,972
Investments at fair value through profit or loss (FVTPL)	25,220,027	24,165,421
Premiums receivable	15,425	13,079
Receivable for securities sold	—	1,044
	<u>25,305,186</u>	<u>24,245,516</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	58,344	61,387
Withdrawals payable	23,431	7,478
Payable for securities purchased	12,613	953
	<u>94,388</u>	<u>69,818</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>25,210,798</u>	<u>24,175,698</u>
NET ASSETS PER UNIT		
Series 1	<u>9.42</u>	8.49
Series 3	<u>10.48</u>	9.42
Series 5	<u>10.66</u>	9.57
Series 6	<u>8.09</u>	7.25
Series 7	<u>8.33</u>	7.45
Series 8	<u>5.41</u>	4.84

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	938	113
Distributions from underlying funds	324,635	—
Changes in fair value:		
Net realized gain (loss) on investments	719,216	567,709
Net unrealized gain (loss) on investments	2,010,031	429,405
	<u>3,054,820</u>	<u>997,227</u>
EXPENSES		
Management fees and guarantee charge	320,859	342,211
Operating expenses	53,251	60,002
	<u>374,110</u>	<u>402,213</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>2,680,710</u>	<u>595,014</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	228,867	58,744
- per unit	0.93	0.17
Average Number of Units	245,989	347,663
SERIES 3		
Increase (Decrease) in Net Assets from Operations	286,024	63,940
- per unit	1.10	0.21
Average Number of Units	260,062	297,758
SERIES 5		
Increase (Decrease) in Net Assets from Operations	1,109,316	268,469
- per unit	1.12	0.23
Average Number of Units	993,572	1,150,189
SERIES 6		
Increase (Decrease) in Net Assets from Operations	657,049	136,887
- per unit	0.85	0.15
Average Number of Units	770,604	941,324
SERIES 7		
Increase (Decrease) in Net Assets from Operations	29,830	15,317
- per unit	1.08	0.20
Average Number of Units	27,632	77,653
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	369,624	51,657
- per unit	0.53	0.13
Average Number of Units	693,596	403,027

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	24,175,698	26,378,468
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,680,710	595,014
Premiums		
Series 1	16,771	71,658
Series 3	82,734	126,711
Series 5	515,089	821,846
Series 6	659,715	907,446
Series 7	—	149,349
Series 8*	979,289	2,457,015
	2,253,598	4,534,025
Withdrawals		
Series 1	(637,204)	(117,265)
Series 3	(357,223)	(350,045)
Series 5	(1,442,216)	(1,922,278)
Series 6	(860,099)	(3,033,370)
Series 7	(134,505)	(51,495)
Series 8*	(467,961)	(84,340)
	(3,899,208)	(5,558,793)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	25,210,798	25,948,714

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	2,680,710	595,014
Adjustments for:		
Net realized (gain) loss	(719,216)	(567,709)
Net unrealized (gain) loss	(2,010,031)	(429,405)
Non-cash distribution from investments	(324,635)	—
Proceeds from sale/maturity of investments	2,764,832	2,063,493
Investments purchased	(765,285)	(610,430)
Receivable for securities sold	1,044	(42,067)
Accrued expenses	(3,043)	(1,541)
Payable for securities purchased	11,660	38,984
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,636,036	1,046,339
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,251,252	4,446,891
Amounts paid on withdrawals	(3,883,255)	(5,435,964)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,632,003)	(989,073)
Effect of exchange rate changes on foreign cash	(271)	259
Increase (decrease) in cash/ bank overdraft	3,762	57,525
Cash (bank overdraft), beginning of period	65,972	47,317
CASH (BANK OVERDRAFT), END OF PERIOD	69,734	104,842
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	311	113

* Beginning of operations in April 2018.

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

DFS GIF – AMERICAN EQUITY VALUE – DESJARDINS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.0%)			
Desjardins American Equity Value Fund, I-Class	837,068	18,216,539	25,220,027
Total Investments		18,216,539	25,220,027
Other Net Assets (-0.0%)			(9,229)
Net Assets (100%)			25,210,798

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
JPMorgan Chase & Company	4.5%
Bank of America Corporation	4.1%
Verizon Communications	3.0%
Merck & Company	2.9%
Chevron Corporation	2.7%
Intel Corporation	2.5%
Citigroup	2.3%
Comcast Corporation	2.2%
Medtronic	2.2%
Exxon Mobil Corporation	2.0%
Cisco Systems	1.9%
Philip Morris International	1.9%
Chubb	1.8%
AstraZeneca	1.7%
Microsoft Corporation	1.6%
Motorola Solutions	1.6%
Lockheed Martin Corporation	1.6%
Nestlé	1.6%
Lowe's Companies	1.5%
Honeywell International	1.5%
Target Corporation	1.5%
American International Group	1.5%
International Business Machines Corporation (IBM)	1.5%
PNC Financial Services Group	1.4%
Marsh & McLennan Companies	1.4%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	25,220,027	—	—	25,220,027
TOTAL	25,220,027	—	—	25,220,027

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	24,165,421	—	—	24,165,421
TOTAL	24,165,421	—	—	24,165,421

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 VALUE – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
S&P 500	3.00	699,392	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GLOBAL DIVIDEND – DESJARDINS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	—	3,120
Investments at fair value through profit or loss (FVTPL)	28,868,201	26,887,337
Premiums receivable	12,750	139,823
Receivable for securities sold	9,332	—
	<u>28,890,283</u>	<u>27,030,280</u>
LIABILITIES		
Current Liabilities		
Bank overdraft	8,328	—
Accrued expenses	61,258	60,899
Withdrawals payable	30,350	110,451
Payable for securities purchased	—	39,826
	<u>99,936</u>	<u>211,176</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>28,790,347</u>	<u>26,819,104</u>
NET ASSETS PER UNIT		
Series 5	<u>9.11</u>	8.57
Series 6	<u>6.68</u>	6.28
Series 7	<u>6.86</u>	6.43
Series 8	<u>5.27</u>	4.94

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	1	(10)
Changes in fair value:		
Net realized gain (loss) on investments	148,656	106,975
Net unrealized gain (loss) on investments	1,980,838	(88,403)
	<u>2,129,495</u>	<u>18,562</u>
EXPENSES		
Management fees and guarantee charge	355,232	344,986
Operating expenses	31,302	29,737
	<u>386,534</u>	<u>374,723</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,742,961</u>	<u>(356,161)</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	534,063	(125,384)
- per unit	0.56	(0.12)
Average Number of Units	952,036	1,029,464
SERIES 6		
Increase (Decrease) in Net Assets from Operations	612,738	(266,520)
- per unit	0.40	(0.13)
Average Number of Units	1,535,596	2,089,689
SERIES 7		
Increase (Decrease) in Net Assets from Operations	154,291	(36,606)
- per unit	0.43	(0.10)
Average Number of Units	354,999	381,519
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	441,869	72,349
- per unit	0.31	0.07
Average Number of Units	1,405,121	1,008,449

* Beginning of operations in April 2018.

