



DIM Private Funds and Segregated Accounts

PRIVATE WEALTH MANAGEMENT

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CASH AND MONEY MARKET

DIM Private High Interest Fund

Goal

Within a diversified portfolio, the DIM Private High Interest Fund seeks to generate a high rate of interest on the cash held in the portfolios. This Fund is a cash fund.

Objective

The Fund’s objective is to generate a high rate of interest for Desjardins Private Wealth Management clients on the cash held in the portfolios by investing it with the Fédération des caisses Desjardins du Québec (FCDQ).

Portfolio manager

Desjardins Trust is the trust arm of Canada’s largest integrated financial cooperative and a leader in asset custody and administration. As a portfolio manager, Desjardins Trust draws on its expertise to meet its clients’ needs in terms of preserving capital, distributing assets to beneficiaries and reducing tax impacts for investors.

Investment strategy

The Fund’s strategy is to maximize the unitholders’ monthly income while preserving capital and liquidity by investing with the FCDQ.

Portfolio construction method

The portfolio consists exclusively of cash.

Target

The Fund’s target return, before management fees, is to generate a high rate of interest for Desjardins Private Wealth Management clients.

Limits per mandate

Mandate		
	Minimum (%)	Maximum (%)
Cash	100	100

Specific mandate constraints

Limits by asset class

Asset class		
	Minimum (%)	Maximum (%)
Cash and money market	100	100

Derivatives

The use of derivatives is not permitted.

FIXED INCOME FUNDS

DIM Private Fund and Segregated Account – Government Bonds

Goal

Within a diversified profile, government bond funds are used to protect invested capital as much as possible by limiting credit risk, all while providing a relatively steady income through interest rate cycles.

Objective

This Fund aims to provide regular income while focusing on risk management. The Fund will also have to offer capital gains against the benchmark index, through dynamic portfolio management.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Equity-investment management based on effective and systematic protocols;
- Alternative investment management (private infrastructure, private real estate and private equity);
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

Investment strategy

When developing strategies, the managers capitalize on all opportunities to add value. Active management of portfolio duration, and maturity and sector allocation are based mainly on the macroeconomic forecasts selected by the managers. The investment strategy aims to outperform the benchmark index.

Limits by asset class		
	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian government bonds	90	100

Limits by issuer category		
	Minimum (%)	Maximum (%)
Federal (and guaranteed securities)	10	100
Provinces (and guaranteed securities)	0	70
Municipalities and granted	0	20

Portfolio construction method

The managers' approach combines qualitative and quantitative factors. DGAM sets the portfolio target duration on the basis of probable variations of the yield curve. DGAM then has the tactical leeway to optimize maturity positioning and sector weightings to capitalize on yield spreads between provincial and municipal securities and Government of Canada bonds.

Target

The Fund's performance objective is to outperform the FTSE Canada Universe Bond Index over three-year moving periods, before management fees.

Minimum credit ratings

The minimum rating for Canadian bond issuers is BBB, with the exception of unrated municipal issuers. The FTSE Canada bond index rating methodology is used to classify the credit quality of portfolio holdings.

The only unrated municipal issuers allowed are Quebec municipalities.

The Fund's maximum permitted exposure to unrated municipal issuers is 10% of the Fund's market value.

The maximum per unrated municipal issuer is 2% of the Fund's market value.

The minimum credit rating for money market issuers, using the DBRS scale, is R1 (low) for money market securities.

Fund duration

The duration of the Fund must be within the same range as the target, +1.5 years or -2 years.

Derivative products

Derivatives are not permitted within the Fund.

Specifics for securities portfolios

The maximum number of securities is 25. Unrated municipal bonds are not authorized for securities portfolios.

All other constraints of the investment policy for the DIM Private Government Bond Fund apply to the management of the securities portfolio.

FIXED INCOME FUNDS

DIM Private Corporate Bond Fund

Goal

As part of a diversified portfolio, this Fund helps to boost regular income and capitalizes on variations in interest rate spreads.

Objective

This Fund's objective is to generate returns higher than those of government bonds. Risk management and active portfolio management will produce added value compared to benchmark index performance.

Portfolio managers

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Equity-investment management based on effective and systematic protocols;
- Alternative investment management (Private Infrastructure, Private Real Estate and private equity);
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

Limits per mandate		
	Minimum (%)	Maximum (%)
Cash, money market and exchange-traded funds (ETFs)	0	10
Canadian Bond Mandate	50	100
Bank Loan Mandate	0	20
Desjardins Capital PME Mandate	0	20
Commercial Mortgages Mandate	0	20

Money market securities are restricted to securities guaranteed by the Government of Canada and provincial governments and to overnight certificate of deposits from financial institutions. The minimum credit rating for corporate issuers is R-1 Low for money market securities.

Authorized ETFs are those investing in short-term (1- to 5-year) and medium-term (5- to 10-year) Canadian corporate bonds, including laddered ETFs.

Target

The Fund's performance objective, before management fees, is to outperform the following composite index over three-year moving periods:

Benchmark target	
Weighting	Index
50%	FTSE Canada Short Term Corporate Bond Index
50%	FTSE Canada Mid Term Corporate Bond Index

Canadian Bond mandate

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Management of equity investments based on effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

Investment strategy

DGAM, as manager, combines top-down and bottom-up analyses.

The top-down approach consists in analyzing economic, financial and market conditions to define and determine the recommended strategy for the portfolio. The strategy is set for each quarter and adjusted if necessary during the period.

With the bottom-up approach, the manager relies on a team of analysts to research and analyze corporate issuers in the investment universe. They review the financial and operational aspects of each of the issuers and their respective sectors to draw up credit analyses independent of rating agency reports.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian corporate bonds	70	100
Government bonds	0	10
Other eligible securities	0	10

Other eligible securities are Canadian securitizations (CMBS, ABS, and MBS).

Portfolio construction method

Once the credit quality assessment of the issuers is completed, their securities are valued according to credit quality. The manager then identifies the securities and sectors that appear undervalued or overvalued to build the portfolio. The manager ensures the portfolio is sufficiently diversified in terms of both issuer and sector, focusing exclusively on issuers with BBB or higher ratings according to leading rating agencies.

Limits by credit quality	
Credit rating	Maximum (%)
AAA / AA	100
A	Index weight + 30%
BBB	Index weight + 15%

The rating methodology for the FTSE Canada indices will be used to determine the credit quality of the securities held in the portfolio.

If the credit rating of a bond is revised downwards below BBB, the manager has 90 days to sell the bond. This period begins on the date of the first downgrade below BBB.

Limits by sector

The asset allocation for the sectors that comprise the FTSE Canada Corporate Bond Index must respect the following limits:

Limits by sector of activity	
Sector of activity	Maximum (%)
Communication services	Index weight + 10%
Energy	Index weight + 10%
Financial services	Index weight + 15%
Industrial products	Index weight + 10%
Infrastructure	Index weight + 10%
Real estate	Index weight + 10%
Securitization	Index weight + 5%

To ensure appropriate diversification, the portfolio must include securities in at least three of the seven corporate sectors according to the FTSE Canada bond indices classification.

Limits by issuer	
Credit rating	Maximum (%)
AAA / AA	10
A	10
BBB	7.5
Non-rated (municipal issuers)	2

When an issuer has securities with different credit ratings, the authorized maximum for this issuer takes into consideration the securities with a lower credit rating.

These limits apply only to corporate issuers. The maximum limit per government issuer is 10%. Other than the limits above, there are no concentration limits on debt securities from a single issuer if they are issued by the Government of Canada or a Canadian provincial government, or if the principal and interest are fully secured by the Government of Canada or a Canadian provincial government. Under the current policy, no security issued by an eligible issuer can represent more than 5% of the total portfolio.

Portfolio duration

The portfolio's duration cannot be 2 years shorter or 1.5 years longer than that of an index comprising equal weightings of the FTSE Canada Short Term Corporate Bond and FTSE Canada Mid Term Corporate indices.

Derivatives

The use of derivative products is not permitted for the Canadian bond mandate.

Bank loan mandate

AlphaFixe Capital Inc.

AlphaFixe Capital Inc. (AlphaFixe Capital) is an independent Quebec-based portfolio management firm. The company was founded in Montreal in May 2008 and focuses exclusively on fixed-income portfolio management for institutional clients. The firm's investment philosophy was heavily influenced by the events of the 2008 financial crisis. It's based on a rigorous risk management process that aims to optimize each portfolio's risk/return ratio and on capital preservation through fundamental analysis. Every member of AlphaFixe's team contributes to this philosophy, helping the firm develop a strategy based on global economic forecasts and financial market trends.

The Fund has exposure to the Bank Loan mandate through holdings of units of the AlphaFixe Floating Rate Bank Loan Fund.

Investment strategy

The objective is to offer a fund made up exclusively of high-quality bank loans to seek capital preservation and offer a high current yield solution when faced with potentially rising interest rates and low interest rates. Fundamental credit analysis and capital preservation are achieved through a rigorous securities selection process. The manager is supported by a seasoned and diversified team that invests with diligence and care according to a proprietary rating system and a binding risk budget.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	100
Bank loans	0	100
Government and corporate bonds	0	20

Bank loan ETFs are permitted to a maximum of 10%.

Limits by credit quality	
Credit rating	Maximum (%)
BB	85
B	50

The rating methodology for bank loans is the same as the one used by the Credit Suisse Index, which is the management index reflecting the portfolio risk.

If a bank loan is discounted to less than B-, the manager is obliged to inform DGAM and provide an explanation of the strategy deployed to manage that particular bank loan within a maximum of one month after the discount.

If the investment is kept—and to avoid dilution in case of an important deposit in the portfolio, the portfolio manager could redeem the downgraded bank loan, up to the loan's portfolio weight at the time of the downgrade.

Limits by issuer

Where the securities of a same issuer represent a range of different credit ratings, the authorized maximum for that issuer factors in the securities with lower credit ratings.

A maximum of 5% of portfolio market value may be invested in any one bank loan issuer.

Duration of the portfolio

The duration of the portfolio may not exceed half a year.

Derivatives

Use of derivatives is permitted only in the AlphaFixe Floating Rate Bank Loan Fund. The authorized derivatives are foreign currency swaps, forward contracts and futures.

