

**INVESTMENT AGREEMENT**  
**Market-linked guaranteed investment**  
**5-in-1 Guaranteed Investment**  
**5 Year Term**

To be retained until the account is closed or a new agreement or certificate is issued.

Date of initial deposit (YYYY-MM-DD)	Date of issue (YYYY-MM-DD)	Date of maturity (YYYY-MM-DD)
	<b>2018-10-05</b>	<b>2023-10-05</b>

Reference No.	
Folio	Account No.
Amount of initial deposit	

**TERMS AND CONDITIONS GOVERNING THIS AGREEMENT**

- 1- Cancellation Terms:**The contract is concluded between the member and the Caisse two (2) business days following the member's receipt of this agreement (the "Effective Date"). The member is deemed to have received this agreement five (5) business days after it has been mailed or after the date of receipt in AccèsD, as applicable. Unless the member notifies the Caisse in writing within three (3) business days of the contract's Effective Date (the "Cancellation Deadline"):
  - that the information shown on the agreement is not in accordance with his/her request, or
  - that he/she does not accept all of the terms and conditions applicable to this agreement
 the member shall be deemed to have provided the instructions indicated in this agreement and to have accepted all conditions described herein. If the member cancels the agreement before the Cancellation Deadline, the initial deposit invested by the member will be returned to him/her in full and without fees or interest.
- 2-** Before the date of issue, the Caisse has the right not to proceed, in whole or in part, with the issuance of the Market-linked Guaranteed Investment (the "Guaranteed Investment"). Any refused initial deposit will be returned to the member, without fees, with pre-issue interest as stipulated in section 12.
- 3-** Where applicable, this agreement is subject to the provisions of the Application Form for an RRSP or any other plan issued and administered by Desjardins Trust Inc. that the member has already signed with the Caisse.

**TERMS AND CONDITIONS GOVERNING THE GUARANTEED INVESTMENT**

- 4-** This investment constitutes a deposit made to the above-mentioned Desjardins caisse (the "Caisse"), a financial services cooperative, which is a member of the Fédération des caisses Desjardins du Québec (the "Fédération").
- 5-** The member agrees to make, on the date of initial deposit, a first deposit (the "Initial Deposit") on which pre-issue interest is calculated according to section 12 of this agreement.
- 6-** On the date of issue (the "Date of Issue"), the member expressly consents that the amount of the Initial Deposit and the pre-issue interest be reinvested in the form of a Market-linked Guaranteed Investment maturing on the maturity date (the "Date of Maturity"). The term of the Guaranteed Investment is five (5) years (the "Term").
- 7-** The principal of this investment is guaranteed by the Caisse at maturity. The Guaranteed Investment may not be negotiated or redeemed, and no amount in principal and interest shall be redeemable or payable before the Date of Maturity, except for the provisions stipulated in section 20. No secondary market exists for this Guaranteed Investment nor will one be established. The Guaranteed Investment may not be transferred, except for the estate or the legatees in the event of the death of the member and as long as the transfer is made in an account at the Caisse.
- 8-** This Guaranteed Investment may be hypothecated or given as security only in favour of the issuing Caisse to the extent permitted under current legislation.
- 9-** This Guaranteed Investment is in Canadian dollars. The redemption of the principal and the payment of interest will be made in Canadian dollars.
- 10-** This Guaranteed Investment is a deposit within the meaning of the *Deposit Insurance Act*, up to the maximum eligible amount. More information is available online ([www.lautorite.qc.ca](http://www.lautorite.qc.ca)).

**FEES**

- 11-** This Guaranteed Investment is not subject to any management fees. Therefore, at maturity, the interest corresponding to the yield will not be affected by any management fees.

**TERMS AND CONDITIONS GOVERNING THE METHOD OF CALCULATION OF INTEREST**

- 12-** For the period between the date of Initial Deposit and the Date of Issue, the interest on the Initial Deposit shall be calculated on the daily balance at the pre-issue interest rate of 0.850% per annum.
- 13-** For the period between the Date of Issue and the Date of Maturity, the interest generated by the Guaranteed Investment shall be determined at maturity according to the variation in the reference index described hereunder.