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

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	26,819,104	26,396,332
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,742,961	(356,161)
Premiums		
Series 5	828,700	739,964
Series 6	1,880,855	2,521,704
Series 7	—	166,449
Series 8*	1,068,096	6,116,376
	3,777,651	9,554,493
Withdrawals		
Series 5	(1,661,757)	(849,831)
Series 6	(1,442,420)	(7,093,245)
Series 7	(98,453)	(268,537)
Series 8*	(346,739)	(302,205)
	(3,549,369)	(8,513,818)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	28,790,347	27,070,846

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,742,961	(356,161)
Adjustments for:		
Net realized (gain) loss	(148,656)	(106,975)
Net unrealized (gain) loss	(1,980,838)	88,403
Proceeds from sale/maturity of investments	1,641,191	1,356,026
Investments purchased	(1,492,561)	(2,062,607)
Receivable for securities sold	(9,332)	(819)
Accrued expenses	359	1,170
Payable for securities purchased	(39,826)	(179,587)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(286,702)	(1,260,550)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,904,724	9,750,850
Amounts paid on withdrawals	(3,629,470)	(8,494,545)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	275,254	1,256,305
Increase (decrease) in cash/ bank overdraft	(11,448)	(4,245)
Cash (bank overdraft), beginning of period	3,120	3,810
CASH (BANK OVERDRAFT), END OF PERIOD	(8,328)	(435)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	1	—
Interest paid	—	10

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Desjardins Global Dividend Fund, I-Class	1,373,186	25,961,305	28,867,107
Desjardins SocieTerra Emerging Markets Equity Fund, A-Class	105	1,100	1,094
Total Investments		25,962,405	28,868,201
Other Net Assets (-0.3%)			(77,854)
Net Assets (100%)			28,790,347

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

TOP FIVE HOLDINGS OF THE UNDERLYING FUNDS – unaudited

Security Name	Percentage of Portfolio
DESJARDINS GLOBAL DIVIDEND FUND 100.3%	
Muenchener Rueckversicherung	1.9%
Allianz	1.8%
AXA	1.8%
BCE	1.8%
Welltower	1.7%
DESJARDINS SOCIETERRA EMERGING MARKETS EQUITY FUND 0.0%	
Ping An Insurance (Group) Company of China	6.7%
BB Seguridade Participacoes	3.9%
Inner Mongolia Yili Industrial Group	3.8%
Cognizant Technology Solutions Corporation	3.4%
Taiwan Semiconductor Manufacturing Company	3.4%

DFS GIF – GLOBAL DIVIDEND – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	28,868,201	—	—	28,868,201
TOTAL	28,868,201	—	—	28,868,201

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	26,887,337	—	—	26,887,337
TOTAL	26,887,337	—	—	26,887,337

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI World Net	3.00	641,986	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 – GLOBAL EQUITY – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	6,583	13,144
Investments at fair value through profit or loss (FVTPL)	60,089,012	56,556,513
Premiums receivable	22,254	1,002
Receivable for securities sold	18,843	12,163
	<u>60,136,692</u>	<u>56,582,822</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	134,346	135,732
Withdrawals payable	130,601	63,021
	<u>264,947</u>	<u>198,753</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>59,871,745</u>	<u>56,384,069</u>
NET ASSETS PER UNIT		
Series 3	<u>5.55</u>	4.86
Series 5	<u>5.83</u>	5.10
Series 6	<u>7.71</u>	6.74
Series 7	<u>7.90</u>	6.89
Series 8	<u>5.47</u>	4.78

STATEMENT OF COMPREHENSIVE INCOME

– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	156	223
Distributions from underlying funds	1,065,650	753,718
Changes in fair value:		
Net realized gain (loss) on investments	368,743	289,351
Net unrealized gain (loss) on investments	7,402,757	2,873,660
	<u>8,837,306</u>	<u>3,916,952</u>
EXPENSES		
Management fees and guarantee charge	668,108	706,973
Operating expenses	188,815	204,655
	<u>856,923</u>	<u>911,628</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>7,980,383</u>	<u>3,005,324</u>
DATA PER SERIES		
SERIES 3		
Increase (Decrease) in Net Assets from Operations	430,174	154,989
- per unit	0.71	0.23
Average Number of Units	607,499	663,187
SERIES 5		
Increase (Decrease) in Net Assets from Operations	6,644,241	2,600,775
- per unit	0.74	0.26
Average Number of Units	8,944,018	10,002,134
SERIES 6		
Increase (Decrease) in Net Assets from Operations	448,007	162,845
- per unit	0.99	0.31
Average Number of Units	452,798	517,131
SERIES 7		
Increase (Decrease) in Net Assets from Operations	135,434	50,661
- per unit	0.91	0.32
Average Number of Units	149,268	156,230
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	322,527	36,054
- per unit	0.66	0.12
Average Number of Units	485,703	304,278

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	56,384,069	60,855,644
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,980,383	3,005,324
Premiums		
Series 3	94,513	476,947
Series 5	1,241,912	1,433,494
Series 6	440,454	1,550,931
Series 7	357,508	976,442
Series 8*	538,522	1,984,772
	2,672,909	6,422,586
Withdrawals		
Series 3	(600,582)	(366,945)
Series 5	(5,739,804)	(3,834,074)
Series 6	(628,954)	(2,112,435)
Series 7	(12,917)	(52,013)
Series 8*	(183,359)	(23,700)
	(7,165,616)	(6,389,167)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	59,871,745	63,894,387

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	7,980,383	3,005,324
Adjustments for:		
Net realized (gain) loss	(368,743)	(289,351)
Net unrealized (gain) loss	(7,402,757)	(2,873,660)
Non-cash distribution from investments	(1,065,650)	(753,718)
Proceeds from sale/maturity of investments	5,853,526	3,430,395
Investments purchased	(548,875)	(2,595,416)
Receivable for securities sold	(6,680)	(8,805)
Accrued expenses	(1,386)	6,854
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	4,439,818	(78,377)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	2,651,657	6,403,264
Amounts paid on withdrawals	(7,098,036)	(6,333,676)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(4,446,379)	69,588
Increase (decrease) in cash/ bank overdraft	(6,561)	(8,789)
Cash (bank overdraft), beginning of period	13,144	9,115
CASH (BANK OVERDRAFT), END OF PERIOD	6,583	326
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	56	294
Interest paid	—	34

* 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 – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
MFS Global Research Fund	3,198,623	55,276,669	60,089,012
Total Investments		55,276,669	60,089,012
Other Net Assets (-0.4%)			(217,267)
Net Assets (100%)			59,871,745

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Microsoft Corporation	2.7%
Amazon.com	2.5%
Alphabet	2.0%
Facebook	1.7%
Alia Group	1.5%
Mastercard	1.5%
Honeywell International	1.4%
Citigroup	1.4%
Aon	1.4%
salesforce.com	1.3%
Adobe Systems	1.3%
Cisco Systems	1.2%
Fiserv	1.2%
Nestlé SA	1.2%
Danaher Corporation	1.2%
Medtronic	1.2%
BB&T Corporation	1.1%
Roche Holding	1.1%
HDFC Bank	1.1%
CMS Energy Corporation	1.1%
Schneider Electric	1.1%
Global Payments	1.1%
Fidelity National Information Services	1.0%
BNP Paribas	1.0%
LVMH Moët Hennessy Louis Vuitton	1.0%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	60,089,012	—	60,089,012
TOTAL	—	60,089,012	—	60,089,012
December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	56,556,513	—	56,556,513
TOTAL	—	56,556,513	—	56,556,513

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI All Country World Net	3.00	1,803,141	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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".

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

RECONCILIATION OF NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS ("NET ASSETS") PER UNIT AS PER THE FINANCIAL STATEMENTS WITH NET ASSET VALUE PER UNIT FOR TRANSACTIONAL PURPOSES

Subsequent to June 30, 2019, an undervaluation of net asset value was detected that represented 1.44% as of June 30, 2019. The net assets per unit were adjusted in the financial statements to reflect the correct valuation. This created a difference between the net assets per unit as per financial statements and the net asset value per unit for transactional purposes as follows:

As at June 30, 2019:

	Net Asset per Unit as per the Financial Statements	Net Asset Value per Unit for Transactional Purposes
Series 3	5.55	5.47
Series 5	5.83	5.75
Series 6	7.71	7.60
Series 7	7.90	7.78
Series 8	5.47	5.40

This undervaluation was corrected subsequent to June 30, 2019. The Fund and impacted contract owners were compensated for a total amount under \$300.

