

## ADVANCE NOTICE OF CHANGE MILLENNIA III – NEW ERA

Dear Contract Owner:

We're writing to inform you of some changes we're making to the Millennia III Plan (New Era). We encourage you to read the information contained in this letter. **Be assured, you are not required to take any action regarding these changes.**

At Desjardins Insurance, we care about our clients' financial health. That's the reason behind the changes we're making to our line of Guaranteed Investment Funds (GIFs). To ensure our products remain competitive and provide value for our clients, we'll be adding, closing and transferring the following Funds:

Modifications to our Guaranteed Investment Funds lineup		
We're adding	We're closing...	...and replacing it with
DFS GIF – Dividend Income – Desjardins	DFS GIF – Dividend Income – Franklin Bissett	➔ DFS GIF – Dividend Income – Desjardins
	DFS GIF – Canadian Balanced – Franklin Bissett	➔ DFS GIF – Canadian Balanced – Fiera Capital

On **October 4, 2019**, if your Contract includes Units of any of the Guaranteed Investment Funds being closed, those Units will be transferred to the corresponding replacement Fund. The investment objectives will remain similar. Please note that tax implications may result from these changes. You can find more details in the **ADVANCE NOTICE OF CHANGE** on [page 2](#).

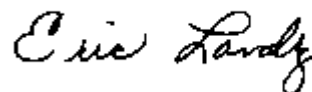
We will also be clarifying our process for paying out amounts owing upon death. This change will take effect **October 7, 2019**. This clarification will mean **lower fees** and **limiting exposure** to market volatility. We invite you to refer to the **ADVANCE NOTICE OF CHANGE** for more information.

If you have any questions, we encourage you to contact your advisor who will be pleased to assist you.

Sincerely,



**Gregory Chrispin**  
President and Chief Operating Officer



**Éric Landry**  
Vice-President, Investment Solutions

## Advance Notice of Change – Millennia III – New Era Contract

**October 2019**

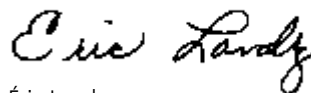
This Advance Notice of Change is an integral part of your Contract with Desjardins Financial Security Life Assurance Company and it should be read accordingly.

**Except for the changes described in this Notice, the terms and conditions of your Contract have not been changed.**

We certify that this document contains modifications to the above Contract and Information Folder, and provides brief and plain disclosure of these modifications. This document forms an integral part of the Contract called Desjardins Financial Security Guaranteed Investment Funds Plan issued by Desjardins Financial Security Life Assurance Company. Other than the modifications described in this document, the terms and conditions of this Contract have not otherwise been modified.



Gregory Chrispin  
President and Chief Operating Officer



Éric Landry  
Vice-President, Investment Solutions

In order to maintain the highest quality service and provide the best value for our clients, Desjardins Financial Security Life Assurance Company (DFS) periodically evaluates the insurance products we administer.

## Introducing A New Fund!

We are pleased to inform you that effective October 7, 2019, DFS will be introducing a new DFS Guaranteed Investment Fund. This Fund was selected to help you complement your portfolio. The Fund Fact for this new Fund can be found at the end of this Notice, on [page 8](#).

### DFS GIF – DIVIDEND INCOME – DESJARDINS

#### Investment Objective

To provide a high level of income, mostly in the form of dividends, and, to a lesser degree, long-term capital appreciation by investing primarily in Canadian, and to a lesser extent, foreign income-producing securities.

#### Investment Strategy

The Fund invests in income-producing securities which may include, but are not limited to, dividend paying equity securities, government and corporate bonds, income trusts and other securities primarily of Canadian issuers.

Series 3 – MER (All Fee Options)	Series 3 – Management Fee (All Fee Options)	Series 3 – Current Guarantee Fee (included in the MER) (All Fee Options)
3.11%	2.05%	0.55%

## Fund Closure:

Effective October 4, 2019, DFS will be closing the 2 following Funds.

Desjardins Financial Security will cease to accept any additional Deposits or switches from other Funds for any of the following Funds as of September 27, 2019 at 4 p.m. (EST), excluding Deposits made for existing pre-authorized debit agreement (PADs). In addition, September 27, 2019 will be the last day that redemptions (excluding systematic withdrawal plans (SWPS)) or switches out to other Funds will be accepted for the Funds slated for closure.

