



**INVESTMENT AGREEMENT**  
**MARKET-LINKED GUARANTEED INVESTMENT**  
**Opportunity**  
**Guaranteed Investment**  
**FlexReturn 5 years**

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>2014-12-11</b>	<b>2019-12-11</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, as applicable. Unless the member notifies the Caisse in writing within three (3) business days of the contract's Effective Date (the "Cancellation Deadline"):
- (i) that the information shown on the agreement is not in accordance with his/her request, or
  - (ii) 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 11.
- 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-** 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 11 of this agreement.
- 5-** 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").
- 6-** The principal of this investment is guaranteed by the Caisse at maturity. The Guaranteed Investment may not be negotiated, transferred 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 22. No secondary market exists for this Guaranteed Investment nor will one be established.
- 7-** This Guaranteed Investment may be hypothecated or given as security only in favour of the issuing Caisse to the extent permitted under current legislation.
- 8-** This Guaranteed Investment is in Canadian dollars. The redemption of the principal and the payment of interest, if applicable, will be made in Canadian dollars.
- 9-** This Guaranteed Investment is covered by deposit insurance, up to the maximum eligible amount. More information is available online ([www.assurance-nb.ca](http://www.assurance-nb.ca)).

**FEES**

- 10-** 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**

- 11-** 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 1.000% per annum.
- 12-** 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 price of the twenty (20) securities described hereunder (the "securities"), in the following manner:

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

$$\text{Cumulative return} = \left[ \left( \frac{CP^2 - CP^1}{CP^1} \right) \times PR \text{ for } S_1 + \left( \frac{CP^2 - CP^1}{CP^1} \right) \times PR \text{ for } S_2 + \dots + \left( \frac{CP^2 - CP^1}{CP^1} \right) \times PR \text{ for } S_{20} \right] \times 1/20$$

For each  $S_1$  to  $S_{20}$  security, the result of  $\frac{CP^2 - CP^1}{CP^1}$  is subject to a maximum of 55.000%.

Maximum cumulative return = 55.000% equivalent to a maximum annual compound rate of return = 9.161%

If the cumulative return is negative, a value of zero will be retained in the calculation.

**OTHER CONDITIONS ON FOLLOWING PAGES**

(6-1-000000)

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.

CP<sup>2</sup> = The average closing price of each security on October 8, 2019, November 6, 2019 and December 5, 2019 (or the following business day if no reading takes place on this security on any of these dates).

CP<sup>1</sup> = The price of each security at closing on December 5, 2014 (or the following business day if no reading takes place on this security on this date).

S<sub>1</sub> to S<sub>20</sub> = Each one of the twenty (20) securities listed below.

PR = Variable participation rate, whereby:  
 PR = 100% if security S<sub>i</sub> yields a positive performance result.  
 PR = 50% if security S<sub>i</sub> yields a negative performance result.

S<sub>i</sub> performance result =  $\frac{CP^2 - CP^1}{CP^1}$  for each of the twenty (20) securities.  
 If the performance result of security S<sub>i</sub> is higher than 55.000%, the performance used is 55.000%.

Among the twenty (20) securities in the basket, securities with a positive performance at maturity will be assigned a participation rate of 100%. The participation rate used for securities with a negative performance at maturity is 50%. The performance of each security is subject to a maximum rate of 55.000%. The maximum cumulative return of 55.000% on the investment will only be achieved if each of the 20 securities performs equally, or higher, at this level.

Here are the twenty (20) securities (common shares) as well as their respective stock markets and currencies. Each security has the same weighting in the portfolio. (The Caisse does not issue any opinion on the future evolution of the price of the securities.)