Other restrictions

The manager performs a currency hedge for a minimum of 96% of the market value of securities denominated in foreign currencies.

The portfolio does not invest in companies that explore or operate proven or probable fossil fuel reserves. Portfolio investments in energy, mining and metal industries are also prohibited. A maximum of 15% of the portfolio's market value may be invested in the same sector, with the exception of a sector with a maximum of 20%.

Growth Capital Mandate

Desjardins Capital Management inc. is a fund manager with nearly \$3 billion in assets under management. For almost 50 years, Desjardins Capital Management inc. has been investing in the long-term success of more than 750 businesses, cooperatives and funds in various sectors across Quebec. This subsidiary of Desjardins Group contributes to the province's socioeconomic development and gives entrepreneurs access to a vast business network that can support them through every step of starting, growing or transferring their business.

The DIM Private Corporate Bond Fund is exposed to the Growth capital mandate solely via Desjardins Capital PME shares. The purpose of the Growth capital mandate is to drive economic vitality to support SMEs in Quebec and ensure businesses remain Quebec-owned. Desjardins Capital PME wants to make capital available to Quebec businesses, with a particular emphasis on those in resource regions.

Liquidity, value and management fees

Investments have reduced liquidity, particularly in the Desjardins Capital PME s.e.c.

Desjardins Capital PME holds non-liquid assets, and its shares are not listed. Its fair value is determined every six months based on its financial statements at June 30 and December 31, and is made available once those statements have been drawn up. Desjardins Private Wealth Management then uses market data to determine the fair value of its investment in Desjardins Capital PME and updates this value at the end of every month. The Fund's daily net asset value, which is used when buying and selling units, is still determined using Desjardins Capital PME's value estimate.

Investment limits and diversification

In general, the minimum initial investment is C\$100,000 per business and the maximum initial investment is C\$10 million. Additional investments are permitted up to a cumulative maximum of C\$15 million.

Desjardins Capital PME's target allocation by asset class is as follows:

- 70% debt
- 30% shares

Desjardins Capital PME may deviate from this allocation if investment opportunities arise.

Redemption terms and divestment strategies are adapted to the business and economic environment.

Desjardins Capital PME aims to carefully allocate its investments and portfolio across Quebec to businesses of different sizes, across a range of sectors and at varying stages of development.

Authorized investments

The Desjardins Capital PME portfolio is mainly made up of debt and (controlling or non-controlling) shares:

- Debt: Investments in the form of primarily unsecured loans, advances and preferred shares, the return on which is usually generated by an interest rate or a premium.
- Shares: Investments in common shares, the return on which is generally linked to the increase in the company's value.
- We seek the following types of investment projects:
- Business acquisitions, mergers, buyouts and transfers
- Working capital for business activities
- Capital projects that drive modernization and productivity
- Financial structure improvements
- Crystallization of a business's value

Commercial mortgages mandate

Addenda Capital

Addenda provides expertise in commercial mortgages. Founded in 1996, Addenda Capital is a private investment management firm focused on pension plans, private wealth management, insurance companies, and corporate and foundation assets. In April 2008, Addenda merged with Co-operators Investment Counselling Limited, a firm that had offered portfolio management services since 1985, and continued operating as Addenda. Addenda aims to create long-term wealth through a rigorous process based on fundamental analysis and in-depth risk assessment that includes sustainable investment considerations such as environmental, social and governance (ESG) factors. The Fund is exposed to commercial mortgages through its ownership of units in the Addenda Commercial Mortgage Fund.

The Fund is exposed to the Commercial Mortgages mandate through units held in the Addenda Commercial Mortgage Fund.

Investment strategy

The manager seeks to provide stable returns through interest income. To achieve this, it invests primarily in first commercial mortgage loans secured by high-quality underlying assets. Because it is less liquid, this solution offers higher returns than government bonds, with only a portion of the interest rate risk.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash, money-market securities and bonds	0	20
Commercial mortgages	80	100
Commercial loans	0	5

For the Cash, money market and bond portion, the manager can invest in Addenda mutual fund units.

Limits by credit quality

Conventional mortgages are permitted for up to 75% of the appraised value of the property when the mortgage is issued.

All appraisals used by the Manager must be performed by independent appraisers accredited by the Appraisal Institute of Canada. When a new property is being assessed, the manager must receive at least one Phase 1 environmental site assessment report.

The total value of the building and land loans cannot be more than 20% of the Fund’s market value.

Hotel mortgages are not permitted.

Cash, money-market securities and bonds

The minimum credit rating for money market issuers, according to the Dominion Bond Rating Service (DBRS), is “R-1 Low” for the portfolio’s money market securities.

Corporate bonds must have a minimum credit rating of BBB at the time of purchase.

BBB-rated corporate bonds cannot represent more than 10% of the portfolio’s value.

No more than 10% of the portfolio’s market value can be invested in a single issuer’s securities, except if the securities are issued and guaranteed by a government.

DBRS credit ratings are used to rank the credit quality of portfolio securities.

If a portfolio security is not rated by DBRS, credit ratings from foreign credit agencies will be used. If there is no DBRS credit rating, and the credit ratings from foreign credit agencies differ, the lowest credit rating will be used.

Limits by region

Based on the book value, the limits by region are:

Limits by region	
Region	Maximum (%)
Ontario	60
British Columbia	40
Québec	40
Prairie provinces	35
Atlantic provinces	20
Territories	10

Limits by building type

Based on the book value, the limits by building type are:

Limits by building type	
Building type	Maximum (%)
Residential	50
Office	30
Retail	30
Industrial	40
Other	20

Portfolio duration

At least 90% of the mortgages will have terms of 10 years or less.

The amortization period for all mortgage loans is capped at 35 years.

Derivatives

Derivatives are not authorized.

Other restrictions

Portfolio securities, including commercial mortgages, are listed in Canadian dollars.

FIXED INCOME FUNDS

DIM Segregated Account –
U.S. Treasury Bonds

Goal

Within a diversified portfolio, the purpose of the U.S. Treasury Bonds mandate is to protect invested capital as much as possible and ensure steady income throughout the interest rate cycle.

Objective

The objective of the mandate is to generate steady income while focusing on risk management. The portfolio should also offer added value compared with the benchmark index through active portfolio management.

Portfolio manager

Desjardins Global Asset Management Inc. (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Equity-investment management based on effective and systematic protocols;
- Alternative investment management (Private Infrastructure, Private Real Estate and private equity);
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

Investment strategy

Based on global and domestic macroeconomic data from both public and private sources, the manager develops a set of expectations and then analyzes their impact on the interest rate structure. Investment decisions are then guided by the benchmark index, Bloomberg/EFFAS Bond Indices U.S. Govt 1-10 Yr, but deviating from it to create added value and reduce unfavourable fluctuations.

Portfolio construction method

Based on the active management of duration and a strategy that rides the yield curve, the manager tailors the portfolio so that the selected maturities benefit from anticipated yield curve variations.

Target

The mandate’s return objective (before management fees) is to outperform the Bloomberg/EFFAS Bond Indices U.S. Govt 1-10 Yr.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	50
U.S. federal bonds	50	100

Limits by issuer category		
	Minimum (%)	Maximum (%)
U.S. Treasury (federal bonds [and guaranteed bonds])	0	100

Limits by asset class		
	Minimum (%)	Maximum (%)
Short term (0 to 5 years)	20	80
Medium term (5 to 10 years)	20	80

The longest term for portfolio bonds is 10 years.

Minimum credit ratings

The minimum credit rating of money market issuers, based on Standard and Poor's (S&P), is "A-1+" for money market securities and "AA+" for U.S. bond issuers.

Portfolio duration

Portfolio duration cannot be more than 2 years shorter than the benchmark, i.e. the Bloomberg/ EFFAS Bond Indices U.S. Govt 1-10 Yr. Similarly, it cannot be longer than the benchmark's duration of 1.5 years.

Number of securities

The maximum number of securities is 25.

Derivatives

Derivatives are not authorized.

FIXED INCOME FUNDS

Segregated Account RI Canadian Bonds

Goal

Within a diversified portfolio, the purpose of the RI Canadian Bonds segregated account is to protect invested capital as much as possible and ensure steady income throughout the interest rate cycle.

The segregated account follows a responsible approach to investing.

Objective

The objective of the mandate is to generate steady income while focusing on risk management.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Management of fixed-income investments;
- Management of equity investments using effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

As a partner, DGAM plays an active role in the technical design of the DIM Private Funds.

DGAM's main clients are Desjardins Group companies.

Target

The mandate's return objective, gross of management fees, consists in outperforming the FTSE Canada Universe Bond Index over three-year moving periods.

Limits by asset class

Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian bonds	90	100

Limits by issuer category

	Maximum (%)
Federal (and guaranteed securities)	100
Provinces (and guaranteed securities)	100
Municipalities and granted	20
Canadian corporations (including asset-backed securities)	50

Limits by credit quality

Credit rating	Maximum (%)
AAA/AA	100
A	Index weight + 30%
BBB	Index weight + 10%

Limits by corporate issuer

Credit rating	Maximum (%)
AAA/AA	10
A	7.5
BBB	5

There is no concentration limit except as mentioned above with respect to an issuer's debt securities if the debt securities are issued or guaranteed fully as to the principal and interest by the government of Canada or the government of a Canadian province.

FTSE Canada Bond Index rating methodology will be used to rate the credit quality of the portfolio holdings.

When an issuer holds securities with different credit ratings, the maximum authorized for this issuer takes into account the securities with a lower credit rating.

To be part of the portfolio, securities must receive a rating by at least one of the following credit rating agencies: Moody's, Standard & Poor's, DBRS or Fitch. Unrated municipal bonds are not authorized.

Securities guaranteed by the government of Canada or a provincial government and overnight certificates of deposit from financial institutions are the only money market securities authorized. The minimum credit rating for corporate issuers is R-1 (low) for money market securities.

The minimum credit rating for fixed-income securities is BBB. In the event of a downgrade below BBB, the manager must notify DIM as soon as possible and suggest a specific strategy to deal with this situation.

The portfolio's average credit quality is A- or better.

The portfolio must hold between 10 and 35 securities.

The holdings satisfy socially responsible investing criteria.