The reference index is an indicator of the yield of the Guaranteed Investment. The makeup of this index is based 100% on the interest rate in force at the Caisse for a conventional term savings deposit with a one (1) year term to which an annual, fixed bonus rate equal to 0.750% is added for the five (5) year term (the "Reference Rate"). On each anniversary date during the Term, the rate applicable to conventional term savings deposits with a one (1) year term is revised, based on the interest rate then in force.

**OTHER CONDITIONS ON FOLLOWING PAGES**

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Dates on which the Reference Rate is determined ("RR")	Periods during which the Reference Rate applies
Corresponds to the higher of: One (1) year rate as at July 30, 2018 or as at October 5, 2018 + annual bonus rate	2018 Reference Rate («RR <sub>2018</sub> »)† applicable from October 5, 2018 to October 5, 2019
One (1) year rate as at October 5, 2019 + annual bonus rate	2019 Reference Rate («RR <sub>2019</sub> ») applicable from October 5, 2019 to October 5, 2020
One (1) year rate as at October 5, 2020 + annual bonus rate	2020 Reference Rate («RR <sub>2020</sub> ») applicable from October 5, 2020 to October 5, 2021
One (1) year rate as at October 5, 2021 + annual bonus rate	2021 Reference Rate («RR <sub>2021</sub> ») applicable from October 5, 2021 to October 5, 2022
One (1) year rate as at October 5, 2022 + annual bonus rate	2022 Reference Rate («RR <sub>2022</sub> ») applicable from October 5, 2022 to October 5, 2023

† The member will be informed of this Reference Rate upon reception of the Investment Features Confirmation Notice.

**The interest is calculated as follows:**

$$\text{Interest} = \text{Principal} \times \text{Cumulative return} \times 100\%$$

$$\text{Cumulative return} = \frac{\text{EL} - \text{SL}}{\text{SL}}$$

- Principal = The amount of the Initial Deposit plus the cumulative pre-issue interest accrued between the date of Initial Deposit and the Date of Issue.
- EL = The average end level of the reference index on October 5, 2023 is established as follows:  

$$\text{SL} \times (1 + \text{RR}_{2018}) \times (1 + \text{RR}_{2019}) \times (1 + \text{RR}_{2020}) \times (1 + \text{RR}_{2021}) \times (1 + \text{RR}_{2022})$$
- SL = The start level of the reference index on October 5, 2018 to which 100 is assigned as the initial value.
- 100% = The rate of participation in the index growth.

**RISK AND SUITABILITY**

- 14- This Guaranteed Investment is different from a traditional fixed-rate investment in that it does not provide a pre-determined yield.
- 15- Given the features of this kind of investment, the potential purchaser should consult his/her advisor to make sure that such an investment meets his/her investment objectives.
- 16- This Guaranteed Investment is a sound investment for those whose investment horizon is at least as long as the Term of the Guaranteed Investment and who also intend to keep it until maturity. It is also a sound choice for those who wish to diversify their investments and who wish to take advantage of a future increase in interest rates. However, it is not suitable for those who require an income during the Term.

**CONFLICT OF INTEREST**

- 17- The Caisse could find itself in a situation of conflict of interest because, as the issuer of the Guaranteed Investment, it or, as the case may be, the Fédération des caisses Desjardins du Québec (FCDQ) or another entity belonging to the same group as the FCDQ, calculates the yield and interest payable to members at maturity. However, the level of the rates for conventional term savings deposits with a term of one (1) year is public information and accessible to members.
- 18- When an advisor offers or recommends products made or distributed by Desjardins Group, he/she may earn incentive-based remuneration in the form of a bonus in addition to his/her salary. Although this incentive-based remuneration may create a conflict of interest, the Caisse and the advisor must ensure that the recommendations made or transactions carried out are appropriate for the member.
- 19- In addition to his/her primary role, an advisor may carry out another paid activity, working for another registered entity within the same group as the Fédération, in particular, as a financial planner or a mutual fund representative. These activities are separate from those carried out as an advisor at the Caisse and are therefore not the Caisse's responsibility.