<b>List of stock market securities. The weight applying to each security is 5%.</b>					
Security	Stock Market	Currency	Security	Stock Market	Currency
S <sub>1</sub> : Agrium Inc. (AGU CT)	Toronto	Canadian dollars	S <sub>11</sub> : Kraft Foods Group, Inc. (KRFT UW)	Nasdaq GS	U.S. dollars
S <sub>2</sub> : Automatic Data Processing, Inc. (ADP UW)	Nasdaq GS	U.S. dollars	S <sub>12</sub> : Mitsubishi Corporation (8058 JT)	Tokyo SE	Japanese Yen
S <sub>3</sub> : Canadian Imperial Bank of Commerce (CM CT)	Toronto	Canadian dollars	S <sub>13</sub> : Pfizer, Inc. (PFE UN)	New York SE	U.S. dollars
S <sub>4</sub> : National Bank of Canada (NA CT)	Toronto	Canadian dollars	S <sub>14</sub> : Power Corporation of Canada (POW CT)	Toronto	Canadian dollars
S <sub>5</sub> : BCE Inc. (BCE CT)	Toronto	Canadian dollars	S <sub>15</sub> : Reed Elsevier NV (REN NA)	EN Amsterdam	Euros
S <sub>6</sub> : Canadian National Railway Co. (CNR CT)	Toronto	Canadian dollars	S <sub>16</sub> : Roche Holding AG (ROG VX)	SIX Swiss	Swiss Francs
S <sub>7</sub> : Commonwealth Bank of Australia (CBA AT)	Australia SE	Australian dollars	S <sub>17</sub> : Royal Dutch Shell Plc (RDSA NA)	EN Amsterdam	Euros
S <sub>8</sub> : Duke Energy Corporation (DUK UN)	New York SE	U.S. dollars	S <sub>18</sub> : Telefonica S.A. (TEF SQ)	Continuous (Spain)	Euros
S <sub>9</sub> : GlaxoSmithKline Plc (GSK LN)	London SE	Pound Sterling	S <sub>19</sub> : Texas Instruments Incorporated (TXN UW)	Nasdaq GS	U.S. dollars
S <sub>10</sub> : Kimberly-Clark Corp. (KMB UN)	New York SE	U.S. dollars	S <sub>20</sub> : Total S.A. (FP FP)	Paris	Euros

#### INTEREST LIMIT

- 13- The interest paid at maturity, if applicable, is subject a maximum as described in section 12. If the yield of the securities is higher than the maximum cumulative return at maturity, then the interest paid will match this maximum.
- 14- The yield of the securities does not take into account the payment of dividends or distributions on shares or other securities included in the securities.

#### RISK AND SUITABILITY

- 15- Since the return on the Guaranteed Investment is tied to changes in the market, this Guaranteed Investment carries a higher level of risk than a traditional fixed-rate investment. It is possible that the yield based on the performance of the stock market may be nil at maturity. This Guaranteed Investment is different from traditional fixed-rate investments because it does not guarantee a return determined in advance. The yield on the Guaranteed Investment can only be known for certain at maturity and is a function of the appreciation of the securities, which could be subject to major fluctuations in the capital markets. Consequently, the Caisse cannot guarantee a yield at the Date of maturity.
- 16- The Guaranteed Investment's return at maturity will not be affected by changes in exchange rates, even if the security prices are published in foreign currencies.
- 17- The Guaranteed Investment is not a direct investment in the securities. Therefore, the member is not entitled to the rights or the benefits of a shareholder, such as the right to receive distributions or dividends or the right to vote or attend shareholders' meetings.
- 18- The cumulative return is calculated based on the average of the closing price of each security as described in section 12. Consequently, the yield paid out at maturity may not reflect the rate of return on each security between the Date of Issue and the Date of Maturity.
- 19- 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.
- 20- 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 gain exposure to the capital market. However, it is not suitable for those who require an income during the term.

#### CONFLICT OF INTEREST

- 21- 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 security prices are public information and accessible to members.