DFS GIF – INTERNATIONAL EQUITY – MFS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	2,560	3,384
Investments at fair value through profit or loss (FVTPL)	12,625,370	12,402,347
Premiums receivable	8,263	7,958
Receivable for securities sold	407	—
	<u>12,636,600</u>	<u>12,413,689</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	30,346	31,625
Withdrawals payable	27,709	8,316
Payable for securities purchased	—	431
	<u>58,055</u>	<u>40,372</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>12,578,545</u>	<u>12,373,317</u>
NET ASSETS PER UNIT		
Series 1	<u>7.44</u>	6.64
Series 3	<u>7.75</u>	6.90
Series 5	<u>8.61</u>	7.64
Series 6	<u>6.80</u>	6.04
Series 7	<u>6.97</u>	6.18
Series 8	<u>5.31</u>	4.71

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	21	6,018
Changes in fair value:		
Net realized gain (loss) on investments	167,437	237,061
Net unrealized gain (loss) on investments	1,505,930	252,789
	<u>1,673,388</u>	<u>495,868</u>
EXPENSES		
Management fees and guarantee charge	161,709	172,346
Operating expenses	34,830	40,064
	<u>196,539</u>	<u>212,410</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,476,849</u>	<u>283,458</u>
DATA PER SERIES		
SERIES 1		
Increase (Decrease) in Net Assets from Operations	171,013	39,818
- per unit	0.81	0.14
Average Number of Units	212,249	292,867
SERIES 3		
Increase (Decrease) in Net Assets from Operations	462,388	85,070
- per unit	0.85	0.15
Average Number of Units	542,631	574,464
SERIES 5		
Increase (Decrease) in Net Assets from Operations	426,927	105,880
- per unit	0.98	0.19
Average Number of Units	436,943	543,616
SERIES 6		
Increase (Decrease) in Net Assets from Operations	234,768	38,993
- per unit	0.77	0.13
Average Number of Units	303,970	299,030
SERIES 7		
Increase (Decrease) in Net Assets from Operations	47,212	11,818
- per unit	0.84	0.19
Average Number of Units	56,385	63,357
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	134,541	1,879
- per unit	0.59	0.03
Average Number of Units	227,102	67,215

* 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 – unaudited**

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	12,373,317	12,450,263
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,476,849	283,458
Premiums		
Series 1	21,878	492,928
Series 3	159,091	333,989
Series 5	386,530	590,616
Series 6	105,682	912,736
Series 7	129,873	397,784
Series 8*	202,549	415,087
	1,005,603	3,143,140
Withdrawals		
Series 1	(150,422)	(559,431)
Series 3	(481,680)	(341,376)
Series 5	(978,195)	(850,484)
Series 6	(318,611)	(798,831)
Series 7	(259,569)	(65,747)
Series 8*	(88,747)	(15,538)
	(2,277,224)	(2,631,407)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	12,578,545	13,245,454

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,476,849	283,458
Adjustments for:		
Net realized (gain) loss	(167,437)	(237,061)
Net unrealized (gain) loss	(1,505,930)	(252,789)
Proceeds from sale/maturity of investments	1,652,685	1,262,590
Investments purchased	(202,341)	(1,543,740)
Receivable for securities sold	(407)	(88,630)
Interest, dividends and other receivables	—	(246)
Accrued expenses	(1,279)	(3,775)
Payable for securities purchased	(431)	(19,680)
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	1,251,709	(599,873)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	1,005,298	3,121,234
Amounts paid on withdrawals	(2,257,831)	(2,629,674)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	(1,252,533)	491,560
Increase (decrease) in cash/ bank overdraft	(824)	(108,313)
Cash (bank overdraft), beginning of period	3,384	22,631
CASH (BANK OVERDRAFT), END OF PERIOD	2,560	(85,682)
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	21	5,782
Interest paid	—	8

* Beginning of operations in April 2018.

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

DFS GIF – INTERNATIONAL EQUITY – MFS (continued)

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.4%)			
MFS International Equity Fund	933,436	10,706,130	12,625,370
Total Investments		10,706,130	12,625,370
Other Net Assets (-0.4%)			(46,825)
Net Assets (100%)			12,578,545

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
Nestlé SA	4.2%
Alia Group	3.1%
Roche Holding AG	3.0%
SAP SE	2.9%
Hoya Corporation	2.8%
Schneider Electric	2.8%
Air Liquide	2.7%
LVMH Moët Hennessy Louis Vuitton	2.5%
Beiersdorf AG	2.2%
Canadian National Railway Company	2.1%
Experian	2.1%
Pernod Ricard	2.1%
Diageo	2.0%
Amadeus IT Group	1.9%
Novartis AG	1.9%
Bayer AG	1.9%
Terumo Corporation	1.9%
Tata Consultancy Services	1.8%
Compass Group	1.7%
Novo Nordisk	1.7%
Daikin Industries	1.7%
Akzo Nobel NV	1.6%
UBS Group AG	1.6%
Olympus Corporation	1.6%
Danone	1.5%

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	12,625,370	—	12,625,370
TOTAL	—	12,625,370	—	12,625,370

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	—	12,402,347	—	12,402,347
TOTAL	—	12,402,347	—	12,402,347

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

FINANCIAL INSTRUMENTS RISKS (Note 7)

Underlying Fund Risk Management

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

Quarterly, this team makes an analysis of the 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 – MFS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI EAFE Net	3.00	385,083	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 GROWTH – DESJARDINS

STATEMENT OF FINANCIAL POSITION – unaudited

As at

	June 30 2019 \$	December 31 2018 \$
ASSETS		
Current Assets		
Cash	5,461	1,473
Investments at fair value through profit or loss (FVTPL)	14,820,329	12,115,074
Premiums receivable	12,654	8,909
Receivable for securities sold	—	11,404
	<u>14,838,444</u>	<u>12,136,860</u>
LIABILITIES		
Current Liabilities		
Accrued expenses	31,984	29,037
Withdrawals payable	9,561	17,077
Payable for securities purchased	14,998	994
	<u>56,543</u>	<u>47,108</u>
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS	<u>14,781,901</u>	<u>12,089,752</u>
NET ASSETS PER UNIT		
Series 5	<u>10.56</u>	<u>9.17</u>
Series 6	<u>7.26</u>	<u>6.31</u>
Series 7	<u>7.43</u>	<u>6.43</u>
Series 8	<u>4.92</u>	<u>4.27</u>

STATEMENT OF COMPREHENSIVE INCOME
– unaudited

Six-month Periods Ended June 30

	2019 \$	2018 \$
INCOME		
Interest for attribution purposes	2	(4)
Distributions from underlying funds	160,994	—
Changes in fair value:		
Net realized gain (loss) on investments	(38,176)	100,728
Net unrealized gain (loss) on investments	1,940,205	756,780
	<u>2,063,025</u>	<u>857,504</u>
EXPENSES		
Management fees and guarantee charge	179,834	122,865
Operating expenses	18,358	13,356
	<u>198,192</u>	<u>136,221</u>
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS ATTRIBUTABLE TO CONTRACT OWNERS	<u>1,864,833</u>	<u>721,283</u>
DATA PER SERIES		
SERIES 5		
Increase (Decrease) in Net Assets from Operations	498,876	289,193
- per unit	1.38	0.85
Average Number of Units	361,046	339,736
SERIES 6		
Increase (Decrease) in Net Assets from Operations	744,191	342,049
- per unit	0.94	0.61
Average Number of Units	794,529	558,915
SERIES 7		
Increase (Decrease) in Net Assets from Operations	60,452	43,260
- per unit	1.05	0.59
Average Number of Units	57,422	73,382
SERIES 8*		
Increase (Decrease) in Net Assets from Operations	561,314	46,781
- per unit	0.62	0.13
Average Number of Units	899,222	352,897

* Beginning of operations in April 2018.