Portfolio duration

The duration of the portfolio must be kept within one year of the benchmark index's.

Derivatives

Derivatives are not authorized for this portfolio.

FIXED INCOME FUNDS

Segregated Account – Short and Medium-Term Canadian RI Bonds

Goal

Within a diversified portfolio, short- and medium-term Canadian RI bonds are used to protect capital and ensure steady and stable income through interest rate cycles.

The mandate also takes a responsible investment approach.

Objective

The objective of the mandate is to generate steady income while focusing on risk management.

Portfolio manager

Desjardins Global Asset Management (DGAM) provides institutional investment expertise in the following areas:

- Managing fixed income security investments;
- Managing equity investments using effective and systematic protocols;
- Selecting and monitoring external managers;
- Developing investment strategies tailored to clients' needs;
- Optimizing risk-adjusted returns;
- Structuring target portfolios and developing investment policies; and
- Consulting on financial product development.

As a partner, DG M plays an active role in the technical design of the DIM Private Funds. DGAM's main clients include Desjardins Group companies.

Investment strategy

When developing strategies, the managers capitalize on all opportunities to add value. Active management of portfolio duration, and maturity and sector allocation are based mainly on the macroeconomic forecasts selected by the managers. The investment strategy aims to outperform the benchmark index.

Asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian bonds	90	100

Limits by type of issuer*	
	Maximum (%)
Federal (and guaranteed securities)	100
Provincial (and guaranteed securities)	100
Municipalities and granted	20
Canadian corporations (including asset-backed securities)	50

Target

The mandate's performance objective is to outperform the composite index over three-year rolling periods, before management fees.

Minimum credit ratings

Limits by credit quality	
Credit rating	Maximum (%)
AAA/AA	100
A	Index weight +30%
BBB	Index weight +10%

Limits by corporate issuer	
Credit rating	Maximum (%)
AAA/AA	10
A	7.5
BBB	5

Other than the limits above, there are no concentration limits on debt securities from a single issuer, if that issuer is the Government of Canada or a provincial government. There are also no concentration limits on debt securities from a single issuer if the principal and interest are fully secured by the federal or provincial governments.

The FTSE Canada bond index rating methodology is used to classify the credit quality of portfolio holdings.

When an issuer has securities with different credit ratings, the authorized limit for that issuer will factor in the lower ratings.

To be part of the portfolio, securities must have been rated by at least one of the following credit rating agencies: Moody's, Standard & Poor's, DBRS or Fitch. Unrated municipal bonds are not authorized.

The only authorized money market securities are overnight certificates of deposit from financial institutions and securities guaranteed by the Government of Canada or a provincial government. Corporate issuers must have a credit rating of R1 (low) or higher for money market securities.

The portfolio's average credit quality is A- or better.

The portfolio must hold between 10 and 35 securities.

The holdings satisfy responsible investment criteria.

Portfolio duration

The duration of the portfolio must be within the same range as the index, +/- 1 year.

The maximum maturity date for bonds in the mandate is 11 years.

Derivative products

Derivatives are not permitted within the portfolio.

FIXED INCOME FUNDS

DIM Private Short-Term Investment Fund

Goal

Within a diversified portfolio, DIM Private Short-Term Investment Fund aims to protect invested capital and provide a relatively steady income throughout the interest rate cycle.

Objective

The objective of the Fund is to generate steady income while focusing on risk management.

Portfolio managers

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in managing short-term Canadian fixed income securities.

Fixed Income

DGAM is one of Canada's largest fixed income security managers. Its fundamental approach results in rigorous security selection and positioning within the portfolio. The team of analysts carries out extensive research to assess the current and future credit quality of issuers in all sectors. Since ESG factors form an integral part of the management process, they are systematically taken into account with the assistance of DGAM's responsible investing specialists.

Investment strategy

Within a diversified portfolio, DIM Private Short-Term Investment Fund aims to protect invested capital and provide a relatively steady income throughout the interest rate cycle. To that end, it will invest in various assets. The Fund will comprise allocations to short-term Canadian bonds.

Target rate of return of the manager

The return objective of the Fund is to outperform the FTSE Canada Universe Short Term Bond Index over three-year moving periods.

Limits by asset class		
Mandate	Minimum (%)	Maximum (%)
Cash and money market	0	40
Canadian bonds	60	100
Canadian-dollar denominated bonds (Maple Bonds)	0	10
NHA mortgage-backed securities (guaranteed by the CMHC)	0	25
Other asset-backed securities	0	10

Money market securities are restricted to securities guaranteed by the Government of Canada and provincial governments and to overnight certificate of deposits from financial institutions. The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Specific mandate constraints

Canadian Short-Term Bond mandate

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	40
Canadian bonds	60	100
Canadian-dollar denominated foreign bonds (Maple Bonds)	0	10
NHA mortgage-backed securities (guaranteed by the CMHC)	0	25
Other asset-backed securities	0	10

Credit quality and issuer category limits

Issuer category	
	Maximum (%)
Federal (and guaranteed securities)	100
Provinces (and guaranteed securities)	100
Municipalities and granted securities	20
Canadian corporations (including asset-backed securities)	65
Foreign issuers (including Maple Bonds)	10

Limits per credit quality	
Credit rating	Maximum (%)
AAA/AA	100
A	80
BBB	30
Non-rated (municipal issuers)	10

Limits per corporate or municipal issuers	
Credit rating	Maximum (%)
AAA/AA	10
A	7.5
BBB	5
Non-rated (municipal issuers only)	1

Except for the restrictions mentioned above, there is no concentration limit on debt securities issued or guaranteed fully as to the principal and interest by the government of Canada or the government of a Canadian province.

The FTSE Canada Bond Index rating methodology will be used to rate the portfolio holdings' credit quality.

If an issuer has securities with different credit ratings, the maximum allocation authorized for this issuer takes into account the securities with a lower credit rating.

To be part of the portfolio, corporate securities must receive a rating from at least one of the following credit rating agencies: Moody's, Standard & Poor's, DBRS or Fitch.

With the exception of non-rated municipal issuers, the minimum credit rating for fixed-income securities is BBB. In the event of a downgrade below BBB, the Manager must notify DIM as soon as possible and suggest a specific strategy to deal with this situation.

Non-rated municipal issuers are restricted to Québec municipalities.

The minimum credit rating for money market issuers is "R-1 Low" according to DBRS.

The portfolio's average credit rating is A or better.

Duration risk

The duration of the Mandate must remain within a range extending from the index duration +1 years to -1.5 years.

The term, or first call date, of portfolio holdings cannot exceed 10 years.

Derivatives

Derivatives are not allowed in the Canadian Short-Term Bond mandate.

Limits by credit quality

Moody's, Standard & Poor's, DBRS and Fitch credit ratings are used. The lowest credit rating available will always be used.

The minimum credit rating for corporate issuers is "R-1 Low" according to DBRS ratings, "A-1", according to S&P, "P-1", according to Moody's, and "F1", according to Fitch. With regard to corporate bonds, the minimum credit rating must be "AL", "A-", "A3" or "A-", respectively.

All fixed income securities must be rated by at least one of the rating agencies above, with the exception of securities guaranteed by the government of Canada or by a provincial government.

BALANCED FUNDS

DIM Private Balanced Fund

Goal

The DIM Private Balanced Fund provides minimum diversification to holders of accounts with limited assets.

Objective

To produce capital gains over the long term while generating income.

Target

The objective is to outperform the Fund's composite index, i.e., the weighted sum of the individual objectives of asset classes.

Asset allocation limits			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market securities	0	2	30
Canadian bonds	20	43	70
• Short-term investment	0	7	50
• Government bonds	35	51	100
• Corporate bonds	0	42	65
Fixed income total	20	55	95
Canadian large cap equities	5	10	20
Canadian small cap equities	0	2	10
Canadian equities total	5	12	30
U.S. equities	0	13	20
Foreign equities	0	10	15
• International equities	0	70	100
• Global small cap equities	0	20	40
• Emerging markets equities	0	10	40
Foreign equities total	0	23	35
Equities total	5	35	65
Alternate Strategy	0	20	30
• Completion Strategy	0	50	100
• Absolute Return Strategy	0	50	100
TOTAL		100	

Asset allocation management

To reach the Fund's performance target, the manager will ensure the active management of asset class allocation while taking into account investment policy limits.

Portfolio construction method

The portfolio is made up of underlying funds. The Fund is slightly weighted in favour of fixed-income securities while maintaining a permanent diversified exposure to growth stocks.

Authorized investments

DIM Private Balanced Funds, exchange-traded funds, cash and money market securities are permitted. The following advisory mandate securities are also authorized:

- DIM Private Government Bond Advisory Mandate
- DIM Canadian Large Cap Equity Advisory Mandate
- DIM Canadian Equity Advisory Mandate
- DIM US Equity Advisory Mandate

The money market securities include, but aren't limited to, securities guaranteed by the Government of Canada or a provincial government, overnight certificates of deposit from financial institutions, commercial papers and asset-backed commercial papers. Issuing companies must have a credit rating of R-1 (low) or higher for money market securities.

Derivatives products

The DIM Private Balanced Fund holds positions in underlying funds that use or may use derivatives.

BALANCED FUNDS

DIM Private Balanced Income and Growth Fund

Preamble

The DIM Private Balanced Income and Growth Fund is mainly comprised of other funds.

Objective

This Fund aims to achieve and maintain a balance between capital growth and income.

Target

The Fund's performance objective is to outperform its composite index—the weighted sum of the individual asset class objectives, over 3-year rolling periods, before management fees.

Asset allocation limits			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	2	30
Canadian bonds	10	33	55
• Short-term investment	0	3	55
• Government bonds	0	13.5	55
• Corporate bonds	0	16.5	55
Total fixed income	10	35	75
Canadian large cap equities	0	10	20
Canadian small cap equities	0	2	10
Total Canadian equities	5	12	20
US equities	0	15	30
Foreign equities	0	13	25
• International equities	0	7	25
• Global small cap equities	0	3	25
• Emerging markets equities	0	3	25
Total equities outside Canada	10	28	50
Total equities	15	40	70
Alternative strategies	10	25	40
• Complementary strategy	0	15	40
• Absolute return	0	10	40
Total		100	

Asset allocation

To achieve the Fund's performance objective, the manager actively manages asset class allocation within the constraints of the investment policy.