Please be advised that the value of the Units attributed to these Funds will be switched, free of any surrender charge or fee to the replacement Funds. In the event you have set up an existing PAD to make additional Deposits, these Deposits will be modified to reflect the changes in this Notice.

<b>CLOSING FUND</b>	<b>Series 3 – MER (All Fee Options)</b>	<b>Management Fee (included in MER)</b>	<b>Investment Objective</b>	<b>Benchmark</b>		<b>Fund Manager</b>
DFS GIF – Canadian Balanced – Franklin Bissett	3.16%	1.95%	To provide investors with a balance of current income and long-term capital appreciation primarily through the investment in Canadian fixed-income and equity securities.	FTSE Canada Universe Bond S&P/TSX S&P 500 MSCI EAFE Net S&P/TSX Small Cap Bloomberg Barclays U.S. Aggregate Bond J.P. Morgan Global Government Bond MSCI Emerging Markets Net	35% 32.5% 10% 10% 5% 2.5% 2.5% 2.5%	Bissett Investment Management

<b>REPLACEMENT FUND</b>	<b>Series 3 – MER of Replacement Fund (All Fee Options)</b>	<b>Management Fee (included in MER)</b>	<b>Investment Objective</b>	<b>Benchmark</b>		<b>Fund Manager</b>
DFS GIF – Canadian Balanced – Fiera Capital	3.19%	1.63%	To provide investors with a balance of capital growth and interest income by investing primarily in Canadian fixed income and equity securities.	S&P/TSX Capped FTSE Canada Universe Bond MSCI World Net FTSE Canada 91 Day Treasury Bills	40% 30% 20% 10%	Fiera Capital Corporation

<b>CLOSING FUND</b>	<b>Series 3 – MER (All Fee Options)</b>	<b>Management Fee (included in MER)</b>	<b>Investment Objective</b>	<b>Benchmark</b>		<b>Fund Manager</b>
DFS GIF – Dividend Income – Franklin Bissett	3.39%	2.06%	To provide the investor with a consistent return through investment in dividend paying common shares and preferred shares.	S&P/TSX S&P 500 FTSE Canada Universe Bond S&P/TSX Preferred Share	60% 20% 15% 5%	Bissett Investment Management

<b>REPLACEMENT FUND</b>	<b>Series 3 – MER of Replacement Fund (All Fee Options)</b>	<b>Management Fee (included in MER)</b>	<b>Investment Objective</b>	<b>Benchmark</b>		<b>Fund Manager</b>
DFS GIF – Dividend Income – Desjardins	3.11%	2.05%	To provide a high level of income, mostly in the form of dividends, and, to a lesser degree, long-term capital appreciation by investing primarily in Canadian, and to a lesser extent, foreign income-producing securities.	S&P/TSX Dividend FTSE Canada Universe Bond S&P/TSX Preferred Share	72.5% 17.5% 10%	Desjardins Global Asset Management

Please note that the switch to the replacement Fund will not decrease the Guaranteed Amounts under your Contract. The value of the Units withdrawn from the closing Fund and attributed to the replacement Fund is calculated at the Cutoff Time of the effective date of the closing of the Fund.

## Tax Implications

The changes related to the closures of our Funds may result in capital gains or losses for you.

If you own a Registered Contract (including a locked-in Contract), the transfer of the Units attributed to your Contract from the closing Fund(s) to the replacement Fund(s) will not cause tax implications.

However, if you own a non-registered Contract, the transfer of the Units attributed to your Contract from the closing Fund(s) to the replacement Fund(s) will cause a taxable disposition, which might produce either a capital gain or a capital loss. This would be reflected on the T3 tax slips (and Relevés 16 for a Quebec resident) issued for the fiscal year of 2019.

Please refer to the section "Income Allocations for Tax Purposes" in your Contract and Information Folder, where you can find more information.

## Clarification of Procedure Upon the Notification of Annuitant's Death

In order to clarify the treatment of your Contract upon notification of the Annuitant's death and minimize potential fluctuation of the market value, effective October 7, 2019, changes will be made to the "Death Benefit" section of all available Guarantees. Accordingly, the following information will be added at the end of the applicable Death Benefit section of your Contract:

"When the Company receives written notification of the Annuitant's death as per our Administrative Rules, the market value of the Units attributed to the Contract will be switched to the DFS GIF – Money Market Fund. Upon receipt of all necessary documentation in accordance with our Administrative Rules, a payment will be made to the Beneficiary equal to the market value of the Units attributed to the DFS GIF – Money Market Fund or the calculated Death Benefit (as described above), whichever is higher. This payment will terminate the Contract."