#### TERMS AND CONDITIONS GOVERNING REDEMPTION AND CONVERSION OPTIONS

- 22- Once a year, after the Guaranteed Investment has been held for three (3) years, 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 one or the other option 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
Redemption or conversion request period*	2017-12-04 to 2017-12-15	2018-12-03 to 2018-12-14
Date of determination of the redemption or conversion value	2018-01-05	2019-01-07
Effective date of the redemption or conversion**	2018-01-10	2019-01-10

\* 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 value of the redemption corresponds to the market value of the Guaranteed Investment on the date its value has been determined. The value of the conversion to another market-linked guaranteed investment is higher than the redemption value due to an increase granted to the member for demonstrating loyalty.

It is impossible to determine the redemption or conversion value in advance. The member will be informed of the approximate value of the redemption or conversion on request, during the request period only. The value is given for guidance only due to the time frame between the date the redemption request was made and the date the value of the redemption or conversion is determined. **The member may therefore obtain a value that does not correspond to the approximate value received during the option request period, and the variations may be either higher or lower.**

The redemption or conversion value varies based on the following factors: the cumulative return on the Guaranteed Investment since its issue, the fact that the principal guarantee applies at maturity only, volatility, interest rates and the term remaining before the Date of Maturity. Factors that influence redemption and conversion values interact, which means, for example, that one factor may cancel the potential increase in the redemption or conversion value that is attributable to another factor. To illustrate, an increase in interest rates may cancel the full amount or part of the increase in the redemption or conversion value that is attributable to the investment's cumulative return. **Therefore, the redemption or conversion value may not reflect the product's cumulative return since its issue, and may even be lower than the principal. The redemption or conversion value never equals the maximum possible value of the investment at maturity.**

For a redemption or conversion, any amount paid over and above the principal will be considered interest income for Guaranteed Investments held outside registered plans. Prior to making the decision to exercise either of these options, it is recommended that the member inquire about the applicable tax treatments.

### Extraordinary Events

Even if the Caisse intends to proceed with the redemption or conversion request on the dates specified, extraordinary events may arise, as stipulated in section 24 on the following page, that may prevent the Caisse from proceeding with the redemption or conversion as agreed. The member who notified the Caisse of his/her intention to exercise either of these options will then be informed of the situation.

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

**23-** On the Date of Maturity, unless the Caisse is notified to the contrary no later than the fifth (5th) business day following such date, the principal and interest, if applicable, shall be deposited to a Market-linked Guaranteed Investment of the same type. 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, when this Guaranteed Investment matures, a Market-linked Guaranteed Investment of the same type is not offered or is not available through automatic renewal for any reason whatsoever, the principal of the Guaranteed Investment and interest on it, if applicable, shall be deposited to a term savings account for a term equal to the Term of this Guaranteed Investment. The annual interest rate shall be the rate then in effect at the Caisse for such investment, depending on the applicable term. The interest shall be calculated daily and compounded annually.

## EXTRAORDINARY EVENTS

**24-** The member acknowledges that a disruption on capital markets (e.g. transactions halted due to a sharp drop in or a problem with the publication of the security prices), a change in the publication of the security prices (e.g. a merger, a stock split), securities facing some financial hardship (e.g. company bankruptcy) or any other extraordinary circumstance or event out of the control of Desjardins Group and having a significant impact on product management (an "Extraordinary Event") may occur and affect the Caisse's capacity to calculate or pay the yield or to fulfill any other obligation on the date provided for. If the Caisse believes, at its sole discretion, that such an event has occurred, the member agrees that the Caisse may depart from the terms and conditions of this agreement and take any action as deemed appropriate and equitable in the circumstances, including, without limitation, the substitution of securities, adjusting, anticipating or deferring the calculation or the payment of the yield, or determining the yield in a different manner. The Caisse will determine which measures to take in the above-mentioned circumstances, at its sole discretion, and will take reasonable action and will consider the interests of all stakeholders, in particular, without limiting the scope of the foregoing, those of members with products, those of other members of the Caisse or Desjardins Group, and the interests of the Caisse and those of Desjardins Group.

Because the product includes a guarantee capital, an extraordinary event will not affect the guarantee capital, but may positively or negatively affect the yield, and if negatively, it may be reduced to 0.