Authorized investments

DIM Private Funds, exchange-traded funds, cash and money market securities are permitted. The following advisory mandate securities are also authorized:

- DIM Private Government Bond Advisory Mandate
- DIM Canadian Large Cap Equity Advisory Mandate
- DIM Canadian Equity Advisory Mandate
- DIM US Equity Advisory Mandate

The money market securities include, but aren't limited to, securities guaranteed by the Government of Canada or a provincial government, overnight certificates of deposit from financial institutions, commercial papers and asset-backed commercial papers. Issuing companies must have a credit rating of R-1 (low) or higher for money market securities.

Derivatives

The DIM Private Balanced Income and Growth Fund holds interest in underlying funds that use or may use derivatives.

BALANCED FUNDS

DIM Private Balanced with Growth Bias Fund

Preamble

The DIM Private Balanced with Growth Bias Fund is mainly comprised of other funds.

Objective

This Fund, which was built with an eye to diversification and exposure to numerous markets, aims to generate capital growth over the long term.

Target

The Fund's performance objective is to outperform its composite index—the weighted sum of the individual asset class objectives, over 3-year rolling periods, before management fees.

Asset allocation limits			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	2	30
Canadian bonds	10	26	45
• Short-term investment	0	2.5	45
• Government bonds	0	10.5	45
• Corporate bonds	0	13	45
Total fixed income	10	28	70
Canadian large cap equities	0	12	25
Canadian small cap equities	0	3	10
Total Canadian equities	5	15	30
US equities	0	16	30
Foreign equities	0	16	30
• International equities	0	8	30
• Global small cap equities	0	4	30
• Emerging markets equities	0	4	30
Total equities outside Canada	15	32	50
Total equities	20	47	75
Alternative strategies	10	25	40
• Complementary strategy	0	15	40
• Absolute return	0	10	40
Total		100	

Asset allocation

To achieve the Fund's performance objective, the manager actively manages asset class allocation within the constraints of the investment policy.

Authorized investments

DIM Private Funds, exchange-traded funds, cash and money market securities are permitted. The following advisory mandate securities are also authorized:

- DIM Private Government Bond Advisory Mandate
- DIM Canadian Large Cap Equity Advisory Mandate
- DIM Canadian Equity Advisory Mandate
- DIM US Equity Advisory Mandate

The money market securities include, but aren't limited to, securities guaranteed by the Government of Canada or a provincial government, overnight certificates of deposit from financial institutions, commercial papers and asset-backed commercial papers. Issuing companies must have a credit rating of R-1 (low) or higher for money market securities.

Derivatives

The DIM Private Balanced with Growth Bias Fund holds interest in underlying funds that use or may use derivatives.

BALANCED FUNDS

DIM Private Long-term Growth Fund

Preamble

Le Fonds privé GPD Croissance à long terme est un fonds composé majoritairement d'autres fonds.

Objective

This Fund aims to generate capital growth over the long term.

Target

The Fund's performance objective is to outperform its composite index—the weighted sum of the individual asset class objectives—over 3-year rolling periods, before management fees.

Asset allocation limits			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	1	30
Canadian bonds	5	12	20
• Short-term investment	0	1	20
• Government bonds	0	5	20
• Corporate bonds	0	6	20
Total fixed income	5	13	50
Canadian large cap equities	0	16	30
Canadian small cap equities	0	5	10
Total Canadian equities	8	21	40
US equities	0	18	30
Foreign equities	0	27	45
• International equities	0	15	45
• Global small cap equities	0	6	45
• Emerging markets equities	0	6	45
Total equities outside Canada	15	35	75
Total equities	30	66	90
Alternative strategies	5	21	35
• Complementary strategy	0	15	35
• Absolute return	0	6	35
Total		100	

Asset allocation

To achieve the Fund's performance objective, the manager actively manages asset class allocation within the constraints of the investment policy.

Authorized investments

DIM Private Funds, exchange-traded funds, cash and money market securities are permitted. The following advisory mandate securities are also authorized:

- DIM Private Government Bond Advisory Mandate
- DIM Canadian Large Cap Equity Advisory Mandate
- DIM Canadian Equity Advisory Mandate
- DIM US Equity Advisory Mandate

The money market securities include, but aren't limited to, securities guaranteed by the Government of Canada or a provincial government, overnight certificates of deposit from financial institutions, commercial papers and asset-backed commercial papers. Issuing companies must have a credit rating of R-1 (low) or higher for money market securities.

Derivatives

The DIM Private Long-term Growth Fund holds interest in underlying funds that use or may use derivatives.

BALANCED FUNDS

DIM Private Income Fund

Preamble

The DIM Private Income Fund is mainly comprised of other funds.

Objective

This Fund aims to provide income while preserving unitholders' purchasing power.

Target

The Fund's performance objective is to outperform its composite index—the weighted sum of the individual asset class objectives, over 3-year rolling periods, before management fees.

Asset allocation limits			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	3	30
Canadian bonds	30	64	100
• Short-term investment	0	4	100
• Government bonds	0	35	100
• Corporate bonds	0	25	100
Total fixed income	30	67	100
Canadian large cap equities	0	8	15
Total fixed income + Canadian equities	62	75	100
US equities	0	8	15
International equities	0	7	15
Total equities outside Canada	0	15	30
Alternative strategies	0	10	20
• Complementary strategy	0	5	20
• Absolute return	0	5	20
Total		100	

Asset allocation

To achieve the Fund's performance objective, the manager actively manages asset class allocation within the constraints of the investment policy.

Authorized investments

DIM Private Funds, exchange-traded funds, cash and money market securities are permitted. The following advisory mandate securities are also authorized:

- DIM Private Government Bond Advisory Mandate
- DIM Canadian Large Cap Equity Advisory Mandate
- DIM Canadian Equity Advisory Mandate
- DIM US Equity Advisory Mandate

The money market securities include, but aren't limited to, securities guaranteed by the Government of Canada or a provincial government, overnight certificates of deposit from financial institutions, commercial papers and asset-backed commercial papers. Issuing companies must have a credit rating of R-1 (low) or higher for money market securities.

Derivatives

The DIM Private Income Fund holds interest in underlying funds that use or may use derivatives.

CANADIAN EQUITY FUNDS

DIM Private Fund and Segregated Account – Canadian Large Cap Equity

Goal

As part of a diversified portfolio, Canadian large cap equity management facilitates capital growth.

Objective

To produce capital gains over the long term while generating income.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Management of fixed-income investments;
- Management of equity investments based on effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies, and;
- Consulting on financial product development.

As a partner, DGAM plays an active role in the technical design of DIM Private Funds. DGAM’s main clients are Desjardins Group companies.

Investment strategy

The manager invests in Canadian large cap equities of companies with sustainable dividend payouts, solid cash flows and attractive valuations on a risk-adjusted basis, and place an emphasis on security selection. Sector allocation results from security selection while maintaining exposure to various sectors and optimal diversification to control risk. The portfolio is managed to maintain an acceptable level of volatility and low turnover.

Portfolio construction method

After applying various quantitative filters to the investment universe, the portfolio construction process consists of the following stages:

A) Initial qualitative filter:

In particular, this stage includes an analysis of the company’s industry, business model and capacity to generate cash flows. Greater emphasis is placed on sources of income and profitability, as well as capital structure. An assessment of market positioning and competitive environment is made pertaining not only to the company, but also to its competitors and suppliers.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian equities	90	100

B) Fundamental analysis:

This stage includes an analysis of risk exposures specific to the company and its industry, business plan and growth drivers. This includes meetings with company senior executives, an analysis of the financial statements, exchanges with the firm's other management teams and a survey of financial analyst reports.

This analysis forms the basis of the investment thesis.

C) Investment thesis:

This stage consists in determining a price range for each stock. The analysis factors in an investment horizon of 18-36 months. Several securities are held in the portfolio over a longer period due to their long-term growth potential.

D) Valuation:

At this stage, relative and absolute valuation techniques are used with an emphasis on financial ratios. This allows to review financial and operating leverage, and dividend stability.

Target

The return objective of the segregated account and the Fund is to outperform the S&P/TSX Dividend index. The S&P/TSX Dividend index seeks to provide exposure to Canadian equities with dividend payouts.

Sector allocation and diversification

The portfolio must include securities from at least six of the 11 GICS sectors.

The portfolio must have a minimum of 30 securities. Individual securities cannot exceed 10% of the portfolio's total market value, and at least 90% of stocks must pay dividends.

Money market securities in the portfolio are limited to securities guaranteed by the Government of Canada and provincial governments, and to overnight certificates of deposit of financial institutions. The minimum credit rating of corporate issuers is "R-1 Low" for money market securities.

Specific securities management features

According to the management policy of segregated accounts, the number of securities held cannot exceed 55.

Derivatives

In accordance with the investment policy, the Fund and the segregated account do not invest in derivatives.

CANADIAN EQUITY FUNDS

Segregated Account – Canadian Equity–High Income

Goal

Within a diversified portfolio, the role of the Canadian Equity–High Income segregated account is to generate high after-tax current income with moderate capital appreciation. This mandate is designed primarily for taxable accounts, but may also be suitable for registered plan accounts. Securities are generally acquired with a long-term horizon in view.

Objective

Through a blend of high-income common stocks, preferred stocks and real estate trust units, the investment manager's objective is to generate tax-advantaged current income. The target after-tax return is superior to bond portfolio return. Accordingly, volatility is higher, although still below the levels of traditional Canadian equity mandates.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Management of fixed-income investments;
- Management of equity investments using effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

As a partner, DGAM plays an active role in the technical design of DIM Private Funds.

DGAM's main clients are Desjardins Group companies.

Investment strategy

For this mandate, the manager uses a bottom-up approach and practises a relative value management style. The investment horizon is long term, and quality securities with high resistance to economic slow downs are preferred. All securities pay dividends or distributions, providing investors with tax-advantaged high current income.

Portfolio construction method

The portfolio comprises high-income common stocks, preferred shares and real estate trust units. The portfolio is fully invested. Following a major sale or certain unfavourable short-term market situations, the manager may maintain a cash balance.