Please refer to your Contract and Information Folder for more information about the Death Benefit applicable to your Contract.

## For More Information

We invite you to refer to your current Contract, which outlines your options regarding the change rights that are contained in the Canadian Life and Health Insurance Association or in Quebec, the Autorité des marchés financiers, Guidelines for Individual Variable Insurance Contracts Relating to Segregated Funds, and the impact on your guarantees.

In addition, we have information about our Funds, including their performance history, on our Website: [desjardinslifeinsurance.com](http://desjardinslifeinsurance.com).

If you have any questions about this Notice or are contemplating changes, please contact your financial representative or our Guaranteed Investment Funds Department at 1-877-647-5435 should you need to be referred to a financial representative.

You may send your instructions by mail to Desjardins Financial Security Guaranteed Investment Funds Administration, 1 Complexe Desjardins, P.O. Box 9000, Montreal, QC H5B 1H5 or by fax to: 1-888-926-2987 or by email at: [gifclientservice@dfs.ca](mailto:gifclientservice@dfs.ca).



## Fund Facts

The following pages include the description for the new Fund but is not complete without the following “What if I change my mind” and “For more Information” sections below. However, these sections will only apply to new or subsequent Deposits made to the new Fund and does not apply to any other information contained in this Notice. Please refer to the sections below and to the individual Fund Fact pages for more details. As this Notice is for existing Contract Owners, the option to cancel your Contract in the section “What if I change my mind?”, does not apply.

### What if I change my mind?

**You can cancel your Contract within two business days of the earlier of the date you received confirmation or five business days after it is mailed.** You can also change your mind about subsequent purchases you make under the Contract within the earlier of two business days of the date you received confirmation or five business days after it is mailed to you. In this case, the right to cancel only applies to the new purchase.

You have to tell your insurer in writing, by email, fax, or letter, that you want to cancel. The amount returned will be the lesser of your Deposit or its value, if it has gone down. The amount returned only applies to the specific purchase and will include a refund of any sales charges or other fees you paid.

### For more information

This summary may not contain all the information you need. Please read the Contract and Information Folder.

You may contact us at:

**Desjardins Financial Security (DFS)**

Mailing Address: 1 Complexe Desjardins, P.O. Box 9000  
Montreal, QC H5B 1H5

Website: [desjardinslifeinsurance.com](http://desjardinslifeinsurance.com)

Email address: [gifclientservice@dfs.ca](mailto:gifclientservice@dfs.ca)

Telephone: 1-877-647-5435

Fax Number: 1-888-926-2987

**2. Quick Facts**

Inception Date: Fund: October 7, 2019  
 Series 3: October 7, 2019

Total Value (000's): Series 3: n/a

Net Asset Value per Unit: Series 3: n/a

Number of Units Outstanding (000's): Series 3: n/a

Management Expense Ratio (MER): Series 3: 3.11%

Portfolio Manager: Desjardins Global Asset Management

Portfolio Turnover Rate: n/a

Minimum Deposit: Variable

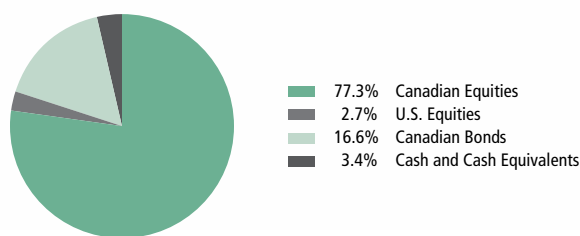
**3. What does this Fund invest in?**

**This Fund invests in the Desjardins Dividend Income Fund.** The underlying fund invests in income-producing securities which may include, but are not limited to, dividend paying equity securities, government and corporate bonds, income trusts and other securities primarily of Canadian issuers.