## ACCESS TO INFORMATION

**25-** The return on the investment is posted regularly on the website ([www.acadie.com](http://www.acadie.com)) and is intended for information purposes only. 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.acadie.com](http://www.acadie.com) or upon request by calling your Caisse.

## TAXATION

**26-** 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 the year the Guaranteed Investment is issued. The member must add the pre-issue interest invested in the Guaranteed Investment according to section 5 to his/her income for the year said investment is issued. Interest paid to the member at maturity is considered to be interest income for tax purposes. The member must add the interest received at maturity, if applicable, to his/her income for the year it was paid. 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

Security and Corresponding Bloomberg Rating	CP <sup>1</sup>	CP <sup>2</sup>	Security Performance (before the participation rate and the maximum)	Performance Used* (after the maximum)	Participation Rate	Security Performance (after the participation rate and the maximum)
S12: Mitsubishi Corporation (8058 JT EQUITY)	2 168.50	4 337.00	100.00%	55.00%	100.00%	55.00%
S2 : Automatic Data Processing Inc. (ADP UW EQUITY)	84.28	151.70	80.00%	55.00%	100.00%	55.00%
S1 : Agrium Inc. (AGU CT EQUITY)	102.01	173.42	70.00%	55.00%	100.00%	55.00%
S5 : BCE Inc. (BCE CT EQUITY)	49.25	81.26	65.00%	55.00%	100.00%	55.00%
S7 : Commonwealth Bank of Australia (CBA AT EQUITY)	81.30	130.08	60.00%	55.00%	100.00%	55.00%
S3 : Canadian Imperial Bank of Commerce (CM CT EQUITY)	105.30	165.32	57.00%	55.00%	100.00%	55.00%
S6 : Canadian National Railway Company (CNR CT EQUITY)	80.12	123.39	54.00%	54.00%	100.00%	54.00%
S8 : Duke Energy Corporation (DUK UN EQUITY)	74.77	105.43	41.01%	41.01%	100.00%	41.01%
S20: Total S.A (FP FP EQUITY)	51.41	69.92	36.00%	36.00%	100.00%	36.00%
S9 : GlaxoSmithKline Plc (GSK LN EQUITY)	1 447.50	1 910.70	32.00%	32.00%	100.00%	32.00%
S10: Kimberly-Clark Corporation (KMB UN EQUITY)	107.69	136.77	27.00%	27.00%	100.00%	27.00%
S11: Kraft Foods Group, Inc. (KRFT UW EQUITY)	58.57	72.63	24.00%	24.00%	100.00%	24.00%
S4 : National Bank of Canada (NA CT EQUITY)	52.80	58.61	11.01%	11.01%	100.00%	11.01%
S13: Pfizer, Inc. (PFE UN EQUITY)	29.37	31.72	7.99%	7.99%	100.00%	7.99%
S14: Power Corporation of Canada (POW CT EQUITY)	31.88	34.12	7.01%	7.01%	100.00%	7.01%
S17: Royal Dutch Shell Plc (RDSA NA EQUITY)	30.83	32.37	5.00%	5.00%	100.00%	5.00%
S15: REED Elsevier NV (REN NA EQUITY)	17.43	17.78	2.03%	2.03%	100.00%	2.03%
S16: Roche Holding AG (ROG VX EQUITY)	269.30	272.00	1.00%	1.00%	100.00%	1.00%
S18: Telefonica S.A. (TEF SQ EQUITY)	12.39	11.15	-10.00%	-10.00%	50.00%	-5.00%
S19: Texas Instruments Incorporated (TXN UW EQUITY)	48.40	39.20	-19.01%	-19.01%	50.00%	-9.50%
<b>Cumulative Return*</b>						<b>28.18%</b>
<b>Equivalent Compound Annual Return*</b>						<b>5.09%</b>

\* The return is presented for information purposes only and is not indicative of future performance. The maximum cumulative return on this investment is 55.000%. If the performance of a security at maturity is higher than 55.000%, the performance result used at maturity will be 55.000%. If the cumulative return is negative, a value of zero will be retained in the calculation.