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

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

STATEMENT OF CHANGES IN NET ASSETS
ATTRIBUTABLE TO CONTRACT OWNERS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, BEGINNING OF PERIOD	12,089,752	6,025,124
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,864,833	721,283
Premiums		
Series 5	558,083	2,141,368
Series 6	1,286,585	3,138,589
Series 7	98,141	247,933
Series 8*	1,206,693	2,850,041
	3,149,502	8,377,931
Withdrawals		
Series 5	(693,356)	(502,444)
Series 6	(875,618)	(2,430,765)
Series 7	(56,620)	(324,463)
Series 8*	(696,592)	(132,579)
	(2,322,186)	(3,390,251)
NET ASSETS ATTRIBUTABLE TO CONTRACT OWNERS, END OF PERIOD	14,781,901	11,734,087

STATEMENT OF CASH FLOWS – unaudited

Six-month Periods Ended June 30

	2019	2018
	\$	\$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets from operations attributable to contract owners	1,864,833	721,283
Adjustments for:		
Net realized (gain) loss	38,176	(100,728)
Net unrealized (gain) loss	(1,940,205)	(756,780)
Non-cash distribution from investments	(160,994)	—
Proceeds from sale/maturity of investments	1,136,511	569,319
Investments purchased	(1,778,743)	(5,356,102)
Receivable for securities sold	11,404	—
Accrued expenses	2,947	13,695
Payable for securities purchased	14,004	100,231
NET CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES	(812,067)	(4,809,082)
CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		
Premium payments	3,145,757	8,232,309
Amounts paid on withdrawals	(2,329,702)	(3,354,989)
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES	816,055	4,877,320
Increase (decrease) in cash/ bank overdraft	3,988	68,238
Cash (bank overdraft), beginning of period	1,473	1,339
CASH (BANK OVERDRAFT), END OF PERIOD	5,461	69,577
SUPPLEMENTAL INFORMATION ON CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Interest received	2	—
Interest paid	—	4

* Beginning of operations in April 2018.

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

SCHEDULE OF INVESTMENT PORTFOLIO – unaudited

As at June 30, 2019

	Number of Units	Cost	Fair Value
		\$	\$
Investment Funds (100.3%)			
Desjardins Overseas Equity Growth Fund, I-Class	624,540	14,721,279	14,820,329
Total Investments		14,721,279	14,820,329
Other Net Assets (-0.3%)			(38,428)
Net Assets (100%)			14,781,901

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

TOP 25 HOLDINGS OF THE UNDERLYING FUND – unaudited

Security Name	Percentage of Portfolio
ASML Holding	5.9%
Tencent Holdings	5.0%
AIA Group	4.6%
Ferrari	4.4%
Alibaba Group Holding	4.3%
Softbank Corporation	4.2%
Kering	4.1%
Illumina	3.5%
MercadoLibre	3.0%
Inditex	3.0%
Zalando	2.7%
Rolls-Royce Holdings	2.6%
Amazon.com	2.6%
M3	2.5%
Spotify Technology	2.3%
L'Oréal	2.3%
wix.com	2.1%
Genmab	1.9%
Atlas Copco	1.9%
SMC Corporation	1.8%
TAL Education Group	1.8%
Nidec Corporation	1.8%
Tesla	1.6%
BASF AG	1.6%
Baidu, ADR	1.5%

DFS GIF – INTERNATIONAL EQUITY GROWTH – DESJARDINS (continued)

NOTES TO THE FINANCIAL STATEMENTS – SPECIFIC INFORMATION – unaudited

As at June 30, 2019

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.

Investment Measured at Fair Value at the End of the Period, within the Following Levels:

June 30, 2019	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	14,820,329	—	—	14,820,329
TOTAL	14,820,329	—	—	14,820,329

December 31, 2018	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Financial Assets at FVTPL				
Investment Funds	12,115,074	—	—	12,115,074
TOTAL	12,115,074	—	—	12,115,074

Transfers between Levels 1 and 2

During the periods ended June 30, 2019 and December 31, 2018, there were no transfers of securities between Levels 1 and 2.

Investment Entities (Note 2)

Total values of index-based investments, mortgage-backed securities, asset-backed securities, investment funds (including limited partnerships) and master asset vehicles (included in the bonds), if any, in the table "Investment Measured at Fair Value within the Levels" also represent the fair value of investments in structured entities.

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

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

Quarterly, this team makes an analysis of the 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 – unaudited

As at June 30, 2019

Currency Risk

As at June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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	
		June 30, 2019	December 31, 2018
Benchmarks	%	\$	\$
MSCI EAFE Net	3.00	620,618	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 June 30, 2019 and December 31, 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 June 30, 2019 and December 31, 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".

NOTES TO THE FINANCIAL STATEMENTS – unaudited

Six-months Periods Ended June 30, 2019 and 2018

1. ESTABLISHMENT OF THE FUNDS

The Desjardins Financial Security Guaranteed Investment Funds (the Funds) consist of thirty-nine 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 by resolutions of the Board of Directors:

	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	—
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	—
Canadian Balanced – Franklin Bissett	—	Dec. 5, 2005	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 – Franklin Bissett	—	Apr. 17, 2000	Oct. 29, 2007	Feb. 24, 2014	Feb. 24, 2014	Apr. 30, 2018	—
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 – 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 June 30, 2019 and 2018, as well as December 31, 2018, as applicable, and for the six-month periods ended on those dates, as applicable. For Funds established in either period, the "period" represents the period from the establishment date to June 30 of that fiscal year. The establishment date of the Fund is the earliest date presented for the series listed above.

The main activities of the Funds are disclosed in the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund. On April 30, 2018, the Company opened the following Funds, which are available under Series 5, 6, 7 and 8 exclusively:

NAMES OF THE FUNDS

DFS GIF – Conservative – Desjardins SocieTerra

DFS GIF – Growth – Desjardins SocieTerra

DFS GIF – Maximum Growth – Desjardins SocieTerra

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 based on International Financial Reporting Standards (IFRS). These financial statements have been authorized for issue by the Audit and Risk Management Committee of the Company on September 13, 2019.

SIGNIFICANT ACCOUNTING POLICIES

Changes in Accounting Policies

On January 1, 2018, the Funds adopted IFRS 9, *Financial Instruments*, retrospectively, which did not result in any changes in the comparative periods.

IFRS 9 replaces IAS 39 and gives rise to new requirements for the classification, measurement and derecognition of financial assets and liabilities, the impairment of financial instruments, as well as requirements for hedge accounting. The Funds do not apply hedge accounting.

Regarding the classification and measurement of financial assets and liabilities, the adoption of IFRS 9 had no impact on the Funds' Statement of Financial Position as at January 1, 2018 and 2017. Financial assets that were held for trading and thus valued at fair value through profit or loss (FVTPL) as well as those designated at FVTPL under IAS 39 are now classified at FVTPL under IFRS 9. Under IAS 39, financial assets that were included in the "Loans and receivables" class and measured at amortized cost continue to be measured at amortized cost under IFRS 9. The adoption of IFRS 9 had no impact on the classification and measurement of financial liabilities.

The classification and measurement of financial assets and liabilities under IFRS 9 and under IAS 39 are summarized as follows:

	Under IFRS 9	Under IAS 39
Financial Assets		
<i>At Fair Value Through Profit or Loss (FVTPL) (i)</i>		
Derivative financial instruments	Classified at FVTPL	FVTPL – Held for trading
All other investments including equity and fixed-income securities	Classified at FVTPL	FVTPL – Designated at FVTPL
<i>At Amortized Cost (ii)</i>		
Cash and all other receivables	Amortized Cost	Loans and receivables
Financial Liabilities		
<i>At FVTPL (iii)</i>		
Derivative financial instruments and short positions	Classified at FVTPL	FVTPL – Held for trading
<i>At Amortized Cost (iv)</i>		
Bank overdraft and all other payables	Amortized Cost	Amortized Cost

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

- (i) Financial assets classified at FVTPL under IFRS 9 are financial assets which are managed based on fair value or which do not meet the contractual cash flows characteristic test criteria of being solely payments of principal and interest. Under IAS 39, financial assets held for trading were measured at FVTPL, whereas certain financial assets were designated at FVTPL in order to eliminate or significantly reduce a measurement or a recognition inconsistency that would have otherwise arisen from measuring assets or liabilities or recognizing gains or losses on them on different bases.
- (ii) Financial assets measured at amortized cost under IFRS 9 are financial assets held as part of a business model whose objective is to collect contractual cash flows and meet the contractual cash flows characteristic test criteria of being solely payments of principal and interest. Under IAS 39, those financial assets were classified as loan and receivables and measured at amortized cost. The amortized cost of those financial assets approximates fair value.
- (iii) Financial liabilities measured at FVTPL under IFRS 9 and under IAS 39 are financial liabilities held for trading.
- (iv) Under IFRS 9 and under IAS 39, financial liabilities not measured at FVTPL are measured at amortized cost, which approximates fair value.