Top 10 Investments of underlying fund	
Royal Bank of Canada	6.7%
Toronto-Dominion Bank	5.9%
Canadian National Railway Company	4.5%
Scotiabank	4.2%
Enbridge	4.2%
Cash and Cash Equivalents	3.4%
Suncor Energy	2.7%
Manulife Financial	2.6%
Rogers Communications, Class B	2.6%
Nutrien	2.2%
<b>TOTAL</b>	<b>39.0%</b>

**TOTAL INVESTMENTS: 184**

**Investment Allocation as at December 31, 2018**



**4. How has the Fund performed?**

This section tells you how the Fund has performed for a Contract Owner. Returns are after the MER has been deducted.

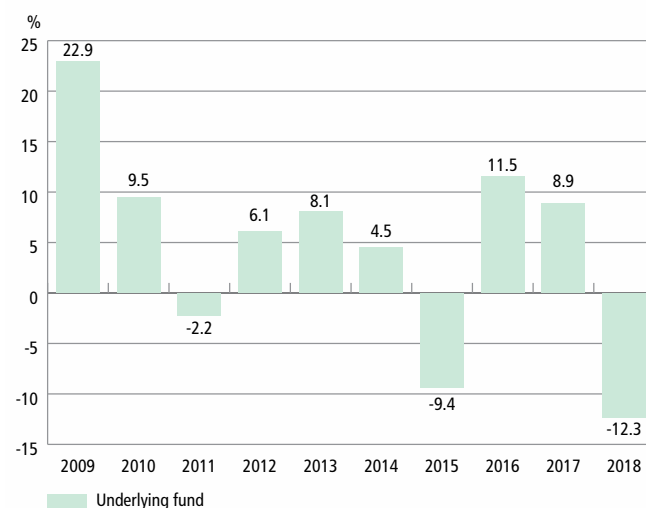
Since this Fund was launched on October 7, 2019 and no financial returns are available, the performance shown is for the underlying fund. It's important to note that this doesn't tell you how the Fund will perform in the future. Also, your actual return will depend on your personal tax situation.

**Average return**

This Fund was launched on October 7, 2019. An investor who purchased \$1,000 of units in the underlying fund on January 1, 1994 has \$1,520.20. This works out to an average of 4.3% a year.

**Year-by-year returns**

This chart shows how the underlying fund has performed in each of the past 10 years. Since 2009, the Fund went up in value 7 years and down in value 3 years of the 10.





# 1. DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY – MILLENNIA III – NEW ERA CONTRACT DFS GIF – DIVIDEND INCOME – DESJARDINS

Financial Information as at December 31, 2018

## 5. How risky is it?

The value of your Deposit can go down.

Low	Low to moderate	Moderate	Moderate to high	High
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## 6. Are there any guarantees?

This Fund is being offered under an insurance contract. It comes with guarantees that may protect an Owner's Deposit if markets go down. (The MER includes the insurance cost for the guarantee). For details, please refer to your Contract.

## 7. Who is this Fund for?

This Fund may be right for a person seeking income from dividends and capital growth.

## 8. How much does it cost?

The following tables show the fees and expenses you could pay to buy, own and sell Units of the Fund.