**TERMS AND CONDITIONS GOVERNING REDEMPTION AND CONVERSION OPTIONS**

- 20- Once a year, the member may exercise his/her redemption or conversion option according to the terms and conditions set out below. The redemption option allows a member to redeem the total amount or a portion of the Guaranteed Investment. The conversion option allows a member to convert the total amount or a portion of the investment into another market-linked investment for a term that is equal to or longer than the term remaining on the current investment. Where appropriate, the member will have to contact the Caisse to find out about the eligible investments that are available to him/her during the conversion request period.

**Eligible Amounts and Notice of Execution**

To exercise his/her redemption or conversion option, the member must advise the Caisse in writing, by telephone or by fax during the redemption or conversion periods indicated below. For a conversion, the member must indicate the new investment and the term selected. The redemption or conversion option may be exercised on the total amount or a portion of the amount invested (partial withdrawals of at least \$3,000, with a remaining balance of at least \$3,000). In cases where the balance prior to the exercise of the redemption or conversion option is less than \$6,000, the full amount of the investment must be redeemed or converted. Unless otherwise specified by the member, the option selected will be exercised on the full amount of the investment.

**The Caisse is not in any manner required to advise the member of the periods in which he/she may exercise these options, the member being solely responsible for notifying the Caisse of his/her decision to exercise either of the options according to the agreed terms.**

The member who has notified the Caisse of his/her decision to exercise one of these options may only cancel this request during the redemption or conversion request periods, as determined below.

**Dates for Exercising the Redemption or Conversion Options**

	Period No. 1	Period No. 2	Period No. 3	Period No. 4
Redemption or conversion request period*	2019-10-14 to 2019-10-25	2020-10-12 to 2020-10-23	2021-10-11 to 2021-10-22	2022-10-10 to 2022-10-21
Effective date of the redemption or conversion**	2019-11-05	2020-11-05	2021-11-05	2022-11-07

\* Period during which either option may be exercised and that extends over a period of ten (10) business days.

\*\* Date on which the principal and interest payment is made, if applicable, or the transfer to another investment is made.

**Determination of the Redemption or Conversion Value**

The redemption value corresponds to the principal increased by the accrued interest the effective date of the redemption. Accrued interest is determined by the reference rate applicable on the effective date of redemption, to which a rate reduction is applied. The reduction applicable to the reference rate is indicated below and shall be determined based on the effective date of redemption.

The conversion value corresponds to the principal increased by the accrued interest at the effective date of conversion. Accrued interest is determined by the reference rate applicable on the effective date of conversion, to which a rate reduction is applied. The reduction applicable to the reference rate is indicated below and shall be determined based on the effective date of conversion.

Redemption period	Reduction applicable to the reference rate	Corrected annual bonus
Period no. 1	0.7500%	0.0000%
Period no. 2	0.7500%	0.0000%
Period no. 3	0.5625%	0.1875%
Period no. 4	0.5625%	0.1875%
<b>Conversion period</b>		
All periods	0.3750%	0.3750%

Prior to making the decision to exercise either of these options, it is recommended that the member inquire about the applicable tax treatments.

**RENEWAL AND TERMS AND CONDITIONS GOVERNING REDEMPTION OF PRINCIPAL AT MATURITY**

21- On the Date of Maturity of the Guaranteed Investment, unless AccèsD provides other instructions to the contrary, if the investment can be renewed online, or by notifying the Caisse no later than the fifth (5th) business day following such date, the balance of the principal and any interest shall be reinvested in a Guaranteed Investment of the same type offered with a corresponding minimum investment amount. The term shall be equal to the term of this Guaranteed Investment or, should no equal term be offered at that time, the term shall be the one closest to the term of this Guaranteed Investment. If a Market-linked Guaranteed Investment, offered with a minimum investment amount corresponding to the balance of the principal and any interest on the principal is not offered or is not available through automatic renewal for any reason whatsoever, the principal and any interest on the principal shall be deposited into a regular savings account or a personal chequing account. The annual interest rate shall be the rate then in effect at the Caisse for such a savings account. The interest shall be calculated daily and compounded annually.