Target

The mandate seeks to equal or exceed the return of its benchmark index, made up of the following components over four-year moving periods.

Components	
Components	Weighting
S&P/TSX Preferred Shares	25.00%
S&P/TSX REIT	15.00%
S&P/TSX Utilities	11.25%
S&P/TSX Consumer Discretionary	6.00%
S&P/TSX Consumer Staples	5.25%
S&P/TSX Industrials	3.75%
S&P/TSX Communication Services	3.75%
S&P/TSX Financial Services	18.75%
S&P/TSX Energy	11.25%

Limits by asset class			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	0	10
Common stocks and real estate investment trust units	70	75	80
Preferred shares	20	25	30

Per sector limits for investment in common stock are as follows:

Sector limits	
	Permitted exposure range ¹
Natural resources	± 4%
• Energy	± 4%
Industrial products	± 2.5%
• Industrials	± 2.5%
Consumer products	± 5%
• Consumer discretionary	± 3%
• Consumer Staples	± 3%
Interest rate sensitive	± 8%
• Financial services	± 4%
• Communication services	± 2.5%
• Utilities	± 4%
• Real estate trusts	± 5%

1. Compared with composite index weights under Target section.

The maximum weight of all securities not included in the composite index is 10%.

Market risks and diversification

- Securities held are mainly included in the S&P/TSX Preferred Shares, REIT, Utilities, Consumer Discretionary, Consumer Staples, Industrials, Communication Services, Financial Services and Energy components. The manager may nonetheless invest in securities that are not included in these indices.
- At least 75% of the companies and real estate trusts held in the portfolio must have a market capitalization superior to \$1 billion. Furthermore, the manager ensures that the liquidity of the preferred stock selected is adequate.
- All securities held must pay a dividend.
- The Desjardins Global Asset Management team monitors portfolio risk continuously, factoring in the impact of the individual securities, sector weight and total portfolio risk. Special attention is given to issuer concentration in financial services due to its dominant position in the preferred shares category.
- When purchased, the minimum and maximum weights of a security in the portfolio are 1.5% and 5% respectively. Weight may increase to a ceiling of 8% due to security appreciation.
- The manager may not carry out short sale transactions.

Credit quality limits

Limits for investment in preferred shares are as follows:

Credit quality limits		
Credit rating ¹	Minimum (%) ²	Maximum (%) ²
Pfd-1 and Pfd-2	60	100
Pfd-3	0	40
Pfd-4 or under	0	0

- 1. DBRS credit ratings are used. S&P and Moody's ratings may be used as supplements.
- 2. Percentage of the preferred shares portion.

Maximum number of securities

The total number of securities targeted is 30–40.

Derivatives

Derivatives are not authorized.

CANADIAN EQUITY FUNDS

DIM Private Canadian All Cap Equity Fund

Goal

The Canadian All Cap Equity Fund aims to provide capital growth and risk control within a diversified portfolio.

Objective

The Fund’s objective is to generate long-term capital growth.

Portfolio manager

Leith Wheeler is an independent management firm founded in 1982 and wholly owned by its active and retired employees. The firm adopts a value management style and a long-term approach that ignores market noise. Leith Wheeler’s team is guided by conviction and favours a bottom-up fundamental approach that focuses on the quality and valuation of target companies. The firm has unrivalled experience managing Canadian all-cap equity mandates.

Investment strategy

The investment strategy seeks a high total investment return mainly through capital gains from a broad universe of market capitalizations. Value added over S&P/TSX Composite index return derives primarily from securities selection and leads to very favourable up-market/down-market capture ratios.

Portfolio construction method

The investment process relies on a bottom-up, benchmark-agnostic approach and is divided into four steps. During the fundamental research phase, teams assess the investment opportunity while taking into account operational and ESG risks. The targeted company’s business model is analyzed with regard to its ability to maintain a competitive advantage, evolving client preferences, performance consistency

and quality, price fixing power and technological disruptions caused by its product or service. The team then meets with the company’s leadership team and complete the process with a financial analysis that focuses on debt utilization, refinancing risks and cash flow generation. After that, they conduct a market analysis to study potential impacts of commodity prices on the targeted company and its sensitivity to interest rates and economic growth. Lastly, the analysis identifies a market positioning and the company’s ESG practices are reviewed.

In the second phase, the team develops a three-year expected benefits model, sets the stock’s target price and determines the expected return. In the next phase, results of this analysis are shared among the team so they can be challenged. Each part of the analysis must be unanimously validated. If the company is selected, a position will be taken in accordance with portfolio diversification criteria.

The stock must also trade at below its intrinsic value or at a price weakened by an exceptional and temporary event.

The team meets three times a week to discuss positions. They follow the same process when selling or trimming positions. Positions may be sold if, from a short-term perspective, their valuation becomes too high or, from a long-term perspective, the investment thesis is no longer valid.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	15
Canadian equities	85	100

Target

The Fund's return objective is to outperform the S&P/TSX Composite index before management fees.

Authorized investments

To ensure that minimum sector diversification requirements are met, the portfolio must include securities from at least six of the eleven GICS sectors. To that end, certain restrictions apply. Allocation to financial services cannot exceed 50% of assets under management, while total allocation to energy and materials combined must stay below 50%. Other sectors' allocation may not exceed their weight within the benchmark index by more than 20%.

Money market securities included in the portfolio are limited to securities guaranteed by the Government of Canada and provincial governments and to overnight certificates of deposit from financial institutions. For money market securities, the minimum credit rating of issuers is "R-1 Low."

Asset allocation limits

Based on a company's risk profile (low to moderate) and capitalization (small to large), its maximum portfolio allocation will vary from 1% (small cap company) to 8% (large cap company with a low to moderate risk profile). The portfolio is fairly concentrated and holds between 30 and 55 positions.

Derivatives

The Fund's investment policy does not authorize investment in derivatives.

CANADIAN EQUITY FUNDS

DIM Private Canadian Small Cap Equity Fund

Goal

Within a diversified portfolio, the role of the Canadian Small Cap Equity Fund is to capitalize on high-growth potential securities.

Objective

One of the Fund's objectives is to outperform the overall Canadian stock market, given that investments in small caps involve higher risk. Another objective is to provide long-term capital appreciation.

Portfolio manager

Fiera Capital Corporation (Fiera Capital) is one of Canada's largest independent investment management firms. The firm offers multi-asset solutions, including equity, fixed income and asset allocation, alternative investments and financial engineering services. These solutions enable Fiera Capital to develop and execute diversified investment strategies tailored to the unique needs and objectives of its three main client groups: institutional markets, private wealth and retail markets.

Investment strategy

The manager invests in reasonably priced small cap growth stocks (capitalization generally between \$100 million and \$1 billion) with the aim of generating long-term capital growth. Average portfolio capitalization is below \$1 billion.

The manager seeks companies with solid balance sheets and quality management teams that meet strict growth and profitability criteria. The focus is on security selection, while sector allocation is the result rather than the objective, and is managed for control purposes.

Portfolio construction method

Canadian stocks are selected using in-depth fundamental analysis based on meetings with company management. The managers first verify the quality and competency of company management, then analyze the financial data and, finally, before buying the security, round off the selection process by visiting the premises and speaking with mid-level executives.

The collected qualitative data is then used to pose additional questions to management. Portfolio construction is subject to several guidelines. The market capitalization of portfolio securities must be between \$100 million and \$1 billion, while the portfolio must hold between 65 and 75 securities.

Limits by asset class

Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	20
Canadian equities	70	100
Foreign equities*	0	10

* Equity securities of companies that may be incorporated outside of Canada traded on a Canadian stock exchange.

Target

The annual return objective, before management fees, is to outperform the benchmark index S&P/TSX Equity Small Cap.

Limits by issuer and diversification

The Canadian equities portfolio must include securities from at least six of the 11 GICS sectors.

To ensure satisfactory diversification, the Canadian equities portfolio must include at least 30 securities.

Money market securities are limited to securities guaranteed by the Government of Canada and provincial governments, and to overnight certificates of deposit of financial institutions. The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Derivatives

Derivatives are not authorized.

CANADIAN EQUITY FUNDS

Segregated Account – RI Canadian Equity

Goal

Within a diversified portfolio, the R I Canadian Equity segregated account aims to provide capital growth and risk control.

The segregated account follows a responsible approach to investing.

Objective

The objective of this segregated account is to provide long-term capital appreciation.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Management of fixed-income investments;
- Management of equity investments using effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

As a partner, DGAM plays an active role in the technical design of the DIM Private Funds.

DGAM's main clients are Desjardins Group companies.

Target

The mandate's return objective, gross of management fees, consists in outperforming the S&P/TSX Composite Index ex-Energy and ex-Utilities over three-year moving periods.

Limits by asset class

Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian equities	90	100

Sector and diversification criteria

The portfolio must include securities from at least six GICS sectors.

A maximum of 10% of the portfolio's market value may be invested in each issuer.

The portfolio must hold between 30 and 55 securities.

The holdings satisfy socially responsible investing criteria.

Derivatives

Derivatives are not authorized for this portfolio.

CANADIAN EQUITY FUNDS

Segregated Account – RI Canadian Equity Ex-Fossil Fuels

Goal

Within a diversified portfolio, the purpose of the RI Canadian Equity ex-Fossil Fuels segregated account aims to provide capital growth and risk control.

The segregated account follows a responsible approach to investing and excludes fossil fuel-related investments.

Objective

The objective of this segregated account is to provide long-term capital appreciation.

Portfolio manager

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Management of fixed-income investments;
- Management of equity investments using effective and systematic protocols;
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

As a partner, DGAM plays an active role in the technical design of the DIM Private Funds.

DGAM's main clients are Desjardins Group companies.

Target

The mandate's return objective, gross of management fees, consists in outperforming the S&P/TSX Composite Index ex-Energy and ex-Utilities over three-year moving periods.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Canadian equities	90	100

Sector and diversification criteria

The portfolio must include securities from at least six GICS sectors.

A maximum of 10% of the portfolio's market value may be invested in each issuer.

The portfolio must hold between 30 and 55 securities.

The holdings satisfy socially responsible investing criteria.

Derivatives

Derivatives are not authorized for this portfolio.