The significant measurement and presentation policies applied to prepare these financial statements are described below.

Financial Assets and Liabilities

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.

Classification and Measurement

Under IFRS 9, financial assets are measured at amortized cost, at FVTPL or fair value through other comprehensive income depending on 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 Funds have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. 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. As the Funds' financial instruments are mainly at FVTPL, the adoption of the new impairment model had no impact on the Funds' Statement of Financial Position as at January 1, 2018 and 2017.

With respect to 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 June 30, 2019 and December 31, 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, in accordance with IFRS, except for the DFS GIF – Global Balanced – Jarislowsky Fraser, DFS GIF – Canadian Equity – Jarislowsky Fraser and DFS GIF – Global Equity – MFS as at June 30, 2019. Refer to the "Notes to the Financial Statements – Specific Information".

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 ordinary 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 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 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 and Index-Based Investments

Equity securities and index-based investments securities are recorded at the closing price of the accredited 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 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 period 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 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 fulfil 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.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

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 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.

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 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 distribution 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" in 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" in 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 period.

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 of 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, mortgage-backed securities, asset-backed securities and master asset vehicles (included in bonds category), are structured entities, unless the specified relationship is different.

Refer to the section "Notes to the Financial Statements – Specific Information" pertaining to each Fund for more information on investment 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 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. Except for instances where the Company has acquired an interest in a Fund, 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.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

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.

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 June 30, 2019 and 2018, and the number of units attributed to and withdrawn from Contracts during the period are as follows:

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
INVESTMENT SOLUTIONS						
Conservative						
Series 5	1,195,186	886,270	330,968	168,506	72,343	65,357
Series 6	2,747,457	2,178,803	767,318	327,779	310,509	826,312
Series 7	362,429	534,186	55,646	269,842	13,964	158,749
Series 8	953,989	550,991	469,533	554,208	200,607	3,217
Moderate						
Series 5	597,047	362,618	222,950	194,292	116,551	19,254
Series 6	5,268,840	4,205,743	1,202,479	1,020,921	587,348	1,720,301
Series 7	1,441,651	1,510,298	24,433	748,200	136,542	334,789
Series 8	2,113,316	1,400,757	592,809	1,446,993	257,368	46,236
Balanced						
Series 5	1,177,253	781,198	337,327	305,985	159,329	86,853
Series 6	9,444,055	8,667,174	1,278,495	1,717,930	873,804	4,453,502
Series 7	1,911,248	1,947,999	66,656	409,333	146,215	232,812
Series 8	5,564,220	4,326,409	1,061,626	4,493,581	380,554	167,172
Growth						
Series 5	3,011,584	2,611,021	640,642	966,508	405,933	167,951
Series 6	6,913,304	6,173,401	890,319	1,331,099	502,797	2,799,545
Series 7	1,123,677	1,276,850	18,726	163,617	84,651	104,926
Series 8	4,006,405	2,721,891	597,143	2,782,524	123,168	60,633

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Maximum Growth						
Series 5	139,128	64,356	64,690	27,133	2,401	1,489
Series 6	753,355	660,488	155,386	179,900	50,914	190,711
Series 7	284,277	274,169	1,134	67,754	929	767
Series 8	309,090	214,658	58,774	214,848	13,039	190
RESPONSIBLE INVESTMENT PORTFOLIOS						
Conservative – Desjardins SocieTerra						
Series 5	109,670	29,281	78,361	29,281	6,908	—
Series 6	327,401	54,781	182,108	84,953	22,311	30,172
Series 7	41,320	28,000	13,320	28,000	—	—
Series 8	236,379	48,769	95,133	65,325	71,951	16,556
Balanced – Desjardins SocieTerra						
Series 5	1,371,416	1,389,843	188,109	234,927	151,645	187,340
Series 6	1,752,767	1,594,553	362,028	285,479	253,242	605,543
Series 7	901,865	934,418	58,007	74,145	38,820	9,162
Series 8	1,015,174	582,304	387,905	594,105	162,032	11,801
Growth – Desjardins SocieTerra						
Series 5	278,215	99,168	248,604	99,326	91,370	158
Series 6	489,890	123,912	268,552	125,275	37,920	1,363
Series 7	28,000	28,000	—	28,000	—	—
Series 8	366,344	29,782	82,810	29,784	11,477	2
Maximum Growth – Desjardins SocieTerra						
Series 5	41,248	34,312	4,880	34,312	14	—
Series 6	235,705	29,972	132,754	29,973	8,028	1
Series 7	28,000	28,000	—	28,000	—	—
Series 8	49,207	28,667	5,022	28,667	5,449	—
INDIVIDUAL FUNDS						
Income						
Money Market						
Series 1	45,801	62,107	92	390	10,246	6,000
Series 3	335,484	345,297	76,066	76,072	23,758	33,005
Series 5	1,816,652	2,104,317	610,280	492,356	783,899	674,563
Series 6	1,918,673	1,953,913	698,183	688,654	809,915	1,199,413
Series 7	172,719	253,878	39,403	228,892	195,975	333,324
Series 8	814,000	508,650	752,062	583,819	568,446	75,169
Series IGP	123,912	132,987	583	296	10,532	3,832
Income – Fiera Capital						
Series 1	95,807	116,836	3,970	265	11,888	14,210
Series 3	556,163	647,622	8,696	8,837	53,349	77,668
Series 5	4,347,614	4,979,793	384,437	190,539	547,630	838,113
Series 6	1,558,558	1,370,273	336,898	249,582	110,823	691,846
Series 7	540,295	512,081	354,684	257,068	88,116	80,995
Series 8	569,334	319,930	162,244	488,772	23,960	168,842
Canadian Bond						
Series 5	4,142,308	5,212,590	90,155	116,562	703,084	854,517
Series 6	942,196	1,069,874	56,849	195,183	102,109	425,513
Series 7	59,919	66,238	—	1,472	5,986	3,267
Series 8	218,803	226,875	6,711	229,112	10,814	2,237
Balanced and Asset Allocation						
Diversified Income – Franklin Quotential						
Series 3	546,464	633,075	6,282	15,566	75,076	64,022
Series 5	14,478,031	17,032,167	651,155	806,549	2,029,055	2,368,167
Series 6	3,727,008	4,083,942	240,854	550,892	474,472	2,446,562
Series 7	911,160	1,037,384	—	65,057	65,793	132,185
Series 8	2,093,920	1,888,456	203,345	2,017,652	128,329	129,196