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

<b>Security and Corresponding Bloomberg Rating</b>	<b>CP<sup>1</sup></b>	<b>CP<sup>2</sup></b>	<b>Security Performance (before the participation rate and the maximum)</b>	<b>Performance Used* (after the maximum)</b>	<b>Participation Rate</b>	<b>Security Performance (after the participation rate and the maximum)</b>
S12: Mitsubishi Corporation (8058 JT EQUITY)	2 168.50	3 252.75	50.00%	50.00%	100.00%	50.00%
S2 : Automatic Data Processing Inc. (ADP UW EQUITY)	84.28	103.65	22.98%	22.98%	100.00%	22.98%
S1 : Agrium Inc. (AGU CT EQUITY)	102.01	117.31	15.00%	15.00%	100.00%	15.00%
S5 : BCE Inc. (BCE CT EQUITY)	49.25	55.65	13.00%	13.00%	100.00%	13.00%
S7 : Commonwealth Bank of Australia (CBA AT EQUITY)	81.30	91.05	12.00%	12.00%	100.00%	12.00%
S3 : Canadian Imperial Bank of Commerce (CM CT EQUITY)	105.30	114.76	8.99%	8.99%	100.00%	8.99%
S6 : Canadian National Railway Company (CNR CT EQUITY)	80.12	79.33	-0.99%	-0.99%	50.00%	-0.49%
S8 : Duke Energy Corporation (DUK UN EQUITY)	74.77	72.53	-3.00%	-3.00%	50.00%	-1.50%
S20: Total S.A (FP FP EQUITY)	51.41	49.35	-4.00%	-4.00%	50.00%	-2.00%
S9 : GlaxoSmithKline Plc (GSK LN EQUITY)	1 447.50	1 375.13	-5.00%	-5.00%	50.00%	-2.50%
S10: Kimberly-Clark Corporation (KMB UN EQUITY)	107.69	99.06	-8.01%	-8.01%	50.00%	-4.01%
S11: Kraft Foods Group, Inc. (KRFT UW EQUITY)	58.57	51.55	-11.99%	-11.99%	50.00%	-6.00%
S4 : National Bank of Canada (NA CT EQUITY)	52.80	45.40	-14.01%	-14.01%	50.00%	-7.00%
S13: Pfizer, Inc. (PFE UN EQUITY)	29.37	24.96	-15.00%	-15.00%	50.00%	-7.50%
S14: Power Corporation of Canada (POW CT EQUITY)	31.88	25.50	-20.01%	-20.01%	50.00%	-10.00%
S17: Royal Dutch Shell Plc (RDSA NA EQUITY)	30.83	24.35	-21.02%	-21.02%	50.00%	-10.51%
S15: REED Elsevier NV (REN NA EQUITY)	17.43	12.90	-25.97%	-25.97%	50.00%	-12.98%
S16: Roche Holding AG (ROG VX EQUITY)	269.30	191.18	-29.01%	-29.01%	50.00%	-14.51%
S18: Telefonica S.A. (TEF SQ EQUITY)	12.39	8.06	-34.96%	-34.96%	50.00%	-17.48%
S19: Texas Instruments Incorporated (TXN UW EQUITY)	48.40	26.62	-44.99%	-44.99%	50.00%	-22.50%
<b>Cumulative Return*</b>						<b>0.15%</b>
<b>Equivalent Compound Annual Return*</b>						<b>0.03%</b>

\* The return is presented for information purposes only and is not indicative of future performance. The maximum cumulative return on this investment is 55.000%. If the performance of a security at maturity is higher than 55.000%, the performance result used at maturity will be 55.000%. If the cumulative return is negative, a value of zero will be retained in the calculation.

Additional information
<b>INST. 865 ANGLAIS</b>

(6-3-000000)