Exclusions

Fossil fuels: Are excluded companies that:

- Are in the fossil fuel sector; or
- Own fossil fuel reserves (coal, oil or gas); or
- Make more than 10% of their revenues by producing electricity from fossil fuel (coal, oil or gas);
- Use thermal coal for more than 10% of their energy mix.

U.S. EQUITY FUNDS

DIM Private Fund and Segregated Account – U.S. Equity (for taxable and non-taxable accounts)

Goal

Within a diversified portfolio, the DIM Private U.S. Equity portfolio aims to capitalize on exposure to very large cap U.S. companies operating in a range of sectors.

Objective

The portfolio's objective is to generate long-term capital growth.

Portfolio manager

Lazard Asset Management was founded in 1953 and is the asset management division of Lazard (formerly Lazard Frères), a public company that trades on the NYSE. Lazard Asset Management has over 300 investment specialists and offices in 24 cities worldwide. The firm favours a bottom-up fundamental approach that focuses on the quality and valuation of target companies. It has an experienced management team and a comprehensive fundamental equity research platform.

Investment strategy

The investment strategy is based on selecting stocks of financially sound large and very large cap companies that are undervalued. This approach uses:

- In-depth fundamental research and accounting validation focusing on the risk-return trade-off;
- Scenario analysis (base, optimistic and pessimistic) with target buy/sell prices set by scenario type.

A financially sound company must have:

- Significant cash flows;
- A healthy balance sheet;
- Operational flexibility.

The investment process comprises the following steps:

- Brainstorming;
- Fundamental research;
- Portfolio construction.

Portfolio construction method

Following scenario analyses and accounting validation, streams of expected cash flows and profits are calculated by analysts with company valuations for each scenario. After assumptions underlying current stock prices are identified for each company and comparisons are made with their research results, analysts issue recommendations to the management team.

Analysts and the management team then discuss the results of fundamental research, particularly the different scenarios and the probability of their materialization. The most likely scenario is favoured.

The management team is entirely responsible for security selection during portfolio construction. Working with the risk management team, particular attention is given to portfolio risk characteristics and to ensuring satisfactory diversification.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
U.S. equities	70	100
Other eligible securities	0	20

The U.S. equity mandate is comprised of two funds, one for taxable accounts and the other for registered plan accounts. The Internal Revenue Service is the American agency responsible for taxation. According to this agency, foreign investors in the United States must be taxed on their investment income received by investing in securities issued by U.S. corporations or various levels of American governments. Therefore, income paid out by the U.S. Equity Fund intended for taxable accounts will be subject to a withholding tax of 30% or 15%, depending on the situation, which will be deducted at source. Income paid by the U.S. Equity Fund for registered accounts will not be subject to the withholding tax deduction at source.

Target

The return objective of the segregated account and the Fund is to outperform the S&P 500 before management fees over three-year moving periods.

Benchmark index

The S&P 500 in CA \$.

Asset allocation limits

The U.S. equity portfolio must include securities from at least six of the 11 GICS sectors.

To ensure satisfactory diversification, the U.S. equity portfolio must hold at least 20 securities.

The maximum per issuer is 10% of the total portfolio market value.

Money market securities are limited to securities guaranteed by the Government of Canada and provincial governments, and financial institution overnight certificates of deposit.

The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Derivatives

Currency forward contracts are the only authorized derivatives.

The Fund's target currency hedge ratio falls between 0% and 100% of the portfolio's total market value.

Specifics for security portfolios

The use of derivatives is not allowed for equity portfolios.

U.S. EQUITY FUNDS

Segregated Account – RI U.S. Equity

Goal

Within a diversified portfolio, RI U.S. Equity aims to capitalize on exposure to large cap U.S. companies operating across a range of sectors.

Objective

The objective is to generate long-term capital growth.

Portfolio manager

Clearbridge is an asset management firm located in New York City and owned by Legg Mason Inc. since 2005. Formerly Citigroup Asset Management, the firm is the product of the association of a number of specialized independent management firms (1962-1997) acquired by Citigroup in 1998. A signatory to the U N's Principles for Responsible Investment since 2009, Clearbridge specializes in actively managing low-volatility products, income portfolios and responsible investment mandates.

Bringing ESG mandates to clients since 1987, Clearbridge currently offers nine responsible investment equity strategies, including its newly-organized Sustainability Leaders Strategy.

Investment strategy

The Sustainability Leaders Strategy is made up of securities of high-quality companies demonstrating top ESG attributes across all U.S. securities market capitalizations. Managers combine quantitative analyses, ESG and fundamentals to identify companies with compelling risk/return ratios and the best ESG practices in their industry. They rely upon the proprietary ESG ratings process developed by Clearbridge. This complements fundamental and qualitative analyses to assess securities, shareholder commitment, and dialogue with company executives, all of which are key elements in evaluating and rating companies.

Portfolio construction method

The pool of securities comprises all of the U.S. companies included in the Russell 3000 Index, as well as the American Depositary Receipt foreign stocks (ADRs).

- Quantitative screening is used to identify companies with quality attributes of high returns on capital, strong balance sheets, efficient capital allocation and attractive valuations (FCF, EV/EBITDA, P/E, P/B).
- Fundamental research and an analysis of environmental, social and governance factors identifies companies displaying ESG leadership and compelling risk/return attributes.
- Top candidates are identified by industry. The fundamental ESG research team identifies ESG strengths and best practices of companies as a complement to the fundamental analysis.
- Constructing a portfolio and managing risk require a concentrated portfolio built on management's strongest beliefs with a medium-to long-term time horizon and where risk arises from selecting securities.
- Shareholder commitment and the dialogue with company managers consolidate the process of sound financial management and ensure the sustainability of the ESG best practices of the companies included in the portfolio.

Target

The return objective consists in outperforming the S&P 500 Index.

Sector and diversification criteria

- The maximum per issuer is 10% of the model portfolio market value.
- The portfolio must include securities invested in at least six of the 11 GICS sectors.
- The selected securities must satisfy responsible investing criteria.
- The portfolio must hold between 20 and 50 securities.

Derivatives

Derivatives are not authorized.

Limits by asset class

This segregated account allows investment in U.S. public corporations of any size. The manager must comply with the following limits:

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
U.S. equities (including ADR)	90	100

FOREIGN EQUITY FUNDS

DIM Private International Equity Fund

Goal

Within a diversified portfolio, the DIM Private International Equity Fund aims to capitalize on exposure to large cap international companies operating in developed countries outside North America.

Objective

The Fund’s objective is to generate long-term capital valuation.

Target

The annual return objective, before management fees, is to outperform the MSCI EAFE benchmark index in Canadian dollars with net dividends reinvested over 4-year moving periods.

Limits by mandate

Mandate	Minimum (%)	Maximum (%)
Cash and money market	0	10
EAFE Equity mandate	75	100
EAFE Equity Index Mandates (including Exchange-Traded Funds)	0	25

Money market securities include, but are not limited to, securities guaranteed by the Government of Canada and provincial governments, one-day certificates of deposit from financial institutions, commercial paper, and asset-backed commercial paper.

The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Specific mandate constraints

Limits by asset class

Asset Class	Minimum (%)	Maximum (%)
Cash and money market	0	10
International equities	75	100
Emerging Markets equities	0	20
North American equities	0	10

At the sector level, the portfolio must include securities from at least five economic sectors (GICS).

The maximum per issuer is 12% of the total portfolio market value.

Derivatives

The Fund may invest in underlying funds that use derivatives. It may also invest in currency futures and over-the-counter contracts for the purpose of currency hedging.

FOREIGN EQUITY FUNDS

DIM Private Global Small Cap Equity Fund

Goal

Within a diversified portfolio, the DIM Private Global Small Cap Equity Fund aims to provide exposure to small cap equities from companies operating in a diverse range of regions and countries, as well as sectors and industries.

Objective

The Fund's objective is to generate long-term capital growth.

Portfolio managers

Global Alpha is a Montreal-based company founded in 2008 that focuses on foreign small-cap equities. The firm is part of Connor, Clark & Lunn Financial Group Ltd. (CC&L Financial Group). This small-cap specialist has over C\$7.4 billion in assets under management. The team consists of five experienced portfolio managers, most of whom have more than 20 years of experience in the field. They are supported by a trader, a research analyst and an ESG research analyst. The firm's management style focuses on quality and growth, and aims to use stock selection to outperform the benchmark.

Investment strategy

Global Alpha believes that earnings per share growth guides stock prices while long-term growth themes drive higher returns. Its fundamental approach targets companies whose potential earnings per share growth has not yet been recognized but could accelerate. The bottom-up stock selection process is driven by investment themes related to global economies.

Portfolio construction method

The investment team analyzes investment universe data (totalling 11,000 companies), carries out research and communicates regularly with companies, all of which results in a detailed analysis of 150 to 200 companies. Following that, the portfolio is built up of 50 to 70 equities that ensure excellent sector and geographic diversification. This collaborative approach favours collective decision making. With stock selection as the main driver of expected added value, the firm provides a strict framework for building the portfolio and managing risks. ESG factors are taken into account at every step and form an integral part of the stock selection process. With that in mind, Global Alpha has developed an internal analysis model for key ESG data that input this information into valuation tools. Individual securities weigh on average 1% to 3% of the total portfolio but can account for up to 5%.

Target rate of return of the manager

The return objective is to outperform the MSCI Global Small Cap Index over three-year moving periods.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Developed Markets equities	70	100
Emerging Markets equities	0	20

Limits per issuer and diversification

The maximum per issuer is 5% of the portfolio market value.

At any given time, no more than 10% of the portfolio's market value may be invested in companies with a market capitalization under \$100 million US.

Total private investments will be capped at 5% of the portfolio's market value.

The portfolio must include securities from at least six GICS sectors.

To ensure appropriate diversification, the portfolio must include at least 50 securities.

The mandate must include stocks from at least four of the following main regions: North America, United Kingdom, continental Europe, Japan, Asia ex Japan and Emerging Markets.

Money market securities are restricted to securities guaranteed by the Government of Canada and provincial governments and to overnight certificate of deposits from financial institutions.

The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Derivatives

Derivatives are not authorized for this Fund.

FOREIGN EQUITY FUNDS

DIM Private Emerging Markets Equity Fund

Goal

Within a diversified portfolio, the DIM Private Emerging Markets Equity Fund aims to provide exposure to emerging markets equities as well as to a diversified range of sectors and industries.