### A. Sales Charges

Fee Option	What you pay	How it works																
Negotiable Fee Option	Up to 5% of the amount of your Deposit	<ul style="list-style-type: none"> <li>You and your representative decide on the rate.</li> <li>The initial sales charge is deducted from your Deposit. It goes to your representative as a gross commission.</li> </ul>																
Back End Load, 6 years	<table border="0"> <tr> <td>If you sell within:</td> <td></td> </tr> <tr> <td>1 year of buying</td> <td>5.5%</td> </tr> <tr> <td>2 years of buying</td> <td>5.0%</td> </tr> <tr> <td>3 years of buying</td> <td>4.0%</td> </tr> <tr> <td>4 years of buying</td> <td>3.0%</td> </tr> <tr> <td>5 years of buying</td> <td>2.5%</td> </tr> <tr> <td>6 years of buying</td> <td>2.0%</td> </tr> <tr> <td>After 6 years</td> <td>0.0%</td> </tr> </table>	If you sell within:		1 year of buying	5.5%	2 years of buying	5.0%	3 years of buying	4.0%	4 years of buying	3.0%	5 years of buying	2.5%	6 years of buying	2.0%	After 6 years	0.0%	<ul style="list-style-type: none"> <li>When you make a Deposit, Desjardins Financial Security pays a gross commission of 5%</li> <li>Any deferred sales charge you pay goes to Desjardins Financial Security.</li> <li>The deferred sales charge is a set rate. It is deducted from the amount you sell.</li> <li>You can sell up to 12% of your Units each year without paying a deferred sales charge.</li> <li>You can switch to Units of other Funds under the insurance contract at any time, without paying a deferred sales charge.</li> <li>The deferred sales charge schedule will be based on the date you made your first Deposit.</li> </ul>
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2 years of buying	5.0%																	
3 years of buying	4.0%																	
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6 years of buying	2.0%																	
After 6 years	0.0%																	
Back End Load, 3 years	<table border="0"> <tr> <td>If you sell within:</td> <td></td> </tr> <tr> <td>1 year of buying</td> <td>3.0%</td> </tr> <tr> <td>2 years of buying</td> <td>2.5%</td> </tr> <tr> <td>3 years of buying</td> <td>2.0%</td> </tr> <tr> <td>After 3 years</td> <td>0.0%</td> </tr> </table>	If you sell within:		1 year of buying	3.0%	2 years of buying	2.5%	3 years of buying	2.0%	After 3 years	0.0%	<ul style="list-style-type: none"> <li>When you make a Deposit, Desjardins Financial Security pays a gross commission of 2.5%.</li> <li>Any deferred sales charge you pay goes to Desjardins Financial Security.</li> <li>The deferred sales charge is a set rate. It is deducted from the amount you sell.</li> <li>You can sell up to 12% of your Units each year without paying a deferred sales charge.</li> <li>You can switch to Units of other Funds under the insurance contract at any time, without paying a deferred sales charge.</li> <li>The deferred sales charge schedule will be based on the date you made your first Deposit.</li> </ul>						
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# 1. DESJARDINS FINANCIAL SECURITY LIFE ASSURANCE COMPANY – MILLENNIA III – NEW ERA CONTRACT DFS GIF – DIVIDEND INCOME – DESJARDINS

Financial Information as at December 31, 2018

## B. Ongoing Fund Fees

The MER includes the Management Fee, operating expenses and taxes of the Fund as well as the insurance cost under your Contract. You don't pay these expenses directly. They affect you because they reduce the return you get on your Deposit. For more details about how the guarantees work, see your Contract.

## C. Trailing Commission

Desjardins Financial Security pays your representative a trailing commission for as long as you own Units of the Fund. It is for the services and advice your representative provides to you. The trailing commission is paid out of the Management Fee. The rate depends on the sales charge option you choose:

- Negotiable Sales charge – 1.00% of the market value of the Units attributed to this Fee Option each year.
- Deferred Sales Charges – 0.40% of the market value of the Units attributed to this Fee Option each year.
- Low Load Sales Charges – 0.40% of the market value of the Units attributed to this Fee Option each year for the first 3 years and 1.00% of the market value of the Units attributed to this Fee Option thereafter.

## D. Short Term Trading Fees

There are no other fees that apply to the Millennia III Plan – New Era.

## 9. What if I change my mind?

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You can change your mind and cancel the Contract, the initial Deposit or any additional Deposit you apply to the Contract by telling us in writing within two business days of the earlier of the date you received confirmation or five business days after we have mailed it to you. Please see [page 7](#) for details. This page also contains details on how to get more information. This Fund Facts is not complete without [page 7](#).



# Choosing Desjardins...

is choosing Desjardins Group, the largest cooperative financial group in Canada whose financial stability is recognized by the following credit ratings which are comparable, if not superior to those of the five largest Canadian banks and insurance companies:

- Standard and Poor's A+
- Moody's Aa2
- Dominion Bond Rating Service AA
- Fitch AA-

[desjardinslifeinsurance.com](http://desjardinslifeinsurance.com)



The Contract and Information Folder contains important information on the Desjardins Financial Security Guaranteed Investment Funds Plan and the DFS Guaranteed Investment Funds. Please read it carefully before investing.

Desjardins Financial Security Guaranteed Investment Funds Plan, Millennia III and DFS Guaranteed Investment Funds are registered trademarks owned by Desjardins Financial Security Life Assurance Company. DFS Guaranteed Investment Funds are established by Desjardins Financial Security Life Assurance Company.

DFS stands for Desjardins Financial Security.

Desjardins Insurance refers to Desjardins Financial Security Life Assurance Company.



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