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Balanced Income – Franklin Quotential						
Series 3	837,512	1,056,303	6,104	13,977	138,649	121,246
Series 5	24,865,133	27,415,653	1,220,306	1,316,545	2,709,622	2,426,260
Series 6	3,323,982	3,470,513	170,308	420,185	234,006	1,676,213
Series 7	605,590	879,004	461	50,002	13,780	61,628
Series 8	1,237,882	1,420,140	140,855	1,453,006	227,292	32,866
Canadian Balanced – Fidelity						
Series 3	807,691	980,611	35,173	38,389	134,560	95,507
Series 5	64,611,428	71,091,597	3,502,410	3,741,621	6,900,829	9,302,091
Series 6	4,960,196	5,213,644	504,040	628,985	610,492	2,692,655
Series 7	776,824	844,050	1,313	260,689	12,628	157,155
Series 8	2,317,814	2,025,296	436,312	2,115,851	330,405	90,555
U.S. Monthly Income – Fidelity						
Series 5	390,212	421,226	66,127	46,970	75,886	170,739
Series 6	1,148,288	1,032,655	196,120	224,532	119,639	757,972
Series 7	553,885	556,067	112,064	227,362	8,019	92,792
Series 8	1,175,150	578,134	318,002	611,627	109,425	33,493
Global Balanced – Jaislowsky Fraser						
Series 3	875,728	971,882	45,614	53,331	107,727	119,164
Series 5	18,334,453	20,253,451	1,329,081	1,542,827	2,462,120	2,331,558
Series 6	7,068,776	6,590,443	848,457	1,347,235	639,671	4,178,370
Series 7	1,615,073	1,773,563	33,743	356,496	71,916	285,349
Series 8	4,682,913	3,599,312	846,325	3,695,648	359,296	96,336
Canadian Balanced – Fiera Capital						
Series 1	503,062	560,187	1,664	3,849	33,123	65,614
Series 3	846,456	1,037,523	12,981	10,614	142,324	73,893
Series 5	10,087,608	10,977,717	500,197	424,913	972,671	1,055,588
Series 6	2,182,418	1,829,300	405,664	237,425	204,103	1,269,198
Series 7	227,470	436,491	3,110	246,426	19,030	28,684
Series 8	1,549,960	1,214,108	311,060	1,266,459	177,849	52,351
Canadian Balanced – Franklin Bissett						
Series 3	497,019	641,812	21,386	12,128	140,738	103,767
Series 5	16,276,184	18,370,204	618,135	680,731	1,664,704	2,038,296
Series 6	5,283,818	5,702,937	267,392	548,474	498,268	3,396,622
Series 7	730,697	857,629	—	140,116	28,948	87,472
Series 8	2,611,349	2,652,765	133,220	2,714,223	392,483	61,458
Balanced Growth – Franklin Quotential						
Series 3	1,241,154	1,582,931	9,787	121,150	216,794	111,513
Series 5	58,647,869	63,685,605	2,741,558	2,314,206	5,384,404	5,232,784
Series 6	5,080,928	5,141,925	290,346	541,213	414,928	2,074,302
Series 7	535,585	872,117	793	182,413	68,561	100,882
Series 8	2,021,233	1,911,819	295,689	1,957,692	206,199	45,873
Canadian Balanced – CI Signature						
Series 5	10,945,309	12,434,504	447,296	976,726	1,098,709	1,508,642
Series 6	4,096,128	4,208,823	256,637	783,729	410,986	2,360,443
Series 7	901,452	883,250	1,118	361,665	28,735	76,070
Series 8	2,214,716	2,006,812	259,810	2,055,201	203,595	48,389
Income and Growth – CI Signature						
Series 5	6,845,983	6,615,645	926,080	1,259,949	950,793	863,955
Series 6	5,627,257	5,128,579	589,732	1,329,728	580,855	3,106,864
Series 7	1,192,654	1,268,094	12,209	337,518	50,118	141,412
Series 8	4,410,678	3,349,180	652,267	3,397,608	502,928	48,428
Growth and Income – NEI Northwest						
Series 3	305,014	303,209	46,160	66,340	30,465	60,648
Series 5	19,999,258	20,753,711	1,173,447	2,167,742	1,901,657	2,136,130
Series 6	6,849,570	5,255,272	1,448,993	1,910,737	1,049,708	2,413,678
Series 7	1,371,993	1,205,183	29,144	670,452	187,412	62,172
Series 8	4,991,003	2,503,202	1,623,140	2,559,506	630,542	56,304

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Global Growth – NEI Select						
Series 3	310,217	390,704	6,171	32,044	34,507	77,899
Series 5	9,697,540	9,412,716	677,919	1,486,632	971,735	828,464
Series 6	4,323,768	3,928,106	434,113	1,183,422	369,281	1,658,192
Series 7	957,494	1,075,515	715	289,388	77,406	89,597
Series 8	2,780,767	1,902,236	406,121	1,909,346	281,444	7,110
Canadian Asset Allocation – CI Cambridge						
Series 5	621,233	699,174	32,958	27,253	68,777	149,262
Series 6	679,810	792,283	108,213	63,336	208,674	690,216
Series 7	391,682	565,123	36,516	276,975	159,889	25,656
Series 8	698,091	589,400	128,956	614,838	72,388	25,438
Growth – Franklin Quotential						
Series 3	304,995	353,647	7,896	12,447	17,726	31,493
Series 5	6,549,010	7,304,610	269,313	171,608	727,357	567,932
Series 6	510,196	512,828	72,243	131,153	73,413	258,241
Series 7	35,171	42,776	—	30,619	7,573	21
Series 8	262,860	215,756	48,440	245,133	20,966	29,377
Canadian Equity						
Dividend Income – Franklin Bissett						
Series 3	2,172,677	2,570,810	38,859	73,494	262,540	253,069
Series 5	8,824,472	10,060,608	407,173	248,088	1,100,264	1,033,495
Series 6	1,471,268	1,439,496	313,262	376,854	276,570	744,174
Series 7	169,769	195,303	—	22,002	16,188	29,839
Series 8	1,010,372	608,446	188,315	621,360	100,367	12,914
Canadian Dividend – NEI Northwest						
Series 5	1,620,953	2,133,214	62,676	189,338	308,321	295,727
Series 6	734,932	633,286	183,303	169,045	162,824	376,244
Series 7	63,724	99,994	386	63,142	34,529	8,846
Series 8	817,725	369,233	306,711	388,967	80,745	19,734
Canadian Equity – Jarislowsky Fraser						
Series 3	313,945	402,844	8,139	8,456	74,677	52,471
Series 5	13,618,661	15,474,241	553,400	256,414	1,499,734	2,046,679
Series 6	228,029	244,985	36,902	59,401	62,403	124,263
Series 7	125,785	166,561	5,789	81,916	36,240	39
Series 8	114,688	104,114	25,645	104,549	22,919	435
Canadian Equity – Fidelity True North®						
Series 3	90,558	99,003	3,288	5,971	17,651	28,476
Series 5	1,473,196	1,686,651	66,331	175,928	147,938	302,032
Series 6	1,630,676	1,590,444	202,883	206,611	175,123	876,968
Series 7	139,859	189,565	—	57,901	29,700	58,254
Series 8	1,144,258	735,927	310,531	765,971	174,354	30,044
Canadian Equity – Franklin Bissett						
Series 1	2,172,673	2,414,658	24,979	57,835	130,149	336,595
Series 3	1,453,853	1,705,483	20,921	20,482	187,212	171,413
Series 5	843,319	1,027,887	48,798	30,933	154,614	232,975
Series 6	506,886	526,983	68,348	40,845	60,468	360,403
Series 7	34,176	37,927	19,423	—	2,347	4,900
Series 8	316,565	261,518	49,117	269,950	57,122	8,432
Series IGP	226,277	240,873	633	1,167	7,815	24,309
Specialty Equity – NEI Northwest						
Series 3	317,571	347,082	4,985	2,530	20,119	62,523
Series 5	1,184,584	1,461,569	34,540	191,714	145,775	327,815
Series 6	232,942	236,278	130,372	48,756	115,902	179,119
Series 7	5,522	5,522	—	—	—	—
Series 8	206,813	118,945	107,227	146,353	16,982	27,408