Objective

The Fund's objective is to generate long-term capital growth.

Portfolio managers

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Equity-investment management based on effective and systematic protocols;
- Alternative investment management (Private Infrastructure, Private Real Estate and private equity);
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

Desjardins Global Asset Management (DGAM) is one of Canada's largest asset managers, boasting in-house expertise in equity, fixed-income securities, real assets (infrastructure and real estate) in a broad range of investment vehicles. Founded in 1998, DGAM manages institutional assets worth over CA\$86 billion for insurance companies, pension funds, endowment funds, non-profit corporations and companies across Canada.

As a partner, DGAM plays an active role in the technical design of the DIM Private Funds. DGAM's main clients are Desjardins Group companies.

Investment strategy

The Fund takes advantage of excess returns generated by strong growth in emerging economies by investing in securities of promising companies within these markets while integrating environmental, social and governance (ESG) factors into the investment process. The Manager identifies the most attractive markets and sectors through a multifactor analysis and targets the highest performing companies using a fundamental and quantitative analysis.

Portfolio construction method

The investment universe comprises the MSCI Emerging Markets Net Index. A top-down approach is used in about 80% of all investment decisions.

This investment strategy involves monitoring emerging markets by applying an internal three-vector system that governs the fundamental analysis used to select regions, countries, sectors and industries, securities, currencies and cash level within the portfolio. This strategy seeks to diversify sources of added value while minimizing risks.

The first vector is the macroeconomic environment, which includes geopolitical events, monetary policy, supply and demand and ESG factors. The second vector is the relative evaluation of financial markets using a historical analysis and comparing them with similar markets. The third vector is investor sentiment, which measures how enthusiastic investors are. Managers use tools and filters developed internally in the discretionary analysis of vectors.

Target

The return objective is to outperform the MSCI Emerging Markets Index over three-year moving periods.

Limits per mandate			
Mandate	Minimum (%)	Target (%)	Maximum (%)
Cash	0	0	10
Top-down mandate	0	100	100

Specific mandate constraints

Top-down mandate

The Fund is exposed to the Top-down mandate through units held in the Hexavest Emerging Markets Equities Fund.

Eligible securities

Stock market investments

- Common shares
- Preferred shares
- Warrants, rights, income trusts, convertible debentures, preferred shares or other instruments convertible into equities
- Exchange traded funds (ETFs) with exposure to a basket of securities
- Securities featuring equity characteristics, including American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)
- Initial public offerings (IPO)
- Rule 144A securities
- Currency swaps, exchange futures and currency futures
- Index futures
- Index options, exchange traded equity options and currency options

Money market securities

- Commercial paper and other money market securities (the maximum term for these investments is one year)

Asset allocation		
Asset class ¹	Minimum (%)	Maximum (%)
Cash and money market securities	0	10
Stock market investments	90	100

1. See section A, *Eligible Securities*, to see securities listed per asset class.

The minimum credit rating for money market securities is "R-1 Low" or "A-1 (Low)" or the equivalent. In case of a downgrade following the purchase, the security will be sold within a reasonable time frame.

Cash balances may be invested in the currency of a country authorized by the investment policy.

Exposure limits

Limits per country/region		
	Minimum (%)	Maximum (%)
Per region (as defined by de MSCI)	The highest of: 1) 0% 2) Index – 15%	Index +15%
<ul style="list-style-type: none"> Latin America Europe, Middle East and Africa Asia 		
Per country (in the index)	The highest of: 1) 0% 2) Index – 15%	Index +15%
Developed markets (as defined by MSCI)	0	15
Frontier markets (as defined by MSCI)	0	10

Limits per sector		
	Minimum (%)	Maximum (%)
Per sector (GICS – level 1)	The highest of: 1) 0% 2) Index – 10%	Index +10%

Limits per financial instrument		
	Minimum (%)	Maximum (%)
Per individual security (corporate equities)	0	The lowest of: 1) Index +3% 2) 10%
Per ETF	0	7.5
Total ETFs and derivatives	0	25

Limits per currency		
	Minimum (%)	Maximum (%)
Per currency in the index	0	Index +15%
Total gross exposure to currencies in the index	50	100
Total gross exposure to the Canadian dollar and U.S. dollar	0	50
Total gross exposure to other currencies	0	10

Derivatives

The value of synthetic securities or indices cannot account for more than 25% of the Fund's market value.

The Fund may only short sell derivatives if it has a positive net exposure to the underlying assets or to other assets that are highly correlated with these underlying assets.

The Fund may not use leverage. Leverage created by derivatives must be covered by equivalent exposure to cash and money market securities.

ALTERNATIVE STRATEGY FUNDS

DIM Private Assets Fund

Goal

Within a diversified portfolio, the role of the Completion Strategy Fund (the "Fund") is to increase diversification by including asset classes that have a low correlation with the other asset classes within the portfolio.

Objective

The objective of the Fund is to generate income and long-term capital appreciation.

Portfolio managers

Desjardins Global Asset Management (DGAM) offers institutional investment expertise in the following fields:

- Portfolio management of fixed-income securities investments;
- Equity-investment management based on effective and systematic protocols;
- Alternative investment management (Private Infrastructure, Private Real Estate and private equity);
- Selection and monitoring of external managers;
- Development of investment strategies tailored to client needs;
- Optimization of risk-adjusted returns;
- Structuring of target portfolios and development of investment policies; and
- Consulting on financial product development.

BlackRock is a global leader in portfolio management, risk management and advisory services for institutional and private clients. The company helps its clients reach their goals by offering a full range of solutions including separately managed accounts, mutual funds, iShares® exchange-traded funds, and closed-end funds.

Novacap is a private equity firm founded in 1981 and based in Brossard, Canada. The firm specializes in mid-market buyouts and has a proven track record of driving growth and creating long-term value for its portfolio companies. Novacap invests in a variety of sectors, including logistics, food, media, energy, health care, information technology, manufacturing, e-commerce, industries and financial technology. With over 40 years of experience, Novacap manages approximately C\$10 billion in assets and has invested in over 230 companies. The firm is renowned for its entrepreneurial approach and commitment to turning untapped potential into meaningful growth and exceptional value.

Target

The goal of the Fund is to achieve an annual return superior to Canada's Consumer Price Index, calculated using a five-year moving average.

Limits per asset class and per mandate			
Asset class/Type of mandate	Minimum (%)	Target weighting (%)	Maximum (%)
Private markets	0	50	70
Global real assets	0	50	70
Public markets	0	45	70
Real assets	0	25	40
Raw Materials	0	20	50
Cash, money market and liquid assets	0	5	20

Money market securities are restricted to securities guaranteed by the Government of Canada and provincial governments and to overnight certificate of deposits of financial institutions. The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Liquidity, value and management fees

- Canadian Private Real Estate mandate holds non-liquid assets, and its shares are not traded. Unless otherwise indicated in the Limited Partnership Agreement, the Fund will commission a comprehensive appraisal report to value all its real estate assets at the end of each calendar year. The General Partner will update the appraisal every calendar quarter. All appraisals (including quarterly updates) will be performed by independent appraisers accredited by the Appraisal Institute of Canada.
- The net asset value of the Fund or of an investment in a fund (the "Net Asset Value") on a certain date will be equal to the fair market value of the Fund or of the investment in a fund determined based on the most recent appraisal (or update), taking into account any changes in the Fund's assets and liabilities during that period.
- "Net asset value per share": Refers to value on a per-share basis. It means, as of the calculation date, the Net Asset Value of the Fund, based on the most recent appraisal or update, divided by the number of Shares issued and outstanding as of that date.
- "Net asset value minus fees per share": Refers to value on a per-share basis. It means, as of the calculation date, the Net Asset Value per Share of the Share on that date, minus the Management Fees attributable to the Share on that date.

- The DGAM Global Private Infrastructure Fund holds non-liquid assets and its units are not traded on the market. The fair value of the DGAM Global Private Infrastructure Fund is calculated four times a year, on March 31, June 30, September 30 and December 31. The fair value measurement is made available following those measurement dates. Using the most recent measurement available adjusted to market data, the manager assigns a fair and reasonable value to the best of its knowledge in order to calculate the value of the DGAM Global Private Infrastructure Fund. The Fund's daily net asset value, used for the purchase and surrender of units, is therefore always calculated using an estimated daily value for the DGAM Global Private Infrastructure Fund.
- Taking into account the specific nature of the infrastructure portfolio set up by DGAM, the fund manager charges a 0.75% to 1% management fee on DGAM Global Private Infrastructure Fund assets, depending on the amount invested. In addition, if the fund return exceeds a certain pre-determined level, the manager is paid an incentive.

Global Private Infrastructure mandate

Objectives

The DGAM Global Private Infrastructure Fund is designed for institutional investors seeking exposure to the global infrastructure market. It provides stable long-term returns and the growth potential of a rising asset class.

The DGAM Global Private Infrastructure Fund aims to yield long-term risk-adjusted positive returns by building a diversified infrastructure portfolio through direct investments, co-investments and fund investments.

Investment strategy

The main objectives of the DGAM Global Private Infrastructure Fund are the following:

- Seek to maintain an internal rate of return that is stable and above inflation over the long term, net of management fees and taxes that are specific to each investor.
- Invest for the most part in basic infrastructure, basic plus infrastructure and, to a lesser extent, added-value infrastructure.
- Focus on medium-size assets, which we believe offer a larger pool of investment opportunities that are under less pressure from competitors due to a scarcity of opportunities. Investments in larger assets could however be considered.

Investment limits and diversification

The main characteristics of the DGAM Global Private Infrastructure Fund are the following:

Investment restrictions to the Fund – The DGAM Global Private Infrastructure Fund cannot invest more than 25% of its market value in a single asset.

New facilities – The DGAM Global Private Infrastructure Fund can invest in new facilities, but not through direct investment or co-investment, and no more than 20% of its net asset value.

Type of income – The DGAM Global Private Infrastructure Fund aims to invest in assets that generate predictable long-term cash flows whose income is sustained by contracts with creditworthy counterparties, regulated frameworks or strong market demand.

