

# Preferred Pricing Program

Applies to all Desjardins Funds and Chorus II, Melodia and SocieTerra Portfolios



## Management fee rebates

When you invest \$100,000 in a Desjardins Fund or a Chorus II, Melodia or SocieTerra Portfolio, you qualify for our preferred pricing program and management fee rebates. You may also be eligible for better rebates if other members of your family invest with Desjardins.

**Find out if you qualify.**

There are 2 ways to qualify:<sup>1</sup>

### Individual eligibility (\$100,000 or more)

When you have a total of \$100,000 or more worth of units of a Desjardins Fund or Chorus II, Melodia or SocieTerra Portfolio in your accounts, you qualify for an individual management fee rebate.

### Family grouping eligibility (\$250,000 or more)

When you have a total of \$250,000 or more worth of units of a Desjardins Fund or Chorus II, Melodia or SocieTerra Portfolio in your accounts, you can choose to create a family grouping. As the main investor for your family grouping, you can invite other qualifying family members to participate in the program, giving you access to better rebates.

Family grouping is available to:

- + All occupants of the same residence, considered as the main residence, without these people having to be related
- + Any person who is a child of the main investor
- + Any management company that is more than 50% owned by 1 or more family members

## Calculation and payment of management fee rebates

If you meet the eligibility criteria for our preferred pricing program, you're entitled to a rebate on your management fees.

The percentages of the progressive rebate, as illustrated in the table below,<sup>2</sup> are based on the total value of invested assets.

It's automatically paid out on a quarterly basis, with investors receiving additional units of their Desjardins Fund or Chorus II, Melodia or SocieTerra Portfolio.<sup>3</sup>

DAILY MARKET VALUE	REBATE RATE % (before taxes)
On the first \$100,000	0.075%
On the next \$150,000	0.15%
On the next \$250,000	0.20%
On the next \$500,000	0.25%
On anything over \$1,000,000	0.30%

## SAMPLE CALCULATION OF REBATE BEFORE TAXES

MS. DUBUC – \$200,000							
MARKET VALUE	INDIVIDUAL TOTAL	REBATE BY TIER	PAYMENT BEFORE TAXES	DAILY WEIGHTING	REBATE		
					DAILY	ANNUALIZED	
SocieTerra Balanced Portfolio – \$175,000	\$200,000	\$100,000 x 0.075%	\$75.00	\$225.00	365 days x (\$175,000 / \$200,000)	= \$0.5394	\$196.88
Desjardins SocieTerra Cleantech Fund – \$25,000		\$100,000 x 0.150%	\$150.00				
<b>TOTAL REBATE WITH TAX REFUND: \$259 (QUEBEC)   \$254 (ONTARIO)</b>							

## SAMPLE REBATE CALCULATION BEFORE TAXES

MR. TAYLOR AND HIS SON – \$375,000							
MARKET VALUE	GROUP TOTAL	REBATE BY TIER	PAYMENT BEFORE TAXES	DAILY WEIGHTING	REBATE		
					DAILY	ANNUALIZED	
Mr. Taylor – Chorus II Conservative Low Volatility Portfolio – \$300,000	\$375,000	\$100,000 x 0.075%	\$75.00	\$550.00	365 days x (\$300,000 / \$375,000)	= \$1.2055	\$440.00
		\$150,000 x 0.150%	\$225.00				
His son – Melodia Balanced Growth Portfolio – \$75,000		\$125,000 x 0.200%	\$250.00				
<b>TOTAL REBATE WITH TAX REFUND: \$632 (QUEBEC)   \$621 (ONTARIO)</b>							

The family grouping applies since the main investor has at least \$250,000 in assets.

THE FAMILY GROUPING ENTITLES MR. TAYLOR'S SON TO A MANAGEMENT FEE REBATE OF \$110 PER YEAR. ON HIS OWN, HE WOULD NOT HAVE BEEN ELIGIBLE.

# Tax treatment of management fee rebates

The management fee rebate is deemed to be income and, as a result, is taxable. Tax treatment differs, however, depending on whether your Desjardins Fund or Chorus II, Melodia or SocieTerra Portfolio units are held in a registered or non-registered account.

## REGISTERED ACCOUNTS

There is no immediate tax impact for rebates paid into registered accounts, such as an RRSP, LIRA, RRIF or LIF.<sup>4</sup> Tax is deferred until the money is withdrawn.

In the case of an RESP,<sup>4</sup> tax is deferred until educational assistance payments (EAPs) are received.

For a TFSA,<sup>5</sup> the management fee rebates are tax-exempt, as withdrawals aren't taxable.

## NON-REGISTERED ACCOUNTS

Management fee rebates can, depending on the circumstances, be considered dividends, capital gains or other income, or even as a return of capital, and can therefore be taxable immediately. They will be incorporated into your tax statements.

**For more information about our preferred pricing program, see your representative.**

- <sup>1</sup> The total value of the net assets invested in Desjardins Funds Class A and T units ("qualifying units") is used to determine the daily market value. Qualifying units can benefit from the management fee rebate under the preferred pricing program.
- <sup>2</sup> There's a table for fee-based Class F and S units available to Signature Service clients. The value of the assets invested in units of the Wise ETF Portfolios and of the Desjardins Alt Long/Short Equity Market Neutral ETF Fund (the "Exempt Funds") is used to determine the daily market value. However, the units of the Exempt Funds do not benefit from the management fee rebate under the preferred pricing program.
- <sup>3</sup> Please refer to the "Family grouping form" to find out more about the preferred pricing program.
- <sup>4</sup> RRSP: Registered retirement savings plan  
LIRA: Locked-in retirement account  
RRIF: Registered retirement income fund  
LIF: Life income fund  
RESP: Registered education savings plan
- <sup>5</sup> TFSA: Tax-free savings account

Desjardins Funds are not guaranteed, their value fluctuates frequently and their past performance is not indicative of their future returns. Commissions, trailing commissions, management fees and expenses may be associated with mutual fund investments. Please read the prospectus before investing. Desjardins Funds are offered by registered dealers.