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	Outstanding Units		Attributed Units		Withdrawn Units	
	2019	2018	2019	2018	2019	2018
Small Cap – Franklin Bissett						
Series 3	268,868	340,064	3,855	5,258	47,163	28,060
Series 5	345,407	406,312	42,152	23,480	68,342	81,940
Series 6	527,953	499,551	65,064	89,951	56,823	219,697
Series 7	17,464	61,681	—	7,690	42	27
Series 8	111,512	109,800	10,106	112,900	8,398	3,100
Foreign Equity						
American Equity – MFS						
Series 3	458,985	511,761	44,397	59,287	60,121	59,185
Series 5	1,378,396	1,465,212	150,906	288,850	229,744	290,903
Series 6	1,443,790	1,283,723	361,988	530,017	307,141	646,687
Series 7	133,417	237,460	6,488	190,717	39,612	27,767
Series 8	1,398,417	795,288	459,570	812,324	278,183	17,036
American Equity Value – Desjardins						
Series 1	234,677	344,666	1,802	7,918	73,728	13,056
Series 3	250,040	285,694	8,203	12,772	35,274	35,443
Series 5	943,611	1,096,972	49,884	82,306	138,367	191,418
Series 6	757,491	750,935	84,068	118,701	108,321	401,767
Series 7	19,419	81,267	—	19,199	16,342	6,643
Series 8	744,791	472,931	181,854	489,196	87,003	16,265
Global Dividend – Desjardins						
Series 5	901,787	1,001,912	92,020	84,247	184,702	97,432
Series 6	1,568,913	1,543,315	285,239	392,878	217,934	1,111,924
Series 7	344,914	371,133	—	25,053	14,197	41,788
Series 8	1,465,160	1,162,585	205,313	1,222,478	65,970	59,893
Global Equity – MFS						
Series 3	571,792	662,659	17,850	91,472	113,963	70,002
Series 5	8,418,661	9,734,097	224,666	266,644	1,012,306	707,871
Series 6	443,414	437,807	59,046	215,910	84,022	294,499
Series 7	175,304	184,335	45,813	135,167	1,721	7,081
Series 8	511,869	385,785	101,654	390,326	34,099	4,541
International Equity – MFS						
Series 1	197,232	288,798	3,241	70,354	20,710	79,715
Series 3	522,909	571,084	21,458	44,944	65,091	45,901
Series 5	409,627	505,649	47,958	72,480	121,523	104,297
Series 6	290,537	281,773	16,550	141,589	49,378	124,121
Series 7	47,321	81,663	18,862	61,122	38,278	10,015
Series 8	230,815	79,355	40,571	82,386	17,218	3,031
International Equity Growth – Desjardins						
Series 5	351,624	376,184	55,497	196,449	68,805	45,344
Series 6	817,679	554,814	184,113	415,998	124,786	323,111
Series 7	65,927	61,679	13,505	31,558	7,817	42,822
Series 8	942,362	531,137	252,266	556,427	145,734	25,290

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	—

	Series 1	Series 3	Series 5	Series 6	Series 7	Series 8	Series IGP
	%	%	%	%	%	%	%
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	—
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	—
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	—
Canadian Balanced –							
Franklin Bissett	—	1.95	1.75	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 – Franklin Bissett	—	2.06	1.75	2.15	1.70	1.85	—
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 – 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	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

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.

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 24 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 period ended June 30, 2019 and the past five years, which includes management, guarantee, operating expenses and taxes are as follows:

	June 30, 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %
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	2.51*
Series 7	1.87	1.90	1.91	1.88	2.01	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	2.54*
Series 7	1.96	1.95	1.95	1.90	1.90	2.07*
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	2.57*
Series 7	2.04	2.05	2.07	2.08	2.13	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	2.68*
Series 7	2.06	2.05	2.07	2.10	2.18	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	2.71*
Series 7	2.11	2.06	2.24	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*	—	—	—	—

	June 30, 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %
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*	—	—	—	—
INDIVIDUAL FUNDS						
Income						
Money Market**						
Series 1	1.72	1.73	1.72	1.72	1.72	1.72
Series 3	1.73	1.73	1.73	1.71	1.72	1.73
Series 5	1.39	1.39	1.38	1.38	1.39	1.39
Series 6	1.13	1.13	1.13	1.12	1.10	1.11*
Series 7	0.59	0.59	0.58	0.61	0.63	0.63*
Series 8	0.80	0.79*	—	—	—	—
Series IGP	1.66	1.66	1.65	1.66	1.66	1.67*
Income – Fiera Capital						
Series 1	2.98	2.97	2.95	2.93	2.93	2.94
Series 3	2.60	2.61	2.61	2.61	2.61	2.62
Series 5	1.96	1.96	1.96	1.96	1.96	1.96
Series 6	1.79	1.77	1.78	1.77	1.79	1.80*
Series 7	1.28	1.29	1.20	1.22	1.31	1.32*
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*	—	—	—	—
Balanced and Asset Allocation						
Diversified Income – Franklin Quotential						
Series 3	3.14	3.15	3.14	3.14	3.13	3.14
Series 5	2.92	2.92	2.91	2.91	2.92	2.92
Series 6	2.72	2.71	2.70	2.71	2.68	2.72*
Series 7	2.22	2.22	2.18	2.20	2.27	2.30*
Series 8	2.38	2.42*	—	—	—	—
Balanced Income – Franklin Quotential						
Series 3	3.20	3.20	3.20	3.20	3.20	3.20
Series 5	2.95	2.95	2.95	2.95	2.95	2.95
Series 6	2.75	2.75	2.75	2.76	2.75	2.74*
Series 7	2.27	2.27	2.28	2.30	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	3.41
Series 5	2.96	2.96	2.96	2.96	2.96	2.96
Series 6	2.81	2.81	2.81	2.81	2.82	2.83*
Series 7	2.27	2.27	2.28	2.28	2.34	2.36*
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	3.40
Series 5	2.85	2.85	2.85	2.85	2.85	2.86
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 – unaudited (continued)

	June 30, 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %
Canadian Balanced – Fiera Capital**						
Series 1	3.83	3.83	3.83	3.83	3.83	3.82
Series 3	3.19	3.19	3.18	3.19	3.20	3.19
Series 5	2.55	2.55	2.55	2.55	2.55	2.55
Series 6	2.57	2.57	2.57	2.57	2.59	2.60*
Series 7	2.04	2.03	2.08	2.08	2.12	2.13*
Series 8	2.25	2.25*	—	—	—	—
Canadian Balanced – Franklin Bissett						
Series 3	3.16	3.17	3.18	3.18	3.17	3.19
Series 5	2.77	2.77	2.77	2.77	2.77	2.77
Series 6	2.62	2.61	2.61	2.60	2.59	2.61*
Series 7	2.11	2.10	2.11	2.11	2.10	2.00*
Series 8	2.28	2.31*	—	—	—	—
Balanced Growth – Franklin Quotential						
Series 3	3.28	3.27	3.26	3.26	3.27	3.27
Series 5	2.98	2.97	2.97	2.97	2.97	2.97
Series 6	2.78	2.78	2.79	2.80	2.79	2.80*
Series 7	2.27	2.27	2.29	2.34	2.36	2.36*
Series 8	2.44	2.48*	—	—	—	—
Canadian Balanced – CI Signature						
Series 5	3.00	3.00	2.99	2.99	2.99	2.99
Series 6	2.79	2.78	2.78	2.79	2.78	2.77*
Series 7	2.24	2.25	2.28	2.29	2.34	2.36*
Series 8	2.44	2.48*	—	—	—	—
Income and Growth – CI Signature						
Series 5	3.04	3.04	3.04	3.05	3.05	3.07
Series 6	2.90	2.90	2.89	2.90	2.85	2.84*
Series 7	2.35	2.34	2.36	2.36	2.32	2.47*
Series 8	2.57	2.59*	—	—	—	—
Growth and Income – NEI Northwest						
Series 3	3.59	3.62	3.63	3.64	3.64	3.64
Series 5	2.94	2.94	2.94	2.94	2.94	2.94
Series 6	2.84	2.83	2.84	2.85	2.87	2.86*
Series 7	2.34	2.28	2.29	2.30	2.41	2.41*
Series 8	2.50	2.53*	—	—	—	—
Global Growth – NEI Select						
Series 3	3.82	3.82	3.83	3.85	3.85	3.85
Series 5	3.13	3.13	3.13	3.13	3.12	3.12
Series 6	2.99	3.00	2.99	2.98	2.98	3.02*
Series 7	2.42	2.37	2.46	2.40	2.59	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	2.91
Series 6	2.71	2.71	2.70	2.70	2.68	2.69*
Series 7	2.21	2.20	2.21	2.19	2.30	2.30*
Series 8	2.37	2.42*	—	—	—	—
Growth – Franklin Quotential						
Series 3	3.60	3.60	3.60	3.61	3.61	3.62
Series 5	3.22	3.22	3.22	3.22	3.22	3.21
Series 6	2.89	2.89	2.89	2.89	2.92	2.93*
Series 7	2.40	2.46	2.45	2.45	2.47	2.47*
Series 8	2.55	2.59*	—	—	—	—