Subsectors – DGAM Global Private Infrastructure Fund seeks to invest in essential assets in sectors such as energy, transportation, telecommunications and social and public service infrastructure. It aims to build a diversified portfolio and avoid a concentration [over 50%] of investments in a single subsector.

Responsible investing

- ESG factors will be assessed and taken into account in the investment-making process, and will be continuously monitored following the acquisition.
- DGAM Global Private Infrastructure Fund will not invest directly in assets primarily tied to coal-based power generation and the production and specialized transportation of fossil fuel.

Derivatives products

The DGAM Global Private Infrastructure Fund allows for the use of derivatives.

The following derivatives are authorized:

- Swaps, futures and exchange forward contracts.

The DGAM Infrastructure Fund holds positions in underlying funds that use or may use derivatives.

Canadian Private Real Estate mandate

The DGAM Canadian Private Real Estate Fund is designed for institutional investors seeking exposure to the Canadian real estate market. It provides stable long-term investment income and the growth potential of a dynamic asset class. The DGAM Canadian Private Real Estate Fund seeks to generate attractive long-term risk-adjusted returns by building a diversified and balanced portfolio of Canadian properties.

Investment strategy

The DGAM Canadian Private Real Estate Fund's main objectives are as follows:

- The Fund seeks to acquire a diversified portfolio of Canadian properties. It will invest 75% to 100% of its gross asset value in properties that generate stable and sustainable income with potential for rental growth, and up to 25% of its gross asset value in properties or real estate development projects with added value.
- The Fund seeks to invest in real estate assets in the multi-family (rental housing) sub-sector (up to 40% of gross asset value); the retail sub-sector (up to 40% of gross asset value); the office building sub-sector (up to 40% of gross asset value); the industrial building sub-sector (up to 40% of gross asset value) and other real estate sub-sectors such as life sciences, data centres, student residences and residences for older adults (up to 20% of gross asset value).

Investment limits and diversification

The DGAM Canadian Private Real Estate Fund's main features are as follows:

Fund Restriction – The Fund may not invest (i) more than \$75 million or 15% of its gross asset value, whichever is greater, in a single fund investment, (ii) more than 20% of its gross asset value in British Columbia, (iii) more than 20% of its gross asset value in Alberta, (iv) more than 50% of its gross asset value in Ontario, (v) more than 50% of its gross asset value in Quebec, or (vi) more than 10% of its gross asset value in the other Canadian provinces collectively. The Fund may not invest, directly or jointly, in assets related to the use of products prohibited under Canadian law or international agreements, or other controversial products, as determined at the discretion of the General Partner or Manager (as defined below).

Type of income – The DGAM Canadian Private Real Estate Fund seeks to invest in assets that generate predictable, long-term cash flows, and will support its income through contracts with creditworthy counterparties, regulated frameworks and strong market demand.

Responsible investment

Environmental, social and governance (ESG) issues must be assessed before the Fund makes an investment and on an ongoing basis. The Fund will invest according to its responsible investment guidelines, as adopted or amended from time to time.

Derivatives

The Fund expects to have maximum financial leverage of 40% of its gross asset value and 75% of the value of an individual asset. The Fund may seek access to a credit facility for various short-term needs, such as funding obligations under a letter of credit or conducting temporary capital calls.

Global Real Estate mandate

Investment Strategy

The Fund is exposed to the Global Real Estate mandate through shares in the DGAM Global Listed Real Estate Index Fund.

The manager seeks to replicate the annualized return of the FTSE EPRA/NAREIT Developed Index as closely as possible, while minimizing tracking error.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Global Real Estate Investment Trusts and Equities	90	100

Derivatives

Derivatives are not allowed in the Global Real Estate mandate.

Global Infrastructure mandate

Investment Strategy

The Fund is exposed to the Global Infrastructure mandate through shares in the DGAM Global Listed Infrastructure Index Fund.

The manager seeks to replicate the annualized return of the Dow Jones Brookfield Global Infrastructure NTR CAD Index as closely as possible, while minimizing tracking error.

Limits by asset class		
Asset class	Minimum (%)	Maximum (%)
Cash and money market	0	10
Global Infrastructure-Related Equities	90	100

Derivatives

Derivatives are not allowed in the Global Infrastructure mandate.

Neutral Market mandate

Investment strategy

The Fund seeks to achieve positive returns in both positive or negative equity market condition. It is diversified in a number of pairs of correlated issuers generally within the same industry sector that neutralize the net market value of long and short positions, thereby reducing sector biases and market exposure.

The Fund primarily invests in long and short positions of equity securities of issuers located in Canada and throughout the world.

Objectives

- Neutralized net market exposure
- Positive absolute returns
- Very low correlation with systematic risk factors (interest or inflation rate)
- Lower volatility than equity markets and other alternative strategies
- Highly liquid underlying securities

Approach to investing

- Relative outperformance; bottom-up strategy based on fundamental research
- Reversion to the mean
- Event-driven arbitrage

Precious Metals mandate

Investment strategy

The Fund is exposed to precious metals through exchange traded funds that replicate the performance of the actual precious metals.

Metals covered

- Gold
- Silver
- Platinum
- Palladium

Limits by issuer

The maximum per precious metal is 20% of the total portfolio market value.

ALTERNATIVE STRATEGY FUNDS

DIM Private Absolute Return Strategy Fund

Goal

DIM Private Absolute Return Strategy Fund aims to increase diversification within a diversified portfolio by focusing on hedge funds. The Fund purchases units of DIM Private Absolute Return Strategy Fund LLC, which, in turn, invests in hedge funds.

Objective

The objective of the Fund is to generate relatively stable absolute returns that are weakly correlated to traditional asset classes.

Hedge fund investment platform

Innocap aims to provide institutional investors with a world-class managed account platform, alongside customized investment solutions, sophisticated control tools, increased transparency and optimized fees for their non-traditional investment portfolios.

Portfolio manager selection and monitoring

UBP (portfolio manager selection and monitoring) is a pioneer in the alternative investment industry. The company has been investing in hedge funds since 1972 and is one of the leading European firms in the market. UBP's institutional structure, rigorous investment process and solution-oriented approach enable its Alternative Investment Solutions team to offer a wide range of products and services to private and institutional clients.

Portfolio managers

Orion — Founded in 2005, Orion is a commodities specialist that adopts a discretionary strategy through directional positions in base and precious metals. The firm leverages the infrastructure of its complementary private equity and merchant services divisions and the flow of information between them, giving it exclusive knowledge of the underlying fundamentals of metal prices.

Bain Capital — Bain Capital is a private investment firm headquartered in Boston with offices worldwide. The company specializes in private equity, venture capital, credit and alternative investments (hedge funds). As an asset manager, the firm uses global investment strategies that combine rigorous fundamental research and portfolio construction based on an ESG framework. The company seeks to generate returns over a full market cycle with a focus on quality excess returns.

Bastion — Founded in Montreal in 2021, Bastion Asset Management is an independent firm specializing in alternative strategies. Bastion manages assets for institutional and private clients, such as pension funds, foundations, private high net worth individuals and Canadian banking platforms. The firm's management approach combines fundamental research-driven stock selection with a robust and disciplined risk management process.

Brigade — Founded in 2006 and based in New York, Brigade Capital Management is an asset management firm specializing in credit-focused investment strategies. It manages strategies across the credit spectrum, including long/short equity and credit positions, distressed corporate debt securities, capital structure arbitrage and structured credit.

Campbell — Campbell was founded in 1972 in Baltimore, USA and has been managing systematic investments for over 30 years. It is one of the oldest Commodity Trading Advisors and is still owned by its management team. The firm serves institutional clients, including sovereign states, pension funds, banks and wealth managers. Campbell specializes in systematic investment strategies, including trend tracking, quantitative macro strategies, short-term strategies and quantitative equity market neutral strategies.

Crabel Gemini — Crabel is an investment firm founded in 1987 that specializes in systematic strategies. The company has 4 offices and is headquartered in Los Angeles where its primary investment and research centre is located. It manages a range of primarily short-term strategies investing in futures contracts.

Investment strategy

The objective is to achieve medium- and long-term inflation-protected returns with reduced capital risk during market stress. To minimize the potential of sustained capital losses, the portfolio must maintain only weak correlations (beta) with traditional asset classes such as equities and bonds in order to protect the portfolio in case of a correction. Because the portfolio will comprise about six to ten underlying managers, the hedge fund strategy will contribute less to expected returns than an individual manager. Individual funds' quality and how they combine together will be key for generating target returns. The approach for producing target returns involves analyzing fundamentals components for each individual manager (micro) and implement the findings to the entire strategy and portfolio (macro).

Portfolio construction method

The portfolio construction method uses some of the best alternative managers in the world in order for the expected positive return to come from both the alpha of the hedge fund strategy and the alpha directly generated by the manager. Traditional asset classes' passive beta will minimally contribute to global performance. Portfolio construction is a result of risk management through various quantitative measurements of each individual manager's risk contribution and focuses on value at risk.

The acceptable value at risk for the proposed portfolio ranges is as follows:

- -1.5% to 3% for managers that are overweight in the portfolio
- -3% to -4.5% for managers with a neutral weight in the portfolio
- -4.5% to -6.5% for managers that are underweight in the portfolio

Other factors, including cross-correlation, and all real opportunities relative to the manager's risk appetite, may and will lead to changes to the final allocations.

Target rate of return of the manager

The return objective consists in outperforming the FTSE Canada 91 Day T-Bill Index over three-year moving periods.

Limits by asset class			
Asset class	Minimum (%)	Target (%)	Maximum (%)
Cash and money market	0	2	10
Hedge fund strategy (DIM Private Absolute Return Fund LLC)	90	98	99

Authorized investments

With the exception of cash and money market, the Fund can only invest in DIM Private Absolute Return Fund LLC.

Money market securities are restricted to securities guaranteed by the Government of Canada and provincial governments and to overnight certificate of deposits from financial institutions. The minimum credit rating for corporate issuers is "R-1 Low" for money market securities.

Derivatives

The Fund may invest in foreign currency futures and forward contracts for the purpose of managing foreign exchange risk. The term of these instruments may not exceed six months.

The target hedge ratio for US\$-denominated assets is 100%. The hedge ratio must stay within a range of target +/- 5%.



**Should you have any questions, please contact a member of
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