**ACCESS TO INFORMATION**

22- The return on the Guaranteed Investment is posted regularly on the Desjardins website ([www.desjardins.com](http://www.desjardins.com)). It is intended for information purposes only and is different from the repurchase or conversion value. The Guaranteed Investment's yield and interest payable will only be calculated on the Date of Maturity. Complete information about Market-linked Guaranteed Investments is available on [www.desjardins.com](http://www.desjardins.com) or upon request by calling 1-800-CAISSES.

**TAXATION**

23- This Guaranteed Investment is an investment eligible for registered retirement savings plans (RRSPs), registered retirement income funds (RRIFs), locked-in retirement accounts (LIRAs), life income funds (LIFs) and tax-free savings accounts (TFSA). For Market-linked Guaranteed Investments not held in one of the aforementioned registered accounts, the pre-issue interest is considered to be interest income for tax purposes for the year the Guaranteed Investment is issued. Interest, as described in section 13, must be added annually to the member's income throughout the entire term of the product, even if it has not yet been paid out. Amounts paid at maturity are considered to be interest income. During the year it is paid, the member must add the interest received at maturity to his/her income, excluding the amounts taxed in previous years. Compliant tax information slips are issued by the Caisse for this purpose. This information is of a general nature and constitutes neither a legal nor a fiscal opinion. Please discuss with your tax advisor for more information.

**EXAMPLE OF RETURN CALCULATION AT MATURITY (5-year term) – Bull Market**

	Rate for one (1) year Conventional Term Savings	Annual Bonus Rate	Annual Reference Rate	Index Level at the end of the Reference Year
Reference Rate for the 1st year	0.90%	0.75%	1.65%	100.00 x 1.0165 = 101.65
Reference Rate for the 2nd year	1.10%	0.75%	1.85%	101.65 x 1.0185 = 103.53
Reference Rate for the 3rd year	1.10%	0.75%	1.85%	103.53 x 1.0185 = 105.45
Reference Rate for the 4th year	1.10%	0.75%	1.85%	105.45 x 1.0185 = 107.40
Reference Rate for the 5th year	0.85%	0.75%	1.60%	107.40 x 1.0160 = 109.12
<b>EL</b>				<b>109.12</b>
<b>Cumulative return*</b>				<b>9.12%</b>
<b>Annual compound rate of return*</b>				<b>1.76%</b>

\*The return is presented for information purposes only and is not indicative of future performance. It should not be interpreted as the return to be applied to this agreement.

**EXAMPLE OF RETURN CALCULATION AT MATURITY (5-year term) – Bear Market**

	<b>Rate for one (1) year Conventional Term Savings</b>	<b>Annual Bonus Rate</b>	<b>Annual Reference Rate</b>	<b>Index Level at the end of the Reference Year</b>
Reference Rate for the 1st year	0.90%	0.75%	1.65%	100.00 x 1.0165 = 101.65
Reference Rate for the 2nd year	0.85%	0.75%	1.60%	101.65 x 1.0160 = 103.28
Reference Rate for the 3rd year	0.85%	0.75%	1.60%	103.28 x 1.0160 = 104.93
Reference Rate for the 4th year	0.85%	0.75%	1.60%	104.93 x 1.0160 = 106.61
Reference Rate for the 5th year	0.60%	0.75%	1.35%	106.61 x 1.0135 = 108.05
<b>EL</b>				<b>108.05</b>
<b>Cumulative return*</b>				<b>8.05%</b>
<b>Annual compound rate of return*</b>				<b>1.56%</b>

\*The return is presented for information purposes only and is not indicative of future performance. It should not be interpreted as the return to be applied to this agreement.

Additional information

Info L1-L4...