	June 30, 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %
Canadian Equity						
Dividend Income – Franklin Bissett						
Series 3	3.39	3.39	3.39	3.40	3.39	3.39
Series 5	2.93	2.93	2.93	2.93	2.93	2.94
Series 6	2.71	2.71	2.71	2.70	2.70	2.72*
Series 7	2.21	2.22	2.19	2.17	2.13	2.10*
Series 8	2.41	2.42*	—	—	—	—
Canadian Dividend – NEI Northwest						
Series 5	3.07	3.07	3.07	3.08	3.08	3.08
Series 6	2.87	2.87	2.88	2.87	2.85	2.90*
Series 7	2.36	2.39	2.39	2.41	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	3.59
Series 5	2.92	2.92	2.92	2.92	2.91	2.92
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	3.62
Series 5	3.21	3.21	3.20	3.20	3.20	3.21
Series 6	3.03	3.04	3.03	3.04	3.05	3.04*
Series 7	2.53	2.55	2.48	2.46	2.58	2.59*
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	3.59
Series 5	2.97	2.97	2.97	2.97	2.97	2.98
Series 6	2.80	2.80	2.80	2.80	2.79	2.83*
Series 7	2.39	2.27	2.41	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	3.83
Series 5	3.27	3.28	3.28	3.28	3.27	3.28
Series 6	3.20	3.23	3.24	3.21	3.21	3.24*
Series 7	2.76	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	3.75
Series 5	3.14	3.14	3.14	3.14	3.13	3.13
Series 6	3.14	3.14	3.14	3.14	3.12	3.15*
Series 7	2.73	2.45	2.74	2.74	2.56	2.76*
Series 8	2.82	2.87*	—	—	—	—
Foreign Equity						
American Equity – MFS**						
Series 3	3.70	3.73	3.74	3.75	3.76	3.77
Series 5	2.93	2.94	2.93	2.93	2.93	2.94
Series 6	2.90	2.90	2.88	2.87	2.88	2.87*
Series 7	2.42	2.43	2.44	2.44	2.47	2.47*
Series 8	2.57	2.59*	—	—	—	—

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

	June 30, 2019 %	December 31 2018 %	December 31 2017 %	December 31 2016 %	December 31 2015 %	December 31 2014 %
American Equity Value – Desjardins						
Series 1	3.83	3.82	3.82	3.82	3.81	3.82
Series 3	3.20	3.20	3.21	3.22	3.23	3.24
Series 5	3.06	3.06	3.06	3.05	3.06	3.07
Series 6	2.84	2.84	2.84	2.83	2.79	2.76*
Series 7	2.33	2.22	2.38	2.27	2.25	2.41*
Series 8	2.54	2.53*	—	—	—	—
Global Dividend – Desjardins						
Series 5	2.82	2.81	2.80	2.80	2.79	2.78
Series 6	2.89	2.89	2.89	2.87	2.83	2.86*
Series 7	2.39	2.37	2.37	2.34	2.47	2.47*
Series 8	2.56	2.59*	—	—	—	—
Global Equity – MFS**						
Series 3	3.36	3.37	3.37	3.36	3.39	3.39
Series 5	2.90	2.90	2.90	2.92	2.92	2.92
Series 6	2.95	2.94	2.94	2.93	2.95	3.00*
Series 7	2.46	2.43	2.46	2.53	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	3.85
Series 3	3.62	3.64	3.65	3.65	3.64	3.65
Series 5	2.73	2.75	2.75	2.75	2.76	2.76
Series 6	3.03	3.00	3.02	3.01	3.05	3.03*
Series 7	2.52	2.50	2.55	2.55	2.59	2.59*
Series 8	2.72	2.70*	—	—	—	—
International Equity Growth – Desjardins						
Series 5	3.08	3.11	3.10	3.10	3.11	3.10
Series 6	2.94	2.94	2.94	2.93	2.92	2.94*
Series 7	2.47	2.44	2.53	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 June 30, 2019 and December 31, 2018, the Company had the following seed capital investments:

	June 30, 2019 \$	December 31, 2018 \$
Conservative	23,866	22,391
Moderate	24,755	22,966
Balanced	25,608	23,540
Growth	26,552	24,139
Maximum Growth	314,279	283,602
Conservative – Desjardins SocieTerra	600,517	559,957
Balanced – Desjardins SocieTerra	157,546	145,299
Growth – Desjardins SocieTerra	599,390	547,564
Maximum Growth – Desjardins SocieTerra	603,897	545,024
Money Market	86,325	85,667
Income – Fiera Capital	24,716	23,439
Canadian Bond	24,284	22,916
Diversified Income – Franklin Quotential	24,694	23,189

	June 30, 2019	December 31, 2018
	\$	\$
Balanced Income – Franklin Quotential	25,386	23,677
Canadian Balanced – Fidelity	27,470	24,658
U.S. Monthly Income – Fidelity	505,940	476,194
Global Balanced – Jarislowsky Fraser	25,744	23,804
Canadian Balanced – Fiera Capital	28,414	25,532
Canadian Balanced – Franklin Bissett	24,285	22,720
Balanced Growth – Franklin Quotential	25,987	23,948
Canadian Balanced – CI Signature	25,605	23,462
Income and Growth – CI Signature	25,811	23,571
Growth and Income – NEI Northwest	28,154	25,522
Global Growth – NEI Select	27,763	25,540
Canadian Asset Allocation – CI Cambridge	252,756	233,254
Growth – Franklin Quotential	26,476	24,178
Dividend Income – Franklin Bissett	47,390	42,934
Canadian Dividend – NEI Northwest	275,230	250,276
Canadian Equity – Jarislowsky Fraser	26,720	23,662
Canadian Equity – Fidelity True North®	26,992	24,176
Canadian Equity – Franklin Bissett	71,187	63,205
Specialty Equity – NEI Northwest	270,530	244,733
Small Cap – Franklin Bissett	14,099	14,889
American Equity – MFS	37,799	33,093
American Equity Value – Desjardins	965,773	870,193
Global Dividend – Desjardins	302,176	284,169
Global Equity – MFS	33,254	29,452
International Equity – MFS	30,624	27,155
International Equity Growth – Desjardins	350,071	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 on behalf of all Contract Owners. 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 analyses 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 – unaudited (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 transfers between levels on the date of the event or change in circumstances behind the transfer.

The following types of investments may be classified 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 and 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

Index-based investments 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 uses 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

During 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 portfolio's 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 the currency risk in 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 prices, 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, including interest rates and foreign exchange rates. The vast majority of derivative financial instruments is negotiated by mutual agreements between the Funds and their counterparties, and include foreign currency forward contracts. Other transactions are carried out as part of trades and mainly consist of standardized futures contracts.

Securities Lending and Repurchase Transactions

Securities lending and 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.

NOTES TO THE FINANCIAL STATEMENTS – unaudited (continued)

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.

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.

Additional Information

For further information on the risks associated with financial instruments to which each Fund is exposed, refer to the "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

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.

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